

# Sustainability Report

## 2023



Stock code 301267



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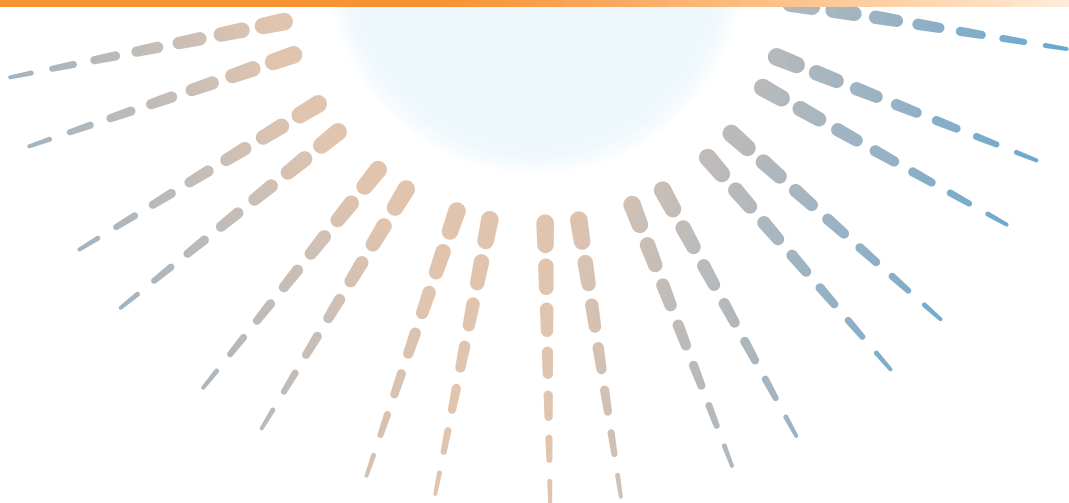
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## Preparation of Report

This is the 2023 Sustainability Report ("this report") released by Huaxia Eye Hospital Group Co., Ltd. (referred to as "Huaxia Eye Hospital" or "We"). This report aims to provide stakeholders with an overview of the company's sustainability efforts and accomplishments in 2023.

## Reference Guidelines

We prepare this report in accordance with the "Global Reporting Initiative Standards" (GRI Standards) and "Sustainability Accounting Standards Board Standards" (SASB Standards), and take into account the requirements of the "Guidelines No. 2 of Shenzhen Stock Exchange for Self-Regulation of Listed Companies—Standardized Operation of ChiNext Listed Companies", "Guidelines No. 17 of Shenzhen Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)", IFRS Sustainability Disclosure Standards (ISDS), and the United Nations Sustainable Development Goals (SDGs).

## Reporting Scope

The report is released annually, and the reporting period of this report is from January 1, 2023 to December 31, 2023. Some parts of the report may be beyond the aforementioned scope. Unless otherwise specified, the sustainability data disclosed in this report covers all entities within the company's consolidated scope.

## Explanatory Note

Abbreviation	Full Name
Huaxia Eye Hospital or We	Huaxia Eye Hospital Group Co., Ltd.
Xiamen Eye Center	Xiamen Eye Center Co., Ltd., subsidiary of Huaxia Eye Hospital Group Co., Ltd.
Chongqing Huaxia Eye Hospital	Chongqing Huaxia Eye Hospital Co., Ltd., subsidiary of Huaxia Eye Hospital Group Co., Ltd.
Shenzhen Huaxia Eye Hospital	Shenzhen Huaxia Eye Hospital, subsidiary of Huaxia Eye Hospital Group Co., Ltd.
Shanghai Heping Eye Hospital	Shanghai Heping Eye Hospital Co., Ltd., subsidiary of Huaxia Eye Hospital Group Co., Ltd.
Bijie Huaxia Yangming Eye Hospital	Bijie Huaxia Yangming Eye Hospital Co., Ltd., subsidiary of Huaxia Eye Hospital Group Co., Ltd.
Ningbo Yinzhou Eye Hospital	Ningbo Yinzhou Eye Hospital Co., Ltd., subsidiary of Huaxia Eye Hospital Group Co., Ltd.

## External Assurance

RSM China CPA LLP independently guarantees the environmental, social and corporate governance performance key indicators in this report.

## Access to Report and Feedback

This report is published in electronic format in both Simplified Chinese and English. In the event of any inconsistencies between the Chinese and English versions, the Chinese version shall prevail. The electronic version of the report can be accessed and downloaded from our official website (<https://www.huaxiaeye.com/>) and the Shenzhen Stock Exchange website (<http://www.szse.cn/>). If you have any comments or suggestions on our economic, environmental, and social performance, please reach us by 0592-2108975.

## Preface

In the past year, we have made remarkable progress in the continued pursuit of green development principles. We are proud to announce that we have been successfully selected as the "2022 Annual Outstanding ESG Practice Cases of Chinese Enterprises" and honored as the "2022 Annual Best ESG Enterprises for Practices in Corporate Social Responsibility". The recognition not only acknowledges our steadfast commitment to social responsibility and our dedication to positive business practices but also inspires us to continue advancing on this path in the future.

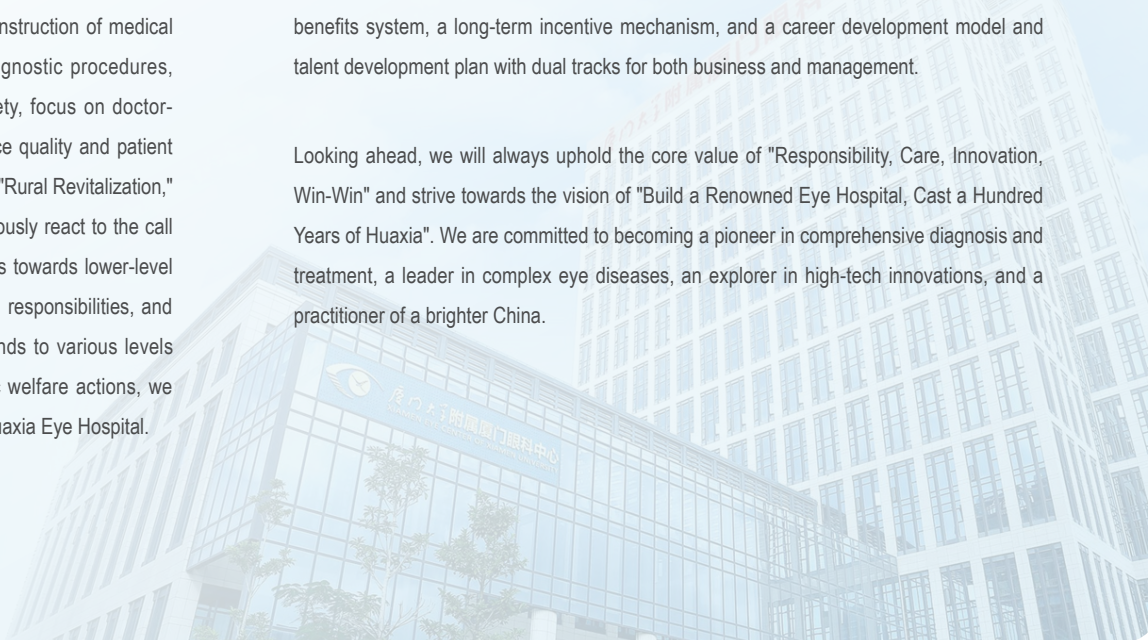
We actively respond to the national carbon peaking and net zero emissions targets and the temperature control goals set by the Paris Agreement, profoundly implementing a green development strategy. We continuously optimize and enhance the environmental management level of our business operations, integrate the green and low-carbon concept into various aspects of our business operations, and strive to reduce the negative impact of medical pollution on the environment and the public. We proactively conduct corporate carbon inventories to understand our carbon emissions, and take various energy-saving and emission-reduction measures to reduce energy consumption, making responsible efforts as corporate citizens to curb global climate change and achieve the United Nations Sustainable Development Goals.



We uphold the mission of "Whether rich or poor, we serve each patient with care, and protect healthy and bright eyes for all," and the service tenet of "Patient always comes first." We deeply cultivate the ophthalmology specialty medical service industry, accelerating market layout through both dual-driving force of "self-construction + mergers and acquisitions," and adhering to the principle of "Full-scale development with key breakthroughs." We focus on service enhancement to provide multi-level and diversified high-quality ophthalmic medical services to more patients. We promote the construction of scientific research and innovation platforms, establish a mature scientific research and academic system, and steadily improve the innovation capabilities of medical research and academics. This aims to achieve a positive loop where research findings to drive technological improvements, leading clinical techniques towards higher quality. We continue to strengthen the construction of medical management systems, strictly regulate medical behaviors and diagnostic procedures, enhance supervision and management of medical quality and safety, focus on doctor-patient communication, improve service systems, and increase service quality and patient satisfaction. We align with national strategies such as "Healthy China," "Rural Revitalization," "Support Tibet and Xinjiang," and "Belt and Road Initiative." We vigorously react to the call of the National Health Commission to "Channel high-quality resources towards lower-level hospitals so that everyone has access to health," shoulder the social responsibilities, and extend high-quality ophthalmic medical resources and charitable funds to various levels of society. Together through a series of specific and in-depth public welfare actions, we contribute to the construction of "Healthy China" with the strength of Huaxia Eye Hospital.

Since our establishment, we have regarded talent as the core competitiveness of medical services and the driving force behind the development of the hospital. With eye disease diagnosis and treatment as our development foundation, we are committed to promoting the overall coordinated development of the "Medical, Education and Research" system, which integrates clinical diagnosis and treatment, medical research, and teaching. We have accumulated rich clinical experience in ophthalmic diseases and have built a team of experts covering eight major subspecialties in ophthalmology and optometry, including internationally renowned experts such as Li Xiaoxin, Zhao Kanxing, Ge Jian, and Liu Zuguo. We endeavor to provide employees with an equitable, inclusive, diverse, healthy, and upwardly mobile work environment through the creation of a comprehensive employee compensation and benefits system, a long-term incentive mechanism, and a career development model and talent development plan with dual tracks for both business and management.

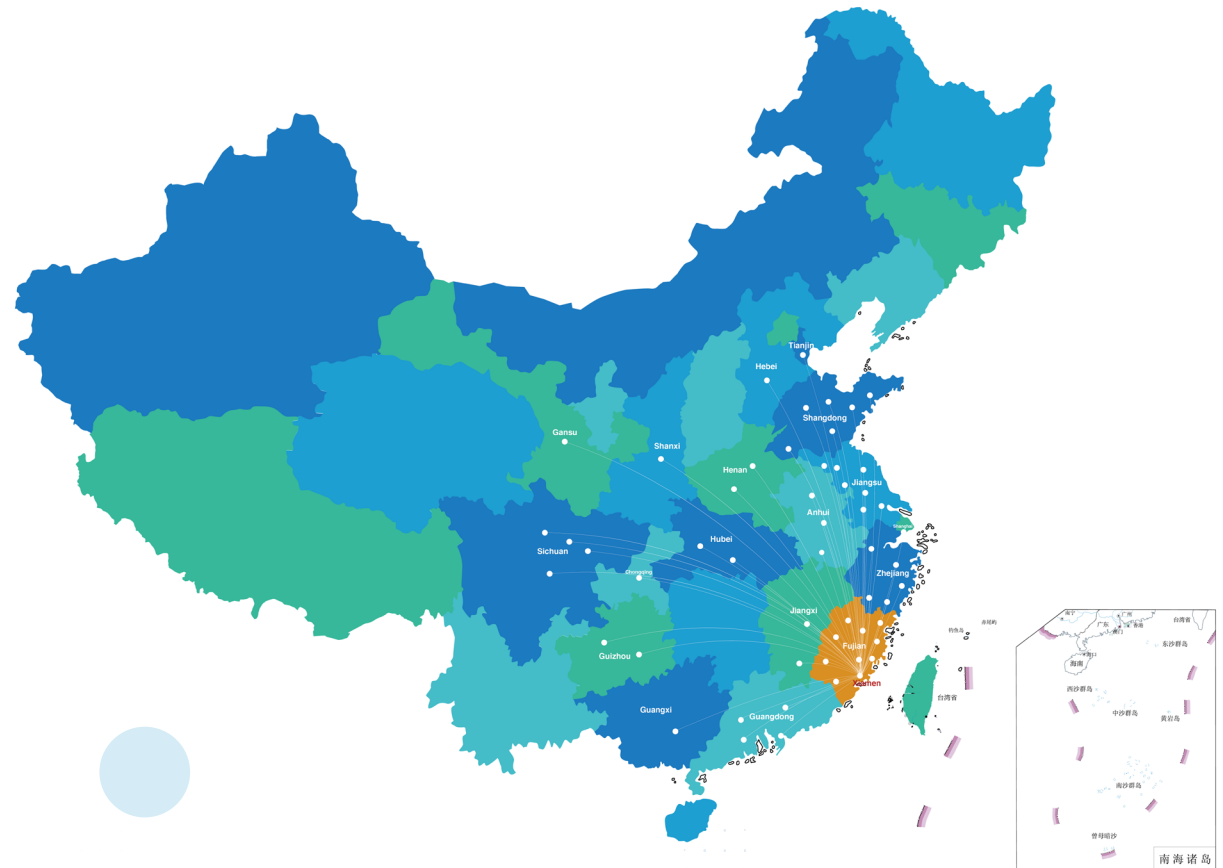
Looking ahead, we will always uphold the core value of "Responsibility, Care, Innovation, Win-Win" and strive towards the vision of "Build a Renowned Eye Hospital, Cast a Hundred Years of Huaxia". We are committed to becoming a pioneer in comprehensive diagnosis and treatment, a leader in complex eye diseases, an explorer in high-tech innovations, and a practitioner of a brighter China.



## About Us

Huaxia Eye Hospital (Stock Code: 301267), established in 2004, is a large-scale ophthalmology medical chain group specializing in medical services of ophthalmology specialty. We provide comprehensive ophthalmic diagnosis and treatment services for ophthalmic patients domestically and internationally. The services cover eight subspecialties of ophthalmology, including cataracts, refractive error, ocular fundus diseases, strabismus & amblyopia and pediatric ophthalmology, ocular surface diseases, glaucoma, orbit and oculoplastics, ocular tumors, and ocular trauma, as well as optometry specialty.

At present, we have set up 57 ophthalmic hospitals and 60 optometry centers in China, covering 18 provinces and 47 cities, spanning across the East China, Central China, South China, Southwest China, North China and other vast areas. We have established a nationwide diagnosis and treatment service network system through the chain operation model. Xiamen Eye Center, a subsidiary hospital of our company, was awarded the national grade A tertiary Specialty Hospital in 2004. It is the national clinical key specialty (ophthalmology) unit, the National Drug Clinical Trial Institution (GCP), and has a postdoctoral research workstation, academician expert workstation and Fujian Provincial Key Laboratory of Ocular Surface and Corneal Diseases.



## Corporate Culture

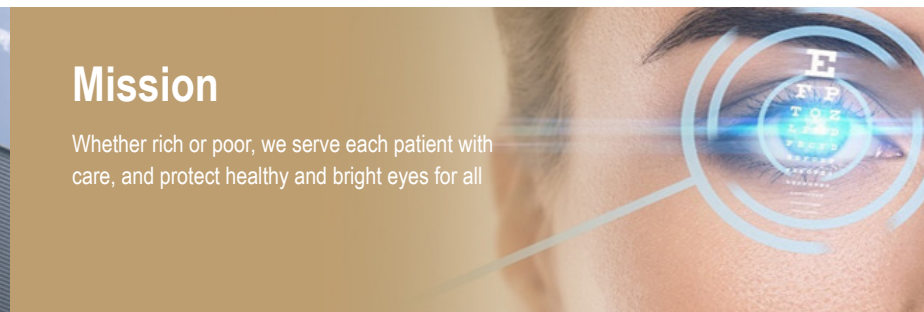
### Vision

Build a Renowned Eye Hospital, Cast a Hundred Years of Huaxia



### Mission

Whether rich or poor, we serve each patient with care, and protect healthy and bright eyes for all



### Goal

Patient Satisfaction, Employee Contentment, Peer Endorsement, Societal Recognition, Government Trust



### Service Tenet

Patient Always Comes First



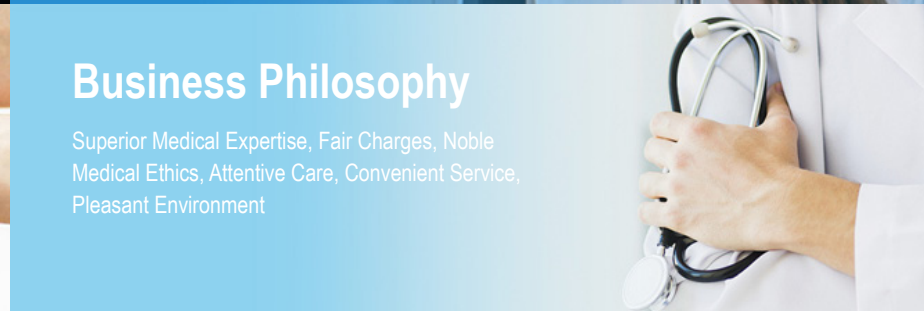
### Core Value

Responsibility, Care, Innovation, Win-Win






### Business Philosophy

Superior Medical Expertise, Fair Charges, Noble Medical Ethics, Attentive Care, Convenient Service, Pleasant Environment







## 2023 Sustainable Development Impact

 Economic Impact	Total assets <b>737,870.58</b> <small>Ten-thousand RMB</small>	Operating revenue <b>401,316.44</b> <small>Ten-thousand RMB</small>	Net profit attributable to shareholders of the parent company <b>66,593.21</b> <small>Ten-thousand RMB</small>	
 Environmental Impact	GHG emission intensity <b>500.98</b> <small>tCO<sub>2</sub>e /hundred-million of operating revenue</small>	Energy consumption intensity <b>117.16</b> <small>ton of coal equivalent/ hundred-million of operating revenue</small>		
 Social Impact	Total social contributions <b>169,469.19</b> <small>Ten-thousand RMB</small>	Total tax payment <b>26,330.83</b> <small>Ten-thousand RMB</small>	Employee compensation <b>117,754.05</b> <small>Ten-thousand RMB</small>	Interests paid to creditors <b>51.61</b> <small>Ten-thousand RMB</small>
	Total employees <b>7,613</b> <small>persons</small>	Dividends paid to shareholders <b>16,096.10</b> <small>Ten-thousand RMB</small>	Social donations <b>11,340.02</b> <small>Ten-thousand RMB</small>	Minus Fiscal subsidies received <b>2,103.42</b> <small>Ten-thousand RMB</small>
		Occupational fatalities <b>0</b> <small>persons</small>	Total employee training hours <b>296,653</b> <small>hours</small>	

## 2023 Honors and Awards

<p>"2022 Annual Best ESG Enterprises for Practices in Corporate Social Responsibility" "2022 Annual Outstanding ESG Practice Cases of Chinese Enterprises"</p>	 <p>China.org.cn China.com.cn</p>	<p>"2023 Annual 'Star' Companies on the Growth Enterprise Market (GEM) "</p> 
<p>"2022 Annual Philanthropic Enterprise"</p>	 <p>公益时报 CHINA PHILANTHROPY TIMES</p>	<p>"Social Responsibility Vanguard Enterprise Award"</p> 
<p>"2022 Annual Biotechnology Innovation Award" "2023 Top Ten Trusted National Health Brands"</p>	 <p>思想创造价值 华夏时报 CHINA TIMES</p>	<p>"2023 Outstanding Brand Management Company"</p> 
<p>"Top 50 Emerging Brands on Brand Value List of China Listed Companies" honored by National Business Daily and China Enterprise Research Center of School of Economics and Management, Tsing Hua University</p>	 <p>每日经济新闻 NATIONAL BUSINESS DAILY</p>	<p>"The Most Trusted Medical Service Institution by Users"</p> 
<p><b>Xiamen Eye Center of Xiamen University</b> 7th place among national ophthalmology specialty hospitalson "Specialty Ranking List of National GCP Institute of Drug Clinical Trial Volume Ranking" in China Forums of CCHRPP</p>	 <p>中国临床试验能力研究与受试者保护高峰论坛 China Forums of Clinical Research Capacity Building and Human Research Participants Protection (CCHRPP)</p>	<p><b>Shenzhen Huaxia Eye Hospital</b> "A-level unit for medical service quality" awarded by Health Commission of Shenzhen Municipality</p> 

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# Environmental

## 2023 Key Performance Goals for Environmental Issues

- ✔ Conduct annual inventory of GHG emissions (Scope 1, Scope 2)
- ✔ Actively engage in energy conservation and emission reduction actions to enhance energy efficiency and gradually introduce clean energy sources
- ✔ Enhance the construction of environmental management systems, and obtain ISO 14001 certification covering 100% of subsidiary companies
- ✔ Ensure compliance in the discharge of wastewater and emissions, and proper handling of medical waste according to regulations



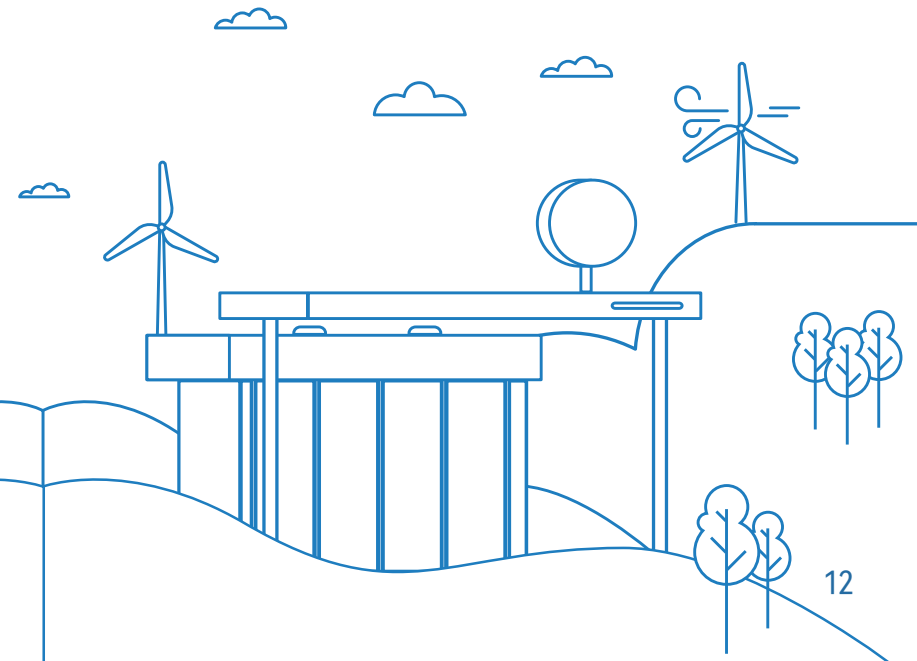
## Climate Response

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Due to the combined influence of human activities and natural factors, the global warming trend continues unabated, with an increase in the frequency and intensity of extreme weather events. The future global climate is expected to further warm, amplifying the risks associated with climate change. As a significant non-traditional security factor, climate change poses a serious threat to both the natural environment and the socio-economic development of our country. As a leading domestic ophthalmology hospital group, we actively respond to the national carbon peaking and net zero emission targets and the temperature control goals outlined in the Paris Agreement by implementing various energy-saving and emission-reduction measures, thus contributing to mitigating climate change.

## Sustainability Risk Management

We utilize scenario models provided by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) to respectively identify and evaluate the short-term, medium-term, and long-term physical risks, and transition risks and opportunities faced by the company. Through the formulation of appropriate risk response measures, we aim to enhance our resilience to sustainable development risks and capitalize on transformational opportunities.



## Physical Risks

We have selected the very low GHG emissions scenario (SSP1-1.9)<sup>1</sup> and the very high GHG emissions scenario (SSP5-8.5)<sup>2</sup> from the five scenarios under the IPCC's Shared Socioeconomic Pathways (SSP) to conduct Near term, Medium term, and Long term identification and assessment of climate-related disaster risks affecting our business operations.

<sup>1</sup>The very low emissions scenario SSP1-1.9: Assuming that global greenhouse gas emissions peak around 2030 and then gradually decline, ultimately achieving net-zero emissions around 2050.

<sup>2</sup>The very high GHG emissions scenario SSP5-8.5: Global greenhouse gas emissions are projected to continue increasing, through the end of the 21st century. Compared to 1850-1900, global surface temperature averaged over 2081-2100 is very likely to be higher by 3.3° C to 5.7°c.

## Physical Risk Assessment

Climate-related Disaster Risks	Current Status	2030		2050	
		SSP1-1.9	SSP5-8.5	SSP1-1.9	SSP5-8.5
Typhoon and Flood	Low Impact	Low Impact	High Impact	High Impact	Extreme High Impact
Sea Level Rise	Low Impact	Low Impact	Medium Impact	Medium Impact	High Impact
Extreme High and Low Temperatures	Low Impact	Low Impact	High Impact	High Impact	Extreme High Impact
Water Scarcity	Low Impact	Low Impact	High Impact	High Impact	Extreme High Impact

○ Extreme Low Impact  
 ● Low Impact  
 ● Medium Impact  
 ● High Impact  
 ● Extreme High Impact

## Physical Risk Management

Physical Risks	Impact Period	Mitigation Plan
Typhoon and Flood	Near Term, Mid-Term and Long Term	<ul style="list-style-type: none"> <li>Timely release of typhoon and flood warning information, and rational arrangement of work plans.</li> <li>Reinforce hospital buildings to prevent damage from strong typhoons. For inventory items prone to damage, promptly transfer them to safe locations to minimize potential losses caused by typhoons.</li> <li>Develop typhoon emergency plans and evacuation plans, regularly organize emergency drills for typhoon and flood prevention to ensure the safety and health of employees and patients.</li> <li>Stockpile necessary supplies such as food, water, first aid medications, emergency lighting, communication equipment, etc., to address potential water and power outages caused by typhoons and floods.</li> </ul>
Sea Level Rise	Mid-Term and Long Term	<ul style="list-style-type: none"> <li>Maintain close communication with local government meteorological departments to monitor the rate and extent of sea level rise, assess the risks faced by company assets and operations, and organize necessary relocations when required.</li> </ul>
Extreme High and Low Temperatures	Near Term, Mid-Term and Long Term	<ul style="list-style-type: none"> <li>Reasonably schedule employees' work hours to avoid conducting outdoor tasks during periods of high or low temperatures.</li> <li>Install cooling or heating devices in the workplace to provide a comfortable working environment for employees. Conduct regular health checks on employees to promptly detect and address any related health issues.</li> </ul>
Drought	Near Term, Mid-Term and Long Term	<ul style="list-style-type: none"> <li>Regularly conduct water conservation training for employees, promote the use of water-saving techniques and equipment to reduce water wastage.</li> <li>Rationally design and construct water facilities for hospital wards, install water-saving fixtures, and enhance guidance on water usage for patients.</li> </ul>

## Transition Risks

We have selected the the Net Zero Emissions by 2050 Scenario (NZE)<sup>3</sup> and Stated Policies Scenario (STEPS)<sup>4</sup> and under the IEA's scenario models to conduct an assessment of the transition risks and opportunities that climate policies and measures will bring to the company's future development, and formulate corresponding response measures to enhance the company's sustainability capabilities.

<sup>3</sup>**Net Zero Emissions by 2050 (NZE) scenario:** Global energy-related carbon emissions reach net zero by 2050. Limiting the rise in global temperatures to 1.5°C.

<sup>4</sup>**The Stated Policies scenario (STEPS):** Considers only specific policies already enacted or announced by governments, annual carbon emissions from energy and industrial processes will increase from 34 Gt in 2020 to 36 Gt in 2030, remaining at roughly the same level until 2050. If emissions continue along this trajectory and non-energy-related greenhouse gas emissions follow a similar trend, the temperature will rise by approximately 2.7°C by 2100 (with a 50% probability). By 2050, the share of renewable energy in global electricity generation will be close to 55%. Between 2020 and 2050, global coal consumption is projected to decrease by 15%, while oil consumption is expected to increase by 15%, and natural gas consumption is anticipated to increase by nearly 50%.

## Transition Risk Management

Transition Risks	Impact Period	Mitigation Plan
Pressure from GHG emission reduction policies and regulations	Mid-Term and Long Term	Continuously optimize and enhance the environmental management level of business operations, integrate the green and low-carbon concept into various aspects of business operations. Actively conduct corporate carbon footprint assessments, clarify carbon reduction pathways, and implement energy-saving and emission reduction measures to reduce energy consumption and carbon emissions. Additionally, achieve overall intelligent operation and management of the company through informatization and digitalization construction.
Risks arising from changes in industry policies	Near Term, Mid-Term and Long Term	Closely monitor industry policy dynamics, fully leverage the advantages of large-scale ophthalmology chain groups, continuously deepen the integration of medical, education, and research, and constantly enhance resilience capabilities.
Shifts in consumer preferences	Near Term, Mid-Term and Long Term	Establish new and acquire existing ophthalmic hospitals and optometry centers to expand the company's national ophthalmic medical service network. Introduce high-end equipment and advanced technology, continuously cultivate and attract medical talent, enhance overall medical service capabilities, further improve the diagnosis and treatment service system, meet the diverse needs of the ophthalmic medical service market, and continuously enhance the company's influence and competitiveness in the ophthalmic specialty medical service industry.
Loss of talent	Near Term, Mid-Term and Long Term	Keep improving to attract, train, and motivate talents, increase efforts in talent pool construction, refine the compensation and incentive system that integrates short, medium, and long-term goals, maintain a stable and sufficient team of high-quality medical professionals to meet the rapidly expanding talent demand of the company's medical network.

## GHG Emissions Management

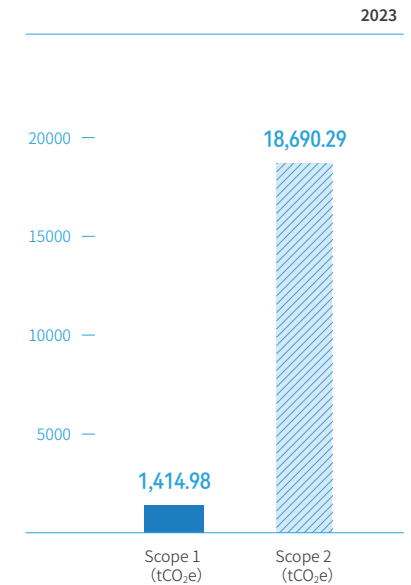
We conducted the GHG inventory work for the entities within the scope of consolidation with operational control following the requirements of ISO 14064-1:2018 standard, using the operational control approach. Our 2023 GHG inventory scope includes Scope 1 direct emissions sources and Scope 2 indirect emissions sources. The specific details of the inventory scope are outlined as follows:

GHG Category	Definition	Primary GHG Emissions Activities
Scope 1	Direct GHG emissions refer to emissions generated directly by the organization, including those from burning fossil fuels and emissions from industrial processes. These emissions are categorized into stationary combustion emissions, mobile combustion emissions, process emissions, and fugitive emissions.	<ul style="list-style-type: none"> <li>Natural gas stove</li> <li>Gasoline fleet vehicles</li> <li>Diesel fleet vehicles</li> </ul>
Scope 2	Indirect energy-related GHG emissions refer to emissions generated by the consumption of energy sources such as electricity and heat by an organization. This includes emissions from purchased electricity, purchased steam, etc.	<ul style="list-style-type: none"> <li>Purchased Electricity</li> </ul>

In 2023, our GHG emissions (including GHG Scope 1 and Scope 2) amounted to 20,105.27 tCO<sub>2</sub>e, with direct GHG emissions (Scope 1) at 1,414.98 tCO<sub>2</sub>e, representing 7% of the total emissions, and indirect energy-related GHG emissions (Scope 2) at 18,690.29 tCO<sub>2</sub>e, accounting for 93% of the total emissions. The GHG emission intensity was 500.98 tCO<sub>2</sub>e /hundred-million RMB.

### The GHG Emissions

Category	2023
Scope 1: Direct Emissions (tCO <sub>2</sub> e)	1,414.98
Scope 2: Indirect Emissions (tCO <sub>2</sub> e)	18,690.29
Total Emissions (tCO <sub>2</sub> e)	20,105.27
Carbon Emissions Intensity (tCO <sub>2</sub> e/hundred-million RMB)	500.98



## Resource Utilization and Circular Economy

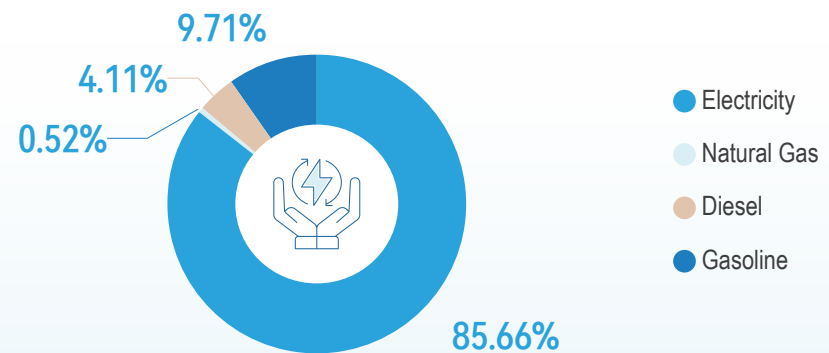
Electricity is currently the most widely used energy source for operating medical equipment, lighting, air conditioning, elevators, and other equipment in our operations. We deeply understand the importance of resource conservation in environmental protection and addressing climate change. We actively practice energy conservation and emission reduction actions, strive to promote energy transformation, and make our due contributions to mitigating climate change.

### Energy Management

We prioritize energy management and strive for continual enhancement of energy usage efficiency throughout our operations. The predominant energy consumption in our operational processes is electricity. In 2023, our electricity consumption totaled 32,772,733.13 kWh, equivalent to 4,027.77 metric tons of coal equivalent, representing 85.66% of the total energy consumption.

#### 2023 Energy Structure

Energy Type	Energy Consumption	Energy Consumption (Tonne of coal equivalent)	Energy Consumption Percentage
Electricity (kWh)	32,772,733.13	4,027.77	85.66%
Natural Gas (m <sup>3</sup> )	18,400.00	24.47	0.52%
Diesel (L)	154,299.93	193.35	4.11%
Gasoline (L)	424,892.63	456.39	9.71%
<b>Total</b>		<b>4,701.98</b>	<b>100%</b>







## Energy Conservation and Emission Reduction

We have formulated the "Management Measures for Electricity Cost Control" and coordinated with our affiliated hospitals to establish regulations such as "Electricity and Water Management System" and "Water and Electricity Conservation Regulations" according to local policies. Regular inspections are conducted to ensure the scientific and rational utilization of electricity, water, and other resources, optimizing their usage ways.


In 2023, we took energy-saving initiatives as follows:

-  Prohibited the procurement of energy-consuming products that have been explicitly phased out by the country, and prioritized the purchase of energy-efficient and emission-reducing products to reduce resource consumption at the operational level.


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-  Regulated devices with high electricity consumption to improve their operational efficiency.


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-  Remodeled electrical equipment. Newly purchased lighting or office equipment and other electrical appliances should meet energy-saving standards and requirements, gradually phasing out non-energy-saving lights and other high-energy-consuming equipment.


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-  Used solar street lights at the waste transfer station, planning to install photovoltaic solar panels on the rooftop of hospitals.


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-  Implemented national standards for temperature and humidity: summer air conditioning temperature set between 22-28°C (according to national energy-saving requirements, not lower than 26°C), with a relative humidity of 40-80%. Air conditioning units are required to be turned off promptly when not in use and not left in standby mode.


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-  Monitored the monthly water and electricity consumption of subordinate hospitals, promptly investigated reasons for abnormal increases in water and electricity consumption, and strengthened advocacy for water and electricity conservation.

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-  Promoted education for employees to cultivate a sense of thrift, cost consciousness, and a stronger sense of responsibility for water and electricity conservation, fostering good habits of energy saving and consumption reduction.

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-  Distributed multi-functional tote bags to employees as a replacement for disposable packaging in daily life, promoting resource recycling and environmental conservation.



## Pollution Control and Ecosystem Protection

We strictly adhere to relevant laws and regulations such as the "Environmental Protection Law of the People's Republic of China" and incorporate the green and low-carbon concept into various aspects of our business operations. When new hospitals are established in different locations, we design and construct them according to the unified environmental protection requirements of local governments. Meanwhile, we communicate with local health commissions and environmental protection bureaus, assess environmental risks, issue environmental impact assessment reports, and strive to reduce the negative impact of corporate operations on the ecological environment. Currently, we have obtained ISO 14001 environmental management system certification, covering 100% of subsidiaries within the group. In 2023, we conducted self-monitoring of exhaust gas, wastewater, and noise according to the requirements of the "Self-Monitoring Program of Xiamen Eye Center Asset Management Co., Ltd." and no instances of non-compliant discharge were found.



## Water Conservation

We strictly adhere to the requirements of relevant laws and regulations such as the "Environmental Protection Law of the People's Republic of China," the "Water Law of the People's Republic of China," and the "Water Pollution Prevention and Control Law of the People's Republic of China." We emphasize water conservation and continuously improve the utilization efficiency of water resources. The water resources we use daily mainly include domestic water, fire-fighting water, and water for greenery. Internally, we monitor water usage by installing water meters and assigning dedicated personnel to inspect water meter data daily, striving to ensure the effective utilization of water resources. We actively encourage and educate employees on water conservation practices, encouraging them to promptly turn off taps after use and posting friendly reminders to promote water conservation as a virtue. In 2023, our water withdrawal was 338,517.48 tons, and the emission of pollutants from wastewater met the standard requirements.

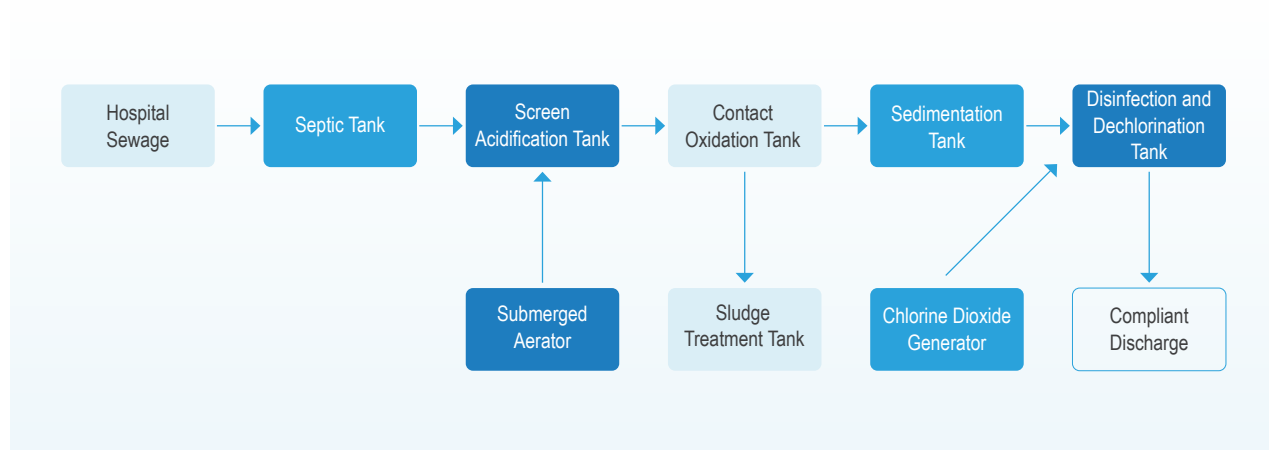
We have formulated the "Sewage Treatment Management System" and obtained discharge permits to ensure that wastewater is strictly discharged according to standards. The pollutants in our wastewater mainly include animal and plant oils, volatile phenols, cyanides, petroleum compounds, biochemical oxygen demand, anionic surfactants, chemical oxygen demand, etc. For different pollutants, we conduct self-monitoring on a daily, weekly, monthly, and quarterly basis.

## Medical Wastewater Treatment

We effectively treat medical wastewater through facilities such as regulating tanks, reaction tanks, oxidation tanks, sedimentation tanks, disinfection tanks, water pumps, and other sewage treatment facilities. In 2023, we established a sewage treatment plant to monitor the concentration of pollutants in wastewater in real time, and it is connected to national, provincial, and municipal environmental monitoring platforms. The sewage treatment plant is managed by dedicated personnel. The discharged wastewater from the sewage treatment plant complies with the "Discharge standard of water pollutants for medical organization" (GB18466-2005), with the comprehensive medical institution and other medical institution's pretreatment standards as the emission limits. Ammonia is regulated according to the government standards of "Discharge standard of water pollutants". Our medical wastewater, after meeting the standards through treatment at the sewage treatment plant, is discharged into the municipal sewage network and then into the urban sewage treatment plant. Additionally, any fugitive emissions generated during the wastewater treatment process are treated by the purification equipment at the sewage treatment plant.



### Process of Medical Wastewater Treatment



## Domestic Wastewater Treatment

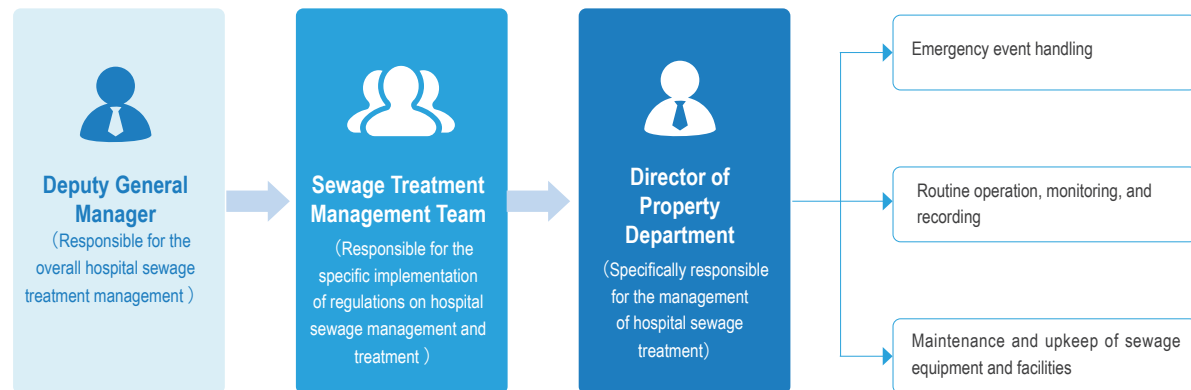
Domestic wastewater generated includes sewage from cleaning activities, toilets, and other sources. To address domestic wastewater, we have installed sedimentation tanks and filtration nets in hospital cafeterias. We regularly clean grease traps and septic tanks, and prohibit the placement of pollutants such as chemicals and oils around the outlets of domestic wastewater pipelines. All domestic wastewater undergoes treatment in three-stage septic tanks before being discharged to meet standards. Additionally, we use environmentally friendly products for cleaning activities to reduce domestic wastewater discharge.

### Highlight

#### Wastewater Management Practices at Shanghai Heping Eye Hospital

Our subordinate company, Shanghai Heping Eye Hospital, has established a management structure for wastewater treatment, which is led by the Deputy General Manager, with the wastewater treatment management team handling specific management and execution tasks. The Property Department serves as the Management and Monitoring Department for Medical Sewage Treatment, with the Property Department Director as the main responsible person.

We assign dedicated personnel to manage the sewage treatment plant, require them to diligently follow the operation procedures, strictly adhere to the responsibilities of sewage treatment personnel, be familiar with equipment performance, master maintenance and repair techniques, promptly identify and rectify faults, and report to relevant department leaders for record. The sludge is cleared and disposed of by a professional company once a year. Daily duty records are filled out (including dosing amounts, residual chlorine sampling, etc.), COD, residual chlorine, and pH value tests are conducted and recorded monthly, actively cooperate with the municipal (district) environmental protection bureau staff for monitoring, and keep relevant data properly stored.



## Waste Gas Management

We implement strict management measures to ensure the efficient treatment and safe emissions of various types of waste gases generated during the daily operation of office premises.

### Cafeteria Fume Exhaust

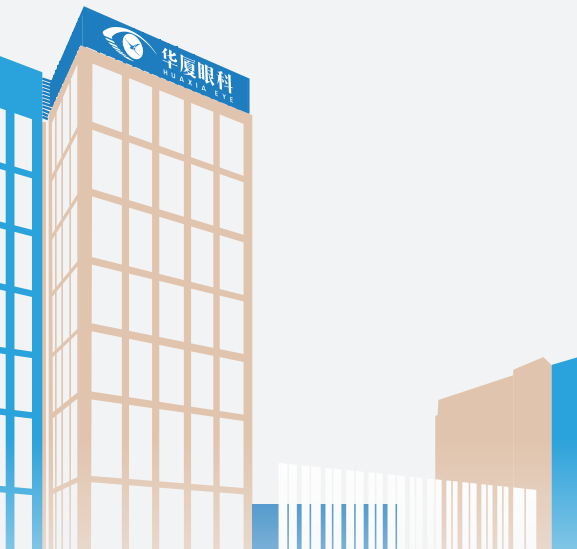
Fume exhaust from the cafeteria is directed through ducts to the roof, where it undergoes treatment via fume purifiers before discharge.

### Backup Generator Room Exhaust

Dedicated exhaust pipelines are installed, allowing the direct discharge of exhaust gases generated within the generator room to the rooftop of the building.

### Vehicle Exhaust in the Parking Garage

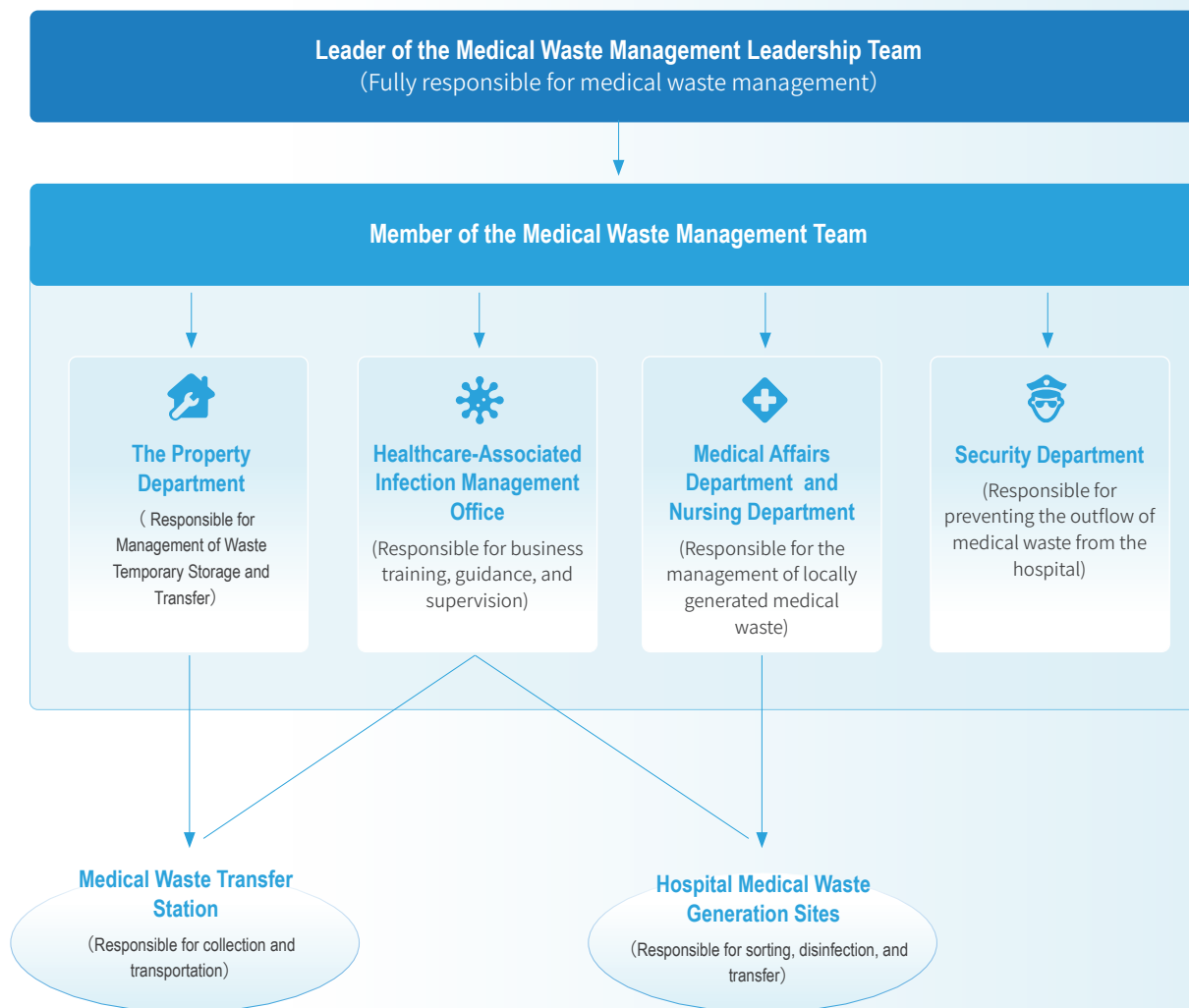
Special exhaust ventilation equipment is installed. When setting up the underground garage exhaust ducts, they are positioned away from windows and pedestrian pathways on the ground floor of the building. Exhaust vents face towards greenery areas, avoiding areas with high pedestrian and vehicular traffic. Additionally, the orientation of exhaust ducts is adjusted based on prevailing wind direction to prevent gas recirculation.



## Waste Management

We observe the laws and regulations including the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, the Regulations on the Management of Medical Waste, and the Measures for the Management of Medical Waste in Health Care and Medical Institutions. We have established multiple systems such as the Medical Waste Commissioning System, the Management System for Classified Collection of Medical Waste, the Medical Waste Recycling and Transportation System, and the Management System for Temporary Storage of Medical Waste, aiming to minimize the generation of solid waste and the pollution to the environment.

We have set up a medical waste management structure, with the leader of the Medical Waste Management Leadership Team taking overall responsibility for medical waste management. And team members are tasked with implementing medical waste management regulations.



The waste generated during our business operations includes general waste and medical waste (infectious solid waste and sharp waste).

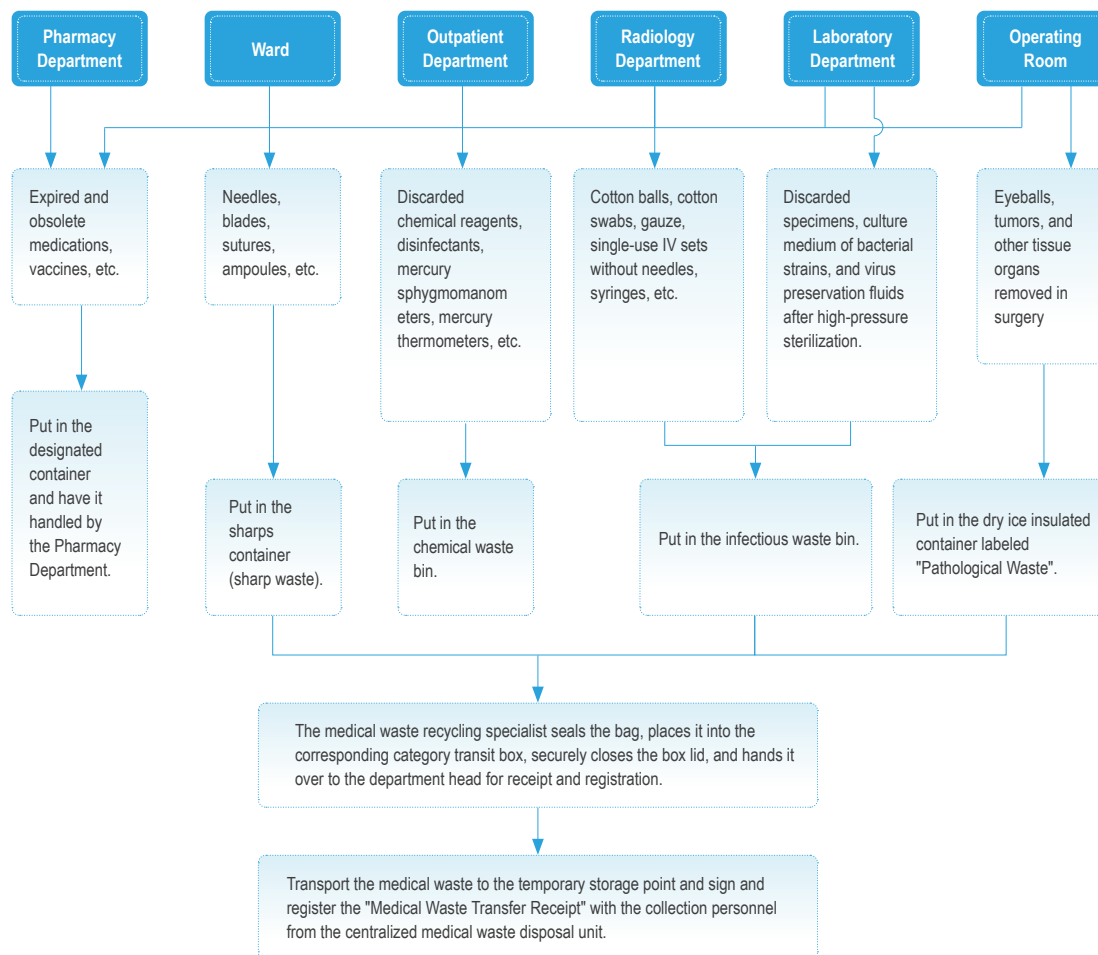
### For general waste

We comply with the local government's waste classification regulations, and conduct waste sorting within each floor and department according to the relevant system. Cleaning staff then collect the sorted waste and transport it to the designated municipal waste station for further classification.

### For medical waste

We establish medical waste transfer points and designated hazardous waste areas. We entrust third-party organizations with professional qualifications to handle compliance processing.

## Flow Chart of Medical Waste Collection, Transportation, and Storage



We require each department of the hospital to implement classified collection according to the "Medical Waste Classification Catalog," strengthen management, and prevent the loss or leakage of medical waste. Based on the categories of medical waste, medical waste should be placed in packaging bags or containers that comply with the "Regulations on Special Packing, Vessel Standard and Warning Sign for Medical Waste".

- The management of waste anesthetics, psychotropic drugs, radioactive materials, toxic substances, and related waste shall be carried out in accordance with relevant laws, regulations, national standards.

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- Bulk chemical waste and waste toxic agents shall be disposed of by specialized institutions.

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- High-risk waste such as pathogen cultures, specimens, seeds, and preservatives of toxin strain shall undergo pressure steam sterilization or chemical disinfection at the point of generation, and then be collected and treated as infectious waste.

## Biodiversity Protection

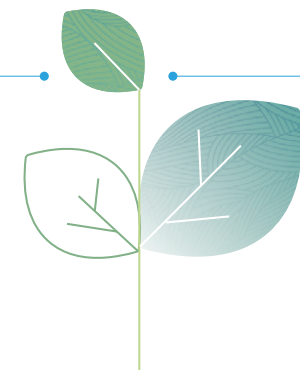
We uphold the concept of sustainable development, strictly abide by the "Law of the People's Republic of China on the Protection of Wildlife," "Regulations of the People's Republic of China on Nature Reserves," and the "Kunming-Montreal Global Biodiversity Framework," focusing on biodiversity conservation. We make efforts to avoid conducting business activities in nature reserves, ecologically sensitive, and fragile areas. Currently, all our development projects are not located within ecologically sensitive areas. We actively conduct environmental impact assessments before constructing new facilities in the campus area. This involves monitoring and evaluating indicators related to the impact on the surrounding environment, including air quality, surface water, groundwater, soil, noise, solid waste, as well as flora and fauna, in order to avoid any adverse effects on local biodiversity and the ecological environment caused by business operations.

During the construction of the new project, we actively implement prevention and control measures to address various types of pollution emissions generated during the construction period. These measures include requiring the use of environmentally friendly construction materials during decoration, prohibiting the use of coatings listed in the national elimination product catalog, and treating domestic sewage through septic tanks to meet local government standards for pollutant emissions before it can be discharged into the municipal sewage network for treatment at sewage treatment plants. Before the project is put into operation, we commission professional institutions with relevant qualifications to conduct completion acceptance considering environmental protection, comprehensively evaluate the ecological construction effectiveness in aspects such as construction of eco-friendly facility, operation status, and environmental protection management, aiming to minimize the potential impact of business operations on the ecological environment and biodiversity.



### In-Situ Protection of Ancient Banyan Tree

In the construction of expansion project of Xiamen Eye Center, we implemented in-situ protection measures for the ancient banyan tree located approximately 80 meters to the east of our location. During the construction period, measures such as dust suppression through watering were implemented to effectively reduce the potential impact of construction dust on the ancient tree. After the construction was completed, further efforts were made to strengthen greenery construction, and suitable tree species were selected based on local climate and soil conditions for planting.





# Social



## 2023 Key Performance Goals for Social Issues

- ✓ 100% employee training rate with an average training duration of no less than 40 hours per employee
- ✓ Zero incidents of penalties due to violations of labor laws or suspicions of employment discrimination throughout the year
- ✓ No severe and extremely severe accidents
- ✓ General accident mortality rate is zero
- ✓ No security incidents resulting in direct economic losses exceeding 1 million RMB
- ✓ To establish and perfect procedures for work-related injuries and occupational diseases, and effectively manage work-related injuries
- ✓ No risks related to responsible sourcing occur throughout the year
- ✓ Screening of new suppliers using social and environmental evaluation dimensions
- ✓ Proportion of local employees hired annually is not less than 60%



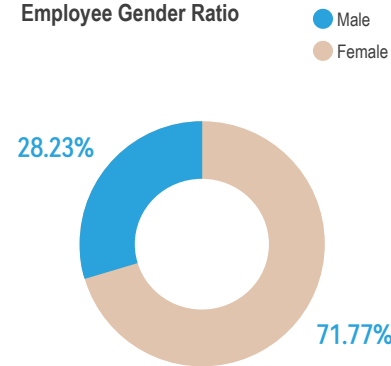
## Employees

We adhere to the development path of "talent-led drive," committed to providing employees with an equal, inclusive, diverse, healthy, and upward-working environment. By establishing a comprehensive employee compensation and benefits system and long-term incentive mechanisms, we attract and retain outstanding talents. Through the implementation of a dual-channel career development model for business and management and talent training programs, we aim to become a high ground for ophthalmic talent, joining hands with employees to practice the core values of "Responsibility, Care, Innovation, and Win-Win."

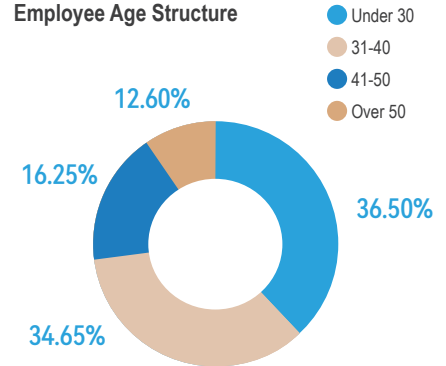
## Human Rights Protection

We respect internationally recognized principles such as the "Universal Declaration of Human Rights," the "International Covenant on Civil and Political Rights," the "International Covenant on Economic, Social and Cultural Rights," the International Labour Organization's "Declaration on Fundamental Principles and Rights at Work," the "United Nations Guiding Principles on Business and Human Rights," etc. We strictly abide by laws and regulations such as the "Labor Law of the People's Republic of China" and the "Labor Contract Law of the People's Republic of China," formulate a "Human Rights Policy" published on the official website, and make commitments and normative requirements in areas such as anti-discrimination, anti-harassment, anti-violent conflict, prohibition of forced labor, and child labor, dedicated to providing employees with an equal, inclusive, and diverse working environment.

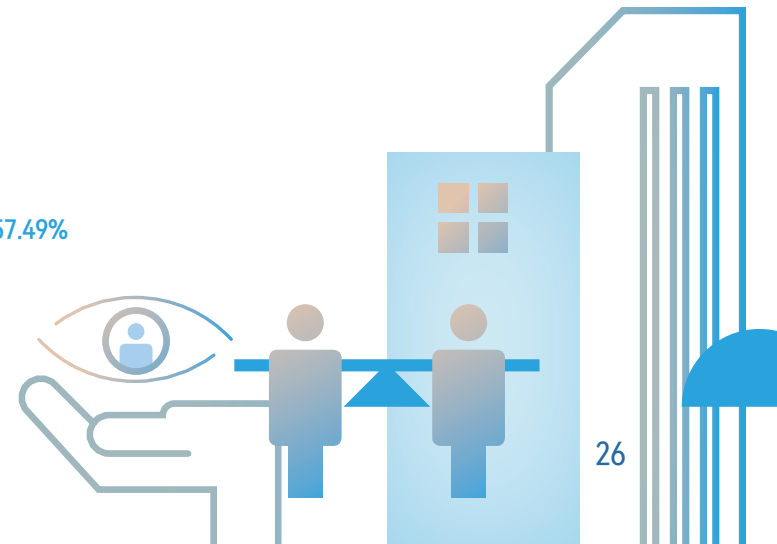
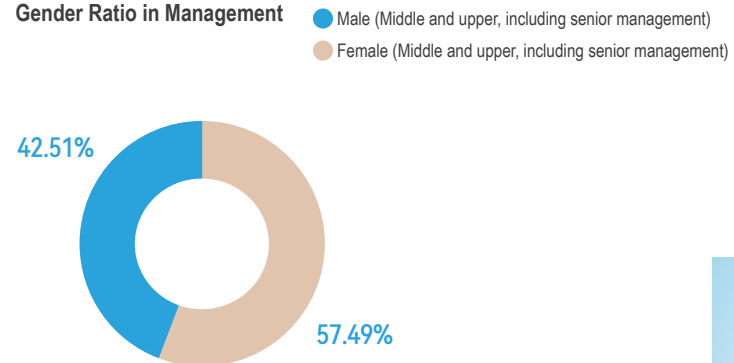
Employee Gender Ratio



Employee Age Structure



Gender Ratio in Management

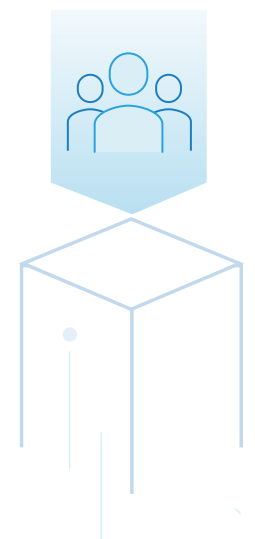


## Anti-Discrimination and Anti-Harassment

We adhere to the principle of equal employment, opposing any form of discrimination and prejudice. We have established a "Human Resources Management System," treating every employee fairly and reasonably in recruitment, training, promotion, and compensation decisions, without discrimination based on race, skin color, gender, sexual orientation, marital and childbearing status, pregnancy, parental status, religious beliefs, political stance, nationality, ethnic background, social origin, social status, disability, age, or group membership. We place high importance on the protection of women employees' legal rights, insist on equal pay for equal work regardless of gender, prohibits gender discrimination, have established a "Labor Protection System for Female Employees," committing to providing corresponding labor protection measures and statutory leave for female employees during pregnancy, childbirth, and breastfeeding periods, and will not reduce their basic salary or terminate labor contracts during special physiological periods. We have set up nursing rooms in office areas to provide breastfeeding places for nursing female employees and arrange reasonable working hours for them.



◆ Baby Care Room



We prohibit any form of violence, gathering to disturb social order, and any acts that violate personality, dignity, and freedom, including but not limited to insults, discrimination, bullying, intimidation, threats, corporal punishment, defamation, sexual harassment, mental or physical coercion. We strictly prohibit any intrusive, coercive, threatening, insulting, or exploitative behavior, including but not limited to posture, language, and physical contact. We and our hired third-party security personnel shall not use violence, unlawfully search persons or conduct searches of the opposite sex, nor threaten to carry out such acts.

## Prohibition of Forced Labor and Child Labor

We strictly prohibit all forms of forced labor and child labor. We verify the age of all employees during recruitment, opposing all forms of forced labor, child labor, slavery or servitude, and trafficking in persons, committing not to employ minors under the age of 18 in jobs that jeopardize their health or safety.

We comply with all applicable laws and regulations related to employee working hours and rest, establishing attendance management and leave systems. Based on job characteristics, we supervise and guide business and production departments to reasonably arrange work tasks and standardize working hours, ensuring employees have sufficient and reasonable rest time.

## Employee Communication

We respect employees' legal democratic rights, such as freedom of speech and association. By establishing a collective bargaining system, providing employees with open, transparent, and reasonable channels for expression and appeal mechanisms, we ensure that employees' opinions and voices are valued. We have established a workers' representative assembly, where all employees legally enjoy the right to vote, be elected, and make decisions. Through the effective operation of the union and our Labor Dispute Mediation Committee and Labor Protection Supervision Committee, we effectively guarantee workers' rights to information and supervision.

### Diverse Channels of Employee Communication:

- ✓ To establish a reporting center, accept accusations and allegations of all behaviors within the group that violate national laws, regulations, and group policies. Upon receiving complaints, including human rights issues, we will assign a specialist to follow up and promptly initiate an investigation procedure, keeping the complainant's identity confidential to ensure no employee faces retaliation for reporting such actions. Direct punishments will be applied based on verified issues, necessary remedial measures will be taken, and related training and advocacy will be strengthened.
- ✓ To open a mailbox for the chairman, collect rationalization suggestions monthly, promptly reply and resolve them, and adopt reasonable suggestions.
- ✓ Regularly convene workers' representative assemblies, conduct employee satisfaction surveys, collect and feed back employees' opinions and suggestions, and focus on employee welfare and rights.
- ✓ To conduct new employee forums to understand and assist in resolving new employees' issues

## Employee Development

Adhering to the principle of "morality and talent, with morality as a priority" in hiring, we have established a comprehensive employee development system around the "selection, cultivation, application, and retention" of talent. We insist on balancing talent introduction with training, establishing a dual-channel career development model for business and management, dedicated to creating an excellent team with development potential and creativity, laying a talent foundation for the company's sustainable development.

### Compensation and Benefits

We are committed to providing employees with competitive compensation and benefits, promising timely and full payment of salaries higher than the minimum wage requirements in various regions. A standardized performance evaluation system has been established, designing scientific salary ranges and grade standards according to different job sequences, linking performance bonuses to the performance assessment of each employee and/or team. We implement a performance management method that combines Objectives and Key Results (OKR) with Key Performance Indicators (KPI), adopting a layered performance management strategy covering all employees, setting clear, quantifiable performance indicators to effectively monitor and evaluate employees' work efficiency, quality, and outcomes. Performance evaluation results serve as the basis for salary incentives, promotions, and benefits. Regular performance reviews and communication provide employees with timely feedback and development support, effectively motivating employee growth and performance improvement.

We provide comprehensive welfare benefits to our employees, including social insurance and housing fund, various subsidies, festival bonuses, congratulations on birthdays and marriages/childbirths, annual leave, in-house surgery and glasses discounts, shuttle and connector buses, and various holiday activities, providing comprehensive welfare protection for employees.



◆ Employee Activities



◆ Employee birthday party

## Employee Training

We value talent development and consistently adhere to a dual approach of attracting and cultivating talent, leveraging our two colleges (Huaxia Eye Hospital College, Huaxia Management College), two research institutes (Huaxia Eye Hospital Ophthalmology Research Institute, Xiamen Eye Center Ophthalmology Research Institute), three bases (National Resident Physician Standardized Training Base, National Drug Clinical Trial Base, Group Clinical Skills Training Base), three stations (Academician Workstation, Post-Doctoral Research Workstation, National Ophthalmic Experts Studio), and partnership with educational institutions. Through specialized talent training and industry-academic cooperation, we continue to build a high ground for ophthalmic talent. We regularly conduct organizational audits and talent inventories, such as "360° assessments" and employee satisfaction surveys, to create a talent map, periodically review talent development programs, and establish career development plans for core talents. In 2023, we organized over 6,000 employee training sessions, with over 260,000 employee participants joining the training.

### Management Trainee Program

For potential future leaders, we have designed a management trainee program that combines theoretical learning and rotational practice over a 12 to 36-month training period. With mentorship, online learning, and guided teaching, trainees can quickly integrate into the company culture, master professional knowledge, and rapidly improve their business abilities and leadership skills, cultivating core management talent and future leaders.

### New Employee Training

Through structured on-the-job internships, job skill training, and practical experience, coupled with a mentoring system, we help newly joined employees quickly understand the company culture, business processes, and work standards, ensuring they integrate smoothly into the team and rapidly improve their work efficiency. In 2023, we updated the new employee pre-job training manual and course system to help new employees fully understand the enterprise, adapt quickly to the work environment, and enhance their abilities, thereby better co-creating value with us.



## 2023

organized employee training sessions

**over 6,000**

employee joining the training

**over 260,000**

**Management Training**

Our management training system focuses on improving the leadership, decision-making abilities, and team management skills of incumbent and reserve managers. We offer a diverse range of leadership training courses and employ a phased, diversified assessment mechanism, including theoretical exams, collective reviews, practical evaluations, and real-world performance assessments, to strengthen the strategic thinking and leadership of the management team, ensuring they effectively lead the team towards company goals. By regularly distributing management books to the management level, we assist them in enhancing team management and leadership skills. In 2023, we improved the external reserve cadre training system and launched a rotation training project for reserve cadres (general managers, deputy general managers, hospital department operation directors, etc.), with 64 reserve cadres participating in the training.



2023 First Session of Femtosecond Laser-Assisted Cataract Surgery Technique Training



2023 Ophthalmic Nursing Techniques New Developments and Safety Management Training

**Specialized Talent Cultivation**

We continuously push for and perfect the systematic construction of specialized ophthalmic technical talent development. Our headquarters have established a Clinical Training Management Center, and each hospital has set up a standardized training management department, integrating internal and external resources to advance our clinical technical standardization and disciplinary construction. By establishing training bases and creating the "Ophthalmic Microsurgery Skills Training Center" and "Clinical Skills Training Center," we provide standardized training for physicians, creating a high-quality professional platform for talent cultivation. We have launched a series of talent development plans, including the "China Ophthalmologist Future Star Plan" and the "China Ophthalmologist Future Elite Talent Development Plan," providing a platform for national ophthalmologists to exchange scientific research achievements and clinical techniques, and established the "Huaxia Translational Medicine Youth Fund" to support ophthalmologist training, creating a continuous career development path for ophthalmologists and solidifying the strength of ophthalmic healthcare.



**Highlight**
**China Ophthalmologist Future Star Plan**

Launched in 2017, the "China Ophthalmologist Future Star Plan" is a strategically significant talent cultivation project and the first national talent training program for ophthalmologists in China. Led by numerous international and domestic experts across various ophthalmic subspecialties, with over 100 expert instructors certified by the group's professional associations and with rich clinical teaching and medical management experience, the plan focuses on improving clinical diagnosis and treatment capabilities through standardized specialist physician training. A special fund for the "Future Star Plan" was established at the company level to ensure the successful development of physicians. The "China Ophthalmologist Future Star Plan" continues the company's balanced development concept of medicine, education, and research. Relying on the company's high-quality talent training system and robust academic and scientific research platform, it not only creates more diverse career development options for young ophthalmologists but also provides an innovative and sustainable advancement model for the Chinese ophthalmology sector.

As of now, the project has established 133 continuing education bases, offering 17 professional skill training projects, including cataract surgery technology, refractive surgery technology, retinal specialty surgery technology, glaucoma surgery technology, oculoplastic surgery technology, corneal and ocular surface surgery technology, and strabismus and pediatric ophthalmology training bases. In 2023, more than 30 training classes were held, including strabismus and pediatric stars, cataract stars, corneal contact lens stars, optometrist stars, ICL surgical technique stars, presbyopia surgical techniques, ocular surface diagnosis and treatment techniques, dry eye diagnosis and treatment techniques, etc. By the end of 2023, over 600 trainees had completed the "China Ophthalmologist Future Star Plan," continually cultivating elite talent for high-quality development across disciplines.



China Ophthalmologist Future Star Plan: Vitreoretinal Minimally Invasive Surgery Technique Training Class



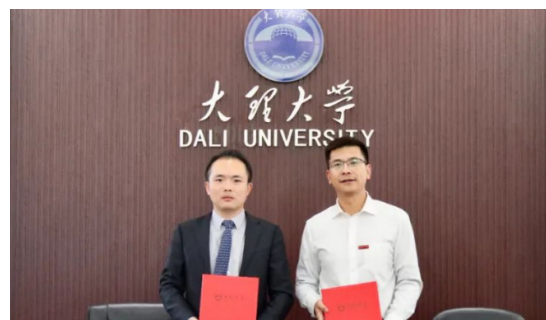
China Ophthalmologist Future Star Plan: Lacrimal Duct Clinical Skills Standardization Training Class



## School-Enterprise Cooperation

We actively establish close cooperation with over 30 domestic institutions, including Peking University, Xiamen University, Fujian Medical University, and Hubei University of Chinese Medicine. Through collaborations in talent training, academic joint construction, and clinical research, we continually enhance the training of medical personnel, improve physicians' diagnostic and treatment capabilities, strengthen our ophthalmology talent team, and inject new vitality into the continuous development of the ophthalmic medical field. In partnership with Xiamen University, we have established a postdoctoral research station and initiated a graduate enrollment plan. Together with Peking University, we have developed a joint recruitment and training program for postdoctoral researchers, forming a cooperative mechanism between workstations and postdoctoral mobile stations. Through discipline construction, academic exchanges, and clinical teaching, we promote the continuous improvement of our academic level and medical technology; in collaboration with other institutions, we establish ophthalmic technical talent training bases, providing clinical teaching training for medical students, and further preparing talent reserves for our future development.

In 2023, the Xiamen Eye Center and the Medical College of Xiamen University signed a strategic cooperation agreement, fully leveraging both parties' resource advantages to further deepen cooperation in medical care, teaching, and scientific research. We signed a strategic cooperation agreement with Dali University, continuing to deepen the integration of industry and education, promoting the organic connection between the education chain, talent chain, industrial chain, and innovation chain, and optimizing the collaborative education model.



Huaxia Eye Hospital signed a strategic cooperation agreement between the school and enterprise with Dali University



Xiamen Eye Center signed a strategic cooperation agreement with Xiamen University Medical College

### Highlight

### Xiamen Eye Center Postdoctoral Research Station

The Xiamen Eye Center Postdoctoral Research Station was approved for establishment in 2010. Since its inception, it has continuously improved and enriched its training mechanisms, increased peer exchanges, expanded scientific research collaborations, and enhanced service levels, achieving positive results in various aspects.

Recruited postdoctoral fellows **14** | Completed terms **8**

Postdoctoral personnel received **5** postdoctoral funds

**12** National Natural Science Funds, provincial and municipal natural science funds

Published papers **46** | Authored monograph **1**

Received authorized patents **4** | **2** Participated in winning science and technology awards at various levels

## Occupational Health and Safety

We place a high priority on employees' occupational health and safety, strictly adhering to the "Law of the People's Republic of China on Work Safety," "Law of the People's Republic of China on Prevention and Control of Occupational Diseases," among other legal regulations. We have developed internal regulations such as the "Work Safety Responsibility System," "Inspection and Management System for Gas and Electrical Equipment," "Fire and Electricity Safety Management System," "Hospital Infection Management System," and "Medical Infection Emergency Response Plan," striving to enhance safety management levels, implement hospital infection prevention and control measures, strengthen overall employee health and safety awareness, and create a healthy, safe, and comfortable work environment.

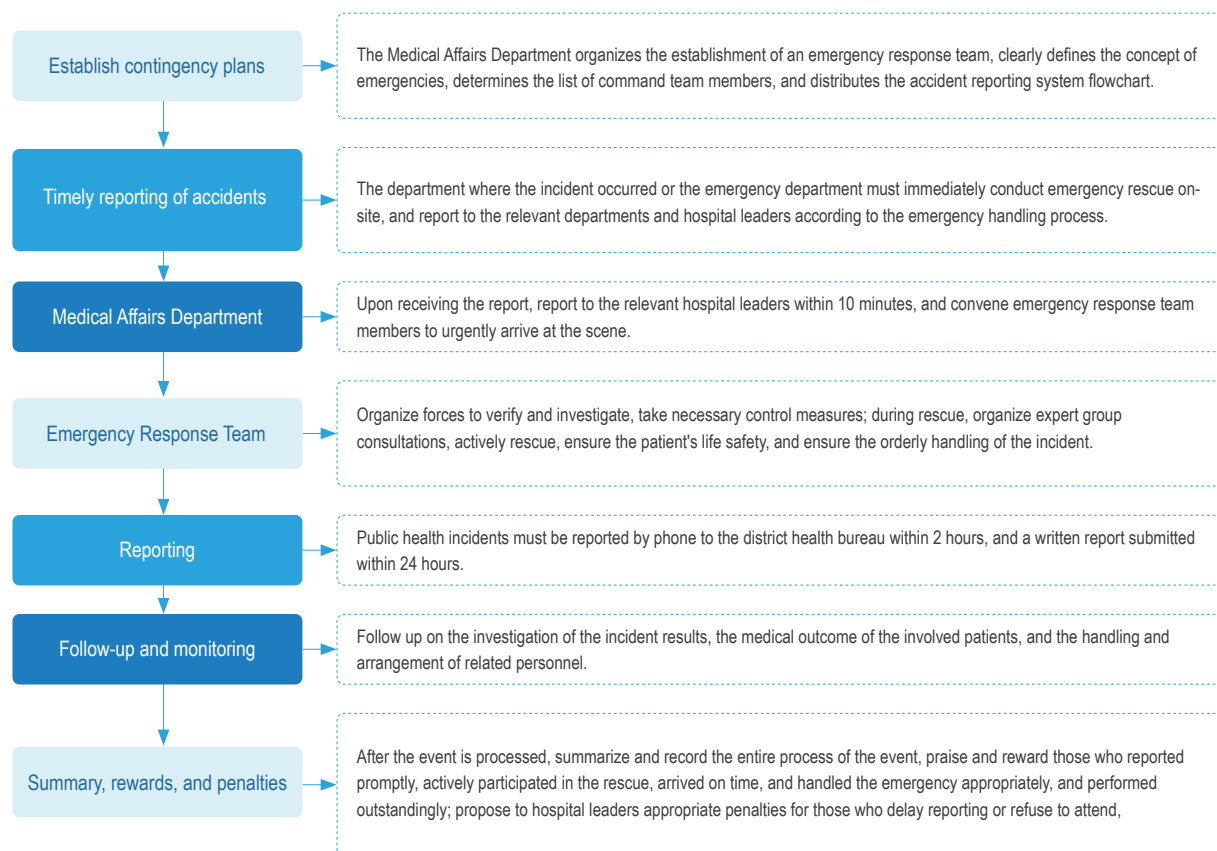
## ▀ Safety Management Responsibilities

We rigorously implement the "Universal Work Safety Responsibility System," with work safety responsibility agreements signed from the general manager to front-line employees, consolidating safety responsibilities at every level. The hospital director serves as the primary responsible party for hospital safety management, overseeing safety operations and organizing leaders at all levels to carry out work safety work effectively. In 2023, we experienced no fatalities or severe accidents, no severe personal injuries occurred, and the incidence rate of occupational diseases was zero.



## Emergency Management and Drills

We have developed emergency management systems such as the "Contingency Plan for Public Incidents," standardizing emergency response processes:



## Environmental Incident Emergency Drills

Based on the "National Contingency Plan for Public Incidents" and other relevant laws and administrative regulations, we have established an "Contingency Plan for Environmental Incidents" in response to natural disasters (including floods, meteorological disasters, earthquakes, geological disasters, marine disasters, biological disasters, and forest and grassland fires). An emergency command leadership team has been formed, along with professional emergency response teams, to carry out targeted emergency prevention, disaster relief drills, and emergency training. Additionally, we widely promote environmental pollution prevention, emergency environmental incident disaster knowledge, and disseminates information on disaster avoidance, self-rescue, and mutual aid, enhancing employees' disaster reduction awareness and emergency response capabilities. In 2023, we and our subsidiaries did not receive significant penalties due to environmental issues, nor did any major environmental safety incidents occur.

## Fire Safety Management

Hospitals are highly populated public spaces with patients, medical staff, logistics personnel, and patients' families, where a fire can easily result in injuries, trampling, burns, or even fatalities. We take fire safety seriously and have established multiple systems including the "Fire Safety Management System," "Fire Safety Inspection System," "Fire Safety Education and Training System," "Fire Fighting Equipment and Maintenance Management System," and "Firefighting and Emergency Evacuation Plan and Drill System" to ensure prevention and proper handling. We implement a tiered fire prevention responsibility system, ensuring that all departments have designated individuals responsible for fire safety, and requires each department to sign a "Fire Safety Responsibility Agreement."



Fire safety signs are posted throughout the hospital, volunteer fire brigades are organized, and comprehensive fire-fighting equipment and facilities are equipped to enable rapid extinguishment of fires and effective evacuation of personnel and property. Fire safety systems, including patrols, tiered fire inspections, fire and electricity safety management, fire equipment maintenance, and fire incident reporting, investigation, and handling, are established and strengthened. Furthermore, we actively promote fire safety knowledge through specialized fire training and assessments, ensuring regularity and institutionalization. All employees must know "the three capabilities": how to use fire-fighting equipment, how to report fires by phone, and how to organize personnel evacuation. In 2023, we conducted 154 emergency drills, including emergency evacuation, explosion prevention, and fire drills, with 5,476 participants

# 2023

Conducted emergency drills, including emergency evacuation, explosion prevention, and fire drills

## 154

Participants

## 5,476

## /// Safety Training and Education

We emphasize the importance of safety awareness, actively conducting various occupational health and safety trainings to enhance all employees' safety skills and awareness, preventing accidents in work safety, and reducing safety risks in production operations. In 2023, we held 238 safety training sessions, with 6,674 participants.



# 2023

Held safety training sessions

## 238

Participants

## 6,674

## /// Occupational Health Management

In terms of occupational health management, we strive to achieve the goal of "happy work and healthy life" for employees.

- Develop reasonable work and rest schedules, provide and maintain a healthy and safe work environment, offer consulting services for disease prevention and occupational health protection to avoid occupational disease hazards.
- Organize regular health check-ups and provide psychological health tests to employees to prevent occupational stress from affecting their psychological well-being, ensure the physical and mental health and safety of employees.
- Establish comprehensive procedures for investigating work-related injuries and occupational

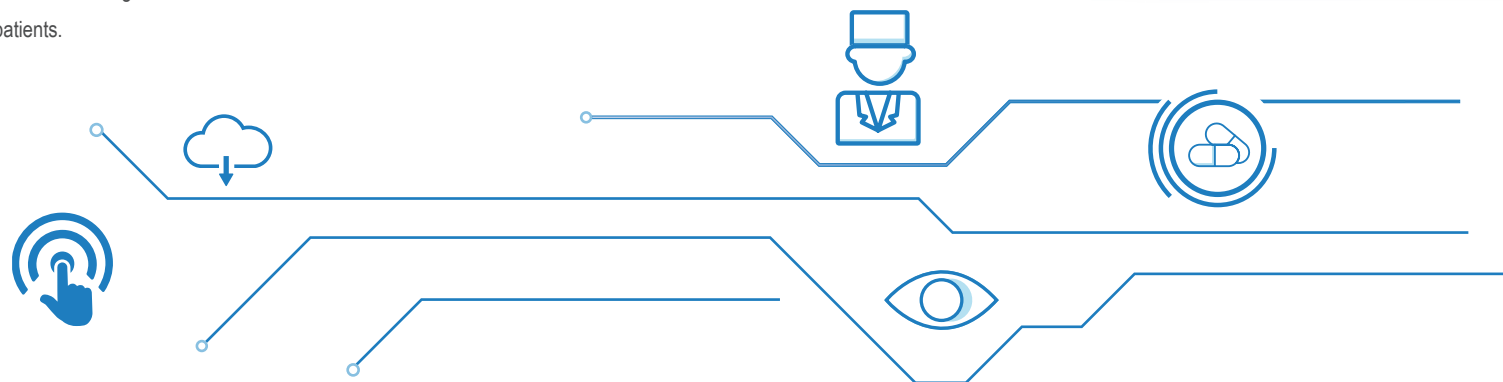
In 2023, we developed standard operating procedures for blood-borne occupational exposure protection for medical personnel, occupational exposure handling for medical personnel, and post-exposure prophylaxis for medical personnel, continuously improving the hospital infection prevention, control, and management mechanisms. Regular training on occupational exposure management and hospital infection control is organized to safeguard employees' occupational health.

## Innovation-Driven Development

Promoting clinical development through scientific research is an inherent requirement for us to adhere to the principle of "Patient Always Comes First." We are committed to promoting the integration of medical, education, and research, deeply cultivating discipline construction and academic research fields, actively advancing the construction of scientific research innovation platforms, establishing a mature scientific research and academic system, and steadily improving the academic innovation capability of medical research. This is aimed at achieving a positive cycle of feedback from research results to guide technical improvements, enabling clinical techniques to evolve towards higher quality. Together with industry partners, we are building a responsible supply chain and conducting business based on a long-term perspective, aiming to provide better services to patients.

## Technology Innovation

We attach great importance to and actively encourage scientific research innovation. Through the coordinated development of the "medical education and research" system, which combines clinical diagnosis and treatment, medical research, and training education, we continuously strengthen scientific research management, deepen the construction of scientific research talent teams, comprehensively guarantee scientific research innovation results, promote the enhancement of scientific research innovation capabilities, actively engage in industry academic exchanges and cooperation, promote university-enterprise cooperation, and contribute to the high-quality development of the ophthalmology industry.



## ▀ The Coordinated Development of the "Medical, Education and Research" System

We actively build research and innovation platforms, promote the coordinated development of the "medical, education and research" system, rely on the accumulation of clinical diagnosis and treatment cases to deepen scientific research layout, enhance the innovation capability of clinical medical research, and promote the transformation of research results to improve the quality of clinical medical services. In 2023, we filed 40 new patent applications and obtained 39 new patents. As of the end of the reporting period, we held a total of 124 authorized patents and had 161 registered software copyrights.

As the technical center for ophthalmology diagnosis and treatment, Xiamen Eye Center, a subsidiary hospital, has been recognized as a national clinical key specialty (ophthalmology) unit and a National Drug Clinical Trial Institution(GCP). It has established postdoctoral research workstations, academician expert workstations, as well as key laboratories for corneal and conjunctival diseases in Fujian Province, Xiamen City, and key laboratories for eye diseases in Xiamen City. Additionally, through various clinical research collaboration network platforms, we conduct epidemiological investigations in ophthalmology and research on major blinding eye diseases and difficult eye diseases. Subsidiary medical institutions are also responsible for and participate in multicenter studies in areas such as dry eye, corneal diseases, diabetic retinopathy, and age-related macular degeneration, focusing on standardized diagnosis and treatment, clinical applications, and basic clinical transformation.

# 2023



Xiamen Eye Center was approved as the  
**"Key Laboratory for Eye Diseases in Xiamen City"**

Xiamen Eye Center was officially designated as the  
**"Key Laboratory for Ocular Surface and Corneal Diseases in Fujian Province"**

Xiamen Eye Center was officially designated as the  
**"Refractive Intraocular Lens Measurement and Calculation Center"**

Xiamen Eye Center was awarded the  
**"One-stop Vitreous Cavity Injection Drug Practice Demonstration Base"**

Quanzhou Huaxia Eye Hospital was approved as the  
**"Quanzhou City Top Talent Innovation Laboratory"**

In the latest annual  
**"National GCP Institute of Drug Clinical Trial Volume Ranking"**

Xiamen Eye Center ranked **1st** in the province  
 Ranked **7th** among national specialized ophthalmic hospitals

Among the leading institutions nationwide, Xiamen Eye Center  
 Ranked **1st** in the province out of 324 institutions  
 Ranked **3rd** among national specialized ophthalmic hospitals

Sanshui Huaxia Eye Hospital was approved as the  
**"Key Specialty in Medicine for the 14th Five-Year Plan Period in Sanshui District"**

Foshan Huaxia Eye Hospital was approved as the  
**"Key Medical Specialty in Chancheng District, Foshan City for the 14th Five-Year Plan Period"**

## Exploring Innovative Medical Research Models

We adhere to exploring innovative medical research models, continuously strengthen discipline construction and development, and consistently support and encourage ophthalmologists to conduct medical research. Through the synergy between clinical diagnosis and treatment research and basic research, we continuously achieve new results and breakthroughs. We encourage our affiliated hospitals to apply for research project topics, publish papers and academic articles, and promote innovation and development in ophthalmic basic research and diagnostic techniques. Since our establishment, we have applied for and conducted numerous national-level and provincial-level research projects, including "863" projects, "973" projects, National Natural Science Foundation projects, the National Science Fund for Distinguished Young Scholars projects, Postdoctoral Science Foundation projects, foreign expert introduction projects, as well as provincial and municipal projects.

# 2023

As of December 31, 2023

**304** new research projects were approved for implementation

**1,349** articles were published

**301** SCI-indexed articles including



Two heavyweight white papers, namely the

**"National White Paper on Myopia Prevention and Control for Children and Adolescents"**

**"White Paper on Epidemiological Investigation of Eye Diseases in Fujian Province"**

were released, providing big data support for the precise implementation of myopia prevention and control and the development of eye disease prevention and treatment strategies

Xiamen Eye Center's "Vision Rapid Screening Informatization System" was selected as one of the **"Top Ten Innovative Medical Technologies of the Year"** by the Xiamen Hospital Association

"Vision Rapid Screening Informatization Technology Promotion Project" was selected as a **"Key Health Technology Promotion Project"** by the China National Health Association in 2023



## Incentives for Research and Innovation Work

To encourage extensive clinical research and other innovative research work within the company and our affiliated hospitals, and to enhance the research level of clinical teams, we have established the Huaxia Eye Hospital Group Research Fund, which is open to the company and our affiliated hospitals. This fund is aimed at supporting clinical research projects with certain research value conducted by internal physicians and full-time researchers in areas such as the translation of clinical research outcomes and clinical research. In 2023, we collaborated with the Fujian Provincial Natural Science Foundation, including basic research in the scope of funded projects. Since the establishment of the fund, two rounds of research project applications were conducted. The first round approved a total of 46 projects, including 36 single-center research projects and 10 multi-center research projects. For the second round, 44 project proposals were collected, including 31 single-center research projects and 13 multi-center research projects.

In addition, we formulate the "Research Award Measures" and establish an internal research award mechanism. Through the establishment of five awards, including technology project awards, scientific and technological awards, intellectual property awards, paper and thesis awards, and technology cooperation awards, we reward researchers who make contributions or achievements at various stages of research projects according to regulations. This fully motivates the enthusiasm and creativity of researchers, promotes research and innovation work in hospitals, and enhances the overall research level. In 2023, we awarded project application and approval incentives to 39 project teams, intellectual property awards to 5 individuals, and paper and thesis awards to the authors of 39 articles.

### The first round



### The second round



## 2023

Awarded project application and approval incentives to **39** project teams

Intellectual property awards to **5** individuals

Paper and thesis awards to the authors of **39** articles

## Smart Healthcare Platform Construction

We continue to advance the construction of the smart healthcare platform. On one hand, it efficiently handles massive daily operational data through informatization, achieving overall smart operation and efficient, scientific operational management of medical branches. On the other hand, it integrates and shares company resources in terms of physician resources, medical technology, patient information, etc., realizing cloud-based intelligent diagnosis and treatment. This helps reduce the regional barriers to ophthalmologist services.

Xiamen Eye Center establishes a national platform for difficult eye disease consultation through remote outpatient and remote consultation systems, providing clinical guidance and technical support to all affiliated medical institutions of the group. The "5G Remote Diagnosis and Treatment Smart Healthcare Platform Project" by Xiamen Eye Center serves as a pilot project for "5G + Medical Health" applications and has been successfully accepted. We have also developed an academic conference platform, providing medical staff with convenient online channels for academic exchanges.



## Suppliers and Clients

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### Responsible Supply Chain Management

As a company providing medical services, establishing a high-quality, responsible, and sustainable supply chain is crucial for the business development. We have formulated the "Supplier Code of Conduct," actively communicating our responsible behavior requirements to suppliers, contractors, and other partners in terms of business ethics, labor rights, safety production, product quality, compliance marketing, and environmental protection. Environmental and social performance are integrated into the supplier admission assessment system, giving priority to suppliers with good performance in these aspects, aiming to jointly promote the best practices for sustainable development of the supply chain.

### Responsible Sourcing

We strictly comply with the Company Law of the People's Republic of China, The Bidding Law of the People's Republic of China, the Drug Administration Law of the People's Republic of China, Regulations for the Supervision and Administration of Medical Devices, the Good Supply Practice, and related laws and regulations. We have established systems such as the Supplier Management System, Internal Control Manual (Supplier Management), and Procurement Management Measures to regulate the admission review and procurement management of medical supplies. We supervise the entire life cycle of suppliers, resolutely oppose supplier corruption, bribery, and unfair competition, and promote the digitalization of the EAS procurement management system to maximize the control of potential risks in the supply chain and mitigate any adverse impacts on society and the environment. To ensure the fairness and impartiality of procurement decisions, enhance transparency and traceability of procurement activities, we actively adopt preventive measures, including but not limited to:

- For suppliers with large procurement amounts and volumes of pharmaceuticals, medical consumables, medical equipment, major fixed assets, and logistics, we conduct centralized procurement and unified distribution.
- We formulate and standardize the acceptance process for goods in each procurement batch.
- For items outside the procurement catalog, price inquiries and comparisons are required, and procurement can only proceed after approval.
- We establish a channel for reporting and complaints regarding improper conduct in the supply chain, with the reporting email address: [sjzx@huaxiaeye.com](mailto:sjzx@huaxiaeye.com).
- The "Integrity Agreement" specifies punitive measures for corruption issues involving suppliers: We reserve the right to unilaterally terminate procurement contracts and require suppliers to pay liquidated damages.

## Supplier Admission

We evaluate supply chain partners based on the principles of fairness, impartiality, and transparency. In addition to assessing supplier product quality, pricing, delivery capabilities, after-sales service, and market reputation, we also focus on the performance of partners in environmental protection, social responsibility, and business compliance. Compliance investigations are conducted based on the Supplier Investigation Form, New Qualified Supplier Review Form, Supplier On-Site ESG Review Form, and on-site inspection findings. Suppliers approved through the admission process will be included in our procurement directory. In addition to procurement framework contracts, all suppliers are required to sign integrity agreements and quality assurance agreements to ensure compliance with our business ethics and product quality standards. In 2023, we added 3 new suppliers, all of which underwent audits based on social and environmental evaluation criteria for admission.

- **Governance Evaluation Dimensions:** Standardized governance, protection of interests of small and medium-sized investors, anti-corruption, anti-unfair competition, anti-monopoly, etc.;
- **Social Evaluation Dimensions:** Safe production, protection of employees' legal rights and interests, employee training, provision of a good working environment, anti-discrimination, anti-harassment, freedom of association, participation in community development and social innovation, provision of employment opportunities, localization of employment, etc.;
- **Environmental Evaluation Dimensions:** Compliance with environmental regulations, ensuring compliance with emission standards for pollutants, promoting clean production, energy conservation and consumption reduction, advocating green environmental protection, conducting environmental protection training, etc.

## Supplier Review

For suppliers that have been admitted, we adopt a dynamic management and real-time assessment strategy, and introduce an elimination mechanism. Each year, before January 30th, we compile a procurement catalog for suppliers and conducts audits and clearances of existing suppliers. We complete a comprehensive review of the performance of suppliers for the previous calendar year by January 30th of each year. For any issues discovered during the annual review, corresponding corrective measures are taken for the suppliers, including providing guidance on corrective actions, assisting in developing corrective plans, tracking and accepting corrective actions, and regularly reviewing and identifying weaknesses and potential risks to ensure compliance. This process serves as an important basis for formulating the procurement plan for the next calendar year.

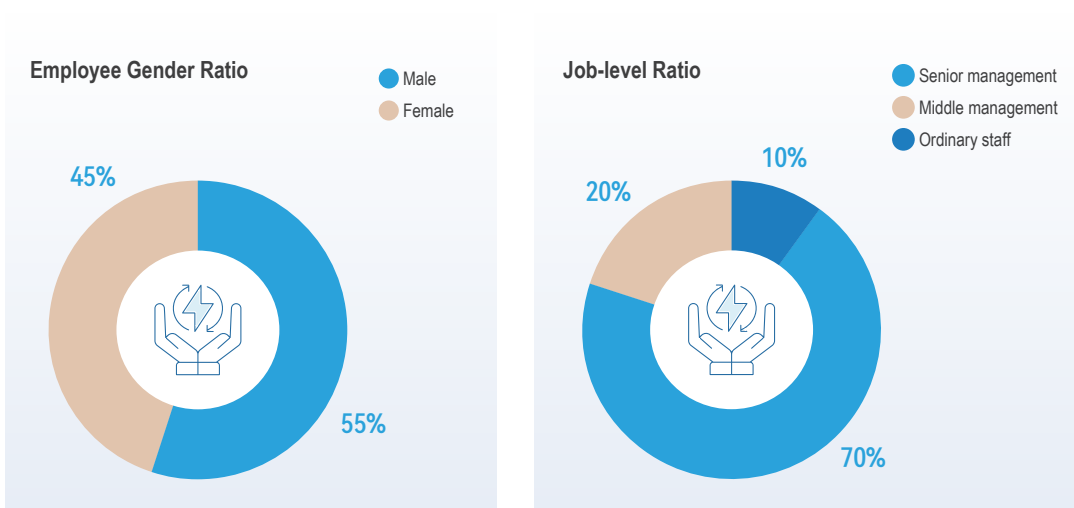
- **Audit Content (including but not limited to):** Supplier qualifications and certifications, timeliness and stability of supply, safety and reliability of products, environmental impacts, human rights and occupational health and safety risks, after-sales service and technical support, compliance risks, business ethics risks, financial health risks, etc.;
- **Audit Methods:** Document review, on-site audit;
- **Audit Criteria:** "Qualified Supplier Annual Review Form";
- **Evaluation Results:** Based on the scores from the review form, suppliers are classified into four categories: excellent, qualified, in need of improvement, and unqualified.

## Supplier Training

We established an open, transparent, and trust-based communication mechanism with suppliers, sharing industry trends, providing necessary support, and organizing training on responsible supply chain environmental and social content, actively promoting the sustainable development concepts and policies. In 2023, we provided ESG training for a total of 15 suppliers, involving a total of 75 participants.



### Employees of Suppliers Participating in ESG Training

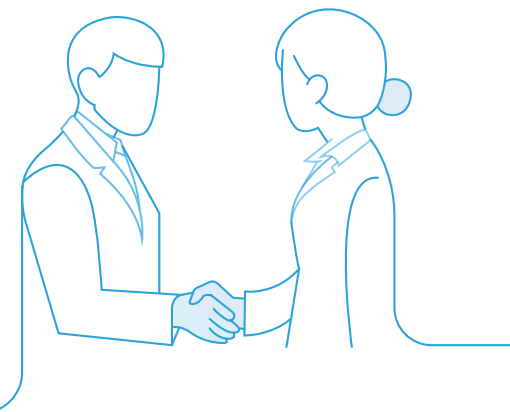


# 2023

Provided ESG training for  
**15** suppliers

Involving  
**75** participants

We communicate and exchange with suppliers on quality assessment, procurement, operations, integrity construction, social responsibility, and business ethics through on-site visits, organized meetings, joint seminars, email correspondence, and field audits. In 2023, we visited major suppliers of the group in pharmaceuticals, materials, software, etc., and established cooperative relationships with well-known industry partners such as Carl Zeiss, Alcon (China), Johnson & Johnson Vision, Eyebright Medical Technology (Beijing), Henan Universe, and Shenyang Xingqi Pharmaceutical.



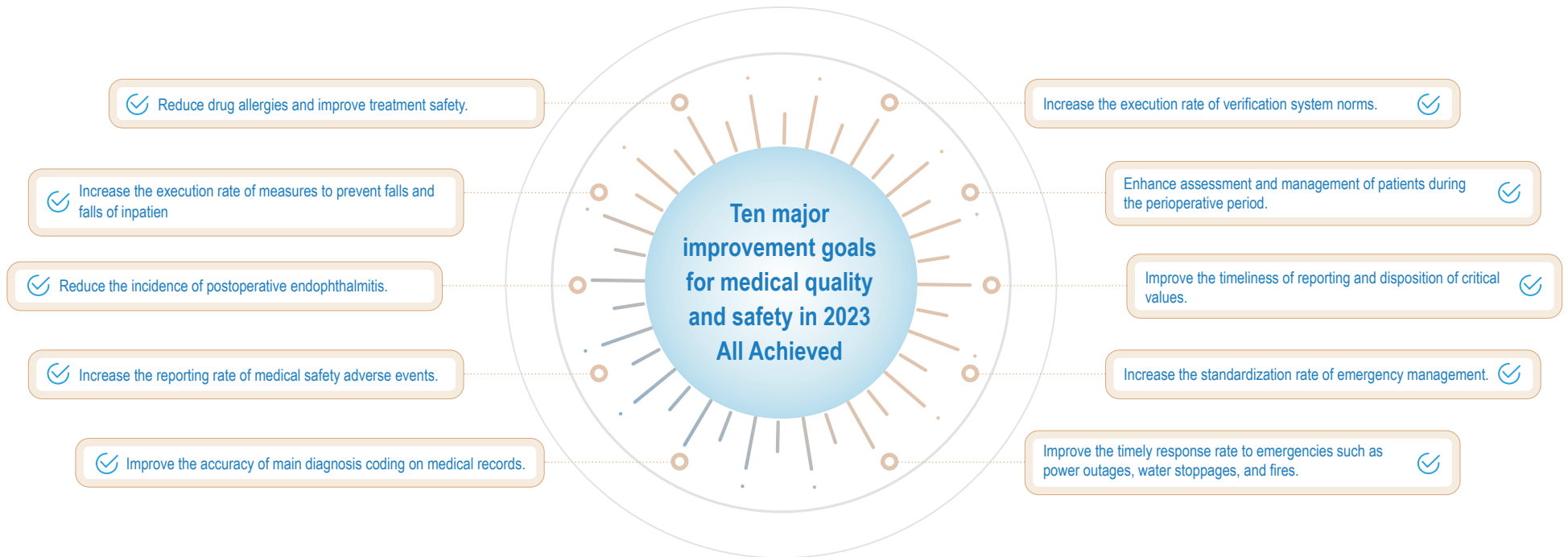
## High-quality Medical Services

We uphold the mission of "Whether rich or poor, we serve each patient with care, and protect healthy and bright eyes for all." For us, patient always comes first. We adhere to the principle of "Frontline serves patients, with secondary support for the frontline services." Our management philosophy revolves around "Superior Medical Expertise, Fair Charges, Noble Medical Ethics, Attentive Care, Convenient Service, Pleasant Environment." We are committed to establishing and maintaining a trusting, respectful, and cooperative doctor-patient relationship. Patient safety is always our top priority, and we prioritize quality and safety to create a safe medical environment, safeguarding the "lifeline" of the group and hospitals. We strive to provide excellent medical services, pursue outstanding medical quality, enhance the accessibility of ophthalmic medical care, and popularize ophthalmic medical knowledge. Our goal is to ensure that patients across the country can enjoy more equitable and accessible, consistently high-quality medical services, thereby promoting the health and well-being of the public.

## Medical Quality Management

According to the requirements of the "Law of the People's Republic of China on Basic Healthcare and Health Promotion" the "Law of the People's Republic of China on Licensed Doctors," and other national medical and health laws and regulations, we have formulated management systems such as the "Medical Quality Management System," "Key Points of Medical Quality and Safety Core System," "Physician Practice Access System," "Medical Quality and Safety Management Evaluation Standards," and "Surgical Management System." These management systems integrate the requirements of medical quality management into the hospital's management and construction process, achieving full-process management from pre-hospital to in-hospital to post-hospital. We have established evaluation standards covering aspects such as quality management system construction, biosafety and quality, compliance of medical records management, patient safety objectives, medical risk prevention and emergency rescue plans, rational clinical drug use, departmental quality and safety, anesthesia department quality improvement, and prevention and control of hospital infections. Various dedicated committees are responsible for supervising the full lifecycle of medical quality and safety services at different stages.







## Medical Risk Management

We have formulated a series of management systems, including the "Clinical Laboratory Critical Value Reporting System," "Surgical Safety Check System," "In-Hospital Emergency Process Management," "Emergency Resuscitation Process for Critically Ill Patients," "Medical Safety (Adverse Events) Reporting System," "Emergency Response to Sudden Incidents System," "Preoperative Systemic Assessment System for Ophthalmology," and others. These systems establish an emergency management system for the group, with the group's responsible leader appointed as the overall head of emergency rescue. Each hospital has established its own emergency rescue team composed of the hospital director, director of medical affairs, internal medicine, and anesthesia department, clarifying personnel responsibilities and rescue reporting principles. We strengthen the management of critically ill patients, establish standardized on-site rescue procedures for critically ill patients, and minimize medical risks to the greatest extent possible.

### Conduct Medical Quality Inspections

- Organize on-site inspections and online coaching to reduce and eliminate hospital compliance risks, with a focus on legal practice and standardized diagnosis and treatment, quality, safety, medical records, medical insurance, nosocomial infections, medical waste, and sewage treatment.
- Formulate special inspection action plans for hospitals, supervise the implementation of medical units, and focus on the standardized practice of hospitals and the quality management of hospitals.
- Conduct four rounds of inspections on the expiration dates of drugs and medical supplies.

### Medical Risk Emergency Training



Emergency rescue drills for medical staff



CPR (Cardiopulmonary Resuscitation) training for hospital staff



Monthly specialized training sessions on medical laws and regulations, nosocomial infection management, emergency medical treatment, and clinical diagnosis and treatment guidelines for all doctors and medical management staff.

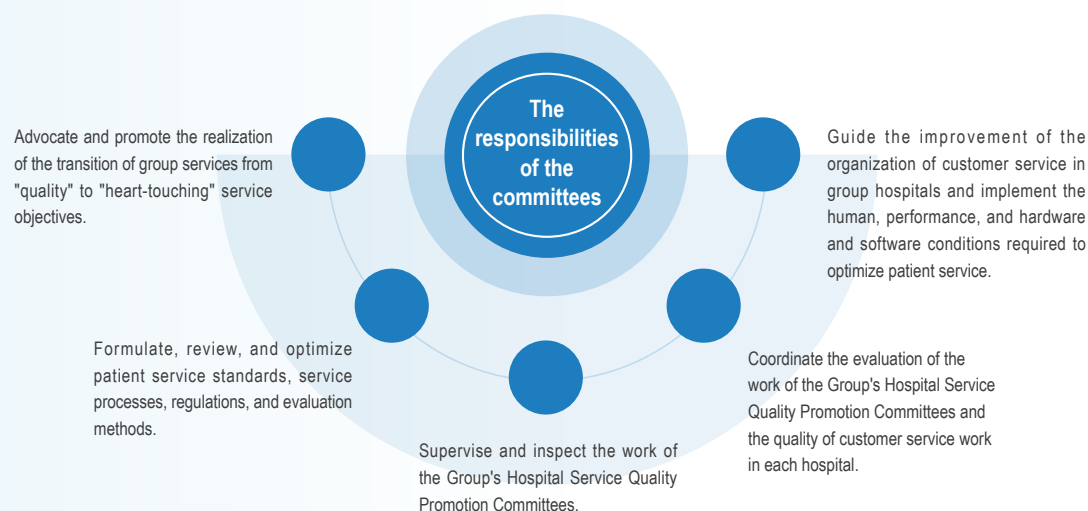
We regularly organize various medical risk emergency training sessions to enhance the emergency response capabilities of medical staff:

## Report on Major Medical Incidents

We adhere to the requirements of the "Regulations on the administration of medical institutions," the "Regulation on the Handling of Medical Accidents," and the Ministry of Health's "System for Reporting Major Medical Malpractice and Medical Accidents," and have formulated the "System for Reporting Major Medical Malpractice and Medical Accidents." We focus on timely reporting and management of medical quality and safety, disputes, and major incidents, promptly identify risks, analyze, rectify, and continuously track them. Additionally, we hold a monthly group medical quality and safety management video conference, requiring all hospital directors and medical management personnel to participate. During these meetings, we disseminate medical quality and safety concepts, report on the monthly medical quality and safety situation of each hospital, assign key tasks for medical quality in the next steps, and further regulate medical practices in accordance with the law. In 2023, we did not experience any major medical accidents.

## Service Quality Management

To strengthen the service management system and standardize the service behaviors of employees in each hospital, we have established the Group Service Quality Promotion Committee and Hospital Service Quality Promotion Committee.



In 2023, our performance in implementing the service evaluation system increased compared to the score in 2022.

Indicators	2023	2022	Year-on-year	Target Value	Completion Status
Implementation of Hospital Customer Service Evaluation System	93.71	90.22	3.87%	≥ 90	✓

We are committed to continuously improving the comfort of the treatment environment, constantly enhancing the professionalism of medical staff, and ensuring a warm treatment experience.

### Maintain a Clean and Welcoming Treatment Environment

- Each hospital sets up a service counter on the ground floor, providing tea and amenities.
- Clear guidance signs are set up according to the treatment process, with professional guides available.
- Regular maintenance, cleaning, and disinfection of medical environments are carried out to create good hygienic conditions for medical care.
- Customized services are provided for different groups: for the elderly, facilities like magnifying glasses are provided; for children, pediatric treatment areas and play areas are set up; for people with disabilities, wheelchairs, barrier-free access, and hearing aids are provided.

### Provide Convenient and Continuous Ward Care

- Our company's customer service department has developed standards and procedures for ward care, which are implemented by the customer service departments of each hospital. We require staff to communicate face-to-face with patients during their hospital stay, conduct health education, care services, holiday greetings, etc., and provide additional convenience for patients in need. After patients are discharged, we continue to monitor and track their recovery progress. We conduct regular follow-up visits for patients recovering from surgery and promptly remind them to seek medical attention if there are any abnormalities.



#### The indicators, objectives, and achievements of our postoperative follow-up visits in 2023.

Indicators	2023	2022	Year-on-year	Target Value	Completion Status
Follow-up connection rate	87.16%	85.63%	1.79%	≥ 85%	✓

### Build a professional and caring service team

● We provide diversified and professional training programs for service personnel to enhance their professional service capabilities, thereby building a professional, reliable, caring, and rigorous service team. We have developed the "New Employee Onboarding Training Manual (Customer Service Department)," which includes courses in theoretical knowledge and practical skills training. The training lasts for 3 months, followed by an assessment and comprehensive review. Only those who pass the evaluation can be deployed to their positions.

### Implement personalized and intelligent "mobile hospitals"

● To further coordinate patients' individualized needs and foster trust between patients, hospitals, and doctors, we are implementing "mobile hospitals" on a hospital-by-hospital basis. This allows patients to make appointments, consult online, and pay fees through the app. We have also introduced AI-powered customer service, providing round-the-clock consultation services and delivering health information.



## Customer Satisfaction Surveys

We encourage patients to actively provide feedback on their medical experience, offering valuable suggestions to assist in improving customer service. To conduct satisfaction surveys more effectively, we have adopted a customized approach, introducing a customer experience management system based on personalized touchpoints. Satisfaction questionnaires are sent via SMS, mini-programs, or official accounts, allowing for tailored questions based on the patient's treatment journey, such as feedback on departmental doctors and nurses, public facilities, and environmental hygiene. To better evaluate and enhance service quality, we have established a hospital service quality inspection evaluation form, incorporating various hospital service quality results (monthly service inspection results, results of monthly special service improvement activities, cross-inspection results, patient satisfaction survey results, group patient satisfaction survey results, and complaint handling records), which are linked to each hospital's overall performance.

### Highlight

In 2023, Shenzhen Huaxia Eye Hospital ranked first in the satisfaction ranking of tertiary non-public hospitals for four consecutive quarters in the public satisfaction survey of medical industry services organized by Shenzhen Healthcare Commission.

## 2023 Customer satisfaction survey results

Indicators	2023	2022	Year-on-year	Target Value	Completion Status
Overall satisfaction score of the hospital	95.96	95.88	0.08%	≥ 90	✓



## Customer complaint management

According to the "Regulation on the Handling of Medical Accidents" and related supporting documents, we have formulated the "Regulations on the Prevention and Handling of Medical Disputes." Each hospital has established a department for complaints management at the hospital level, publicizing complaint hotlines and processing procedures, and forming a standardized "Dispute Handling Process Diagram" to regulate the complaint handling process. Every complaint received from suggestion boxes, external channels such as 12315, mayor's hotline, health commission, and the internet is formed into a work order, which is handled by the relevant staff in a timely manner. In addition to the above complaint channels, patients can also provide feedback directly to on-site guidance personnel.

### The achievement of customer complaint management indicators in 2023

Indicators	2023	2022	Year-on-year	Target Value	Completion Status
Work order completion rate	100%	100%	0%	100%	✓

We categorize customer complaints into regular complaints and medical disputes. Regular complaints are handled by the customer service department, while medical disputes, which involve medical quality and safety issues, are assisted by the medical affairs department. Depending on the situation, the Group's legal department and medical affairs department may also assist in handling them. Additionally, we have established the following two core indicators to monitor the efficiency and quality of customer complaint handling:

- All complaints must be responded to within 24 hours (in-person, written, or via phone), followed up on, resolved, and feedback provided.
- All complaints must be resolved completely, with 100% closure rate, and documented records must be kept.

In 2023, we expanded the size of the customer service team and implemented a series of measures to improve customer complaint management from top to bottom:

- Organized 3 training sessions on handling hospital complaint tickets.
- Promoted specialization within the hospital's customer service department and included various process indicators in the department's performance metrics.
- Appointed dedicated personnel to oversee and follow up on hospital complaint ticket handling, providing supervision and assistance.
- Published standardized guidelines for hospital complaint ticket handling processes, clarifying responsibilities and optimizing the handling procedures.

## Customer Privacy Protection

We attach great importance to information security and customer privacy protection, strictly complying with laws and regulations such as the "Cybersecurity Law of the People's Republic of China" and the "Personal Information Protection Law of the People's Republic of China." While advancing digitalization, we continuously improve our information security management system, optimize information security management mechanisms, and enhance our level of information security management to effectively safeguard information security and protect patient privacy. In our "Code of Business Conduct," we clearly state our position and actions regarding the use and protection of customer information, ensuring the security of customer information. In 2023, we did not experience any information security incidents, and no employees or customers were affected by information leakage events.

### Information Security Management Structure

To ensure the effective implementation of information security management, we have established a well-defined information security management structure. This includes the Information Security Leadership Group, the Information Security Management Group, and the Information Security Implementation Group. Through coordinated efforts across various levels and positions, we aim to enhance our information security management capabilities.

#### Information Security Leadership Group

The Information Security Leadership Group is a permanent leadership body responsible for all aspects of information security:

- Adhere to and implement national and higher-level departmental policies and guidelines on information security.
- Develop and organize the implementation of overall plans for information security construction and development.
- Be responsible for all aspects of information security.
- The leadership group reviews and approves information security regulations.
- Allocate overall responsibilities for security management.
- Supervise and control significant changes that may occur when networks and information assets are exposed to major threats.
- Make decisions on significant changes in security management, such as organizational adjustments, key personnel changes, and information system modifications.
- Command, coordinate, supervise, and review the handling of major security incidents.
- Make decisions on the feasibility of major security projects.

#### Information Security Management Group

The Information Security Management Group serves as the daily executing body for information security, responsible for the implementation and assessment of information security.

- Implement the resolutions of the Security Leadership Group;
- Implement the information security requirements of various national regulatory departments;
- Organize "Information Security Work Meetings";
- Formulate information security strategies and plans, and allocate information security budgets reasonably based on the security needs and status of each hospital;
- Evaluate the feasibility of major security projects (including security components in other projects), and report the technical evaluation results to the Security Leadership Group to provide technical basis for its decisions;
- Implement various information security tasks, and supervise, assess, guide, and approve the information security work of each hospital;
- Cooperate and communicate with relevant government departments and sister units; Responsible for cooperation and communication with suppliers, industry experts, professional security companies, and security organizations.

#### Information Security Implementation Group

The Information Security Implementation Group is responsible for the specific execution of daily information security work.

- Responsible for implementing various security responsibilities undertaken by the Information Security Management Group;
- Responsible for coordinating the completion of daily security work by security administrators in each hospital;
- Responsible for implementing specific security work requirements on the network information systems (including networks, hosts, applications, and terminal systems) of the unit;
- Responsible for implementing information security work systems and management processes, and supervising and inspecting them;
- Responsible for supervising the execution of information security strategies in each hospital;
- Responsible for completing various tasks assigned by the Information Security Management Group.

## Information Security System Construction

- We have formulated the "Information Security Policy" to provide guidance on information security management, inspections, education, and incident response for our company, subsidiaries, wholly-owned, and holding companies. We have also issued the "Overall Guidelines and Security Strategy for Information Security Work," which focuses on overall information security objectives. We have developed corresponding strategies for various dimensions of information security management, including security management systems, organizational structure, system construction and operation, network security, physical security, data security, and backup and recovery. Additionally, we have established a series of internal information security management systems such as the "Project and Information System Construction Management System" and "Information System Change Management System" to guide and standardize information security management work. These measures are implemented to safeguard the security and stability of information systems and maintain information network security.

## Information Security Daily Management

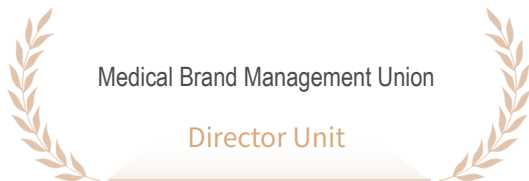
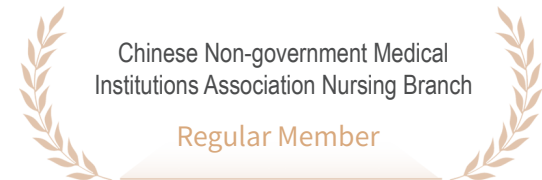
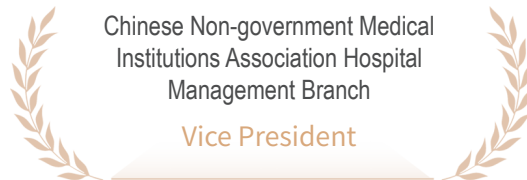
- We continue to strengthen the management of hospital information systems. Through technical means and management measures such as internet isolation, daily inspection of source code and data backup, user permission settings and allocation, approval of access and replication permissions, and implementation of confidentiality responsibilities, we ensure the security of system data and information. Parts of our information systems such as HIS have passed the third-level network security protection assessment.

To ensure the effective implementation of the information security management system, enhance the level of information security management, and effectively respond to information security risks and threats, effectively safeguarding information security, in 2023, we conducted information security inspections and audits: we conducted network security vulnerability scans every six months, and checked the vulnerability status of our company and its affiliated hospitals' information systems every two months. Additionally, we regularly inspected personal computer vulnerabilities internally. We conducted an external information security test on software deployed by external third parties and repaired any vulnerabilities detected. External professional organizations audited our information systems. Furthermore, we actively encouraged all employees to report any information security issues or risks to their immediate supervisors or the company's information security management department.



## Support Industry Development

We adhere to the principles of "balanced development of medical, education, and research" and "building a talent and technology hub", placing great emphasis on the development of the medical industry. We actively participate in and promote industry exchanges and cooperation, aiming to provide multi-level and diversified high-quality services to more patients, and to drive the high-quality development of the ophthalmology industry in China. Some of the industry associations in which the company is involved are listed below:



## Participation in Industry Standard Development

In 2023, we participated in the development or revision of 15 industry standards, including:

<p>Evidence-based guidelines for diagnosis and treatment of diabetic retinopathy in China (2022)</p>	<p>Guidelines for the application of artificial intelligence in the auxiliary diagnosis of retinopathy of prematurity(2023)</p>	<p>One-stop intravitreal injection model: expert consensus on establishment and management</p>	<p>Chinese expert consensus on meibomian gland dysfunction: definition and classification (2023)</p>	<p>Chinese expert consensus on the diagnosis and treatment of drug-induced keratopathy (2023)</p>
<p>Chinese expert consensus on meibomian gland dysfunction: diagnosis and management (2023)</p>	<p>The standardized design and application guidelines: a primary-oriented artificial intelligence screening system of the lesion sign in the macular region based on fundus color photography</p>	<p>Evidence-based guidelines for diagnosis and treatment of age-related macular degeneration in China (2023)</p>	<p>Guidelines for standardized operation for visual function and imaging examinations before corneal refractive surgery (2023)</p>	<p>Chinese Guideline for the Management of Polypoidal Choroidal Vasculopathy (2022)</p>
<p>Expert consensus on corneal stromal lenticule collection,preservation,and reuse</p>	<p>Guidelines for the application of artificial intelligence in the diagnosis of anterior segment diseases(2023)</p>	<p>Expert consensus on the classification and treatment of retinopathy of prematurity in China (2023 edition)</p>	<p>Guidelines for the application of artificial intelligence in thyroid-associated ophthalmopathy(2023)</p>	<p>Expert consensus on the application of retrolubar block: China Consensus Expert Group on the application of retrolubar block (2023)</p>

## Promote Academic Exchanges

In 2023, we hosted 48 academic conferences and actively attended major industry conferences, some of which are listed below.			International Keratoconus & Corneal Crosslinking Summit 2023	The 17th Annual Meeting of the Chinese Medical Doctor Association Ophthalmologist Branch	2022-2023 Dry Eye Rehabilitation China (DRC)
The 22nd Fujian Province Ophthalmology Academic Conference and Ophthalmology New Progress Seminar	The First International Summit on Ocular Biometry and IOL Power Calculation	CCCRS 2023	The 38th Asia-Pacific Academy of Ophthalmology Congress (APAO 2023)	Retina China and the 24th International Retina Forum	The 7th China Ophthalmology Education Forum
The 9th National Conference on Dry Eye and the 7th National Conference on Ocular Surface and Tear Film Diseases	CGC2023	2023 The 18th Chinese Symposium on Ophthalmic Refractive Surgery (CSORS)	The 20th National Strabismus and Pediatric Ophthalmology Academic Conference	The 21st National Ophthalmology Academic Conference	2023 International Conference on Clinical Research in Glaucoma (ICCRG)
Association for Research in Vision & Ophthalmology Annual Meeting (ARVO)	Vision China 2023	Asia-Pacific Academy of Cataract and Refractive Surgeons Annual Meeting (APACRS)	The 21st National Conference on Visual Physiology of the Chinese Medical Association	10th World Glaucoma Congress	The 7th Academic Annual Meeting of the Ophthalmologic Committee of Chinese Non-government Medical Institutions Association and the National Clinical Ophthalmology Annual Meeting
American Academy of Ophthalmology (AAO)	CSCRS 2023	The First Chinese-Thai Glaucoma Seminar	CCOS 2023	The 8th Asia-Pacific Tele-ophthalmology Society (APTOS)	The 23rd International Congress of Ophthalmology and Optometry China (COOC 2023)
The 16th Congress of the Asia-Pacific Vitreo-retina Society (APVRS)	The 29th Congress of Ocular Trauma and Intergrative Ophthalmic Surgery of China	2023 European Society of Ophthalmology (SOE 2023)	The 35th Asia-Pacific Association of Cataract and Refractive Surgeons (APACRS) Annual Meeting (APACRS 2023)	2023 The 23rd Euretina Congress (EURETINA 2023)	The 9th Huaxia Eye Hospital International Forum on Ophthalmology

Highlight

In April 2023, the Third Gulangyu Dry Eye Forum, hosted by us, was held in Xiamen. The conference invited multiple ophthalmic experts to discuss the difficulties and key points of precise diagnosis and treatment of ocular surface and dry eye-related diseases, as well as new technologies and standards in diagnosis and treatment. Focusing on precision and practicality, the forum aimed to promote the standardized diagnosis and treatment of dry eye and comprehensively enhance the level of dry eye diagnosis and treatment technology.



Highlight

In May 2023, the largest academic conference in the field of eye health, the Vision China 2023, was held at Beijing Shougang Park. As one of the important satellite meetings of the conference, the Huaxia Optometry Forum was held on May 19th and was simultaneously live-streamed online. Dozens of experts from Huaxia Ophthalmology made brilliant appearances, focusing on cutting-edge research, engaging in discussions with colleagues from around the world, and exchanging new technologies, trends, and concepts. Through exciting academic presentations, they illuminated the path of high-quality development in the field of eye health.



**Highlight**

In June 2023, the 7th Academic Annual Meeting of the Ophthalmologic Committee of Chinese Non-Government Medical Institutions Association and the National Clinical Ophthalmology Annual Meeting were held in Zhuhai, Guangdong Province, China. More than 500 domestic experts, scholars, representatives from medical institutions, and enterprises in the field of ophthalmology gathered together. With the theme "Breaking Waves and Opening New Situations", the conference focused on topics such as talent cultivation, improving medical service quality, hospital management, scientific research and discipline construction, teaching, and clinical practice. Through in-depth exchanges, pooling wisdom, and consolidating efforts, attendees discussed strategies to advance the development of non-public ophthalmic medical institutions in China, including experiences in construction, academic exchange, and hospital management, aiming to promote the sustainable and standardized development of the non-public ophthalmology medical industry.


**Highlight**

From May 27 to 28, 2023, the 9th Huaxia International Forum on Ophthalmology was held in Xiamen. The two-day conference was divided into six sub-forums, gathering more than 1,000 experts and scholars at home and abroad, taking the multi-level eye health needs as the starting point and the clinical application of high-quality results as the guide, gathering wisdom and planning far, accumulating momentum and empowering, jointly raising the banner of high-quality development of ophthalmology and building a "Healthy China" hand in hand.



## Conduct Industrial Training

### Highlight

In March 2023, the DISC Clinical Data for Huaxia Special Release Conference and Myopia Management Training Course were successfully held in Xiamen. We collaborated with DISC to discuss the clinical data achievements of DISC, promote continuous improvement in technology, communication, and service capabilities, and strive to provide personalized myopia management solutions for patients. This initiative aims to contribute to the substantial development of myopia prevention and control techniques for adolescents.



### Highlight

In March 2023, the "Sixth Session of Regional Ocular Surface Diagnosis and Treatment Technology and Operation Training Class of Huaxia Eye Hospital Group", hosted by our group and organized by the Ningbo Yinzhou Eye Hospital, was successfully held. The course attracted more than 60 eye surface and outpatient doctors, dry eye nurses, and discipline operation personnel from multiple hospitals, facilitating in-depth exchanges among regional hospitals. This event was of great significance in promoting the standardization of ocular surface diagnosis and treatment technology, enhancing technical capabilities, and improving service levels.



**Highlight**

In April 2023, the "Dreaming of a New Vision·Gathering Brightness for the Future" Vision Training Seminar and the plaque awarding ceremony for the Huaxia Eye Hospital Group Vision Training Base were held at the Hefei Mingren Eye Hospital. More than 60 senior ophthalmic experts and optometric technicians from across the country gathered to learn and witness together. The event aimed to further optimize the management and service capabilities of the ophthalmology discipline, enhance professional exchanges in optometry, and standardize and promote the training of optometry professionals.


**Highlight**

In December 2023, the opening ceremony of "The 13th Strabismus and Pediatric Training Course of China's Ophthalmologists' Stars of Tomorrow Program" organized by Huaxia Eye Hospital Group was successfully held! Many pediatric ophthalmologists from Chongqing, Ningbo, Shenzhen, Fuzhou, Jingzhou, etc. enrolled in the program. The opening ceremony was an important starting point for the trainees, who will devote themselves to comprehensive and professional training during the 4-month training period, lighting up the road of children's ophthalmology medical skills.



## Rural Revitalization and Social Contributions

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As pioneers in comprehensive ophthalmic diagnosis and treatment services, we uphold the mission of "Whether rich or poor, we serve each patient with care, and protect healthy and bright eyes for all." We bravely shoulder social responsibilities, adhere to the principles of progress and kindness, and engage in public welfare undertakings. We focus on national strategies such as "Healthy China," "Rural Revitalization," "Support Tibet and Xinjiang," and "Belt and Road Initiative." Actively leveraging our expertise in eye health, we integrate corporate development with the goals of Healthy China and people's well-being. We extend high-quality ophthalmic medical resources and charitable funds into various sectors of society. Through a series of specific and in-depth public welfare actions, we effectively optimize the allocation of medical resources, support the comprehensive improvement of the nation's eye health level, and contribute the strength of Huaxia to the construction of "Healthy China."

### Towards the Light Revitalize the Countryside

Based on the unique nature of ophthalmic services, we stride towards the light and collaborate with governments, charitable organizations, and other entities to conduct various ophthalmic public welfare activities. We aim to provide high-quality ophthalmic medical services to rural areas, promote the sinking of high-quality ophthalmic medical resources and charitable funds to the grassroots level, prioritize gathering difficult groups, and provide free professional ophthalmic examinations, treatments, and surgeries to local residents. Our goal is to ensure that every rural family can feel the warmth of light and share the achievements of ophthalmic public welfare, injecting new vitality into rural revitalization. Additionally, we are committed to training ophthalmic talents in rural areas, strengthening cooperation with grassroots medical institutions, and enhancing the level of grassroots ophthalmic medical care. Through ophthalmic knowledge training, technical exchanges, and other methods, we help grassroots doctors improve their ophthalmic diagnosis and treatment capabilities, enabling rural residents to enjoy high-quality ophthalmic medical services at their doorstep.



**Highlight**

### "Love from Overseas Chinese · Brightness Action" Project

With the advent of an aging society, the number of cataract patients is gradually increasing. Since 2021, we have joined hands with the All-China Federation of Returned Overseas Chinese and the Overseas Chinese Charity Foundation of China to jointly launch and promote the "Love from Overseas Chinese · Brightness Action" public welfare brand project, dedicated to providing additional medical assistance to patients, preventing eye disease patients from falling into poverty or returning to poverty due to illness. In 2023, the "Love from Overseas Chinese · Brightness Action" project conducted more than 2,000 eye health public welfare screenings, covering over 69,000 participants, and completed charitable cataract surgeries for more than 5,700 eye disease patients. The charitable diagnosis and treatment activities have spread throughout the country.



"Love from Overseas Chinese · Rural Student Optometry Project" Activities of Xiamen Eye Hospital

**Highlight**

### “ Love from Overseas Chinese · Rural Student Optometry Project”

Early vision screening is crucial for children's visual development and for early detection and treatment of eye problems. However, at present, adolescents and children still face the severe situation of high myopia rates and the trend of early-onset and severe myopia. This issue is particularly prominent among children in remote rural areas, where limited medical conditions and lack of eye health education exacerbate the problem of visual health in children and adolescents. Over the years, leveraging the expertise of experts from national tertiary eye hospitals, we have assembled a group of high-level experts to form a myopia prevention and control expert preaching team. We have collaborated with government departments, organizations, and news media to carry out a series of public welfare projects for myopia prevention and control. Addressing the objective regional factors affecting eye health, we have organized professional medical teams to go deep into rural areas, exploring the establishment of a scientific, comprehensive, integrated, and sustainable system for myopia prevention and control among children and adolescents. We aim to contribute the "Huaxia Power" to a healthy China.

In 2023, our group's optometry team collaborated with the Grassroots Construction Department of the All-China Federation of Returned Overseas Chinese, the Overseas Chinese Charity Foundation of China, and local overseas Chinese federations to carry out the "Love from Overseas Chinese · Rural Student Optometry Project" special public welfare activity. Through professional medical expertise, we conducted vision screenings for primary and secondary school students in ethnic minority areas, border areas, revolutionary base areas, and remote mountainous areas. We also promoted eye health knowledge, provided free glasses for myopic students, and delivered detailed explanations on the causes, treatment, and prevention of myopia. We informed students about proper eye habits and eye health protection measures, advocated for the diligent performance of eye exercises, and encouraged increased outdoor activities and exercise. The project reached 16 schools and screened over 8,600 students in Fujian Ningde, Hebei Zhangjiakou, and Anhui Hefei, providing free glasses to more than 1,900 myopic students. By effectively mobilizing high-quality ophthalmic medical resources, we extended medical services to remote rural primary and secondary school students, demonstrating the country's care for the visual health of young people and contributing to consolidating poverty alleviation achievements and effectively connecting with rural revitalization efforts.

**Highlight**

## The "Brightness Project" Cataract Restoration Program

The "Bright Project" Cataract Restoration Project is a large-scale public welfare project initiated and guided by the former State Council Leading Group Office of Poverty Alleviation and Development and the former National Health and Family Planning Commission. It is implemented by the China Rural Development Volunteer Service Promotion Association (formerly the China Poverty-alleviation Promotion of Volunteer Service), with technical guidance from the National Technical Guidance Group for the Prevention of Blindness. This project aims to treat cataract patients in rural areas. It provides medical subsidies for single-eye surgery to impoverished cataract patients, monitoring populations prone to poverty, extremely impoverished individuals, and those receiving low-income assistance, ensuring that rural cataract patients have access to standardized surgical treatment services nearby. In 2023, we implemented the "Brightness Project" Cataract Restoration Project in 12 hospitals across 7 provinces (autonomous regions, municipalities directly under the Central Government), treating over 1,190 difficult cataract patients.

**Highlight**

## "The Tibet Brightness Action" Project

In 2023, we integrated the medical expertise of 51 healthcare professionals from 5 branch hospitals to form a medical aid team for Tibet. Crossing over 4,000 kilometers, we journeyed to the city of Rikaze in Tibet, at an altitude of over 4,000 meters. There, we conducted vision screenings and provided free treatment for myopia, strabismus, and amblyopia for students in one district and four counties. Additionally, we conducted screenings and performed free surgeries for cataract patients, bringing health and light to our Tibetan compatriots with our exceptional medical skills and professional services. During the 18-day intensive aid mission, we spread the light of compassion and skill on the snowy plateau.

- Completed vision screenings for over 10,700 students from 13 schools in Rikaze, Tibet.
- Provided free glasses for over 1,000 children.
- Performed corrective surgery for more than 60 Tibetan children with strabismus.
- Conducted free cataract surgeries for over 130 Tibetan compatriots.
- Provided vision tests and free glasses for nearly 100 aid workers.
- Donated medical supplies and glasses worth a total of 3 million RMB.



## Friendly Relations Built in Community Service

We deeply understand that the growth of an enterprise is closely linked to the development of the community it operates in. We have formulated a "Community Policy" and published it on our official website. Adhering to the principle of local priority, we provide cooperation opportunities for local businesses in our business development process through local procurement and local employment plans. Whenever possible, we prioritize purchasing products and services from local suppliers. In our talent recruitment process, we give priority to local candidates and provide training and career development opportunities to help them enhance their skills and improve their career prospects. In project investment, construction, and operation, we actively establish mechanisms for communication and exchange with community residents to foster good neighborly relations. We collaborate with various sectors of society to carry out a variety of community public welfare activities, such as community medical consultations, health lectures, and disease prevention screenings, to provide health security and support to community residents. We are committed to building a harmonious and symbiotic relationship with the community we operate in, promoting its prosperity and development.

In 2023, we engaged in neighboring co-building with 17 institutions.

### “Love from Overseas Chinese · Into the Community” Project

The "Love from Overseas Chinese · Into the Community" Eye Health Public Welfare Project provides basic eye health services for residents in the community through eye health popularization, screening, establishment of personal eye health records, and provision of eye care guidance. For elderly people aged 80 and above, the project offers free distribution of standard anti-blue light reading glasses, allowing them to enjoy basic eye health services without leaving their community. The project also pays special attention to the eye health of children and adolescents aged 3-18. It conducts public welfare screening activities for myopia and amblyopia, organizes popular science lectures, and provides refractive development documentation services to care for the eye health of children and adolescents, preventing the occurrence and development of visual problems.



## Community Charity Medical Consultation Events

We actively implement the Healthy China strategy by organizing charitable medical consultations across various regions, allowing residents to enjoy professional, convenient, and caring medical services right at their doorstep. Through these activities, we aim to enhance residents' awareness of eye diseases and eye care, thereby improving public health literacy.



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1. Foshan Huaxia Eye Hospital launched the "Visible Hope: Foshan Brightness Action" public welfare campaign.
2. Shanghai Heping Eye Hospital conducted the "Brightness Action" charity medical consultation activity.
3. Yichang Huaxia Eye Hospital conducted a public welfare activity to care for the eye health of the elderly.
4. Lishui Huaxia Eye Hospital conducted a public welfare activity "Adding Extra Care, Adding Extra Brightness."
5. "Lei Feng Month" Charity Clinic Event
6. "International Volunteer" Charity Clinic Event
7. Conduct Myopia Prevention Lectures
8. Ningde Huaxia Eye Hospital conducted the "Brightness Action" charity medical consultation activity.

03

# Governance



## 2023 Key Performance Goals for Governance Issues

- ✔ Develop sustainable development policies in line with business and operational needs
- ✔ 0 conflicts of interest incidents throughout the year
- ✔ 0 incidents of commercial bribery or corruption throughout the year
- ✔ 0 litigation or significant administrative penalties on unfair competition or monopolistic behavior throughout the year
- ✔ 0 tax compliance violations throughout the year
- ✔ Disclose the 2023 Sustainable Development Report before May 2024



## Party Building



We adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully leveraging the vanguard role of party organizations, continuously strengthening the construction of grassroots party organizations, empowering business operations, and leading innovative development with high-quality party building. We strive to compose a new chapter of development. Our Party Committee insists on exercising the core leadership of the Party, the Committee implements the system of "hospital president responsibility system" under the leadership of the hospital Party organization, continuously promoting the effective integration and organic unity of Party leadership and company management. Our Party Committee continuously promotes the construction of grassroots party organizations, plays and strengthens the role of branch fortresses. Through strictly implementing the system of "three meetings and one lesson," the system of organization life meetings, democratic evaluation of party members, and other systems, Party Committee continuously enhances the cohesion and combat effectiveness of party branches. As of the end of 2023, we have established party organizations in 34 hospitals nationwide, with a total of 680 party members, of which 43.53% are backbone, discipline leaders, and middle-level managers. The headquarters Party Committee has one Party general branch and four Party branches, with a total of 120 party members, of which 43.5% are backbone, discipline leaders, and middle-level managers.

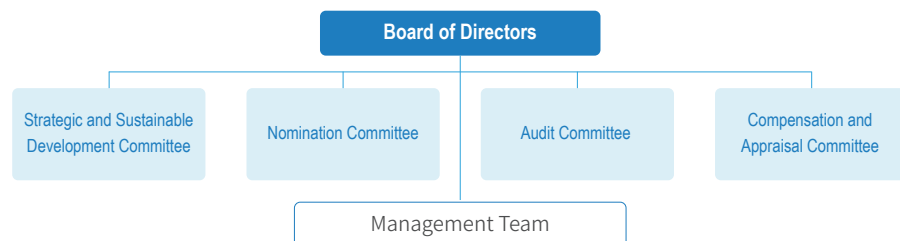


## Sustainability-Related Governance Mechanisms

We have established a sound corporate governance system, integrating the concept of sustainable development into corporate governance. Continuously improving the governance mechanism for sustainable development, enhancing the level of governance for sustainable development, promoting the sustainable and high-quality development, and achieving long-term value.

### Corporate Governance Structure

We strictly adhere to the requirements of relevant laws, regulations, and regulatory rules such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Code of Corporate Governance for Listed Companies. We establish a sound corporate governance structure composed of the shareholders' general meeting, the Board of Directors, the Board of supervisors, and the management. Under the Board of Directors, we set up four specialized committees: the Strategic and Sustainable Development Committee, the Audit Committee, the Nomination Committee, and the Compensation and Appraisal Committee. In 2023, we revised the working rules of each committee to further improve their working mechanisms. These committees fully discussed, supervised, and reviewed matters within their scope of responsibilities, providing professional opinions and references for the decisions of the board of directors.



Specialized Committees

<b>Strategic and Sustainable Development Committee</b>	The committee is composed of three directors, including one independent director and is primarily responsible for researching and providing recommendations on our medium to long-term development strategy, major investment and financing projects, sustainable development goals, and ESG-related matters.
<b>Audit Committee</b>	The committee is comprised of three independent directors, one of whom acts as Chairman (Convener). It is primarily responsible for overseeing and reviewing the company's internal audit system, internal control system, and their implementation, reviewing financial information and disclosure, and supervising and evaluating external audit work.
<b>Nomination Committee</b>	The committee is comprised of three directors, two of whom are independent directors, with one of the independent directors serving as Chairman of the Committee. It is primarily tasked with studying the selection criteria and procedures for directors and senior management, offering recommendations, and reviewing and providing suggestions on suitable candidates for directors and senior management.
<b>Compensation and Appraisal Committee</b>	The committee is comprised of three directors, two of whom are independent directors, with one of the independent directors serving as Chairman of the Committee. It is primarily responsible for formulating and reviewing the compensation policies and schemes for non-independent directors and senior management, establishing assessment criteria for non-independent directors and senior management, and conducting evaluations.

To advance ESG governance efforts, enhance ESG governance standards, and ensure the realization of ESG strategies and objectives, we have renamed the Strategic Committee under the Board of Directors to the Strategic and Sustainable Development Committee. We have also revised the "Implementation Rules of the Board of Directors' Strategic and Sustainable Development Committee" to be responsible for researching ESG strategic objectives and ESG issues and providing recommendations. Furthermore, we collaborate with specialized committees such as the Audit Committee and the Nomination Committee to jointly guide the implementation of the ESG work and supervise the effectiveness of ESG objectives and related initiatives.

Aligned with ESG strategies and operational realities, we have formulated a series of sustainable development policies, declaring our positions on ESG issues such as the environment, human rights, business ethics, occupational health, and safety. These policies guide and regulate our operations to align with the principles of sustainable development.

**Sustainable Development Policy**

<b>Environmental</b>	<ul style="list-style-type: none"> <li>● Environmental Protection Policy</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>● Supplier Code of Conduct</li> <li>● Human Rights Policy</li> <li>● Occupational Health and Safety Policy</li> <li>● Community Policy</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>● Business Code of Conduct</li> <li>● Information Security Policy</li> <li>● Tax Policy</li> </ul>

In 2023, we, in accordance with the "Rules Governing the Listing of Stocks on the STAR Market of the Shenzhen Stock Exchange" and the "Guidelines No. 2 of Shenzhen Stock Exchange for Self-Regulation of Listed Companies— Standardized Operation of ChiNext Listed Companies" reviewed and revised internal governance documents such as the "Shareholders' Meeting Rules," "Board of Directors Meeting Rules," "Board of Supervisors Meeting Rules," "Independent Director System," "General Manager's Work Rules," "Fundraising Management System," "External Guarantee Management System," and "Management System of Holding Subsidiaries," based on relevant laws, regulations, and normative documents. This aimed to further improve the governance system to ensure the standardized conduct of governance work and enhance corporate governance standards. We convened a total of 3 board meetings, deliberating on 26 agenda items. The independent directors provided pre-approval opinions on major matters 3 times and independent opinions 15 times. Additionally, a total of 8 meetings of specialized committees were convened, discussing 20 agenda items.

## Selection and Appointment of Directors and Senior Management

We strictly follow relevant laws and regulations, as well as provisions in the Articles of Association and the Implementation Rules of the Nomination Committee, to fulfill the nomination and appointment procedures for members of the Board of Directors and senior management. The Board of Directors establishes a Nomination Committee, which, considering our governance and operational needs, evaluates candidates based on diverse factors such as professional capabilities, educational backgrounds, and work experiences. After qualification examinations, the Nomination Committee proposes candidates for directors and senior management to the Board of Directors. The Board of Directors then submits the list of director candidates to the shareholders' meeting for election, and upon election, the new board members are appointed. Similarly, senior management candidates are appointed after approval by the Board of Directors.

The Board of Directors consists of 7 directors, including 3 independent directors, accounting for 42.86% of the board membership. Board members possess extensive experience in operational management, risk control, compliance, financial accounting, and various professional backgrounds such as medicine, business administration, accounting, economics, and engineering. Senior management covers various professional fields including medicine, economics, accounting, and business administration, with rich experience in enterprise operational management, risk control, compliance management, and financial management. The diversity and professionalism of the Board of Directors and senior management provide crucial support for enhancing our scientific decision-making and governance standards.





We attach great importance to continuously enhancing the performance capabilities of directors, supervisors, and senior management. We periodically send the latest revised or issued regulatory rules or relevant cases to directors, supervisors, and senior management for learning purposes. Additionally, we actively organize directors, supervisors, and senior management to participate in various training sessions on regulations, regulatory rules, and job-related topics organized by stock exchanges, industry associations, and other relevant institutions. In 2023, we organized directors, supervisors, and senior management to participate in a total of 7 external training sessions, covering topics such as interpretation of relevant regulations and policies, high-quality development of listed companies, finance, and taxation.

Name	Position	Age	Professional Background				Board Committees				Attendance (Board meetings and Board committee meetings)
			Industry Experience	Operations Management	Risk Management and Compliance	Financial Accounting	Audit Committee	Nomination Committee	Compensation and Appraisal Committee	Strategic and Sustainable Development Committee	
Su Qingcan(M)	Chairman & CEO	55	✓	✓	✓	✓		✓	✓	✓	100%
Chen Fengguo(M)	Director	57	✓	✓	✓	✓					100%
Zhang Guangbin(M)	Director	56	✓	✓	✓						100%
Li Xiaofeng(M)	Director & Vice President	52	✓	✓	✓					✓	100%
Wang Zhiqiang(M)	Independent Director	57		✓	✓	✓	✓		✓		100%
Zheng Wenli(M)	Independent Director	61		✓	✓		✓	✓	✓		100%
Hu Jun(M)	Independent Director	68		✓	✓		✓	✓		✓	100%
Zhang Zhiyong(M)	Vice President	42	✓	✓	✓						/
Zhang Binbin(M)	Vice President	60	✓	✓							/
Chen Luyan(F)	CFO	46	✓	✓	✓	✓					/
Cao Naien(M)	Board Secretary	49	✓	✓	✓	✓					/

## Remuneration of Director and Senior Management

In accordance with the Articles of Association and the Implementation Rules of the Compensation and Appraisal Committee, our compensation policy and scheme for directors and senior management are formulated by the Compensation and Appraisal Committee. The compensation scheme for directors is implemented after approval by the Board of Directors and submission to the shareholders' meeting for approval, while the compensation scheme for senior management is implemented after approval by the Board of Directors. We have established the "Director, Supervisor, and Senior Management Compensation and Allowance Management System," under which directors and senior management receive compensation based on their actual positions, including components such as fixed salary and bonuses. The basic salary is determined based on job responsibilities, individual capabilities, and market salary levels, while bonuses and allowances are determined based on individual performance and company performance. Independent directors receive independent director allowances as prescribed. Additionally, we link the performance and compensation of directors and senior management to compliance operations, risk management, talent development, occupational health, and safety.

We implement an employee stock ownership plan, granting incentive shares to directors and senior management to establish a long-term incentive mechanism. As of December 31, 2023, directors and senior management participating in the stock ownership plan indirectly held a total of 16,095,000 shares, accounting for 1.92% of the total shares outstanding through the employee stock ownership platform.

Name	Position	Shares indirectly held through the stock holding platform as of the end of the reporting period (Shares)
Chen Fengguo	Director	7,050,000
Li Xiaofeng	Director & Vice President	1,500,000
Zhang Guangbin	Director	3,930,000
Zhang Binbin	Vice President	1,890,000
Chen Luyan	CFO	1,275,000
Cao Naïen	Board Secretary	450,000
<b>Total</b>		<b>16,095,000</b>

## Conflicts of Interest

We strictly regulate and manage related-party transactions in accordance with relevant laws, regulations, and regulatory requirements to prevent conflicts of interest. The Articles of Association stipulates that directors, supervisors, and senior management have a fiduciary duty and must not abuse their positions to seek business opportunities that rightfully belong to the company for themselves or others, nor engage in self-operation or operate businesses similar to those of the company for others.

We establish and continuously improve the "Related-Party Transaction Management System," which clearly defines matters such as the scope of related parties, the scope of related-party transactions, pricing principles, approval authority, and decision-making procedures. This ensures compliance with principles of openness, fairness, impartiality, and objectivity, and safeguards the legitimate rights and interests of the company and all shareholders. Directors, supervisors, and senior management have made long-term commitments regarding related-party transactions. They pledge to avoid and minimize related-party transactions to the extent possible. If unavoidable, they will strictly adhere to fair, reasonable, and customary business practices and faithfully observe the recusal procedures for related-party transaction voting. They also commit not to illegally transfer company funds or profits through related-party transactions, nor seek any other illegitimate benefits or impose any illegitimate obligations on the company. Directors who breach these commitments will bear full responsibility and fully compensate or indemnify the company for losses. If unable to compensate or indemnify, we reserve the right to correspondingly deduct the cash dividends payable.

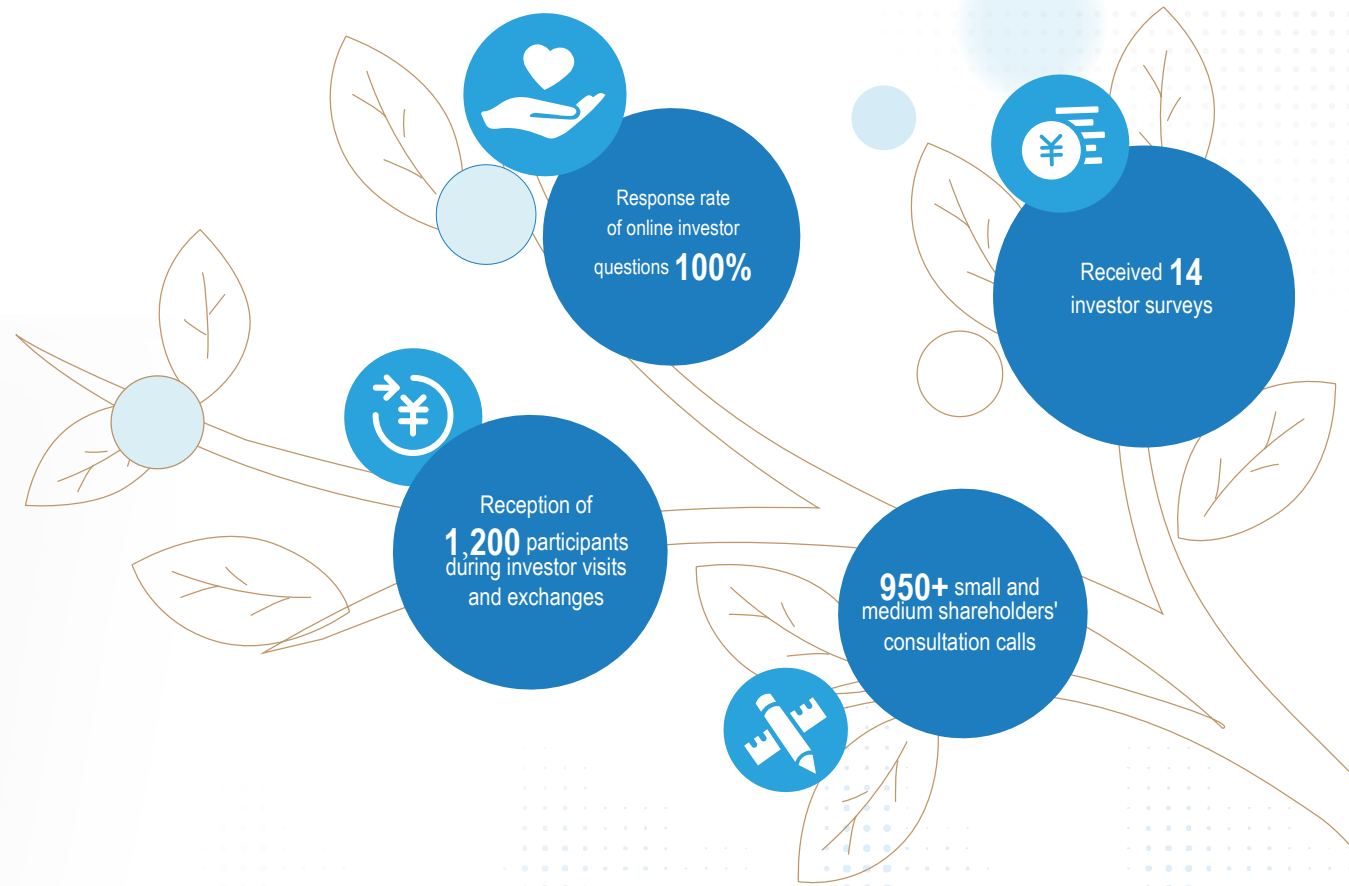
## Investor Relations Management

We attach great importance to investor relations management, strictly adhere to the relevant laws, regulations, and regulatory requirements regarding investor relations management, and formulate and continuously improve the Investor Relations Management System. This system standardizes investor relations management, enhance communication and exchange between us and investors, and safeguard the legitimate rights and interests of investors.

In 2023, the Company communicated with investors on issues such as the Company's sustainable development strategy and actively listened to investors' opinions and suggestions on the Company's development by organizing research activities such as performance exchange meetings and brokerage strategy meetings. It ensures effective communication between the Company and investors, promotes the improvement of the Company's governance, and effectively protects the legitimate rights and interests of investors.











Furthermore, We also actively communicates with investors through various channels such as investor phone lines, faxes, IR mailboxes, investor relations management applets, and SZSE Easy Interaction Platform to maintain a good relationship with investors.



## Communication with Stakeholders

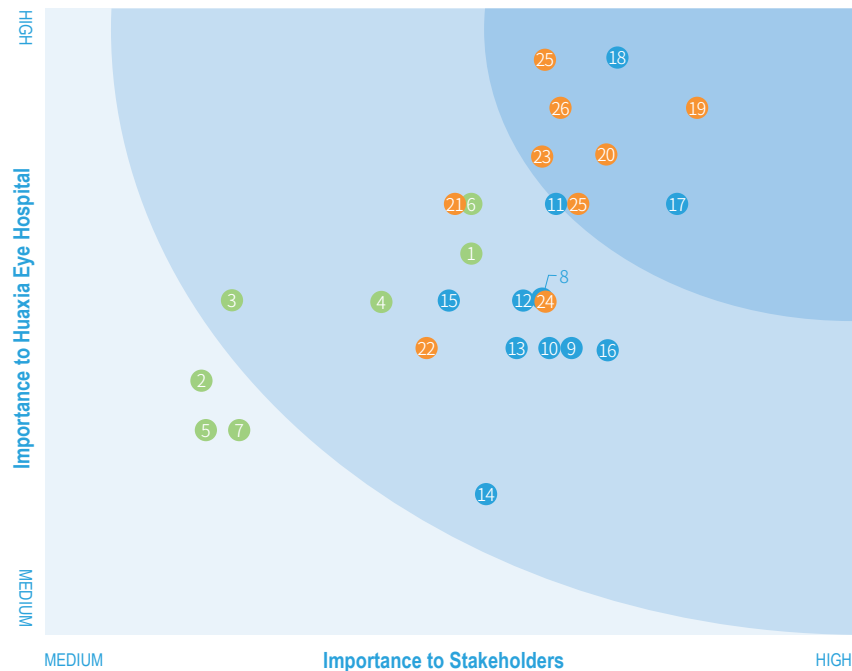
We value the suggestions and demands of various stakeholders and endeavors to understand their expectations and feedback through diversified communication channels. These inputs are incorporated into the scope of corporate management considerations, aiming to continuously enhance our external impact.

<b>Stakeholders</b>	 <b>Employees</b>	 <b>Customers/Patients</b>	 <b>Suppliers</b>	 <b>Investors</b>
<b>Material Issues</b>	Medical Quality and Safety Customer Service Operation Compliance	Operation Compliance Customer Service Human Rights Protection	Operation Compliance Risk Management Medical Quality and Safety	Operation Compliance Risk Management Medical Quality and Safety
<b>Communication Methods Issues</b>	Employees Consultation & Complainants Employees Training & Activities Staff Representative Congress	Customer Service and Complainants Customer Satisfaction Survey Website and Social Media	Communications & On-site Interviews Supplier audit management Industry Conference Supplier Conference	Information Disclosure of Public Company Shareholders' Meeting / Performance Briefing Investor Hotline / Investor Interactive Platform Investor Visits and Research
<b>Stakeholders</b>	 <b>Banks</b>	 <b>Media</b>	 <b>Government and Supervision</b>	 <b>NGOs</b>
<b>Material Issues</b>	Operation Compliance Risk Management Medical Quality and Safety	Operation Compliance Customer Service Human Rights Protection	Medical Quality and Safety Customer Service Operation Compliance	Operation Compliance Community Investment Responsible Marketing
<b>Communication Methods Issues</b>	Information Disclosure of Public Company Project Cooperation Communications & On-site Interviews	Information Disclosure of Public Company Social Media Communication Public Opinion Monitoring	Information Disclosure of Public Company Project Cooperation Communications & On-site Interviews	Public Welfare Service Communications & On-site Interviews Public Opinion Monitoring

## Material Issues Assessment

In 2023, we, in conjunction with business operations, identified 27 ESG issues related to our operations based on guidelines from frameworks such as GRI and SASB, as well as relevant regulatory requirements. Subsequently, material issue surveys were distributed to our management and stakeholders, and internal and external research evaluations were conducted to comprehensively understand the concerns and feedback of our management and various stakeholders, and to assess the importance of each ESG issue. Following the double materiality principle, a comprehensive analysis and ranking of each ESG issue was conducted based on the importance to our financial impact and the impact of issues on stakeholders. This process culminated in the formation of an importance matrix. The results of the substantial issue assessment were reviewed and confirmed by the Strategic and Sustainable Development Committee, and this report will provide an explanation of the annual management status of the corresponding issues.

### 2023 Sustainable Development Issues Material Matrix



#### Environmental

- ① Environmental Compliance
- ② Greenhouse Gas Emissions
- ③ Energy Management
- ④ Water Conservation and Wastewater Management
- ⑤ Exhaust Air Management
- ⑥ Waste Management
- ⑦ Biodiversity Conservation

#### Social

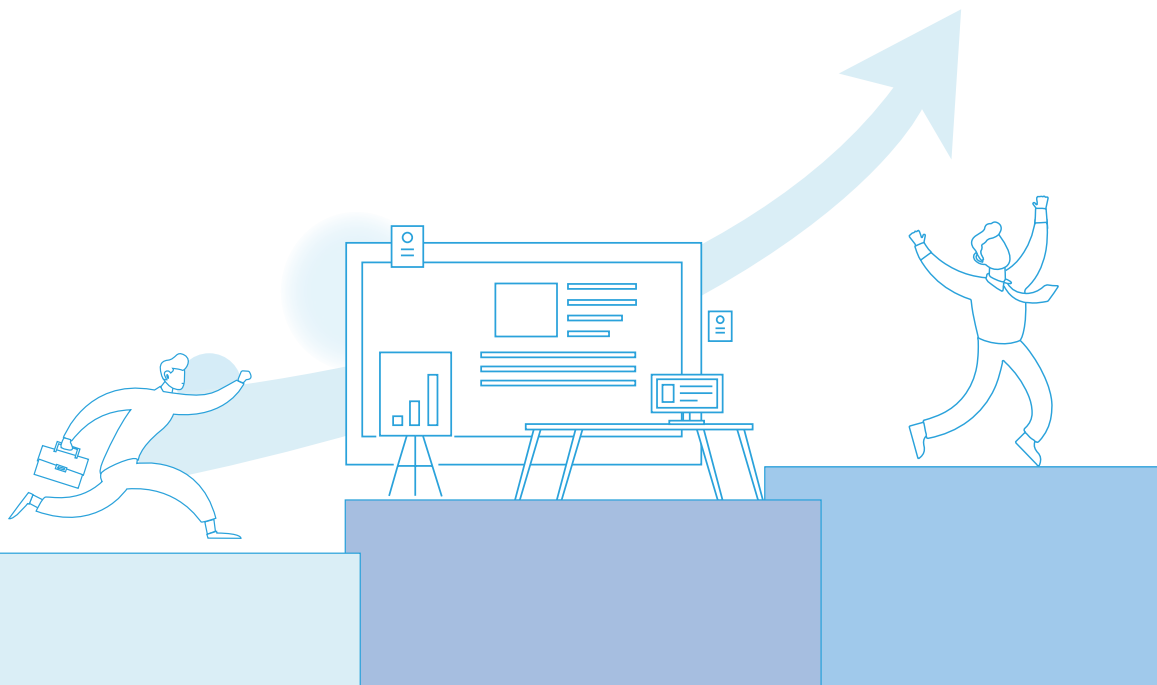
- ⑧ Equal Employment
- ⑨ Human Rights Protection
- ⑩ Occupational Health and Safety
- ⑪ Training and Education
- ⑫ Compensation and Welfare
- ⑬ Employee Communication
- ⑭ Community Investment
- ⑮ Responsible Supply Chain
- ⑯ Responsible Marketing
- ⑰ Customer Service
- ⑱ Medical Quality and Safety

#### Governance

- ⑲ Operation Compliance
- ⑳ Risk Management
- ㉑ Anti-corruption
- ㉒ Anti-Unfair Competition
- ㉓ Innovative research and development
- ㉔ Intellectual Property Protection
- ㉕ Information Security
- ㉖ Tax Compliance
- ㉗ Complaint Mechanism and Complainant Protection

## Internal system building

We strictly adhere to relevant laws, regulations, and internal procedures in convening, holding, and voting at shareholders' meetings, ensuring fair treatment of all shareholders. Continuous revisions and improvements have been made to the "Shareholders' Meeting Online Voting Implementation Rules" and the "Cumulative Voting System" to ensure the effective implementation of online voting and cumulative voting. These systems safeguard the legitimate rights of shareholders, especially minority shareholders, to be informed, to vote, and to supervise significant company matters. Revisions and improvements have also been made to the "Information Disclosure Management System," the "External Information Submission and Use Management System," and the "Insider Information Informant Registration Management System," clarifying the scope and procedures of information disclosure, strengthening information disclosure management, continuously improving information disclosure mechanisms, enhancing the quality of information disclosure, and ensuring the authenticity, accuracy, completeness, and timeliness of information disclosure. This guarantees that all investors have equal opportunities to access company information, understand the operations, and safeguard the shareholders' right to be informed.

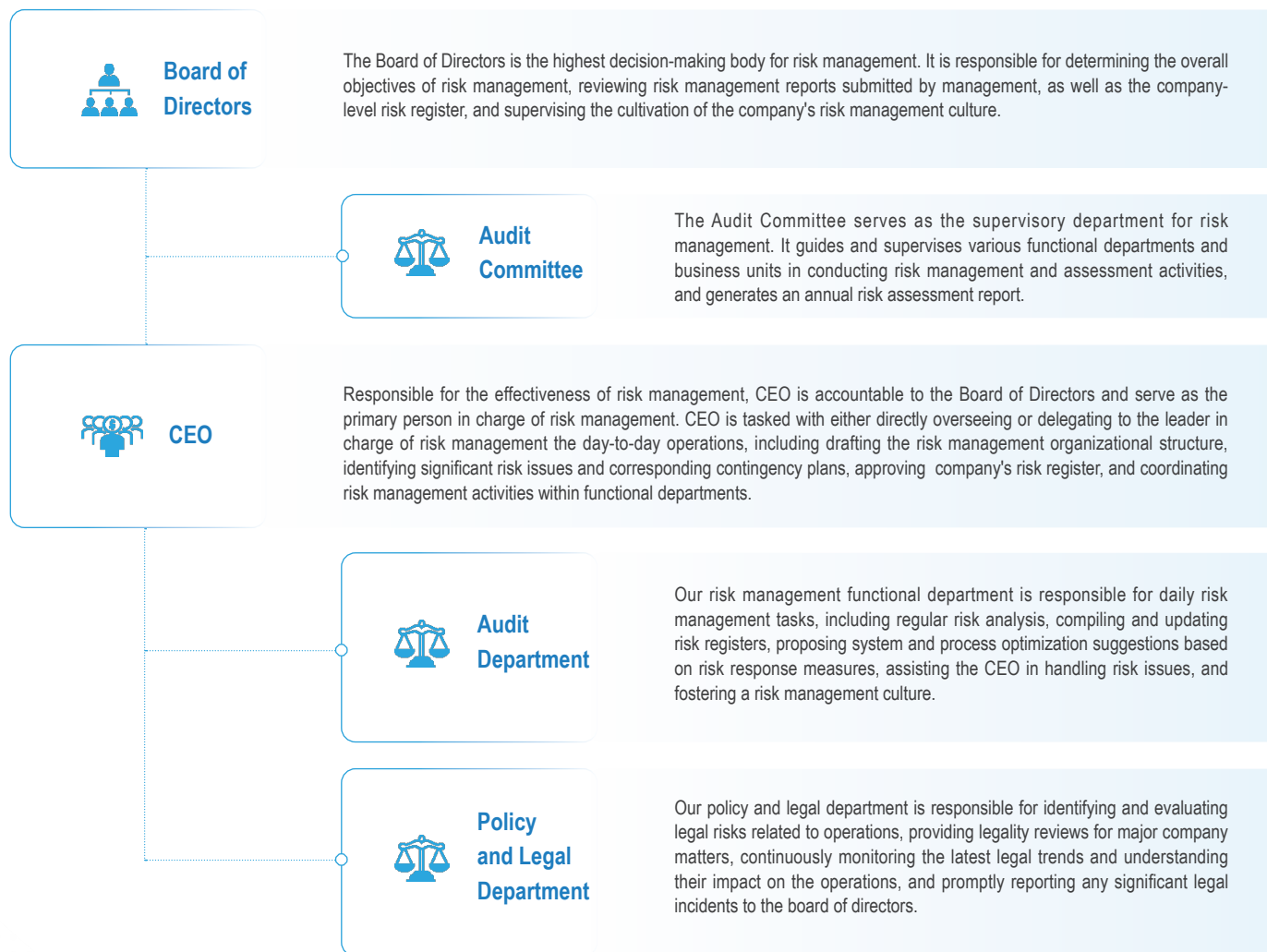


## Risk Control and Compliance Management

We have established a clear division of responsibilities, reasonable division of labor, and a balanced risk management framework, consisting of the Board of Directors, Audit Committee, CEO, Audit and Internal Control Department, and Policy and Legal Affairs Department, jointly forming the line of defense against risks. To effectively implement risk management responsibilities and ensure compliance in operations, we regard illegal and irregular incidents in various functional departments and subsidiary hospitals as one of the assessment criteria, linking them with the performance and compensation of relevant managers. We continuously optimize the "Internal Control Manual," establish a sound risk control matrix, clarify key risk points and control procedures in various areas of business management and operations, to standardize business operations and management, strengthen risk control, and ensure our sustainable, stable, and healthy development.



We have established and continuously improved our internal control and risk management system, identifying, assessing, and monitoring various risks that may occur in operations. We continuously improve internal control systems and processes, strengthen inspection and supervision mechanisms, enhance risk control in various areas of business management and operational processes, enhance risk prevention capabilities, cultivate a good risk management culture, and effectively prevent risks to ensure sustainable, stable, and healthy development.

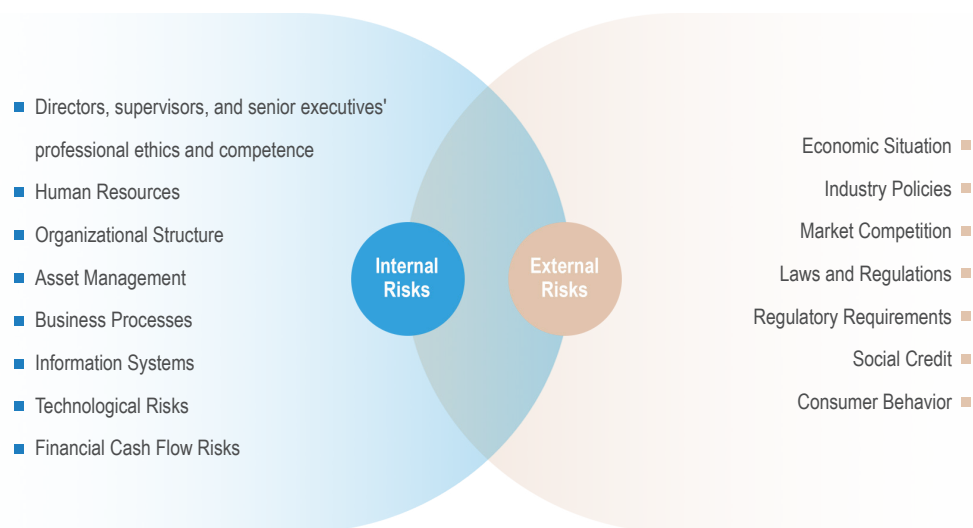




## Risk Identification

According to the internal control objectives, comprehensive, systematic, and continuous collection of initial internal and external information related to risks and risk management is conducted to identify risk factors related to operations. Based on business developments, internal control requirements, and risk management, a risk inventory is compiled and regularly updated. The company-level risk inventory is evaluated and updated at least once a year, while the business process-level risk inventory is tailored to business risk assessments. The inventory focuses on major business processes, paying particular attention to newly added or frequently risky processes or stages for timely compilation or updates.

Examples of identified risks related to our operations:



## Risk Assessment

The process of sorting, refining, comparing, classifying, and combining all collected information related to risks, we establish a risk database, and analyze the impact of various risks based on our reputation, assets, operations, and other risk factors. Through a combination of qualitative and quantitative methods, risks are assessed and classified according to their impact severity.

## Risk Response

Based on the results of risk assessment, aligning with our risk tolerance, weighing the risks against the benefits, we determine and comprehensively apply risk avoidance, risk reduction, risk sharing, and risk acceptance strategies to effectively control risks.

## Risk Alert

For significant risks that may impact business operations, we establish an early warning mechanism and formulate corresponding contingency plans. In the event of emergencies or sudden risk incidents, we promptly take effective measures to reduce potential losses and impacts, and continuously monitor to ensure effective control or restoration of the original state.

## Risk Reporting

We establish the "Internal Reporting System for Major Matters" to clarify the reporting obligations and procedures of relevant personnel, departments, or subordinate units when they become aware of or should be aware of major issues. This includes major illegal activities, significant losses, debts, or default responsibilities, and other major risk events. Reports must be made to relevant departments according to regulations to ensure timely implementation of measures to address risks and to prevent or reduce risks effectively. Regular risk assessments are conducted, focusing on business processes or stages where errors have occurred or are likely to occur. The Audit and Internal Control Department regularly reports to the Board of Directors and the Audit Committee on existing risks and the implementation of risk control measures, and summarizes corrective actions for risk-related matters.



## Risk Review

We formulate documents such as the "Group Inspection System" and the "Normative Requirements for Inspection and Audit," continuously improving supervision mechanisms. Through inspection and audit, internal control checks, and evaluations, we strengthen the supervision of risk management. Timely identify risks in the operational activities of various functional departments and subsidiary hospitals, as well as internal control, risk management, and other issues. Urge rectification and implementation to promptly block risk loopholes and enhance the risk prevention capabilities and levels of various functional departments and subsidiary hospitals.

In 2023, the Audit and Internal Control Department, in collaboration with the Inspection Office, conducted 43 joint inspections and audits targeting key functional departments of subsidiary hospitals, including finance, procurement, marketing, and medical care. They focused on important projects, marketing activities, seal management, hospitality expenses, inventory handling, and other areas. Based on audit findings, relevant departments and units were urged to rectify and implement necessary changes. Additionally, 12 exit audits were conducted for hospital leaders, financial managers, procurement managers, and others who left their positions or were reassigned.

Internal control effectiveness assessments were carried out, covering various aspects such as corporate governance, social responsibility, medical management, nursing management, fund management, procurement operations, asset management, inventory management, and hospital renovations. High-risk areas such as medical risks and social public relations risks were given particular attention. An external auditing firm was commissioned to audit the effectiveness of internal controls.

# 2023

Joint inspection and audit

## 43

Conduct departure audit

## 12

## Anti-commercial Bribery and Anti-unfair Competition

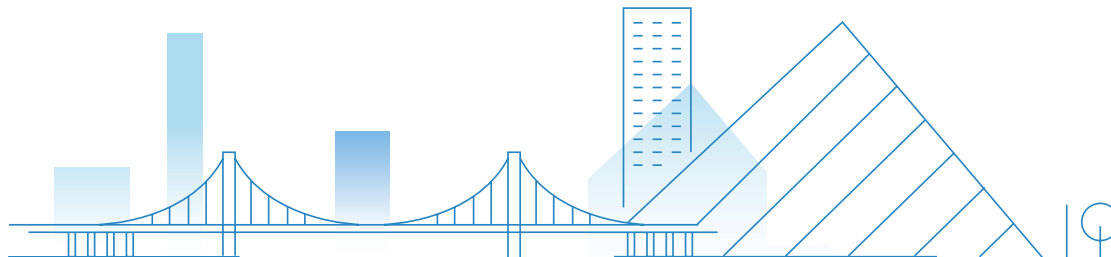
We adhere to high standards of business ethics in operations, aiming to achieve "Patient Satisfaction, Employee Contentment, Peer Endorsement, Societal Recognition, Government Trust." We advocate for free and fair competition and are committed to maintaining an environment of integrity, fairness, freedom, and harmony in business. We have established the "Business Code of Conduct," which expresses our stance and attitude on anti-corruption, bribery, conflict of interest, insider trading, unfair competition, anti-monopoly, anti-money laundering, protection of information security and privacy, complaints and whistleblower protection, and other aspects. This code serves as a guiding principle and behavioral standard for employees, our subsidiaries, wholly-owned and holding companies in our business activities, ensuring that all employees practice fair and honest business conduct to uphold good reputation. Additionally, we encourage partners to abide by responsible business practices advocated in the "Business Code of Conduct." By formulating the "Supplier Code of Conduct," clear behavioral standards and requirements are provided to suppliers and contractors on anti-unfair competition, anti-corruption and bribery, conflict of interest, protection of property rights, safeguarding human rights, environmental protection, and compliance marketing. We are committed to maintaining integrity, fairness, stability, and harmony in the market order together with its partners.

## Anti-monopoly and Anti-unfair Competition

We adhere to the principles of integrity, freedom, and fair competition in our business operations, complying with national and regional regulations on anti-unfair competition and anti-monopoly to maintain a free and fair market environment. We advocate for fair competition in our business activities and prohibit the use of unfair, illegal, or unethical means such as infringing on trade secrets or spreading false information to gain transaction opportunities or harm the legitimate rights and interests of competitors, thereby disrupting economic order. We consciously avoid engaging in monopolistic behavior.

## Anti-commercial Bribery and Anti-corruption

We firmly oppose any form of corruption and bribery. Employees are required to uphold the principles of integrity and self-discipline, and are prohibited from accepting bribes from others, offering bribes, facilitating bribery, or engaging in any behavior that may provide or receive rewards or other benefits that could unfairly influence business operations.



## Employee Business Ethics Management

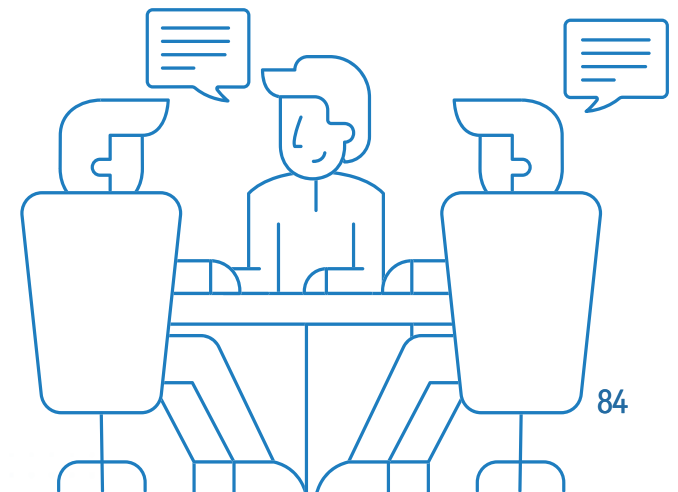
We require all employees to sign the "Anti-Commercial Bribery Agreement" upon joining, informing them of prohibited commercial bribery behaviors and the penalties imposed when such behaviors are detected, including termination of labor contracts and compensation for losses.



We have formulated the "Regulations on Disciplinary and Violation Penalties," which specify that upon discovery of any employee engaging in commercial bribery, the benefits received by the employee will be recovered, the employee will be required to compensate for all losses, and dismissal will be imposed uniformly. Cases involving criminal offenses will be referred to judicial authorities in accordance with the law. For employees suspected of disciplinary violations, the Human Resources Department conducts a factual investigation upon receiving notification. If necessary, the Audit and Internal Control Department will cooperate in conducting the investigation. After verifying the disciplinary violations, the Human Resources Department, along with relevant departments of the punished individual, jointly makes punishment recommendations, which are then processed through our internal approval procedures. Additionally, avenues for appeal are provided to the punished individuals. They can appeal to the Human Resources Department, which will then conduct verification.

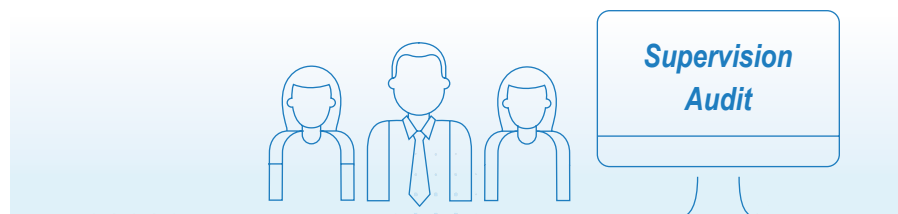
## Supplier Business Ethics Management

To standardize corporate procurement behavior and ensure the openness, fairness, impartiality, and integrity of the procurement process, we require all suppliers to sign the "Integrity Agreement." All suppliers are explicitly informed of the behavioral requirements they must comply when conducting business with us. This includes prohibiting any form of corruption and bribery, as well as unfair competition practices such as bribery of company employees or providing other improper benefits. If a supplier violates the terms of the "Integrity Agreement," we reserve the right to terminate cooperation with the supplier and take measures including but not limited to terminating procurement contracts or claiming liquidated damages. Furthermore, we convey and advocate anti-corruption and bribery requirements to suppliers through supplier conferences, reinforcing their awareness of integrity. Through supplier integrity management, we and our suppliers jointly uphold a standardized, harmonious, honest, and transparent business environment.



## Business Ethics Supervision and Audit

The Audit and Internal Control Department serves as the supervisory body for integrity work, responsible for regularly conducting supervision and audits on various functional departments and subsidiary hospitals to identify potential integrity risks and instances of misconduct in all areas of operation and business processes. Through annual inspections, audits, and internal control evaluations, the Audit and Internal Control Department promptly identifies potential integrity risks and issues, urges rectification, and continuously strengthens integrity supervision to effectively prevent integrity risks. In 2023, the Audit and Internal Control Department incorporated integrity audits into the inspection and audit work targeting key functional departments of subsidiary hospitals. This included auditing examinations of positions such as CEO, Finance Managers, Vice Presidents of Marketing, Procurement Managers, as well as personnel responsible for major projects in the Commerce and Engineering Departments, for possible corrupt bribery behavior. Additionally, internal control effectiveness evaluations were conducted, and external audit firms were commissioned to conduct audits, including aspects related to anti-corruption measures.



## Business Ethics Culture Building

We continue to promote the construction of an integrity culture, attaching importance to integrity education and training for directors, senior management, and employees. We publish anti-corruption and bribery requirements on our intranet and website and hire external experts to provide training for senior management on topics including the risks of occupational crimes and anti-corruption bribery. Various functional departments and our subsidiary hospitals organize integrity training independently to instill integrity awareness among employees and strengthen their moral and ethical defenses. Additionally, functional departments such as the procurement department reinforce advocacy and education on anti-corruption bribery and risk prevention during their regular departmental meetings.

## Intellectual Property Protection

We attach great importance to the protection and management of intellectual property rights, strictly adhering to relevant national laws and regulations such as the "Patent Law of the People's Republic of China" and the "Copyright Law of the People's Republic of China." We have formulated the "Intellectual Property Management Manual" to effectively carry out intellectual property management through activities such as pre-project investigation and research, project development process management, intellectual property registration and utilization, routine tracking supervision and maintenance, as well as confidentiality mechanisms and authorization division. These efforts aim to strengthen the protection of intellectual property rights. Additionally, upon employees' onboarding, they are required to sign agreements such as the duty to invent ownership agreement and confidentiality agreement. Upon departure, employees are notified in writing and sign relevant terms to clarify the ownership of intellectual property during and after their employment for a certain period. In 2023, we obtained certification for our intellectual property management system GB/T 29490-2013 and had no incidents involving intellectual property infringement.

## Tax Compliance Management

We strictly comply with the requirements of the "Enterprise Income Tax Law of the People's Republic of China" and relevant tax regulations and policies in the countries or regions where we operate, adhering to legal and compliant tax payment practices. We prohibit any actions aimed at unjustified tax avoidance, such as transferring profits to regions with lower tax rates or other areas conducive to tax avoidance. We have formulated a "Tax Policy" to guide and regulate the tax payment behavior and tax management, our subsidiaries, wholly-owned, and holding companies.

Following the procedures outlined in the "Internal Control Manual," we identify and manage tax risks that may arise during our business operations. We continuously monitor the issuance and updates of tax-related policies and regulations in the regions where we operate, adjusting the operational methods related to tax matters in a timely manner to effectively prevent tax risks. The headquarter has established specialized positions and policy groups for tax management, responsible for overall tax risk management at the headquarters and providing tax guidance and consultation to our subsidiaries. This ensures timely communication and feedback between subsidiaries and the headquarter on tax-related matters, allowing for the prompt reporting and implementation of countermeasures for risks and issues.

We maintain regular communication mechanisms with tax authorities and relevant units in the regions where we operate, ensuring close and effective communication and exchange of information to avoid risks such as fines and late payment penalties. Additionally, we commission external agencies annually to audit the internal control evaluation and the settlement and payment of income taxes, ensuring the effectiveness of tax management and compliance with laws and regulations.

# 2023

Total tax payment

**26,331** Ten thousand RMB

Involving tax violations

**0**

## Complaint Mechanism and Whistleblower Protection System

In accordance with the "Regulations of the People's Republic of China on Administrative Supervision" and relevant audit regulations, we have formulated a "Whistleblowing System" to establish a sound complaint reporting mechanism. This system encourages employees, suppliers, customers, and other stakeholders to supervise business activities. We provide clear and standardized procedures for receiving and responding to complaints through accessible and convenient reporting channels, establish a mechanism for rewards for whistleblowers, and implement measures to protect the identities of complainants. This encourages stakeholders to actively provide feedback, complaints, and reports on any unethical or non-compliant behaviors, thereby fully leveraging the supervision role of all employees and the general public.



### Complaint Channels

Complainants can report through various channels, including telephone, email, letters, face-to-face report, online questionnaires, etc., either anonymously or with their real identity. We inform employees about the complaint reporting channels through pop-up prompts on the corporate intranet, and also conduct advocacy during inspection processes such as audit work. Additionally, for suppliers, we provide complaint reporting channels in the "Integrity Agreement" they sign.

- **Complaint hotline:** 0592-2109380
- **Complaint email:** sjzx@huaxiaeye.com
- **Company official website anti-corruption reporting section:**  
<https://www.huaxiaeye.com/Readme/index.html>
- **Mailing address:**  
Audit Department, 16th Floor, Building 2, No. 999, Wutongxi Road, Huli District, Xiamen City

## Handling of Complaints and Reports

The Audit and Internal Control Department has established a Reporting Center responsible for handling complaints and reports. We conduct preliminary reviews according to prescribed procedures. If further investigation is required, report will be handled according to regulations, and the results will be promptly communicated to the complainant or whistleblower. If there are objections to the handling results, the involved parties can provide feedback or suggestions, and the Audit and Internal Control Department will conduct supplementary investigations or reprocess the case. For significant report investigations, the results will be reported by the Audit and Internal Control Department to the Audit Committee and Board of Directors.

### Whistleblower Protection

- We attach great importance to complainant protection and whistleblowers and support anonymous reporting. We strictly implement a confidentiality policy for reports, ensuring confidentiality when verifying complaints and reports. Information such as the complainant's name, workplace, and the content of the complaint is kept confidential. Complaint materials are classified as confidential and strictly prohibited from being transferred to the reported unit or individual. We also strictly prohibit any retaliatory actions. Individuals found violating confidentiality rules or engaging in retaliatory actions will be dealt with severely according to relevant regulations. If the offense constitutes a crime, they will be handed over to judicial authorities for legal proceedings.

### Complaint Reporting Rewards

- We have established a mechanism for rewarding whistleblowers. If a reported issue is verified to be true, resulting in appropriate punishment for the violator and contributing to the recovery or reduction of losses for us or our various hospitals, we will provide rewards to the whistleblower at discretion, in accordance with the "Whistleblowing System".





## Data Overview

Environmental	Indicator	Unit	2023	
	<b>GHG Emissions</b>			
	Scope 1 - Direct GHG emissions	tCO <sub>2</sub> e	1,414.98	
	Scope 2 - Indirect GHG emissions (from purchased energy)		18,690.29	
	Total GHG emissions		20,105.27	
	GHG emissions intensity	tCO <sub>2</sub> e/ hundred-million RMB of operating revenue	500.98	
	<b>Energy Consumption</b>			
	Electricity	kWh	32,772,733.13	
	Natural gas	m <sup>3</sup>	18,400	
	Gasoline	Litre	424,892.63	
Diesel	154,299.93			
Comprehensive energy consumption	Tonnes of coal equivalent	4,701.98		
Comprehensive energy consumption intensity	Tonnes of coal equivalent/ hundred-million RMB of operating revenue	117.16		
<b>Water Resource Consumption</b>				
Water withdrawal	Ton	338,517.48		
<b>Waste</b>				
Transfer and disposal volume of hazardous waste	Ton	186.19		
Including: quantity of infectious solid waste transferred and disposed		172.96		
Including: quantity of sharps solid waste transferred and disposed		13.23		
General waste produced	Ton	2,135.30		

Employment	Indicator	Unit	2023	
	Total employees	Person	7,613	
	Including: Employees with signed employment contracts		6,883	
	Other workers <sup>1</sup>		730	
	<b>Employee Composition</b>			
	<b>By Gender</b>			
	Male	Person	2,149	
	Female		5,464	
	<b>By Age</b>			
	Under 30	Person	2,779	
31 to 40	2,638			
41 to 50	1,237			
Over 50	959			
<b>By Education<sup>2</sup></b>				
Higher education	Person	5,933		
Non-higher education		1,680		
<b>By Profession</b>				
Administrative employees	Person	1,383		
Medical services employees		2,301		
Nursing & services employees		3,470		
Maintenance employees		459		
Female administrative employees		968		
Female medical services employees		1,571		
Female nursing & services employees		2,794		
Female maintenance employees		131		

1. Other workers include employees who sign further education agreements, rehired retirees, interns, etc.

2. Higher education includes vocational education, undergraduate education, and graduate education.

	Indicator	Unit	2023
Employment	<b>Management Team Composition</b>		
	Grassroots cadres	Person	220
	Female grassroots cadres		136
	Ratio of female grassroots cadres	%	61.83
	Management (Middle and upper, including senior management)	Person	1,428
	Female management (Middle and upper, including senior management)		821
	Ratio of female management (Middle and upper, including senior management)	%	57.49
	Senior management personnel	Person	6
	Female senior management personnel	Person	1
	Ratio of female senior management personnel	%	16.67
	Number of local senior management	Person	4
	Ratio of local senior management	%	66.67
	Number of female local senior management	Person	1
	Ratio of female local senior management	%	100.00
	<b>Board of Supervisors</b>		
	Proportion of female supervisors	%	100.00
	<b>Labor Contracts</b>		
	Employment contract signing rate	%	100.00
	<b>Employment of People with Disabilities</b>		
	Number of employees with disabilities	Person	31
	Ratio of employees with disabilities	%	0.43
	<b>Employee Training</b>		
	Employee training coverage rate	%	100
Total duration of employee training	Hour	296,653	

	Indicator	Unit	2023
Market	<b>Information Security</b>		
	Number of information security incidents	Case	0
	<b>Intellectual Property</b>		
	Number of new patent applications	Case	40
	Number of new patent grants		39
	The number of patents authorized as the end of 2023		124
	The number of software copyrights registered as of the end of 2023		161
	Number of incidents of infringement of others' intellectual property rights	Case	0
	<b>Product Quality</b>		
	Outpatient prescription compliance rate	%	96
	Inpatient medical order compliance rate		98
	Inpatient antibiotic utilization rate		10
	Percentage of prophylactic antibiotic use for Class I surgical incisions		7
	<b>Supplier Management</b>		
	Number of non-affiliated suppliers	Unit	101
	Number of new suppliers admitted this year		3
	Number of new suppliers selected based on social evaluation dimension		3
	Number of new suppliers selected based on environmental evaluation dimension		3
	Number of suppliers audited this year		76
	<b>Supplier Training</b>		
Number of suppliers participating in ESG training	Unit	15	
Total number of supplier participants for ESG training	Participant	75	
Total duration of supplier ESG training	Hour	8	

	Indicator	Unit	2023	
Market	Proportion of male employees from suppliers participating in ESG training	%	55	
	Proportion of female employees from suppliers participating in ESG training		45	
	Proportion of senior management from suppliers participating in ESG training		10	
	Proportion of middle management from suppliers participating in ESG training		70	
	Proportion of ordinary employees from suppliers participating in ESG training		20	
	<b>Supplier Risk Assessment</b>			
	Number of suppliers at risk of freedom of association and collective bargaining rights	Unit	0	
	Number of suppliers at risk of significant child labor incidents		0	
	Number of suppliers with significant risks of forced or compulsory labor incidents		0	

	Indicator	Unit	2023
Occupational Health & Safety	<b>Employee Training</b>		
	Total participants in occupational safety training	Participant	6,674
	Number of safety training	Time	238
	Number of safety emergency drills	Time	154
	Number of attendees for safety emergency drills	Participant	5,476
	<b>Work Safety Accident</b>		
	Extremely severe accident	Case	0
	Severe accident		0
	Major accident		0
	General accident		0
Number of occupational accident	0		

	Indicator	Unit	2023
Occupational Health & Safety	<b>Occupational Health</b>		
	Occupational injuries	Person	0
	Occupational fatalities		0
	Occupational fatality rate	%	0

	Indicator	Unit	2023
Social Contribution	<b>Community Investment</b>		
	Cumulative implementation of public assistance	Case	4,208,041
	<b>Donations</b>		
	Total social contribution	Ten-thousand RMB	169,469.19
	Including: Total tax payment		26,330.83
	Employee compensation		117,754.05
	Dividends paid to shareholders		16,096.10
	Interests paid to creditors		51.61
	Social donations		11,340.02
	Subtracted amount of financial subsidies received		2,103.42

	Indicator	Unit	2023
Corporate Governance	<b>Violations of Business Ethics</b>		
	Number of conflicts of interest incident	Case	0
	Number of commercial bribery and corruption incident		0
	Number of incident of significant litigation or administrative penalties due to unfair competition or monopolistic behavior		0
	<b>Tax-related Violations</b>		
	Number of tax-related violation incidents	Case	0

## GRI Standards Index

GRI Standards	Disclosures	Location	Omission
<b>General Disclosures</b>			
GRI 2: General Disclosures 2021	2-1 Organizational details	About Us	
	2-2 Entities included in the organization's sustainability reporting	Preparation of Report	
	2-3 Reporting period, frequency and contact point	Preparation of Report	
	2-4 Restatements of information	Not Covered In This Report	This report does not involve restatements of information
	2-5 External assurance	Preparation of Report Independent Limited Assurance Report	
	2-6 Activities, value chain and other business relationships	Preface About Us Responsible Supply Chain Management	
	2-7 Employees	Human Rights Protection Data Overview	
	2-8 Workers who are not employees	Data Overview	

GRI Standards	Disclosures	Location	Omission
<b>General Disclosures</b>			
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	Corporate Governance Structure	
	2-10 Nomination and selection of the highest governance body	Corporate Governance Structure	
	2-11 Chair of the highest governance body	Corporate Governance Structure	
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Structure Risk Control and Compliance Management	
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Structure Risk Control and Compliance Management	
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance Structure	
	2-15 Conflicts of interest	Corporate Governance Structure	
	2-16 Communication of critical concerns	Stakeholders Communication Communication with Stakeholders	

GRI Standards	Disclosures	Location	Omission
<b>General Disclosures</b>			
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	Corporate Governance Structure	
	2-18 Evaluation of the performance of the highest governance body	Not Covered In This Report	Not yet implemented during this reporting period
	2-19 Remuneration policies	Corporate Governance Structure	
	2-20 Process to determine remuneration	Corporate Governance Structure	
	2-21 Annual total compensation ratio	Not Covered In This Report	Relevant data not collected during this report period
	2-22 Statement on sustainable development strategy	Preface	
	2-23 Policy commitments	Climate Response Resource Utilization and Circular Economy Pollution Control and Ecosystem Protection Human Rights Protection Occupational Health and Safety Responsible Supply Chain Management High-quality Medical Services Rural Revitalization and Social Contributions Commercial Behaviors	

GRI Standards	Disclosures	Location	Omission
<b>General Disclosures</b>			
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	Climate Response Resource Utilization and Circular Economy Pollution Control and Ecosystem Protection Human Rights Protection Occupational Health and Safety Responsible Supply Chain Management High-quality Medical Services Rural Revitalization and Social Contributions Risk Control and Compliance Management Commercial Behaviors	
	2-25 Processes to remediate negative impacts	Resource Utilization and Circular Economy Pollution Control and Ecosystem Protection Human Rights Protection Occupational Health and Safety Responsible Supply Chain Management High-quality Medical Services Rural Revitalization and Social Contributions Risk Control and Compliance Management Commercial Behaviors	

GRI Standards	Disclosures	Location	Omission
<b>General Disclosures</b>			
GRI 2: General Disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	Employee Communication High-quality Medical Services Investor Relations Management Communication with Stakeholders Complaint Mechanism and Whistleblower Protection Friendly Relations Built in Community Service	
	2-27 Compliance with laws and regulations	Pollution Control and Ecosystem Protection Human Rights Protection Occupational Health and Safety Responsible Supply Chain Management High-quality Medical Services Corporate Governance Structure Investor Relations Management Risk Control and Compliance Management Commercial Behaviors	
	2-28 Membership associations	Support Industry Development	
	2-29 Approach to stakeholder engagement	Communication with Stakeholders	
	2-30 Collective bargaining agreements	Not Covered In This Report	Not covered in the report

GRI Standards	Disclosures	Location	Omission
<b>Material topics</b>			
GRI 3: Material Topics 2021	3-1 Management of material topics	Material Issues Assessment	
	3-2 List of material topics	Material Issues Assessment	
<b>Economic performance</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Risk Management Risk Control and Compliance Management Corporate Governance Structure Communication with Stakeholders	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	2023 Sustainable Development Impact	
	201-2 Financial implications and other risks and opportunities due to climate change	Sustainability Risk Management Risk Control and Compliance Management	
	201-3 Defined benefit plan obligations and other retirement plans	Not Covered In This Report	Relevant data not collected during this report period
	201-4 Financial assistance received from government	Not Covered In This Report	Relevant data not collected during this report period

GRI Standards	Disclosures	Location	Omission
<b>Material topics</b>			
<b>Market presence</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee Development Friendly Relations Built in Community Service	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not Covered In This Report	Relevant data not collected during this report period
	202-2 Proportion of senior management hired from the local community	Data Overview	
<b>Indirect economic impact</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Rural Revitalization and Social Contributions	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Rural Revitalization and Social Contributions Data Overview	
	203-2 Significant indirect economic impacts	Rural Revitalization and Social Contributions Data Overview	
<b>Procurement practices</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Responsible Supply Chain Management Friendly Relations Built in Community Service	

GRI Standards	Disclosures	Location	Omission
<b>Material topics</b>			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Not Covered In This Report	Relevant data not collected during this report period
<b>Anti-corruption</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Anti-commercial Bribery and Anti-corruption	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-commercial Bribery and Anti-corruption	
	205-2 Communication and training about anti-corruption policies and procedures	Anti-commercial Bribery and Anti-corruption	
	205-3 Confirmed incidents of	Governance Data Overview	
<b>Anti-competitive behavior</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Anti-monopoly and Anti-unfair Competition	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Governance Data Overview	

GRI Standards	Disclosures	Location	Omission
<b>Material topics</b>			
<b>Tax</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Tax Compliance Management	
GRI 207: Tax 2019	207-1 Approach to tax	Tax Compliance Management	
	207-2 Tax governance, control, and risk management	Tax Compliance Management	
	207-3 Stakeholder engagement and management of concerns related to tax	Tax Compliance Management	
	207-4 Country-by-country reporting	Not Covered In This Report	Relevant data not collected during this report period
<b>Materials</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pollution Control and Ecosystem Protection	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Data Overview	
	301-2 Recycled input materials used	Data Overview	
	301-3 Reclaimed products and their packaging materials	Data Overview	

GRI Standards	Disclosures	Location	Omission
<b>Material topics</b>			
<b>Energy</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Resource Utilization and Circular Economy	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Management Data Overview	
	302-2 Energy consumption outside of the organization	Not Covered In This Report	Due to the privacy policies of some our customers, this report is not able to provide reliable statistics on energy consumption outside the organization at this time
	302-3 Energy intensity	Energy Management Data Overview	
	302-4 Reduction of energy consumption	Energy Conservation and Emission Reduction	
	302-5 Reductions in energy requirements of products and services	Energy Conservation and Emission Reduction	
	<b>Water and effluents</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Water Conservation	



GRI Standards	Disclosures	Location	Omission
<b>Material topics</b>			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Conservation	
	303-2 Management of water discharge-related impacts	Water Conservation	
	303-3 Water withdrawal	Data Overview	
	303-4 Water discharge	Not Covered In This Report	Relevant data not collected during this report period
	303-5 Water consumption	Not Covered In This Report	Relevant data not collected during this report period
<b>Biodiversity</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Biodiversity Protection	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not Covered In This Report	None of our business operations are located in or adjacent to protected areas and biodiversity-rich areas outside the protected areas

GRI Standards	Disclosures	Location	Omission
<b>Material topics</b>			
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity Protection	
	304-3 Habitats protected or restored	Not Covered In This Report	Our business operations and surrounding areas do not involve affected habitats
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not Covered In This Report	Our business operations and surrounding areas do not involve affected habitats
<b>Emissions</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Climate Response Pollution Control and Ecosystem Protection	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	GHG Emissions Management Data Overview	

GRI Standards	Disclosures	Location	Omission
<b>Material topics</b>			
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	GHG Emissions Management Data Overview	
	305-3 Other indirect (Scope 3) GHG emissions	Not Covered In This Report	Relevant data not collected during this report period
	305-4 GHG emissions intensity	GHG Emissions Management Data Overview	
	305-5 Reduction of GHG emissions	Not Covered In This Report	Relevant data not collected during this report period
	305-6 Emissions of ozone-depleting substances (ODS)	Not Covered In This Report	Our operations do not involve relevant emissions
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not Covered In This Report	Our operations do not involve relevant emissions
	<b>Waste</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Waste Management	

GRI Standards	Disclosures	Location	Omission
<b>Material topics</b>			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management	
	306-2 Management of significant waste-related impacts	Waste Management	
	306-3 Waste generated	Waste Management Data Overview	
	306-4 Waste diverted from disposal	Waste Management Data Overview	
	306-5 Waste directed to disposal	Waste Management Data Overview	
<b>Supplier environmental assessment</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Responsible Supply Chain Management	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Responsible Supply Chain Management	
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible Supply Chain Management	

GRI Standards	Disclosures	Location	Omission
<b>Material topics</b>			
<b>Employee</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights Protection Employee Development	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Data Overview	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Development	
	401-3 Parental leave	Not Covered In This Report	Relevant data not collected during this report period
<b>Labor management relations</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights Protection Employee Communication	
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Not Covered In This Report	Not involved in related matters
<b>Occupational Health and Safety</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Occupational Health and Safety	

GRI Standards	Disclosures	Location	Omission
<b>Material topics</b>			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety	
	403-2 Hazard identification, risk assessment, and incident investigation	Emergency Management and Drills Environmental Incident Emergency Drills Fire Safety Management	
	403-3 Occupational health services	Occupational Health Management	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	
	403-5 Worker training on occupational health and safety	Safety Training and Education	
	403-6 Promotion of worker health	Safety Training and Education Occupational Health Management	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Emergency Management and Drills Environmental Incident Emergency Drills Fire Safety Management Safety Training and Education Occupational Health Management	
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety	

GRI Standards	Disclosures	Location	Omission
<b>Material topics</b>			
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	Occupational Health Management Data Overview	
	403-10 Work-related ill health	Occupational Health Management	
<b>Training and education</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee Development	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Data Overview	
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Development	
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Development	
<b>Diversity and equal opportunity</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights Protection Responsible Supply Chain Management	

GRI Standards	Disclosures	Location	Omission
<b>Material topics</b>			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Rights Protection Data Overview	
	405-2 Ratio of basic salary and remuneration of women to men	Not Covered In This Report	Relevant data not collected during this report period
<b>Non-discrimination</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights Protection Responsible Supply Chain Management	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Rights Protection Employee Communication	
<b>Freedom of association and collective bargaining</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee Communication Responsible Supply Chain Management	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee Communication Responsible Supply Chain Management	
<b>Child labor</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee Communication Responsible Supply Chain Management	

GRI Standards	Disclosures	Location	Omission
<b>Material topics</b>			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Employee Communication Responsible Supply Chain Management	
<b>Forced or compulsory labor</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights Protection Responsible Supply Chain Management	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights Protection Responsible Supply Chain Management	
<b>Security practices</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights Protection	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Not Covered In This Report	
<b>Right of indigenous peoples</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Friendly Relations Built in Community Service	

GRI Standards	Disclosures	Location	Omission
<b>Material topics</b>			
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Not Covered In This Report	Not involved in any events violating the rights of indigenous peoples.
<b>Local communities</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Rural Revitalization and Social Contributions	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Rural Revitalization and Social Contributions	
	413-2 Operations with significant actual and potential negative impacts on local communities	Not Covered In This Report	No any operations with significant actual and potential negative impacts on local communities
<b>Supplier social assessment</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Responsible Supply Chain Management	

GRI Standards	Disclosures	Location	Omission
<b>Material topics</b>			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Responsible Supply Chain Management Data Overview	
	414-2 Negative social impacts in the supply chain and actions taken	Responsible Supply Chain Management Data Overview	
<b>Public policy</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Not Covered In This Report	Not involved in related matters
GRI 415: Public Policy 2016	415-1 Political contributions	Not Covered In This Report	Not involved in related matters
<b>Customer health and safety</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	High-quality Medical Services	
GRI 416: Customer	416-1 Assessment of the health and safety impacts of product and service categories	High-quality Medical Services	

GRI Standards	Disclosures	Location	Omission
<b>Material topics</b>			
GRI 416: Customer	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Not Covered In This Report	Not involved in related matters
<b>Marketing and labeling</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Responsible Supply Chain Management High-quality Medical Services	
GRI 417: Marketing and Labeling 2016	Requirements for product and service information and labeling	Responsible Supply Chain Management High-quality Medical Services	
	417-2 Incidents of non-compliance concerning product and service information and labeling	Not Covered In This Report	Not involved in related matters
	417-3 Incidents of non-compliance concerning marketing communications	Not Covered In This Report	Not involved in related matters
<b>Customer privacy</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Customer Privacy Protection	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Privacy Protection	

# ISDS Index

IFRS S1		
Core Elements	Disclosure Recommendations	Disclosure Placement
Governance	a) The governance body(s) (which can include aboard, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities.	Corporate Governance Structure Risk Control and Compliance Management
	b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities.	Risk Control and Compliance Management
Strategy	a) The sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects within the time horizons—short, medium or long term.	Sustainability Risk Management
	b) The current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain, and where in the entity's business model and value chain sustainability-related risks and opportunities are concentrated	Sustainability Risk Management
	c) How the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making, and the progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information, and trade-offs between sustainability-related risks and opportunities that the entity considered.	Sustainability Risk Management

IFRS S1		
Core Elements	Disclosure Recommendations	Disclosure Placement
Strategy	d) The quantitative and qualitative effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and the sustainability-related risks and opportunities identified for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements, and how the entity expects its financial position, financial performance and cash flows to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities.	Not covered in the report
	e) The resilience of the entity's strategy and its business model to those sustainability-related risks	Sustainability Risk Management
Risk Management	a) The processes and related policies the entity uses to identify, assess, prioritize and monitor sustainability-related risks, including information about: the inputs and parameters the entity uses, whether and how the entity uses scenario analysis to inform its identification of sustainability-related risks, whether and how the entity prioritizes sustainability-related risks, how the entity assesses the nature, likelihood and magnitude of the effects of those risks.	Sustainability Risk Management Risk Control and Compliance Management

IFRS S1		
Core Elements	Disclosure Recommendations	Disclosure Placement
Risk Management	b) The processes the entity uses to identify, assess, prioritize and monitor sustainability-related opportunities, including: whether and how the entity uses scenario analysis to inform its identification of sustainability-related opportunities.	Sustainability Risk Management
	c) The extent to which, and how, the processes the entity uses to identify, assess, prioritize and monitor sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Sustainability Risk Management Risk Control and Compliance Management
Metrics and targets	a) Metrics required by an applicable IFRS Sustainability Disclosure Standard.	Environmental Social Governance
	b) Metrics the entity uses to measure and monitor sustainability-related risks or opportunities and its performance in relation to that sustainability-related risk or opportunity.	Environmental Social Governance
	c) Any targets the entity has set it is required to meet by law or regulation.	Environmental Social Governance

IFRS S2		
Core Elements	Disclosure Recommendations	Disclosure Placement
Governance	a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.	Corporate Governance Structure Risk Control and Compliance Management
	b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	Risk Control and Compliance Management
Strategy	a) The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects within time horizons—short, medium or long term, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk	Sustainability Risk Management
	b) The current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain, and where in the entity's business model and value chain climate-related risks and opportunities are concentrated	Sustainability Risk Management
	c) Information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity sets targets, how the entity is resourcing and quantitative and qualitative information about the disclosed progress of plans.	Sustainability Risk Management



IFRS S2		
Core Elements	Disclosure Recommendations	Disclosure Placement
Strategy	d) The quantitative and qualitative effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, the climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements, and how the entity expects its financial position, financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Not covered in the report
	e) The entity's assessment of its climate resilience, including the entity's assessment for its strategy and business model, the significant areas of uncertainty considered in the entity's assessment of its climate resilience and the entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term. The entity shall use climate-related scenario analysis to assess its climate resilience and disclose how and when the climate-related scenario analysis was carried out, including information about the inputs the entity used, the key assumptions the entity made in the analysis and the reporting period in which the climate-related scenario analysis was carried out.	Sustainability Risk Management

IFRS S2		
Core Elements	Disclosure Recommendations	Disclosure Placement
Risk Management	a) The processes and related policies the entity uses to identify, assess, prioritize and monitor climate-related risks, including information about: the inputs and parameters the entity uses, whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks, whether and how the entity prioritizes climate-related risks, how the entity assesses the nature, likelihood and magnitude of the effects of those risks	Sustainability Risk Management Risk Control and Compliance Management
	b) The processes the entity uses to identify, assess, prioritize and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities.	Sustainability Risk Management
	c) The extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Sustainability Risk Management Risk Control and Compliance Management

## SASB Index


IFRS S2		
Core Elements	Disclosure Recommendations	Disclosure Placement
Metrics and targets	a) The cross-industry metric categories of greenhouse gas emissions, internal carbon prices, the percentage of executive management remuneration recognized in the current period that is linked to climate-related considerations, capital deployment towards climate-related risks and opportunities, the amount and percentage of assets or business activities vulnerable to climate-related risks and opportunities.	Sustainability Risk Management GHG Emissions Management Corporate Governance Structure
	b) Industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry	GHG Emissions Management Energy Management Waste Management
	c) The quantitative and qualitative climate-related targets the entity has set or it is required to meet by law or regulation, progress towards reaching the target, information about its performance, and each greenhouse gas emissions target.	Environmental GHG Emissions Management

SASB Topics	Accounting Metrics	Location
<b>Energy Management</b>	HC-DY-130a.1: (1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Energy Management Data Overview
<b>Waste Management</b>	HC-DY-150a.1: Total amount of medical waste: percentage (a) incinerated (b) recycled or treated (c) landfilled	Data Overview
	HC-DY-150a.2: Total amount of: (1) hazardous and (2) non-hazardous pharmaceutical waste, percentage (a) incinerated, (b) recycled or treated and (c) landfilled	Data Overview
<b>Patient Privacy &amp; Electronic Health Records</b>	HC-DY-230a.2: Description of policies and practices to secure customers' personal health data records and other personal data	High-quality Medical Services

SASB Topics	Accounting Metrics	Location
<b>Patient Privacy &amp; Electronic Health Records</b>	HC-DY-230a.3: (1) Number of data breaches, (2) percentage involving (a) personal data only and (b) personal health data, (3) number of customers affected in each category, (a) personal data only and (b) personal health data	High-quality Medical Services
	HC-DY-230a.4: Total amount of monetary losses as a result of legal proceedings associated with data security and privacy	High-quality Medical Services
<b>Access for Low-Income Patients</b>	HC-DY-240a.1: Discussion of strategy to manage the mix of patient insurance status	Not covered in the report
<b>Quality of Care &amp; Patient Satisfaction</b>	HC-DY-250a.2: Number of serious reportable events	Not covered in the report
	HC-DY-250a.3: Hospital-acquired condition rates per hospital	Not covered in the report
<b>Management of Controlled Substances</b>	HC-DY-260a.1: Description of policies and practices to manage the number of prescriptions issued for controlled substances	Data Overview
<b>Pricing &amp; Billing Transparency</b>	HC-DY-270a.1: Description of policies or initiatives to ensure that patients are adequately informed about price before undergoing a procedure	High-quality Medical Services

SASB Topics	Accounting Metrics	Location
<b>Pricing &amp; Billing Transparency</b>	HC-DY-270a.2: Discussion of how pricing information for services is made publicly available	High-quality Medical Services
	HC-DY-270a.3: Number of the entity's 25 most common services for which pricing information is publicly available, percentage of total services performed (by volume) that these represent	Not available in this report
<b>Workforce Health &amp; Safety</b>	HC-DY-320a.1: Total recordable incident rate (TRIR) for (a) direct employees and (b) contract employees	Data Overview
<b>Employee Recruitment, Development &amp; Retention</b>	HC-DY-330a.1: (1) Voluntary and (2) involuntary turnover rate for: (a) physicians, (b) non-physician health care practitioners, and (c) all other employees	Data Overview
	HC-DY-330a.2: Description of talent recruitment and retention efforts for health care practitioners	Employee Development
<b>Climate Change Impacts on Human Health &amp; Infrastructure</b>	HC-DY-450a.1: Description of policies and practices to address: (1) the physical risks because of an increased frequency and intensity of extreme weather events, (2) changes in the morbidity and mortality rates of illnesses and diseases associated with climate change and (3) emergency preparedness and response	GHG Emissions Management
<b>Fraud &amp; Unnecessary Procedures</b>	HC-DY-510a.1: Total amount of monetary losses as a result of legal proceedings associated with medical fraud	Not covered in the report

# Independent Limited Assurance Report



**RSM | 容诚**

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**Independent Limited Assurance Report**

RSMZZ[2024]NO.361Z0368

To the Directors of the board of Huaxia Eye Hospital Group Co., Ltd.,

We were engaged by Huaxia Eye Hospital Group Co., Ltd. (the "Company") to undertake a limited assurance engagement of the key indicators (the "Indicators") for the period from January 1, 2023 to December 31, 2023 included in its Sustainability Report 2023 (the "Report").

**The Company's Responsibility**

The Company was responsible for selecting the Criteria, and preparing and fairly presenting information presented in the Report in accordance with that Criteria. This responsibility includes establishing and maintaining internal controls, adequate records and making estimates that are reasonable in the circumstances.

**RSM's Responsibility**

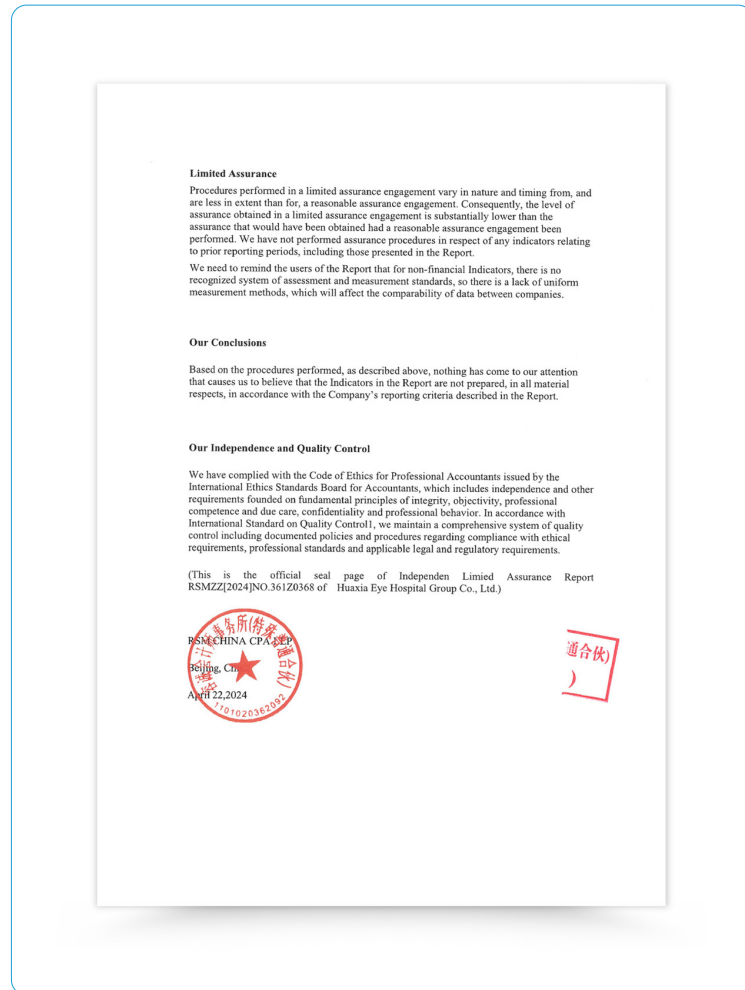
Our responsibility was to express limited assurance conclusions on the Indicators as defined in the "what we assured" column in the tables below.

We conducted our procedures in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000) and the terms of reference for this engagement as agreed with the Company. The procedures we performed were based on our professional judgement, and for our reasonable assurance scope, our work was carried out only at the Company's headquarters. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the Report and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria.
- Recalculating the Indicators.
- Other procedures that we deem necessary.

What we assured	
<ul style="list-style-type: none"> <li>● <b>GHE Emissions</b> <ul style="list-style-type: none"> <li>— Scope 1 - Direct GHG emissions (tCO<sub>2</sub>e)</li> <li>— Scope 2 - Indirect GHG emissions (from purchased energy) (tCO<sub>2</sub>e)</li> <li>— Total GHG emissions (tCO<sub>2</sub>e)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● <b>Energy Consumption</b> <ul style="list-style-type: none"> <li>— Electricity (kWh)</li> <li>— Natural gas (m<sup>3</sup>)</li> <li>— Gasoline (Litre)</li> <li>— Diesel (Litre)</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>● <b>Water Resource Consumption</b> <ul style="list-style-type: none"> <li>— Water withdrawal (m<sup>3</sup>)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● <b>Hazardous Waste</b> <ul style="list-style-type: none"> <li>— Transfer and disposal volume of hazardous waste (Ton)</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>● <b>Total Employees (Person)</b> <ul style="list-style-type: none"> <li>— Total employees (Person)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● <b>Employee Composition by Gender</b> <ul style="list-style-type: none"> <li>— Male (Person)</li> <li>— Female (Person)</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>● <b>Employee Composition by Age</b> <ul style="list-style-type: none"> <li>— Under 30 (Person)</li> <li>— 31 to 40 (Person)</li> <li>— 41 to 50 (Person)</li> <li>— Over 50 (Person)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● <b>Employee Composition by Education</b> <ul style="list-style-type: none"> <li>— Higher education (Person)</li> <li>— Non-higher education (Person)</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>● <b>Employee Composition by Profession</b> <ul style="list-style-type: none"> <li>— Administrative employees (Person)</li> <li>— Medical services employees (Person)</li> <li>— Nursing &amp; services employees (Person)</li> <li>— Maintenance employees (Person)</li> <li>— Female administrative employees (Person)</li> <li>— Female medical services employees (Person)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● <b>Management Team Composition</b> <ul style="list-style-type: none"> <li>— Management (Person)</li> <li>— Male management (Person)</li> <li>— Female management (Person)</li> <li>— Proportion of female management (Person)</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>● <b>Employment of People with Disabilities</b> <ul style="list-style-type: none"> <li>— Number of employees with disabilities (Person)</li> <li>— Ratio of employees with disabilities (%)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● <b>Work Safety Accident</b> <ul style="list-style-type: none"> <li>— Extremely severe accident (Case)</li> <li>— Severe accident (Case)</li> <li>— Major accident (Case)</li> <li>— General accident (Case)</li> <li>— Number of occupational accident (Case)</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>● <b>Occupational Health</b> <ul style="list-style-type: none"> <li>— Occupational injuries (Person)</li> <li>— Occupational fatalities (Person)</li> <li>— Occupational fatality rate (%)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● <b>Patent</b> <ul style="list-style-type: none"> <li>— Number of new patent applications (Item)</li> <li>— Number of new patent grants (Item)</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>● <b>Non-affiliated supplier</b> <ul style="list-style-type: none"> <li>— Number of non-affiliated suppliers (Unit)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● <b>Labor Contracts</b> <ul style="list-style-type: none"> <li>— Employment contract signing rate (%)</li> </ul> </li> </ul>

# Independent Limited Assurance Report





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