佰泽医疗集团
BAYZED HEALTH GROUP

佰澤醫療集團
Bayzed Health Group Inc

(Incorporated under the laws of the Cayman Islands with limited liability)

Stock code:**2609**

# 2025
# Environmental, Social and Governance Report

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THIS REPORT

### Report Overview

This is the inaugural Environmental, Social and Governance (hereinafter referred to as "**ESG**") Report (hereinafter referred to as "this **Report**" or the "**Report**") released by Bayzed Health Group Inc (hereinafter referred to as the "**Group**", "**Bayzed Health**" or "**we**"). This Report aims to outline the principles and sustainable development philosophy upheld by the Group in fulfilling its corporate social responsibilities. It provides stakeholders with an overview of our policies, initiatives, and performance in ESG – beyond financial results and business operations – while sharing our vision and commitment to sustainability.

### Reporting Scope and Period

The reporting period covers January 1, 2025, to December 31, 2025 (hereinafter referred to as the "**Reporting Period**"). This aligns with the Group's financial year and the scope of our Annual Report, ensuring that stakeholders gain a comprehensive understanding of our annual ESG performance and progress.

### Reporting Language

This Report is published in both Traditional Chinese and English. In the event of any inconsistency, the Traditional Chinese version shall prevail.

### Reporting Standards and Principles

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code set out in Appendix C2 to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (HKEX). We have strictly complied with all "Mandatory Disclosure Requirements" and "Comply or Explain" provisions stipulated in the ESG Reporting Code.

In preparing this Report, we have adopted the following reporting principles:

| | |
|---|---|
| Materiality | The Group's ESG management approach is focused on core areas that have a significant impact on our business operations, investors, and stakeholders. These key areas are detailed in the "Materiality Assessment" section of this Report. |
| Quantitative | Wherever applicable, disclosures are presented in a measurable format to allow for the assessment and verification of the effectiveness of our ESG policies and management systems. Quantitative data is accompanied by explanatory notes to clarify its purpose and impact, with comparative data provided where appropriate. |
| Balance | This Report presents the Group's performance in an objective and balanced manner, avoiding any selection, omission, or presentation format that may unduly influence the decisions or judgments of report readers. |
| Consistency | The preparation methods, statistical methodologies, and measurement standards for quantitative data – including calculation tools, assumptions, and conversion factors – remain consistent throughout. |

## Feedback on This Report

We welcome your feedback on our ESG performance and other sustainability matters. Your support is a vital driver for our continuous development. Please contact us via:

Address: Room 2401, Mingfeng Building, No. 16 Lize Road, Fengtai District, Beijing, China

Website: https://www.bayzedhealthcare.com

Email: IR@bayzedhealthcare.com

## Board Statement

The Group has established a highly efficient ESG governance framework, with the Board of Directors (the "**Board**") assuming overall responsibility. The Board is responsible for coordinating ESG strategies and overseeing dedicated committees that assess ESG and climate-related risks to ensure a robust internal control system. These committees integrate climate risk assessments deeply into decision-making processes and regularly review progress against established targets.

An ESG Leading Group has been established under the Board to focus on identifying ESG risks and ensuring the effectiveness of risk management and internal controls. When making decisions on major transactions and management procedures, the committee carefully weighs climate-related risks and opportunities and reports progress to the Board regularly.

The Group values stakeholder feedback and has established diverse communication channels. Based on these interactions, we identify material ESG issues and climate risks to continuously optimize our strategic systems. This year, the Board approved adjustments to our material issues, ensuring that our materiality matrix remains timely and reasonable.

The Board and all directors warrant that the content of this Report is free from false records, misleading statements, or material omissions, and collectively and individually accept responsibility for its truthfulness, accuracy, and completeness. This Report details the progress and achievements of the Group's ESG efforts in 2025 and was reviewed and approved by the Board on March 31, 2026.

# CHAPTER 1: Entering Bayzed: REDEFINING VALUE IN ONCOLOGY CARE

## 1.1 About Us and Sustainable Development

Bayzed Health Group Inc. is dedicated to becoming a "Value Reconstructor" in full-cycle oncology management in China. Faced with the growing medical needs of an aging society, we recognize that traditional fragmented medical care can no longer meet the public's expectations for long-term quality of life and dignity. To this end, the Group's mission is to "provide customers with trustworthy, full-cycle oncology services," striving for a fundamental shift from "treating diseases" to "managing health." Beyond providing professional medical technology, we aspire to be a leader in service management standards and a builder of a smart medical ecosystem, realizing our long-term vision of "Revere life and extend high-quality medical resources to benefit the general public extensively." In alignment with industry benchmarks and Listing Rules, we have identified several ESG issues critical to corporate sustainability, including Medical Service Quality, Customer Relationship Management, Public Health Awareness, and Occupational Health and Safety.

## 1.2 Breakthrough · Reconstruction · Leadership – Bayzed Health Group Inc. 2025 Strategy

2025 marks a strategic leap for Bayzed Health Group Inc. from a "disease treatment provider" to a "full-cycle health manager." We are dedicated to constructing a new paradigm of oncological medical services characterized by being "Systematized, Standardized, Digitalized, and Intelligent," extending our care from in-hospital treatment to the entire life cycle.

**The Eight-Link Full-Cycle Model: Transforming from "Treatment" to "Management" for a Measurable Health Journey**

We have developed a closed-loop, full-domain, and full-cycle service system encompassing "Prevention, Screening, Diagnosis, Treatment, and Rehabilitation" integrated with "Management, Connectivity, and Companionship."This represents more than an extension of the service chain; it is a substantive transition toward providing "one-stop, continuous, and lifelong health management." Through this model, we transform health management from discrete "points" into a continuous "line."

In this system, "Prevention" and "Screening" form the first line of defense, "Diagnosis" and "Treatment" ensure precise medical intervention, and "Rehabilitation" focuses on full functional recovery. Crucially, we lead the industry by integrating "Management, Connectivity, and Companionship" into our standardized service framework, forming the core pillars of our service evolution:

- **Management: Smart Empowerment & Proactive Governance**

  We have created an "Active Health Steward" to coordinate all scenarios – including scheduling, clinical care, nutrition, and psychological support – achieving a leap from "reactive treatment" to "proactive prediction." Driven by an AI decision engine, this steward provides personalized rehabilitation plans and early risk warnings based on digital health archives.

- **Connectivity: Boundless Links & Seamless Care**

  By integrating online and offline resources, we have built a "seamless yet omnipresent" support network. This enables remote consultation and emergency response to transcend temporal and spatial constraints. Our intelligent information system acts as a "Central Processing Unit," standardizing and orchestrating medical resources to ensure every response is precise, efficient, and traceable.

- **Companionship: Lifelong Support & Value Co-creation**

  Transcending traditional patient-provider boundaries, Bayzed builds long-term trust through patient communities and Lifelong Health Archives. These are not static medical records but "Digital Living Entities" that evolve with the client, providing continuous "data nourishment" for lifelong health management.

**H@H (Hospital At Home) Implementation: Value-Based Healthcare Beyond Hospital Walls**

We view H@H as a vital practice of our full-cycle strategy, aiming to "break physical walls and bridge the service gap between institutions and homes." Utilizing IoT and wearable devices, we have established a multi-layered remote monitoring system. This not only shortens average hospital stays and optimizes resource allocation but also provides professional safeguards for remote medical decision-making.

By forming "Case Management Teams" led by chief surgeons and supported by nurses, therapists, and nutritionists, we implement a model of "One Institution, One Plan, One Consistent Team." This is not an extension of conventional home-based care, but a systematic upgrade of the medical service model, marking a profound evolution of medical services from "in-hospital centralized treatment" to "continuous whole-course management". By establishing a case management team led by attending surgeons and consisting of nurses, rehabilitation therapists and dietitians, we deliver dedicated one -on-one follow-up services and regular proactive intervention throughout the entire patient journey. Supported by standardized protocols and intelligent systems, this framework enables professional clinical decision support, rehabilitation risk assessment and emergency intervention capabilities to be accurately extended into home settings. The implementation of the H@H model not only improves patient compliance, but also ensures that all medical data generated both inside and outside hospitals undergo rigorous traceability, quality verification and privacy protection. In alignment with our commitment to high-value medical care that enhances quality, efficiency and cost-effectiveness, this initiative transforms medical services from "passive treatment" to "proactive management", fully fulfilling our people-centered commitment to holistic health.

**Patient-First & Service Excellence: Humanistic Care and Standardization**

The Group has released an enhanced *Standardized Customer Service Manual*, transforming experience-based medical services into "Standardized and Systematic Processes" that are trainable, assessable and iteratively optimizable. This framework focuses on five dimensions: "Technology Integration, Psychological Support, Cultural Cultivation, Intergenerational Care, and Sustainable Kindness." By refining over 400 service touchpoints, we ensure that premium medical resources can be replicated at scale. These standards are integrated into performance appraisals to uphold our brand promise: "*Expertise in Oncology, Professionalism in Medicine, Excellence in Service.*"

**Data Privacy & Security: From "Protection" to "Data Assetization (AI-ready)"**

Seizing the "AI-ready" opportunity, we have evolved from traditional hospital operations to a technology-driven platform. The Group has successfully secured Data Asset Registration Certificates for "Lung Cancer Diagnostic Analysis" and "Oncology Imaging," marking a breakthrough in data assetization. We continue to advance the digitalization and intelligent transformation of hospital operations, laying a compliant and efficient data foundation for AI-driven personalized medical services.

From strategic vision to sustainable practices, the Group is committed to delivering high-quality medical services and continuously extending benefits to the general public. 2025 marks a milestone for the Group in advancing technological platformization and modernized governance. The official release of our inaugural ESG report embodies our commitment to transparency towards all stakeholders, including patients, employees, shareholders and the general public. This Report comprehensively discloses the specific initiatives and performance results of Bayzed Health in sound governance, high-quality medical services, talent development and green operations. More than a record of our development journey, it serves as an action guideline for us and our stakeholders to jointly reshape the value of China's healthcare industry. Across all our medical institutions dedicated to safeguarding lives, we look forward to joining hands with all parties to create long-term and far-reaching ESG value.

# CHAPTER 2: EXCELLENCE IN GOVERNANCE: STEERING STEADY AND SUSTAINABLE GROWTH

## 2.1 ESG Governance and Framework

### ESG Governance

We have established a three-tier ESG governance structure – comprising Board Decision-making, Management Coordination, and Specialized Taskforce Execution – designed to deeply integrate the philosophy of sustainable development into our daily business operations and strategic decision-making. We have officially implemented the *Bayzed Health Group Inc. ESG Management Policy* (the "**Policy**"), which clearly defines the specific responsibilities of the Board of Directors, management, and the execution level in sustainability affairs:

| ESG Governance structure | Role and Responsibilities |
|---|---|
| **Decision-making Level** | |
| Board of Directors | • As the highest governance body, the Board determines the Group's sustainability strategies, target frameworks, and major policies.<br>• The Strategy and Development Committee under the Board is responsible for reviewing and deliberating on material ESG issues. |
| **Supervision & Management Level** | |
| ESG Leading Group | • Comprised of senior management, with the President serving as the head of the group<br>• Monitors the latest ESG-related laws and regulations, including applicable provisions of the Listing Rules; reports any regulatory changes to the Board and updates the Group's ESG policies accordingly<br>• Identifies key stakeholders based on business operations and evaluates their influence and independence regarding ESG matters.<br>• Regularly assesses ESG-related risks, including climate-related risks and opportunities, in accordance with applicable laws and policies to ensure the Group fulfills its ESG obligations.<br>• Monitors the achievement of ESG indicators, evaluates the operational efficiency of the ESG management system, and assists the Board in the annual evaluation and confirmation of the system's effectiveness.<br>• Responsible for the annual preparation of the ESG Report and reporting the implementation of ESG policies to the Board. |
| **Execution Level** | |
| ESG WORKING GROUP | • Comprised of heads of subsidiary hospitals and corporate departments.<br>• Responsible for data collection of specific ESG indicators, implementation of action plans, and the promotion, guidance, supervision, and information reporting of specific ESG initiatives. |

In addition, we have established an ESG Advisory Committee, comprised of shareholder representatives and external experts, to provide consultation, recommendations, and other forms of support regarding the Group's ESG initiatives.

**ESG Training and Capacity Building**

The Group attaches great importance to enhancing the ESG awareness and capabilities of our governance team and employees. As stipulated in the *Bayzed Health Group Inc. ESG Management Policy*, the Group shall conduct training on ESG development for directors and senior management as needed. This training covers, but is not limited to, ESG philosophies, management methodologies, relevant laws and regulations, and regulatory policy trends. Simultaneously, we provide targeted training for employees to increase their awareness of ESG-related legal obligations and corporate social responsibility fostering a positive corporate culture. Training topics include, but are not limited to: Corporate Values and Code of Conduct, Anti-corruption Initiatives, Customer Privacy Protection, Health and Safety, Climate Change and Environmental Protection.

## 2.2 Sustainability Strategy and Materiality Issues

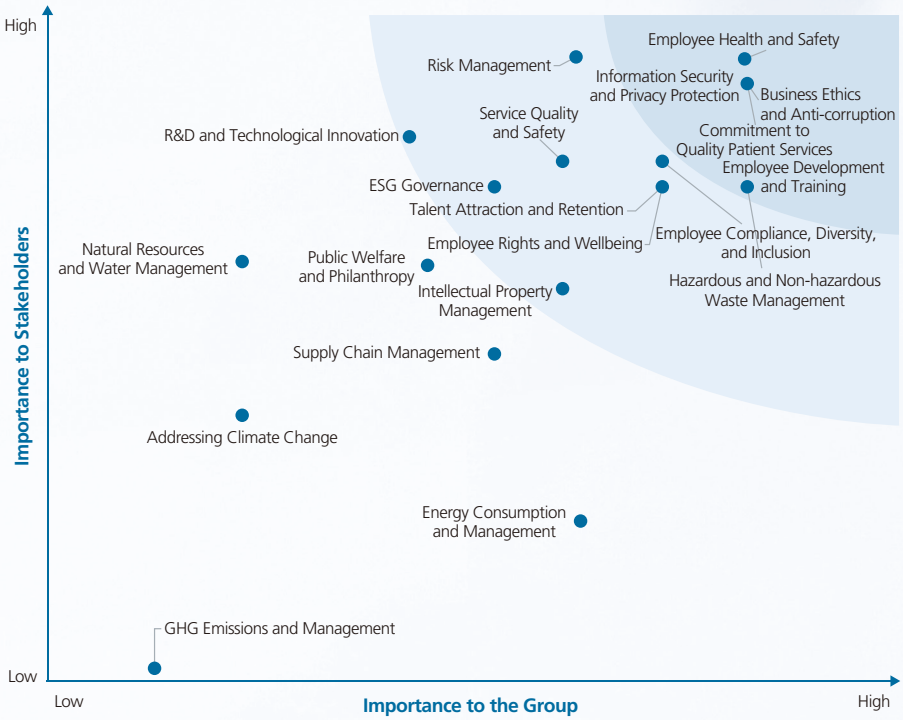
**Stakeholder Engagement and Materiality Assessment**

We prioritize communication with our investors, patients, employees, partners, communities, government and regulatory bodies, industry associations, and other stakeholders. We closely monitor the issues of concern to all stakeholders and continuously refine our management practices to better respond to their expectations and create long-term value. We recognize that identifying and assessing material issues is a pivotal step in implementing ESG management and addressing stakeholder concerns. Strictly adhering to the "Materiality" principle stipulated in the HKEX ESG Reporting Code, we emphasize stakeholder participation and gather insights through diverse channels to ensure our development strategy remains highly aligned with societal expectations.

We have identified the disclosure priorities for this year's Report through the following four key steps:

With the assistance of external consultants, we have identified 20 ESG material issues closely related to the Group's business by referencing the priorities of regulatory bodies, national and industry standards, and capital markets, combined with the Group's operational characteristics. We invited stakeholders key to our business – including the Group's Directors and Senior Management, Shareholders and Investors, Employees, Patients and their Families, and Suppliers – to participate in a survey. Participants were asked to score the importance of the identified issues to themselves and to the Group's business operations, while sharing their perspectives and expectations regarding the Group's environmental, social, and governance performance. The results of the materiality assessment are presented across two dimensions: "Importance to the Group" and "Importance to Stakeholders." Following the evaluation, we identified the following material issues. The Board has ultimately reviewed and confirmed the assessment results. The materiality matrix below highlights the prioritization of different issues and demonstrates their respective significance.

**Bayzed Health Group Inc. 2025 Materiality Matrix**




| | | |
|---|---|---|
| Highly material Issues | 1. | Employee Health and Safety |
| | 2. | Service Quality and Safety |
| | 3. | Information Security and Privacy Protection |
| | 4. | Business Ethics and Anti-corruption |
| | 5. | Commitment to Quality Patient Services |
| | 6. | Employee Development and Training |
| | 7. | Hazardous and Non-hazardous Waste Management |
| Moderately Material Issues | 8. | R&D and Technological Innovation |
| | 9. | Employee Compliance, Diversity, and Inclusion |
| | 10. | Risk Management |
| | 11. | Talent Attraction and Retention |
| | 12. | Employee Rights and Wellbeing |
| | 13. | ESG Governance |
| | 14. | Intellectual Property Management |
| Other Material Issues | 15. | Public Welfare and Philanthropy |
| | 16. | Supply Chain Management |
| | 17. | Energy Consumption and Management |
| | 18. | Natural Resources and Water Management |
| | 19. | Climate Change Mitigation |
| | 20. | GHG Emissions and Management |

We utilize the aforementioned list as a critical reference for our ESG management and performance tracking, proactively responding to the key ESG matters of concern to our stakeholders. Furthermore, these issues and the resulting assessment serve as a pragmatic framework for determining the disclosure priorities of this Report.

## 2.3 Anchoring in Integrity: Safeguarding a Clean Healthcare Environment

**Compliance and anti-corruption practices**

Bayzed Health Group Inc. has always upheld the philosophy of operating with integrity, continuously building a regulated, transparent, and compliant business operation system. We regard business ethics as the foundation of corporate development. We strictly enforce compliance prohibitions against commercial bribery, fraud, and money laundering, maintaining a zero-tolerance policy toward any non-compliant behavior. We strictly abide by the *Corporate Governance Code*, the *Criminal Law of the People's Republic of China*, the *Company Law*, and the *Anti-Unfair Competition Law*. Furthermore, in accordance with the "*Nine Criteria for Honest Practice*," we have established an ethical standards system that covers all stakeholders.

We rigorously implement the Group's *Anti-corruption, Anti-bribery and Anti-fraud Policy*, *Anti-money Laundering Management Regulations*, and *Implementation Plan for Honest Practice Actions* to regulate the professional conduct of our directors, senior and middle management, and general employees. Additionally, hospitals within the Group's system implement their own *Workstyle Construction Policies* and *Honest Practice Action Plans* based on their specific operational contexts. This ensures that integrity and compliance are deeply embedded in every link of our medical services and procurement processes.

In light of the specific characteristics of the healthcare industry, the Group has implemented a series of precision prevention and supervision measures to ensure the integrity and standardization of medical practices:

| | |
|---|---|
| Control of Pharmaceutical and Medical Device Procurement and Sales | Our *Workstyle Construction Policy* strictly prohibits the acceptance of kickbacks in the procurement and sale of pharmaceuticals and equipment. Illegal promotional activities in the form of "prescription-based commissions" are strictly forbidden, and medical personnel are prohibited from selling drugs without authorization. Both purchasing and supplying parties are required to sign comprehensive sales contracts openly; any form of "hidden discounts," including cash rebates or physical gifts, is strictly prohibited. |
| Standardization of Medical Representatives and Pharmacy Departments | The Group explicitly requires medical and device representatives, alongside the pharmacy departments and procurement centers of each hospital, to provide written commitments: to refrain from hosting banquets for clients, distributing gifts, or providing any other forms of illicit benefits. |
| Specialized Campaigns Against "Red Envelopes" and Kickbacks | Through the *Implementation Plan for Honest Practice Actions*, the Group continuously pushes forward specialized campaigns to rectify the acceptance of "Red Envelopes" and kickbacks. We have established and refined a supervision and early-warning system targeting key positions, key personnel, key medical practices, and key medical consumables. |

| | |
|---|---|
| Punishment and Incentive Mechanisms | The Group maintains a high-pressure stance against disciplinary violations by medical personnel, employing measures such as formal criticism, internal circulars of reprimand, and dismissal. Simultaneously, we have established risk prevention and control mechanisms, such as the "Voluntary Return of Kickbacks" program, utilizing multiple approaches to guide employees toward honest and ethical practice. |

**Integrity Defense and Internal Supervision**

The Group strictly adheres to the *Internal Audit Management Measures* to regulate internal audit activities and mitigate business risks. We conduct regular anti-corruption awareness programs for our affiliated units, with a particular focus on auditing key personnel in procurement, finance, and other high-risk functions. Each subsidiary hospital within the Group is required to assess fraud risks within their respective domains, identify vulnerable areas, and design preventive control measures within their relevant systems. The Group convenes an annual Anti-Fraud Work Meeting to discuss and evaluate the fraud risks facing the company and to define the priorities for the year's anti-fraud efforts. On a quarterly basis, the Audit and Legal Department is required to compile investigation reports on fraud complaints and submit written findings to the Board.

During the Reporting Period, the Group recorded zero incidents of non-compliance involving corruption, bribery, extortion, fraud, or money laundering. This reflects the strong legal awareness throughout the Group and our exceptional resilience in anti-fraud management.

**Whistleblowing Mechanism and Diversified Channels**

The Group strictly implements the *Anti-Fraud and Whistleblowing Management Measures*, maintaining a zero-tolerance policy toward any non-compliant behavior. We have established a standardized mechanism for anti-fraud complaints and whistleblowing. For any suspected acts of solicitation, bribery, kickbacks, or actions detrimental to the Group's interests, reports can be made – either anonymously or with identity disclosure – through the following public channels:

- **Dedicated Hotline:** Group Audit and Legal Department Reporting Line (+86 18232196462)
- **Official Email:** Specialized Integrity Supervision Mailbox (audit-tips@bayzedhealthcare.com)
- **Mailing Address:** Room 2401, Mingfeng Building Office, No. 16, Lize Road, Fengtai District, Beijing

Each hospital has established Physical Suggestion Boxes and President's Mailboxes in outpatient and inpatient areas.

**Standardized Investigation and Handling Process**

Upon receiving a report, the Group strictly adheres to the following four-step procedure to ensure a thorough and impartial handling process:

**Whistleblower Protection and Anti-retaliation**

The Group's *Anti-Fraud and Whistleblowing Management Measures* explicitly stipulate rigorous protection measures for whistleblowers:

- **Absolute Confidentiality of Identity:** Throughout the intake and subsequent investigation process, the Audit and Legal Department and the Workstyle Construction Leading Groups must strictly limit the scope of information disclosure. Without the whistleblower's explicit authorization, it is strictly prohibited to reveal any personal information to the respondent or their department. All reporting materials are archived under the highest level of security classification.

- **Zero Tolerance for Retaliation:** The Group strictly prohibits any form of retaliation against whistleblowers, including workplace marginalization, malicious performance evaluations, forced transfers, or dismissal. Once an act of retaliation is verified, the responsible parties will face severe disciplinary action, including immediate dismissal. Cases involving legal violations will be resolutely referred to judicial authorities.

- **Independent Investigation Mechanism:** Reported cases are verified by independent investigation teams to ensure that results remain free from administrative interference. The findings and outcomes are communicated back to the whistleblower in a timely manner.

- **Differentiated Investigation Paths and Accountability:** To eliminate administrative interference, the Group implements differentiated investigation paths based on the respondent's seniority. For General Staff and Middle Management, investigations are led by the Audit and Legal Department and conducted according to standard procedures. For Senior Management, to ensure absolute independence, the Audit and Legal Department reports directly to the Board of Directors and the Board of Supervisors. The Board determines the investigation plan and, when necessary, engages external experts or third-party institutions to ensure that supervisory power remains uninfluenced by internal hierarchy.

**Cultivating and Implementing a Culture of Integrity**

The Group regularly promotes anti-corruption policies to all employees, including Directors and Senior Management. We provide education on laws, regulations, and professional ethical standards through various channels, such as employee handbooks, official policy releases, internal publicity, and the corporate intranet. We consistently communicate and implement anti-corruption systems across our affiliated units, with a strategic focus on the promotion-linked vetting and auditing of key personnel in procurement and finance.

Our subsidiary hospitals, such as Beijing Jingxi Oncology Hospital, have established "Workstyle Construction Leading Groups." Spearheaded by hospital leadership, these groups orchestrate core departments – including the Hospital Administrative Office, Medical Affairs Department, Procurement Department, and Finance Department – to oversee the planning, daily evaluation, and investigation of non-compliant behaviors, ensuring the robust execution of anti-corruption initiatives. Subsidiaries like Taiyuan Heping Hospital have compiled and implemented standardized manuals, such as the *Medical Ethics and Workstyle Handbook*. These documents refine national and industry codes of conduct for medical professionals into actionable internal criteria. The manuals define specific ethical requirements for management, physicians, nurses, and logistics personnel, ensuring that our culture of integrity and clean medical practice transitions from institutional policy into daily practice.

Total anti-corruption training hours and sessions in 2025: 10 hours, 7 sessions

Total anti-corruption training coverage for Senior Management in 2025: 100%

Figure: Anti-corruption Publicity and Integrity Training for Hospital Staff

## 2.4 Comprehensive Risk Control: Weaving a Robust Compliance Protection Network

**Compliance and Risk Management**

We regard compliant operations and risk prevention as essential safeguards for achieving our strategic goals. In accordance with the *Comprehensive Risk Management Measures*, the Group has established an organizational risk management system comprising the Board of Directors, the General Office, and the Audit and Legal Department, integrating risk identification and response into our daily operations. The Group systematically categorizes the risks it faces into five major areas: Strategic Risk, Financial Risk, Market Risk, Operational Risk, and Compliance Risk. As a standing body, the Group's Audit and Legal Department is responsible for organizing annual risk assessments and compiling risk registers. By utilizing a combination of qualitative and quantitative methods, the department identifies material risk points and supervises each department in implementing response measures – such as risk mitigation, transfer, or avoidance – ensuring that risks are maintained within the Group's tolerance levels.

In terms of internal supervision, the Group strictly enforces the *Internal Audit Management Measures* to ensure the independence and objectivity of our internal audit functions. The Audit and Legal Department exercises comprehensive oversight over economic activities – including financial budgeting and final accounts, material procurement, project tendering, and major investments – through a combination of routine and specialized audits. Internal auditors collect evidence via on-site, submission-based, or remote auditing methods, issuing rectification requirements for any identified deficiencies. This ensures closed-loop supervision and management to enhance corporate governance value and prevent operational risks.

The Group has constructed a "Three Lines of Defense" compliance system with clearly defined powers and responsibilities, ensuring full-process control over various risks:

**First Line of Defense: Business Execution and Front-line Control**

Comprised of clinical departments, Procurement, Medical Affairs, and Human Resources of subsidiary hospitals. This line is responsible for implementing real-time risk identification and preliminary response during primary business processes, including medical regulation enforcement, patient safety assurance, and supplier admission screening.

**Second Line of Defense: Compliance Supervision and Risk Guidance**

Comprised of the Group Medical Management Center, the Legal and Compliance Department, and the Operation Management Center. Its core function is to formulate unified compliance management systems across the Group based on dynamic national health regulatory policies. It provides professional audit guidance and continuous supervision for medical quality, pharmaceutical and device supply chains, and major business decisions.

**Third Line of Defense: Independent Audit and In-depth Supervision**

The Audit Department independently performs its supervisory duties and reports directly to the Audit Committee of the Board. Through regular independent internal control evaluations and specialized audits, the department strictly monitors the rectification progress of various compliance issues, thereby ensuring the continuous stability and effective operation of the Group's overall compliance system.

## CHAPTER 3. QUALITY HEALTHCARE: PRECISION CARE FOR THE FULL LIFE CYCLE

We regard medical quality and safety as the "lifeline" of our corporate development. Through institutional standardization, professional talent cultivation, and refined management, we have constructed a high-quality barrier for medical services.

The Group strictly enforces the *Law of the People's Republic of China on Medical Practitioners*, the *Regulations on the Administration of Medical Institutions*, the *Administrative Measures for the Clinical Application of Medical Technologies*, the *Administrative Measures for the Registration of Practicing Nurses*, and the *Standards for the Evaluation of Tertiary Hospitals*. We consistently adhere to legal and regulatory requirements concerning the healthcare industry and product health, including the *Regulations on the Handling of Medical Malpractice*, the *Measures for the Implementation of the Law of the People's Republic of China on the Prevention and Control of Infectious Diseases*, and the *Core Systems for Medical Quality and Safety* issued by the National Health Commission.

Looking ahead, we will continue to advance a "dual-driven" strategy powered by digitalized, intelligent information systems and standardized management frameworks. With a customer-centric approach, we remain committed to delivering exceptional and premium medical services.

### 3.1 Anchoring Foundations through Lean Management

**Medical Quality Management System**

We rigorously implement the *Administrative Measures for Medical Quality* and *Emergency Response Plans for Medical Safety* to ensure that all medical practices operate safely within a regulated framework. The Group has developed the *Hospital Quality Management System Construction Guidance Manual* to guide subsidiary hospitals in establishing standardized and refined quality control (QC) processes. The Group is responsible for standard-setting, compliance supervision, and resource coordination.

Each hospital fully implements the *Detailed Rules for the Implementation of the Eighteen Core Systems for Medical Quality* and compiles a *Medical Quality Control System Checklist*. These 18 core systems serve as the cornerstone, covering clinical protocols, organizational responsibilities, and monitoring standards. As specified in our guidance manual, we integrate "Prevention, Execution, Evaluation, and Improvement" (PDCA) into our routine monitoring to form a systematic management closed-loop that safeguards patient safety and enhances service efficiency.

To ensure the effective implementation of quality management, each hospital has established a "1–3-4" management framework centered on the singular objective of "enhancing medical quality and safeguarding patient safety," achieving vertical integration of quality management through a rigorous division of labor across three hierarchical levels. The decision-making level, consisting of the Hospital President and the Quality and Safety Management Committee, is responsible for resource allocation and strategic oversight, while the control level, comprising the Quality Control Office and the Medical Affairs Department, focuses on formulating the quality management system, conducting monthly or quarterly inspections, compiling control reports, and organizing the concrete implementation of quality assurance activities. The execution level subsequently translates these quality requirements into daily operational rectifications, supported by the Group's establishment of dedicated quality control specialist positions that undergo strict selection and appraisal for normalized supervision. Through a four-tier oversight network encompassing Group supervision, hospital joint inspections, departmental cross-control, and individual self-control, the Group ensures that quality monitoring and rectifications are executed thoroughly while strengthening employee self-discipline and cross-departmental quality awareness.

**Routine Supervision and Rectification**

The *Hospital Quality Management System Construction Guidance Manual* is regularly reviewed and revised on an annual basis. Its contents are optimized in response to policy updates, business adjustments and evolving risks, ensuring that institutional arrangements align with practical operational needs. Each hospital is required to submit documents including the *Quality Management Organizational Framework* and *List of Quality Control Responsibilities at All Levels*, so as to clarify the organizational structure and responsibility division for quality management, and ensure that internal staff receive ongoing professional training related to quality management. The Group requires all hospitals to conduct monthly self-inspections in accordance with *Quality Control Reports*. At the end of each year, hospitals shall review overall quality management work, complete the *Annual Quality and Safety Work Summary*, formulate the annual quality management plan and special supervision plan for the following year, and implement refined management and control over key nodes of medical practices and services.

**Safety of Pharmaceuticals and Medical Consumables**

All hospitals under the Group have set up pharmaceutical quality and safety teams, which are composed of hospital directors and disciplinary experts to implement national pharmaceutical management requirements. Meanwhile, the *Work Responsibilities of the Pharmaceutical Quality and Safety Team* has been formally formulated. The Group regards pharmaceutical safety as the lifeline of medical services and strictly complies with the *Pharmaceutical Administration Law of the People's Republic of China** and relevant laws and regulations. In accordance with the *Guidance Manual for the Construction of Hospital Quality Management System*, the *Trial Standards for Pharmaceutical Affairs Administration* and the *Interim Provisions on the Administration of Medical Consumables*, the Group incorporates pharmaceutical management into the overall quality monitoring indicator system, and exercises rigorous control over medication records and treatment plans documented in medical records.

The Group has established rigorous quantitative quality control indicators for pharmaceutical dispensing and storage to ensure that every medication delivered to patients is safe and reliable.

- **Dispensing Precision:** The review rate for outpatient prescription issuance must reach 100%, with a prescription qualification rate of ≥ 95%, while strictly controlling the medication error rate to below one in ten thousand.

- **"Five-Specialized" Management for Special Drugs:** For narcotic, psychotropic, and toxic drugs, the "Five-Specialized" management protocol is strictly enforced, including specialized prescriptions, specialized cabinetry, specialized personnel, specialized registries, and specialized accounting.

- **Scientific Selection of Consumables:** In accordance with the *Medical Consumables Management Committee System*, the Group implements a selection system and dynamic monitoring for consumables, analyzing and evaluating adverse events to guide rational clinical use.

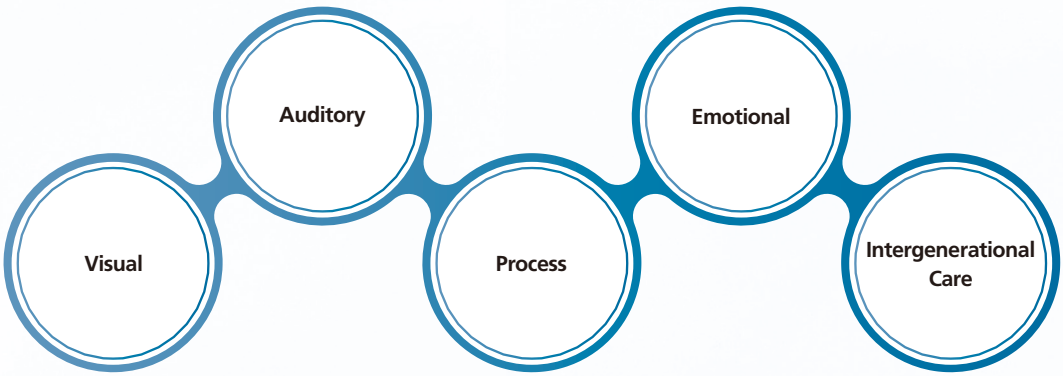
We regularly organize comprehensive training on pharmaceutical regulations and clinical pathways for all staff, integrating "8S Management" to enhance the professional service competencies of our pharmaceutical personnel. This ensures that the safety baseline is strictly maintained while operational efficiency is improved. During the Reporting Period, there were no records of recalls for products sold or shipped based on safety and health reasons.

## 3.2 Patient First: Humanistic Care and Standardize Service

**Patient Satisfaction and Commitment to Service Excellence**

We are dedicated to constructing a high-quality medical service system characterized by maximum transparency. In our pursuit of service excellence, we seamlessly integrate technological innovation with empathetic care.

**The Five Dimensions of the Patient Experience under the framework of the *Customer Standardized Service Manual***




The Group adheres to the core philosophy of being "Oncology Patient-Centric," driving systemic improvements in service capacity and patient experience across all facilities. By adopting the model of "Group Standards + Localized Hospital Implementation," the Group has guided subsidiary hospitals in establishing over 200 distinct service indicators. We meticulously manage more than 400 service touchpoints – ranging from parking guidance to post-operative rehabilitation – focusing on dimensions such as "Technology Integration, Psychological Support, Cultural Atmosphere, Intergenerational Care, and Sustainable Kindness."

Patient satisfaction has been formally integrated into the core annual performance indicators (KPIs) for each hospital, ensuring that service quality is directly linked to employee incentives. To capture the authentic voice of our patients, we invite them to participate deeply in evaluating core processes, including outpatient visits and inpatient care. Through the deployment of digital gratitude walls and real-time evaluation terminals, we achieve dynamic data collection. Based on our *Service Enhancement Plans and Measures*, we conduct targeted rectifications for pain points identified in satisfaction surveys, establishing a problem-tracking ledger and implementing closed-loop management. By promoting the "Three Daily Questions" staff self-assessment and a comprehensive post-discharge follow-up system, the Group's service ecosystem continues to evolve toward "Optimized Processes, Higher Efficiency, and Enhanced Experience."

**2025 Strategic Feature: Optimizing the "Authentic and Closed-Loop" Patient-Centric Satisfaction System**

*Normalization, Standardization, and Closed-Loop Management*

In late December 2025, the Group's Brand Management Center officially released the updated *Notice on Regulating Satisfaction Survey Work*, elevating Patient Satisfaction (CSAT) and Net Promoter Score (NPS) monitoring to a strategic priority. Centered on the Group's "Patient-Centric" concept, a new satisfaction collection system will be fully implemented in 2026. This system is designed to listen to the patient's voice systematically and routinely, transforming feedback into concrete actions for service improvement, thereby optimizing hospital workflows and deepening the physician-patient relationship.

Through a unified platform and standardized questionnaire templates, the Group has transitioned from "independent hospital monitoring" to a quality control model of "Unified Group Standards and Real-time Data Transparency." This ensures consistency across all evaluation dimensions. Authentic patient feedback is the cornerstone of our continuous improvement; we have established four core requirements to ensure that satisfaction metrics are not merely "positive statistics" but rather "evidence for improvement":

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| **Authenticity First** | We strictly prohibit any form of leading questions to ensure that data objectively reflects the patient's genuine experience regarding consultation, triage, environment, and workflow. |
| **Targeted Optimization** | Each hospital campus optimizes QR code access and simplifies questionnaire design (completable within 2 minutes) to make feedback lightweight and efficient, thereby securing a more representative sample size. |
| **Implementation of Net Promoter Score (NPS)** | In addition to traditional satisfaction metrics, we have introduced NPS monitoring to measure patients' willingness to recommend us to family and friends, reflecting deeper levels of brand loyalty and trust. |

All low-score feedback is rigorously integrated into the hospital-level service quality supervision and assessment framework to ensure timely responses. Through monthly data analysis, the Group precisely identifies operational gaps – such as "consultation environment" or "catering services"–and guides hospitals in implementing targeted optimizations, effectively transforming patient "pain points" into "growth points" for satisfaction. The Group guarantees that "every negative comment must be followed up, responded to, and resolved." Our focus extends beyond mere satisfaction scores to the substantive improvement loop driven by those results. By standardizing the deployment of the NPS (Net Promoter Score) system, The Group is transforming the "Patient-Centric" philosophy from a slogan into a measurable and trackable organizational capability.

We highly value patient feedback and will continue to strictly execute and optimize the "Collection – Verification & Rectification – Feedback" closed-loop mechanism.

Regular Service Quality Training for Employees

Internal training ensures that staff possess not only professional medical and technical competencies but also a robust awareness of service quality.

**Upgrading Medical Services and Practicing Value Creation**

During the Reporting Period, through technological empowerment and process optimization, the Group achieved significant enhancements across four key domains: Smart Healthcare, Medical Environment, Clinical Models, and Transitional Care.

### "Smart Healthcare" through Digital Empowerment

The Group continuously promotes smart medical services under the *Service Enhancement Plans and Measures* , achieving full-process online functionality for appointments, payments, and report inquiries.

- **Settlement and Process Optimization:** Beijing Jingxi Oncology Hospital launched the "Jingtong-WeChat Pay" mobile medical insurance settlement system, achieved full coverage for online prescription reviews, and deployed intelligent scanning equipment for drug traceability codes. Hefei Baihui Hospital and Huangshan Shoukang Hospitalimplemented bedside/ward-based settlement; the latter has significantly reduced discharge processing times to within 5 minutes.
- **Intelligent Diagnosis and Cloud Services:** Taiyuan Heping Hospital and Wuzhi Jimin Hospital launched "Cloud Film/Cloud Imaging" systems. Patients can access real-time reports via unique QR codes, compressing report waiting times from 2 hours to under 1 hour. Furthermore, the implementation of facial recognition for medical insurance payments has reduced average patient waiting times by over 30%.
- **Elderly-Friendly Services:** We have specifically simplified reservation interfaces and integrated intelligent voice assistance to ensure that the elderly population is not left behind in the digital transformation of healthcare.

### "Constructing a Supportive Medical Environment

- **Age-Appropriate and Safety Upgrades:** Tianjin Shishi Hospital completed the standardization and age-appropriate renovation of 12 patient wards, including the installation of non-slip handrails and emergency call systems. Taiyuan Heping Hospital completed a systemic renovation of its outpatient areas, utilizing 3D lighting technology to eliminate blind spots and widening the East Gate to achieve separation of pedestrian and vehicular traffic.
- **Convenience and Detailed Care:** Hefei Baihui Hospital added a community kitchen and bedside hair-cutting services. Beijing Jingxi Oncology Hospital increased the number of outpatient blood collection windows and launched an intelligent queuing system, significantly improving waiting order.

### "Breaking Disciplinary Barriers through Model Innovation

- **MDT (Multi-Disciplinary Team) Outpatient Services:** By centralizing fixed expert groups for joint consultations, we formulate optimal diagnosis and treatment plans for patients, addressing pain points such as ambiguous diagnoses and redundant examinations.
- **Specialized Nursing Clinics:** Wuzhi Jimin Hospital opened specialized clinics for chronic wound management and catheter care, providing patients with a professional and enhanced nursing experience.

### Transitional Care

- **Home-Based and Family Nursing:** Wuzhi Jimin Hospital and Tianjin Nankai Jixing Hospital launched home-based nursing and in-home clinical services, extending professional and compassionate medical care to communities and families.
- **Efficient Follow-up Mechanisms:** We strictly implement the Patient Discharge Follow-up System to ensure long-term tracking for patients in critical condition, filling the care gap after hospital discharge.

**Patient-Centric Service and Closed-Loop Complaint Management**

We translate our "Patient-Centric" philosophy into actionable management mechanisms to comprehensively enhance service satisfaction. We strictly implement the Group *Customer Standardized Service Manual* and the Service Enhancement Plans and Measures across all hospitals. To mitigate physician-patient conflicts at the source, we promote the use of "Non-judgmental Language Templates"across the Group. Through professional training, we guide medical staff to replace subjective evaluations with objective factual statements, demonstrating empathy and professionalism to reduce potential friction and create a secure, trusting environment for patients.

We have established a "Rights Advocate" mechanism, upgrading complaint handling from reactive responses to proactive emotional support and patient rights education. The Group has established a systematic "Issue Rectification Ledger" for complaint handling. All complaints and disputes are integrated into a closed-loop management process, ensuring that every issue receives timely disposal, root-cause analysis, and effective improvement.

During the Reporting Period, a total of 40 complaints and suggestions were received, primarily concerning medical quality, service attitude, environmental facilities, and billing disputes. All cases were resolved through direct communication with the relevant departments, and satisfactory responses were provided to the enquirers.

**2025 Our Service Quality Achieved High Levels of Patient Satisfaction**

Based on consolidated data for 2025, with over 13,000 participants surveyed, overall satisfaction remained at a consistently high level:

- **Exemplary Performance:** On a 5-point scale, our subsidiary hospitals, including Beijing Jingxi Oncology Hospital (4.87), Tianjin Shishi Hospital (4.84), and Taiyuan Heping Hospital (4.85), delivered outstanding results in overall satisfaction evaluations.
- **Key Indicators:** In critical metrics, the satisfaction rates for "Physician Service Attitude" and "Clinical Technology" approached 100% across most hospitals (notably at Wuzhi Jimin Hospital). These results reflect the Group' s rigorous academic and professional standards and serve as a profound validation of the clinical excellence demonstrated by our medical staff.

## 3.3 Safeguarding Trust: Medical Data Security and Responsible Marketing

**Protect Patients' Privacy and Information Security**

Protecting patient privacy is not merely a legal baseline but the cornerstone of trust between physicians and patients. We strictly implement national laws and regulations concerning information security and medical data confidentiality, including the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law*, the *Management Measures for Compliance Audit of Personal Information Protection*, the *Regulations on the Management of Medical Records in Medical Institutions*, the *Administrative Measures for Cybersecurity of Medical and Health Institutions*, the *Administrative Measures for Internet Diagnosis and Treatment (Trial)*, the *Several Provisions on Regulating the Market Order of Internet Information Services*, and the *Provisions on Promoting and Regulating Cross-border Data Flow*. Through comprehensive institutional norms and leading technologies, we have constructed a personal information security protection network to ensure robust data security management.

### 3.3.1 Information Security

*Information Protection Management System*

Each hospital has established a *Patient Privacy Protection System* and a *Hospital Personal Information Protection Management System* to ensure that patients enjoy the right to privacy protection for their information and medical records. Key highlights include:

Our medical institutions and healthcare personnel strictly protect patient privacy in all scenarios.

- We must clearly disclose the purpose and scope of information collection through a privacy policy prior to gathering any data.
- The policy explicitly defines data retention periods and mandates the timely de-identification or deletion of data once processing is completed.
- For data sharing, entrusted processing, or transfers, hospitals must conduct risk assessments and sign rigorous confidentiality agreements.

The hospitals have established an "Information Management Department" dedicated to personal information protection, responsible for drafting regulations, reviewing major decisions, and conducting internal training and education. The Information Management Department performs regular privacy impact assessments and ensures the continued effectiveness of all protective measures.

*Data Processing and Data Security Management*

We have established a comprehensive data processing and data security management system. In reference to the *Regulations on the Management of Medical Records in Medical Institutions*, we have formulated executive documents applicable at both the Group and hospital levels, including the *General Information Security Policy*, *Information Asset Management Measures*, *Cybersecurity Management System*, *Software Development Management System*, *Information System Security Principles*, *Information Security Technology – Health and Medical Data Security Guidelines*, and *Operation and Maintenance Management Measures*. We have established the following information security management organizations to ensure that data security issues remain controllable.

- Its responsibilities extend beyond daily operations and maintenance to include the formulation of annual security plans, information security budgeting, hospital-wide information security training, and the periodic assessment and auditing of implementation across various departments to ensure security policies are effectively executed.
- Each clinical and administrative department has appointed part-time "Departmental Security Administrators." They are responsible for the daily supervision of office terminals within their respective departments, the preliminary review of account permissions, and the immediate reporting of any anomalies.

*Measures for Information Confidentiality and the Protection of Privacy Data for Patients and Business Partners*

We strictly adhere to the archive management systems stipulated in the *Regulations on the Management of Medical Records in Medical Institutions* and the *Basic Norms for Electronic Medical Record Writing*. It is explicitly mandated that medical institutions and healthcare personnel are strictly prohibited from disclosing patient medical records for any purpose other than medical treatment, teaching, or research. Any discarded physical documents containing the private information of patients, suppliers, or partners must be thoroughly destroyed using a paper shredder.

In accordance with the Information Asset Management Measures, we classify all data into specific asset levels based on a three-tier valuation of "Confidentiality, Integrity, and Availability." Core data involving patient privacy and corporate secrets are assigned the highest security classification level.

We have implemented a rigorous file access authorization and approval mechanism in accordance with the *Information Security Authorization* and *Approval Management Measures*, the *Hospital Personal Information Protection Management System*, the *Hospital Data Security Management System*, the *Security Management Measures for Third-Party Personnel*, the *Hospital Data Classification and Grading Management System*, and the *Account, Password, and Authority Management Measures*, strictly enforcing the principle of least privilege. Any access, duplication, consultation, or modification of permissions involving databases, core servers, or sensitive medical records must undergo stringent approval by the relevant department head or the Information Security Office. Furthermore, the electronic medical record (EMR) system automatically generates immutable operation logs, ensuring full traceability of all access trails throughout the entire process.

**Emergency Response to Data Breaches**

- Information systems are equipped with robust firewalls to prevent data loss or leakage resulting from cyberattacks.
- Upon detecting any risk of potential leakage regarding patient information or medical data, the hospital will immediately activate its emergency response plan. Containment measures will be implemented promptly, and reports will be filed with the relevant competent authorities and administrative departments in accordance with the law to minimize any potential impact.

**2025 Strategy: Achieving a Strategic Leap from "Data Protection" to "Data Assetization"**

In 2025, the Group not only constructed a digital infrastructure covering the entire service lifecycle but also successfully completed the official registration and certification of two major data assets: "Lung Cancer Diagnosis and Treatment Analysis" and "Oncology Imaging."

This certification signifies that our data governance has achieved national-level compliance and assetization standards, enabling the effective support of AI-driven personalized rehabilitation plans and proactive risk warnings. Looking ahead, we will continue to deepen the extraction of value from our data, providing a continuous stream of momentum for clinical decision-making and scientific research innovation.

### 3.3.2 Responsible Marketing

*Advertising Compliance and Rigorous Review*

Bayzed Health Group Inc. strictly adheres to the *Advertising Law of the People's Republic of China*, the *Administrative Measures on Medical Advertisements*, and the *Interim Measures for the Administration of Internet Advertising*. Recognizing the unique nature and social responsibility associated with medical advertising, we have implemented the following compliance measures:

- The Group mandates that all subsidiary hospitals obtain the Medical Advertisement Review Certificate from provincial health administrative departments in accordance with the law before publishing any advertisements for medical services, pharmaceuticals, or medical devices.

- Promotional content is strictly limited to statutory items such as the institution's name, address, and clinical departments. We strictly prohibit claims involving medical technology, efficacy guarantees, specific disease names, or the use of spokespersons for endorsements, ensuring all information remains authentic and scientifically grounded.

- On internet platforms, we strictly forbid the disguised publication of medical advertisements in the form of popular science or news reports, effectively safeguarding the public's right to know and their health and safety.

*Strengthening Intellectual Property(IP) Protection*

We view technological innovation and IP protection as the core drivers of its digital transformation. We believe that patents, trademarks, and other intellectual property rights are vital to our business success. Our primary IP portfolio includes the software copyright for the "Early Cancer Auxiliary Screening System v1.0" and the "BAYWAY ECS" brand trademark. The Group has demonstrated profound R&D accumulation in the "Smart Healthcare" sector, continuously investing in the development of the "Full-Cycle Oncology Management System" and the "Smart Hospital Operations Platform." We have secured national patents in critical fields such as medical big data analysis, imaging recognition, and automated clinical diagnosis, consolidating our technical leadership in internet hospital construction. To safeguard our achievements, we explicitly define the ownership of technical results in contracts with third-party developers and partners and sign rigorous confidentiality agreements. Furthermore, the Group integrates IP protection into our *Personal Information Protection Management System*, transforming the hospital's unique compliant technical architecture into legally protected corporate assets while simultaneously safeguarding patient data.

## 3.4 Rigorous Sourcing: Enviromentally Friendly Supply and Quality Evaluation

**Promoting Supplier ESG Assessments and Prioritizing Eco-friendly Procurement**

The Group has established a standardized management structure led by the Procurement Committee for decision-making and the Procurement Working Group for execution, ensuring impartiality and transparency throughout the procurement process. Supply chain management is a critical component in safeguarding medical service quality and patient safety. We are committed to building a transparent, accountable, and resilient supply chain system, minimizing environmental and social risks through rigorous supplier screening and continuous monitoring.

Our primary suppliers encompass pharmaceuticals, medical devices, medical consumables, and hospital logistics services.

**Rigorous Supplier Onboarding and Grading System**

In supplier onboarding and routine management, we strictly adhere to the *Pharmaceutical Quality Management System*, the *Taiyuan Heping Hospital Procurement Management System (Trial)*, and the *Manufacturer (Supplier) Service Evaluation System (Trial)*. We have fully implemented a service evaluation system for manufacturers and suppliers that extends beyond traditional metrics – such as product quality, supply capacity, and after-sales service – to deeply integrate key ESG indicators. The Group's supplier screening process includes preliminary qualification reviews, on-site audits, and final comprehensive scoring. Suppliers are categorized into three grades based on their performance: Grade A: Suppliers enjoy priority cooperation status. Grade C: Suppliers who fail to meet scoring requirements are subject to the Group's de-selection (elimination) mechanism. All suppliers are required to undergo a comprehensive annual reassessment to ensure their service standards and compliance levels consistently meet the Group's requirements.

*Strengthening Environmental and Social Responsibility Monitoring*

**2025 Performance Highlights**

- All of the Group's core suppliers have obtained ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System) certifications.
- We have mandated that all suppliers sign the "Integrity Supply Agreement," strictly prohibiting any form of unfair competition.

The Group's Procurement Department has explicitly designated "attainment of ISO 14001 certification" and "fulfillment of social responsibilities, such as employee rights protection" as core bonus criteria in our evaluation framework. We are strictly limiting and gradually phasing out the procurement of high-energy-consumption and high-pollution products, while prioritizing medical devices and pharmaceuticals with environmental labeling (eco-labels). Additionally, for pharmaceuticals, a dual-person inspection system is employed to verify the environmental attributes of supplies, which, combined with adverse drug reaction monitoring, ensures the safety and sustainability of clinical materials.

Through this comprehensive assessment mechanism, the Group has not only enhanced the risk resilience of its supply chain but also incentivized suppliers to collaborate with us on initiatives such as green packaging, low-carbon logistics, and compliant governance. By transmitting responsibility throughout the value chain, we aim to drive the transformation of our upstream and downstream partners, collectively constructing a high-quality, accountable medical ecosystem with significant social impact.

## CHAPTER 4. MEDICAL INNOVATION & TRANSFORMATION: ENERGIZING TALENT DEVELOPMENT

We regard talent as the most valuable asset of our hospitals. Focusing on the core objective of talent team building, we continuously allocate resources to the cultivation of academic leaders and the development of professional backbone echelons, injecting vital human momentum into the enhancement of medical quality.

### 4.1 Employment Standards

**Employment Norms and Labor Standards**

The Group strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and other relevant laws and regulations. We are committed to establishing a fair, impartial, and transparent employment system. During the recruitment process, we consistently adhere to the principles of "Openness, Fairness, and Impartiality" and "Meritocracy based on both Ability and Integrity," ensuring that all applicants enjoy equal employment opportunities regardless of gender, age, ethnicity, or religious belief. We have established a standardized recruitment and approval process and formulated the *Administrative Measures for Hospital Recruitment and Employment*. From position vacancy applications and talent screening to multi-level interview evaluations, all stages are jointly supervised by the Human Resources Department and the hiring department to ensure compliance and standardization throughout the recruitment process.

**Protection of Rights and Anti-Forced Labor**

Regarding the prevention of child labor, the Group implements a rigorous onboarding review system. The Human Resources Department strictly verifies and archives candidates' identification documents before they join the company, effectively preventing the employment of minors at the source. To safeguard labor rights, we sign written labor contracts with all formal employees, explicitly defining job responsibilities, compensation and benefits, contract duration, and probation terms. We also standardize personnel file and contract management in accordance with local administrative systems, such as the Personnel Management System of Beijing Jingxi Oncology Hospital.

In terms of anti-forced labor, the Group respects employees' labor intentions and their right to rest. We implement standardized attendance and leave management measures, whereby employees enjoy statutory holidays, paid annual leave, sick leave, and marriage/funeral leave. All overtime work must comply with legal requirements and follow the principle of voluntariness. We strictly prohibit any form of forced labor, such as withholding identification documents or charging deposits, ensuring that employees have the freedom to resign within the legal framework. Through robust performance appraisals and anti-corruption/anti-fraud systems, we foster a workplace environment rooted in integrity and respect for human rights. Should any violation of labor standards be discovered, the Group will immediately initiate an internal investigation and take remedial actions to maintain harmonious and stable labor relations.

## 4.2. Professional Talent Development and Career Progression

Clear career progression pathways are fundamental to retaining core medical talent. We have established a diversified development framework characterized by "vertical promotion and horizontal mobility," ensuring that every employee can identify a clear growth trajectory within both professional technical and management tracks.

### Refined Talent Management System

The Group implements a "tailored-to-hospital" management philosophy, granting subsidiary hospitals the autonomy to refine their management according to their specific clinical strengths and talent structures. This approach empowers hospitals to formulate development strategies aligned with their unique circumstances – including geographical location, academic advantages, and target patient demographics – while establishing objective and impartial performance evaluation systems to foster the mutual growth of management talent and the institution.

### Talent Reserve and Incentive Mechanisms

We are committed to developing a robust pipeline of grassroots talent. When vacancies or middle-management needs arise, we strictly adhere to our *Recruitment and Employment Management Measures*, prioritizing an "internal-first" selection mechanism. Through transparent and equitable internal competitive bidding, we provide frontline employees with substantive upward mobility. This not only accelerates cultural integration but also effectively stimulates organizational innovation and cohesion.

Furthermore, subsidiary hospitals such as Beijing Jingxi Oncology Hospital and Taiyuan Heping Hospital have adopted a "Core Expert Shareholding" incentive model. This encourages academic leaders to participate in equity incentives via shareholding platforms, deeply aligning their professional development with the hospital's operational success. This approach reflects our profound respect for medical professional value and effectively reduces the turnover rate of core talent. By attracting and retaining highly experienced medical professionals over the long term, we ensure consistently high service quality and continuous clinical breakthroughs for the Group.

### Integrated "Clinical, Teaching, and Research" Development

For professional talent across medical, pharmaceutical, nursing, and technical disciplines, we promote an integrated "Clinical, Teaching, and Research" career path, facilitating dual-track development in both professional expertise and administrative management.

The "Double Eagle Program" at Taiyuan Heping Hospital serves as a benchmark for this approach. By operating the "Soaring Eagle" (for established leaders) and "Eaglet" (for emerging talent) tracks in parallel, the hospital has built a structured talent echelon to systematically cultivate academic leaders and reserves who possess both clinical excellence and scientific research capabilities.

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| **The Eaglet Program** | This program targets frontline medical, nursing, and technical personnel with high management potential through a three-year intensive cultivation period. Each participant is assigned dual mentors (Primary and Secondary Mentors) who formulate a personalized development plan based on the individual's professional standing and potential. The Human Resources and Medical Affairs Departments regularly organize specialized courses covering both hospital management and advanced clinical practices to ensure a well-rounded transition into leadership roles. |
| **The Eagle Program** | This program focuses on the cultivation and recruitment of academic leaders who drive disciplinary excellence.Cyclical Development: Participants operate on a three-year cultivation cycle, designed to achieve specific clinical or research milestones: To ensure academic breakthroughs, the hospital provides specialized research funding and a premium compensation package exceeding market standards. This support empowers leaders to conduct cutting-edge technical research and spearhead high-performance team building. |

The program provides customized development plans for academic leaders, ensuring that clinical experts can remain focused on technical excellence while simultaneously achieving corresponding professional rank advancements and academic standing. Through this approach, we have constructed a talent matrix with a well-structured hierarchy and ample momentum, laying a solid foundation for the Group's long-term medical excellence.

## 4.3 Lifelong Learning and Professional Empowerment

The professional competence of our medical and nursing staff is the core guarantee of medical quality. In alignment with the Group's published development strategy, we are committed to building a comprehensive training system that covers all employees throughout their entire career cycles, ensuring our teams consistently master cutting-edge medical technologies and management practices.

**Phased Training and Support**

Onboarding for New Hires

For newly recruited medical professionals, we recognize that support during the initial onboarding phase is of paramount importance. The Group provides specialized "Guidance Manuals" for physicians, pharmacists, and nursing staff to help them deeply understand and identify with the Group's core values and medical ethics. Through this standardized induction system, our employee training pass rate has reached 99%. This not only safeguards the initial quality of our medical services but also enables the Group to maintain a relatively stable team of medical professionals throughout the track record period.

**On-the-job Growth and Industry Collaborative Exchange**

The Group is responsible for the centralized monitoring of all medical and nursing staff's licensing records and the fulfillment of their Continuing Medical Education (CME) requirements. We consistently invest in educational resources to ensure that every employee can achieve personal academic milestones while providing patients with the highest level of professional medical care. For our current staff, we focus not only on their immediate performance but also on driving the long-term growth of their professional knowledge and the elevation of their academic standing. Within our network, we regularly organize "Mid-level Management Training" and specialized standardized clinical courses to ensure that medical techniques and management standards remain highly consistent across all subsidiary hospitals. Simultaneously, we actively engage in external collaborations. By fostering synergy and exchange within the industry, we secure access to top-tier resources and transform these partnerships into internal capabilities and knowledge growth, thereby enhancing the team's scientific research and clinical competitiveness.

Collaborative Advanced Training Programs with Industry Leaders

The Group maintains close collaborations with leading Class A tertiary hospitals, including Peking University Cancer Hospital and Zhongshan Hospital Affiliated to Fudan University. We select core medical personnel to participate in advanced training programs focusing on "Standardized Diagnosis and Treatment of Radiation Oncology" and "New Technologies in Interventional Ultrasound."

**Feedback Mechanisms and Team Excellence**

We regard authentic employee feedback as the core basis for optimizing our curriculum. The Group's management regularly reviews training quality reports from each hospital and continuously refines courses through retrospective evaluations. This ensures that internal training is necessary, academically rigorous, and tailored to the specific developmental needs of each department and position. During the Reporting Period, our employee training satisfaction rate exceeded 97%, demonstrating that our current training programs effectively support disciplinary competence and long-term talent development.

## 4.4 Occupational Health and Safety

Providing a safe and healthy environment for employees, patients, and the public is an indispensable corporate responsibility. We are committed to integrating a "Safety Culture"–encompassing medical, environmental, and occupational safety – into our daily operations. Through a robust safety management system, proactive risk monitoring, and continuous employee training, we comprehensively safeguard the occupational health and safety of healthcare personnel within our medical system.

### Occupational Health and Safety Management Mechanisms

We have formulated and strictly enforced a series of internal management policies and guidelines covering all levels of operation, from daily activities to emergency response:

- *"Internal Safety Inspection and Hazard Identification Procedures"* standardizes the continuous monitoring of workplaces to ensure any defects are corrected promptly.
- *"Safety Work Guidelines for Medical Professionals"* establishes specific standards for occupational exposure protection across departments to safeguard frontline staff.
- *"Nosocomial Infection Prevention and Control Management System"* led by a dedicated Infection Control Committee responsible for supervising, preventing, and reporting infectious disease matters.
- *"Employee Health Monitoring and High-Risk Environment Assessment Plan"* defines health assessment criteria for all staff, with specialized focus on high-risk roles (e.g., radiology and medical waste handling).
- *"Sharp Injury and Occupational Exposure Reporting Systems "* Includes the Reporting System for Occupational Sharp Injuries and the Management System for Occupational Exposure Handling, ensuring staff follow standardized protocols during incidents.

Through the *Safety Guidelines for Medical Professionals*, specific standards for occupational exposure prevention and protection measures have been formulated for various departments, including operating rooms and radiology departments. The Group ensures that all departments of its affiliated hospitals conduct regular comprehensive inspections covering medical safety, environmental safety and occupational safety. Regular health assessments are provided to all employees to monitor their overall physical conditions. For high-risk positions, more rigorous assessment protocols are adopted for medical staff regularly exposed to hazardous environments such as radiation and medical waste, so as to ensure their working conditions remain within acceptable safety limits.

**Continuous Occupational Safety Education and Training**

We regularly organize occupational safety education and training, as well as various emergency drills, including but not limited to fire drills and hospital disease prevention training. These initiatives help frontline staff strengthen their awareness of self-protection against occupational risks and effectively enhance employees' ability to respond to safety incidents.To foster a transparent and positive safety culture, we actively encourage employees to report health and safety incidents and hazards under a blameless reporting culture without fear of repercussions. Data collected through proactive monitoring and findings from incident reviews are translated into valuable management insights, which are applied to further optimize and refine workplace safety training programmes, policies and operational practices.

**Occupational Safety and Medical Quality Performance**

During the Reporting Period and the preceding three years, there were no major medical accidents and fatalities across the hospitals within our system. We remain committed to maintaining this standard, ensuring peace of mind for every employee and patient.

## 4.5 Comprehensive Benefits System

We aim to create a professional, respected, and fulfilling "career home" for our physicians, technicians, pharmacists, and nursing staff.

### Solid Foundations and Statutory Rights

The Group strictly complies with the *Social Insurance Law of the People's Republic of China*, implementing statutory benefit systems for all employees, including basic endowment insurance, basic medical insurance, work-related injury insurance, unemployment insurance, and maternity insurance. We recognize that social insurance is not merely a legal baseline but a solid safeguard for employees during life stages such as illness or old age. This ensures that while our staff dedicate themselves to the medical profession, their legal rights are protected to the maximum extent.

### Protection of Female Employees' Rights

Recognizing the pivotal role female medical practitioners play in our healthcare development, we strictly enforce the *Special Provisions on Labor Protection for Female Employees*. We ensure female staff receive full support and respect during significant life stages. The Group explicitly prohibits any form of professional discrimination and resolutely implements protection mechanisms that forbid wage reductions or dismissals due to pregnancy, childbirth, or breastfeeding, thereby maintaining stable labor relations. Regarding specific safeguards, we ensure female employees enjoy the legal maternity leave and related maternity insurance benefits in compliance with national and local regulations. For employees pregnant for seven months or more, the Group implements special workplace care, prohibiting night shifts or overtime and mandating necessary rest periods during working hours to ensure maternal and infant health and occupational safety. Furthermore, we promote "Lactation Care" across all hospitals, providing necessary facilities and time guarantees for breastfeeding staff. We are committed to eliminating professional concerns for female employees and fostering an inclusive workplace that respects women and cares for life.

### Compassionate Care and Cultivating a Sense of Honor

We integrate humanistic care into our corporate culture, enhancing employee belonging through diversified welfare programs. Moreover, we place high importance on cultivating professional pride. During occasions such as "China Medical Workers' Day," we organize celebration series to commend outstanding physicians and provide exclusive holiday care, affirming the immense contribution and value of our medical professionals.

On traditional festivals such as Mid-Autumn Festival and Lunar New Year, the Group distributes physical welfare gifts to share the warmth of the season with all employees.

## CHAPTER 5. GREEN HOSPITALS: PRACTICING SUSTAINABLE DEVELOPMENT

The Group is acutely aware of the intrinsic link between medical operations and the ecological environment. We strictly adhere to the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, and other relevant laws and regulations to ensure all operational activities meet national and local emission standards. During the Reporting Period, the Group was involved in no major environmental non-compliance incidents.

### 5.1 Addressing Climate Change

The Group identifies ESG risks – including climate change, medical safety, and compliance fraud – as critical factors influencing long-term corporate stability. In strict accordance with the "Climate-related Disclosures" (Part D)requirements of the HKEX ESG Reporting Guide, and with reference to IFRS S2 – Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB), we have systematically constructed a climate risk management mechanism centered on four core pillars: Governance, Strategy, Risk Management, and Metrics and Targets. Furthermore, integrating the specific attributes of the healthcare industry with the Group's internal systems, we have deeply embedded ESG risk identification and response into our overarching *Comprehensive Risk Management Measures*. This ensures all-encompassing monitoring and control over the impact of climate risks on our business operations.

**Governance**

The Board, as the highest decision-making body for corporate governance, bears ultimate responsibility for climate-related matters. To ensure the effective implementation of ESG management, the Board has authorized the ESG Leading Group to take full responsibility for strategic oversight and guidance. Their core responsibilities include climate risk identification, the establishment of assessment systems, and the continuous review of progress toward climate targets. The Leading Group provides specialized reports and training to the Board on a semi-annual basis, aimed at strengthening the professional competence of the decision-making level regarding ESG and climate issues.

At the operational level, the ESG Working Group, composed of heads of various functional departments, conducts regular thematic seminars. Utilizing scientific methods such as quantitative analysis and scenario modeling, the group performs in-depth evaluations of climate-related risks and opportunities and provides regular feedback to the Leading Group. Currently, the Working Group has established a comprehensive risk assessment system, integrating climate monitoring into daily operations to ensure that all climate action plans are implemented compliantly and efficiently. For detailed responsibilities regarding the Company's climate governance structure, please refer to the "ESG Governance and Structure" section.

### Strategy

The Group continuously monitors changes in the external environment, dynamically reviewing and updating its climate strategy. We have identified a series of climate-related risks and opportunities with material financial impact and have formulated targeted response measures to mitigate their negative effects. We evaluate the direct or indirect financial impacts on the Company across three dimensions: short-term (within 3 years), medium-term (3–5 years), and long-term (over 5 years). To date, we have identified four climate risks (comprising two transition risks and three physical risks) and two climate opportunities. Our objective is to actively seize the opportunities presented by the green transition and contribute to building more climate-resilient communities and societies.

| Risk Category | Risk Description | Potential Financial Impact | Time Horizon | Impact Scope | Key Response Measures |
|---|---|---|---|---|---|
| **Physical Risks** | | | | | |
| Acute Physical Risk | Increasing frequency of extreme weather events (e.g., typhoons, rainstorms, blizzards) affecting medical institutions, office and leased data center operations; endangering equipment safety and extending staff commutes, thereby impacting business continuity. | • Increased maintenance and repair costs<br>• Revenue loss due to business interruption<br>• Rising costs for emergency supplies | Short-term | Upstream Value Chain, Direct Operations | 1. Refine the *Flood Control Emergency Response Plan* and establish a dedicated Flood Control Office with 24-hour monitoring and early warning mechanisms.<br>2. Establish *Emergency Response Plans for Hospital Incidents*, equipping hospitals with backup generators and redundant power systems to ensure uninterrupted power for critical areas like Operating Rooms and ICUs.<br>3. Maintain an emergency medical supply reserve list and sign priority supply agreements with vendors for disaster periods. |
| Chronic Physical Risk | Sustained temperature rises leading to significantly higher HVAC cooling loads; potential increase in heatwave-related illnesses, placing long-term pressure on medical service efficiency and energy expenditures. | • Increased electricity expenditure (operating costs)<br>• Rising costs for medical waste disposal<br>• Capital expenditure for infrastructure upgrades | Long-term | Direct Operations | 1. Optimize hospital HVAC systems, gradually replacing old units with high-efficiency, low-energy consumption equipment.<br>2. Implement Green Hospital building standards, enhancing thermal insulation to mitigate the "Heat Island Effect."<br>3. Establish heatwave-specific clinical pathways and strengthen physiological monitoring for vulnerable groups (e.g., elderly patients). |

| Risk Category | Risk Description | Potential Financial Impact | Time Horizon | Impact Scope | Key Response Measures |
|---|---|---|---|---|---|
| **Transition Risks** | | | | | |
| Policy & Legal Risk | Increasingly stringent environmental disclosure requirements (e.g., carbon accounting and waste management) from HKEX and Mainland regulators; non-compliance may lead to regulatory penalties or financing restrictions. | • Increased compliance and audit costs<br>• Potential risk of fines | Medium-term | Direct Operations, Downstream Value Chain | 1. Establish a Board-led ESG management system and conduct regular annual carbon footprints/ audits.<br>2. Strictly implement recommendations from *Environmental Emergency Risk Assessment Reports*, strengthening the monitoring of wastewater and medical waste emissions.<br>3. Continuously monitor domestic and international ESG policy dynamics to ensure disclosure aligns with HKEX standards. |
| Market Risk | Rising expectations from investors and the public for "Green Healthcare"; failure to demonstrate environmental responsibility may negatively impact capital market performance or erode patient trust in the brand. | • Increased financing costs<br>• Damage to brand value | Medium to Long-term | Direct Operations, Downstream Value Chain | 1. Launch the "Green Hospital" initiative to showcase energy-saving achievements and "Tech for Good" outcomes to stakeholders.<br>2. Enhance environmental information transparency, making climate performance a core topic in investor relations.<br>3. Explore low-carbon medical service models, such as promoting smart healthcare and remote consultations to reduce patients' carbon footprints from travel. |

**Climate-Related Opportunities, Impacts, and Actions**

| Opportunity Type | Opportunity Description | Time Horizon | Our Actions |
|---|---|---|---|
| Resource Efficiency | Reducing energy consumption in daily hospital operations and achieving cost reduction by upgrading the energy efficiency of medical equipment and implementing smart lighting systems. | Short to Medium-term | 1. Evaluate the feasibility of installing photovoltaic (PV) facilities on the rooftops of subsidiary hospitals to achieve partial power self-sufficiency.<br>2. Actively engage in green power procurement to increase the proportion of renewable energy in total energy consumption.<br>3. Monitor the application of energy storage technology in hospital emergency power supplies to enhance energy security. |
| Energy Source | Exploring the installation of distributed photovoltaic power generation systems on hospital rooftops to reduce reliance on the traditional grid and enhance energy resilience during extreme weather. | Long-term | 1. Evaluate the feasibility of rooftop PV installations for self-generation.<br>2. Proactively secure green energy contracts to optimize the Group's energy mix.<br>3. Research energy storage systems to bolster the reliability of backup power during grid failures. |
| Market Resilience | Establishing a leading emergency response system to serve as a "Safe Harbor" for the region during natural disasters, thereby enhancing social reputation and brand value. | Long-term | 1. Continuously conduct drills for the *Medical Emergency Rescue Plan for Sudden Disasters* to enhance community rescue capabilities during climate disasters.<br>2. Strengthen information synergy with local governments and meteorological departments to establish climate-resilient medical demonstration sites.<br>3. Integrate "Climate Adaptability" into the design and planning of new, renovated, or expanded hospital projects. |

**Risk Management**

The Group regards climate and environmental risks as an integral component of corporate risk management and manages them through the following pathways:

*Risk Identification and Early Warning Linkage*

Climate change risks have been formally incorporated into the risk register under the *Comprehensive Risk Management Measures*. The Internal Audit & Legal Department works in coordination with the ESG Leading Group to conduct dynamic monitoring. Each hospital performs regular comprehensive environmental risk assessments and compiles detailed reports (for example, the *Emergency Environmental Incident Risk Assessment* conducted by Hefei Baihui Hospital). Simultaneously, we have established information-sharing mechanisms with government departments such as meteorology, emergency management, and water resources to receive timely climate disaster warnings.

*Response Strategies and Emergency Plans*

**Infrastructure and Power Security:** To address unexpected power outages or facility failures caused by extreme weather, each hospital has formulated a rigorous *Emergency Response Plan for Unexpected Incidents*. The Logistics Support Group ensures the timely activation of backup power, prioritizing the supply of electricity, water, and heating to core areas such as ICUs and operating rooms.

**Medical Rescue and Post-Disaster Epidemic Prevention:** During extreme climate disasters, we rapidly activate the "Green Channel" for emergency medical treatment and implement triage and casualty transfer protocols. Following a disaster, the Sanitation and Epidemic Prevention Group immediately conducts strict disinfection, isolation, and harmless treatment of medical waste in hospital areas and public shelters to block the transmission routes of infectious diseases.

**Standardized Drills and Training:** To ensure the effectiveness of our climate response mechanisms, hospitals organize comprehensive medical rescue drills (e.g., flood prevention, joint fire evacuation, and tabletop exercises) at least once every six months. These sessions are used to continuously optimize plans and enhance the organization's climate defense capabilities.

**Green Supply Chain:** Within the *Qualified Supplier Management Measures*, we are progressively introducing environmental assessment criteria to prioritize partners who emphasize climate management.

**Metrics and Targets**

To quantitatively manage our climate performance, the Group has established specific environmental targets and continuously tracks its progress. We strive to achieve these goals through the implementation of our *Green Office Management Measures*, the *Water Conservation Management System*, and the promotion of energy-saving facilities. During the Reporting Period, we did not make any capital investments in climate response and environmental protection. We will gradually optimise energy-saving and carbon abatement facilities to fulfil our carbon reduction targets in the future.

Key Metrics: We monitor various resource consumption data, including electricity, water, gas, and vehicle fuel consumption.

2025 Annual Targets:

Energy Efficiency: A target reduction of 0.2% in the Group's intensity of water, electricity, and gas consumption.
Waste Management: A target reduction of 0.2% in the intensity of non-hazardous waste generation.
Transportation Emissions: A target reduction of 5% in the exhaust emissions from the Group's vehicle fleet.

We have achieved the established targets by implementing the *Green Office Management Measures* and the *Water Conservation Management System*, as well as promoting the use of energy-efficient facilities. The Group has not yet integrated climate factors into its executive compensation system or adopted internal carbon pricing strategies. In the future, we will continue to monitor industry trends and actively explore the feasibility of internal carbon pricing to refine our carbon management system and ensure steady progress on the path of green and low-carbon development.

## 5.2 Low-Carbon Operations: Building a Green Bayzed

The Group is committed to promoting energy control, viewing energy management as the core strategy for reducing the carbon footprint of medical buildings. We have formulated and implemented the *Green Office Management Measures*, the *Hospital Electricity Management System*, and the *Energy Conservation and Consumption Reduction Administrative Measures*.

**In response to the Group' s environmental targets, various hospital campuses actively implemented specific actions in 2025, adopting the following refined energy-saving initiatives tailored to their local conditions:**

- Since 2025, the Group has incorporated water and electricity expenses into the departmental cost-performance appraisals of several hospitals, such as Hefei Baihui Hospital, fundamentally strengthening the energy-saving awareness of all medical staff.
- Tianjin Shishi Hospital and Tianjin Nankai Jixing Hospital implemented multi-level electricity management for public areas to optimize usage.
- Taiyuan Heping Hospital set specific quantitative targets for the year–"saving 1,000 kWh of electricity and 500 tons of water"–and continued replacing fixtures with energy-saving LED lighting.
- Hefei Baihui Hospital constructed an "Air-Source Heat Pump Water System,"which is expected to reduce annual electricity expenses by RMB50,000, achieving both economic and environmental benefits.
- Hefei Baihui Hospital launched a corporate "DiDi" shared account, encouraging employees to use ride-hailing services for official business to reduce the dispatch of internal commercial vehicles. A reduction target of 4,000 kilometers in commercial vehicle mileage was set for the current year.
- Source Control: Tianjin Nankai Jixing Hospital strictly mandates that all internal vehicle maintenance and repairs be handled by professional service shops, eliminating the risk of on-site leaks of hazardous automotive waste, such as waste engine oil and filter elements.

In our daily management, we actively promote a series of meticulous energy-saving measures. Regarding electricity and office management, hospitals promote the use of sensor-based and voice-controlled lighting and advocate for paperless offices to reduce the use of disposables (such as paper cups and tissues). For high-energy-consuming equipment, we enforced strict air-conditioning regulations, requiring cooling temperatures to be no lower than 26° C in summer and heating no higher than 20° C in winter, supplemented by quarterly professional cleaning and maintenance to ensure optimal efficiency. Furthermore, we plan to renovate hospital hot water systems using solar water heaters and other energy-saving facilities to realize green energy supply.

Regarding vehicle emission management, we are dedicated to optimizing transportation efficiency to lower our environmental burden. For future years, the Group has set targets to reduce vehicle exhaust emissions, aiming to achieve a 5% reduction in total mileage and a 3% reduction in gasoline consumption through optimized routing and more efficient vehicle application approvals. To reach these goals, we adopted a "Preventive Maintenance"model for our fleet, implementing refined repairs to eliminate high-energy-consumption risks and enhancing energy-saving driving skills training for drivers to ensure the low-carbon operation of official and ambulance vehicles.

## 5.3 Resource Conservation and Emission Management

The Group's water supply is primarily sourced from municipal water networks, and there are no issues regarding water sourcing. Each hospital has formulated a *Water Conservation Management System* to strengthen water-saving awareness. We have effectively reduced water loss by enhancing pipeline inspections and ensuring the timely repair of water supply facilities, while extensively installing sensor-activated faucets across our campuses.

In terms of wastewater discharge, we strictly enforce the *Hospital Sewage Treatment Management System*. Medical wastewater must undergo pretreatment, biological treatment, and chemical treatment to meet relevant standards before being discharged into the urban sewage network. Wuzhi Jimin Hospital has established comprehensive sewage pretreatment and biochemical treatment facilities managed by professionally trained, dedicated personnel. We strictly perform residual chlorine monitoring twice daily and regularly commission third-party professional organizations to conduct tests for fecal coliforms and pathogenic bacteria. This ensures that biological risks are thoroughly eliminated before medical wastewater enters the municipal network. We regularly commission third-party institutions to conduct testing, ensuring that all indicators comply with local government environmental requirements, achieving a 100% compliant discharge rate.

To address increasingly stringent discharge standards, the Group continuously invests capital in upgrading and renovating environmental infrastructure. This year, Taiyuan Heping Hospital fully launched and completed the "Sewage Treatment Station Upgrade Project," further enhancing medical wastewater treatment efficiency and water quality stability by introducing advanced biochemical treatment processes and automated monitoring equipment.

Regarding exhaust emissions, hospitals have installed oil fume treatment devices on canteen boilers and equipped heating facilities with low-nitrogen burners. We implement proactive controls for major pollutants, including particulate matter, sulfur dioxide, and nitrogen oxides. By regularly inviting professional organizations to test air pollutant concentrations, we ensure that our results consistently outperform national and local ambient air quality standards.

All subsidiary hospitals (including Taiyuan Heping Hospital, Hefei Baihui Hospital, and Beijing Jingxi Oncology Hospital) have obtained Pollutant Discharge Permits. We manage emissions strictly in accordance with the scopes and standards defined in these permits, ensuring all operational activities are conducted compliantly under legal authorization. The Group actively promotes and implements the application and periodic renewal of Pollutant Discharge Permits. Each subsidiary hospital is required to report environmental performance data and compliance status to the Group's ESG Working Group or relevant management departments on a regular basis.

**Pollutant Discharge Permit**

## 5.4 Management of Medical Waste and Biohazardous Materials

We strictly adhere to the national *Regulations on the Administration of Medical Waste*, the *Administrative Measures for Medical Waste of Medical and Health Institutions*, and other relevant laws and regulations. By formulating the *Standard Operating Procedures (SOP) for Medical Waste Classification and Disposal*, we have clearly defined the classification standards for five major categories of waste: infectious, injurious, pathological, chemical, and pharmacological. Furthermore, through our *Hazardous Waste Transfer and Tracking Management System* and the *Emergency Response Plan for Medical Waste Spills and Leakages*, we ensure that every stage – from source generation to final disposal – is fully traceable and that we possess the immediate response capabilities for unforeseen accidents. The following outlines our standardized, information-based, and highly secure full-lifecycle management system for medical waste:

### Source Classification and Professional Transportation

We implement the principle of "Source Classification" across all departments to ensure the strict segregation of medical waste from general domestic waste:

- Standardization of Protective Containers: The entire hospital uniformly utilizes yellow specialized packaging bags, puncture-resistant sharps boxes, and leak-proof containers that comply with national standards. All containers are labeled with clear biohazard symbols.
- Professional Route Management: A specially trained logistics team transports waste to the on-site temporary storage area via designated closed routes. We ensure that the transportation routes for medical waste are completely separatedfrom the flow of patients and visitors, minimizing the risk of cross-infection.

### Secure Temporary Storage and IT-Enabled Compliant Transfer

- Environmental Control of Temporary Storage: On-site temporary storage rooms for medical waste are under strict closed-management. They are equipped with comprehensive anti-seepage, anti-rodent, and anti-insect features. Dedicated personnel perform regular spray disinfection and environmental monitoring.
- Third-Party Professional Disposal: We maintain long-term cooperation agreements with legally qualified professional waste disposal companies. All waste is transported by specialized hazardous waste vehicles to disposal sites for high-temperature incineration or pressure steam sterilization.
- Data Transparency and Traceability: We utilize an information management system to record the weight, category, and receiver's signature for every batch of waste in real-time. This ensures that all medical waste is handled in a compliant and traceable manner.

Simultaneously, we place high importance on occupational safety protection. For logistics and support personnel operating in high-risk exposure environments, we provide comprehensive health safeguards:

**Specialized Personal Protective Equipment**

We mandate that relevant personnel wear heavy-duty rubber gloves, protective masks, goggles, and specialized protective aprons during operations to ensure full physical barrier protection.

**Preventive Medical Safeguards**

Priority is given to employees handling infectious waste for vaccination programs, establishing a robust immune defense against occupational biological risks.

**Emergency Post-Exposure Protocols**

We conduct regular emergency response drills to ensure that, in the event of occupational exposure, employees can immediately follow Standard Operating Procedures (SOPs) for treatment and reporting.

**Review and Continuous Monitoring of Medical Waste Disposal Processes**

The Group mandates a dual-signature verification mechanism during the collection and handover phases. This process involves detailed logging of the source, category, weight, and final disposal destination of all waste. These records are maintained for a minimum of three years to facilitate regulatory inspections and internal audits, ensuring comprehensive traceability of the disposal chain. The ESG Leading Group consistently reviews and discusses material environmental and governance issues. In accordance with the Guidance Manual for Hospital Quality Management System Construction, the Group advises all subsidiary hospitals to conduct annual policy reviews and revisions. This ensures that management processes for waste consumables and biohazards are dynamically updated to align with the latest regulatory requirements and operational needs, maintaining the highest safety standards.

## 5.5 Waste Management and Circular Utilization

The Group strictly follows the *Regulations on the Administration of Medical Waste*, implementing full-process control over all waste streams. We maintain a refined classification system encompassing medical waste, general industrial solid waste, and domestic waste.

**Performance Highlights for the Reporting Period:**

- **Beijing Jingxi Oncology Hospital** set an annual target to **reduce non-hazardous waste by 0.2%**.
- **Hefei Baihui Hospital** and **Beijing Jingxi Oncology Hospital** established specialized recycling processes for large quantities of "**uncontaminated infusion bottles/bags**" and **packaging cartons** generated during medical procedures.
- **Taiyuan Heping Hospital** strengthened "source classification" management for non-hazardous waste across all departments. By enhancing frontline training and on-site supervision, the hospital strictly prevents the mixing of general waste with medical waste. This has effectively reduced the environmental pressure and disposal costs of hazardous waste while increasing the recycling rate of reusable resources.

We implement the Green Office Management Measures, with hospital logistics departments driving specialized recycling plans and the categorized collection of domestic waste, which is handled by municipal sanitation departments. By upgrading to digital hospital systems, we have reduced the generation of paper documents and expect to achieve further reductions in office waste.

## 5.6 Application of Eco-friendly Packaging Materials

Although we are not a manufacturing enterprise, we strive to reduce unnecessary packaging in pharmaceutical dispensing to minimize our environmental burden. Taking Beijing Jingxi Oncology Hospital as an example, the proportion of eco-friendly and biodegradable categories selected for office consumables and packaging materials has reached 60%. The hospital has further established clear short-to-medium-term objectives, planning to increase the proportion of eco-friendly categories in raw materials to 50% by 2026. To ensure the realization of these targets, the hospital has implemented a rigorous monitoring mechanism encompassing monthly statistical tracking of green procurement data and quarterly specialized audits of implementation progress. Furthermore, we have extensively promoted the use of eco-friendly kraft paper and biodegradable plastic bags for the dispensing of Traditional Chinese Medicine and prescription drugs, fulfilling our commitment to green healthcare through these minute details.

# CHAPTER 6. SOCIAL INCLUSION: DELIVERING THE POWER OF PUBLIC WELFARE

## 6.1 Medical Compassion: Deepening Community Health

Leveraging the specialized clinical strengths of its subsidiary hospitals, Bayzed Health Group Inc. actively responds to the "Healthy China" national strategy and is committed to reducing inequalities in medical resource distribution.

We are dedicated to long-term investment in public welfare. We conduct extensive community health education activities and have established collaborations with various medical associations – encompassing the development of Remote ECG and Holter monitoring systems, as well as the construction of Chest Pain Centers, Stroke Centers, and Trauma Centers. Furthermore, we provide technical assistance, share medical resources, host health seminars and professional knowledge training, and offer free medical consultations. Our commitment also extends to organizing voluntary blood donation drives, visiting nursing homes, and donating funds and essential supplies to those in need.

**Quantitative Social Contribution**

The Group conducted a total of over 200 various free medical consultations, screenings, and health literacy seminars throughout the year.

**Volunteer Participation and Total Service Hours**

Our medical and administrative staff responded actively to our social initiatives, with cumulative participation exceeding 900 person-times and a total time investment of over 450 hours.

**Total Donation Amount/Value of Supplies**

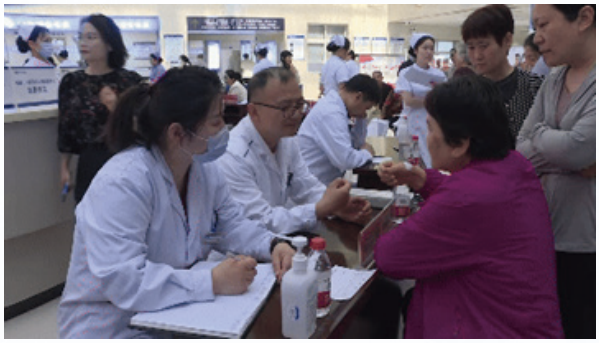
In 2025, the cumulative value of supplies invested in public welfare activities – including pharmaceuticals, screening reagents, and promotional materials – amounted to approximately RMB600,000.

**Large-Scale Early Cancer Screening and Free Consultations**

We provide regular free medical consultations to community residents, encompassing a series of diagnostic services and the promotion of medical knowledge to enhance public health awareness. The Group coordinates its hospitals to conduct community volunteer screenings for prevalent cancers, such as lung cancer, breast cancer, and digestive tract tumors. By deploying mobile medical resources and grassroots consultations, we extend our reach to areas with relatively limited medical services.

### Continuing Commitments, Safeguarding Patients

Beijing Jingxi Oncology Hospital has not only organized a series of patient education seminars – including flagship programs such as "Exceptional Care for Lungs," "Guarding the Fountain of Life," and "Warmth Amidst Oncology"–directly serving over 100 patient-times. Furthermore, the hospital successfully completed its ninth consecutive year of the "Passing the Blood, Sustaining Life" voluntary blood donation drive, safeguarding regional clinical blood safety through the compassionate spirit of medical professionals.



Wuzhi Jimin Hospital continues to extend its brand influence in public welfare. During the Reporting Period, it collaborated with the 988th Hospital of the Joint Logistic Support Force to conduct public welfare consultations. By inviting a team of military-renowned experts, the hospital brought the leading clinical technologies of Class A Tertiary hospitals directly to grassroots communities. Throughout the year, the hospital conducted 24 grassroots health consultations and 10 specialized disease screenings, effectively delivering mobile medical resources to the local populace.

### Specialized and Precision Care

Marking the first anniversary of its "Breast Tumor Rehabilitation Studio," Tianjin Shishi Hospital leveraged this milestone to launch specialized free medical consultations. Furthermore, the hospital initiated a public welfare campaign titled "Caring for Educators with Medical Heart, Accompanying Teachers with Health," providing targeted health support to education professionals and realizing a strategy of precision health safeguarding.

## Community Outreach

Tianjin Nankai Jixing Hospital has deeply integrated with community service centers – including Tiantuoxi, Ganjiangli, Tiantuodong, and Huaningbeili – to provide normalized free medical consultation services, ensuring that high-quality medical resources are consistently shared with local residents.

In observance of the "Pink Ribbon" World Breast Cancer Prevention Month in October, Hefei Baihui Hospital organized specialized medical consultations providing free clinical guidance and palpation screenings to elevate breast health awareness among women.

Hefei Baihui Hospital deployed its medical team deep into residential communities to provide on-site digestive health consultations and scientific dietary guidance. By conducting public education on common gastrointestinal diseases and chronic disease prevention, the hospital directly served local residents and enhanced the public's capacity for digestive health management.

## 6.2 Health Literacy and Education

We organize expert teams to conduct health lectures at the grassroots level, transforming professional medical knowledge into accessible health safeguards for the public.

**Health Grand Lecture Hall**

The Group visited surrounding communities, schools, and public spaces to conduct a series of training sessions. We organized more than 34 sessions of the "Health Grand Lecture Hall" throughout the year, covering essential topics such as CPR (Cardiopulmonary Resuscitation) and the prevention of prevalent diseases to strengthen community response capabilities.

**Patient Education and Rehabilitation**

Furthermore, we go beyond simple knowledge transfer by emphasizing new concepts in physical and mental rehabilitation. We hosted 12 sessions of our "Cancer Survivors Club," 4 "Specialized Patient Support Groups," and 18 "Chronic Disease Patient Support Groups," guiding patients to transition from fear toward a scientific approach to prevention and treatment.

## 6.3 Academic Excellence and Sustained Social Commitment

Through participation in regional alliances and cross-sector collaborations, our hospitals actively promote the optimized allocation of medical resources and the unification of industry standards.

By hosting international and national academic summits, the Group has successfully transitioned from a "medical service provider" to a "leader in academic philosophy." We remain committed to the integrated development of medical treatment, education, and research, driving clinical innovation through academic excellence to ultimately benefit the broader patient population.

Subsidiary hospitals across the Group, including Tianjin Shishi Hospital and Hefei Baihui Hospital, actively participate in annual specialized academic conferences. By translating the latest scientific research findings into clinical practice, they ensure that our medical services consistently remain at the forefront of the industry.

### Tianjin Anti-Cancer Association Oncology Rehabilitation Forum

Utilizing the regional alliance platform of the Tianjin Anti-Cancer Association, the Group actively promotes the optimized allocation of medical resources, ensuring that frontline clinical technologies are seamlessly aligned with the latest industry standards in real-time.

### Academic Summit on Psychological Rehabilitation

The Group hosted the Annual Academic Conference of the Rehabilitation Psychology Professional Committee of the Chinese Association of Rehabilitation Medicine. This summit focused on cutting-edge technologies in rehabilitation psychology, aimed at enhancing the professional expertise of practitioners and implementing the "Holistic Rehabilitation" model across the industry.

### Heping International Rehabilitation Forum

Hosted by Taiyuan Heping Hospital, the forum focused on the theme of "Synergistic Advancement of Psychological, Physical, and Visceral Health." The event brought together more than 300 experts from China and abroad, establishing an international bridge for medical exchange and collaboration.

We promote our community welfare activities through online channels including television stations, local media, WeChat official accounts, Douyin accounts, and various WeChat groups such as chronic disease management groups, as well as through physical mediums like hospital brochures, branded promotional materials, and digital display screens. These efforts aim to expand our influence and attract more citizens to participate in public welfare, working together to fulfill our social responsibilities.

## APPENDIX: KEY PERFORMANCE INDICATOR

| Category | KPI | Unit | 2025 |
|---|---|---|---|
| **Environment** | **Greenhouse Gas Emission** | | |
| | Total GHG Emissions (Scope 1&2) | Tonnes $CO_2e$ | **10,223.97** |
| | GHG Emission Intensity | Tonnes $CO_2e$/Million Revenue | **9.13** |
| | **GHG Emission Scope 1** | Tonnes $CO_2e$ | **1,062.94** |
| | Scope 1 Intensity | Tonnes $CO_2e$/Million Revenue | **0.95** |
| | **GHG Emission Scope 2** | Tonnes $CO_2e$ | **9,161.03** |
| | Scope 2 Intensity | Tonnes $CO_2e$/Million Revenue | **8.18** |
| | **Energy Consumption** | | |
| | Total Energy Consumption | MWh | **21,648.86** |
| | Energy Consumption Intensity | MWh/Million Revenue | **19.33** |
| | Direct Energy Consumption | MWh | **5,103.48** |
| | Indirect Energy Consumption | MWh | **16,545.38** |
| | **Water Consumption** | | |
| | Total Water Consumption | Tonnes | **179,667** |
| | Water Consumption Intensity | Tonnes/Million Revenue | **160.44** |
| | **Resources** | | |
| | Purchased Electricity | MWh | **14,968.83** |
| | Purchased Heat | GJ | **5,675.59** |
| | Gasoline | Litres | **24,380.94** |
| | Diesel | Litres | **2,446.51** |
| | Natural Gas | M3 | **463,049** |
| | Packaging Material (Plastic) | Tonnes | **2.70** |
| | Packaging Material (Kraft Paper) | Tonnes | **0.30** |

Note:

1 GHG Emissions is calculated based on the Announcement on the Release of 2023 Electricity Carbon Dioxide Emission Factors by the Ministry of Ecology and Environment and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. Intensity is based on the 2025 annual revenue of RMB 1,119,849,000.

2 Location-based method is adopted for the Scope 2 emissions calculation.

3 Given that Scope 3 data involves multiple suppliers and complex value chain links, the accuracy of data collection and accounting faces considerable challenges. At present, the Group is actively establishing a Scope 3 emissions management framework and data statistical system, and engaging in communication with key suppliers to gradually improve the collection of relevant activity data. The Group is committed to launching systematic statistical and accounting work for Scope 3 emissions as soon as possible. It is planned that in future reporting years, we will prioritize the disclosure of material items to the Group's operations, such as business travel, waste disposal and industrial chain transportation, so as to achieve full life-cycle monitoring of environmental impacts.

4 Emission factors for vehicle fuel consumption, including gasoline and diesel, are referenced from Appendix 2 of the Reporting Guidance on Environmental KPIs published by the Hong Kong Stock Exchange (HKEX).

5 The emission factors and calculation methodologies for purchased heat is referenced from the Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Enterprises in Other Industrial Sectors published by the Ministry of Ecology and Environment.

6 The natural gas emission coefficient and calculation method refer to the "Guidelines for the Compilation of Provincial Greenhouse Gas Inventories" issued by the National Development and Reform Commission.

7 The water consumed by the Group is sourced from municipal water supply networks, and there are no issues in sourcing water that is fit for purpose.

| Category | KPI | Unit | 2025 |
|---|---|---|---|
| | **Air Pollutants** | | |
| | Nitrogen Oxides (NOx) | Tonnes | **0.487** |
| | Particulate Matter (PM) | Tonnes | **0.111** |
| | Sulphur Dioxide ($SO_2$) | Tonnes | **0.030** |
| | **Wastes & Wastewater** | | |
| | Non-hazardous Waste | Tonnes | **248.01** |
| | Non-hazardous Waste Intensity | Tonnes/Million Revenue | **0.22** |
| | Hazardous Waste | Tonnes | **508.84** |
| | Hazardous Waste Intensity | Tonnes/Million Revenue | **0.45** |
| | Medical Wastewater | Tonnes | **108,838** |
| | Medical Wastewater Intensity | Tonnes/Million Revenue | **97.19** |
| | Chemical Oxygen Demand (COD) | Tonnes | **4.05** |
| | Biochemical Oxygen Demand (BOD) | Tonnes | **0.90** |
| | Suspended Solids (SS) | Tonnes | **0.42** |
| | Ammonia Nitrogen (NH3-N) | Tonnes | **0.33** |
| | Domestic Sewage | Tonnes | **14,739.20** |
| | Domestic Sewage Intensity | Tonnes/Million Revenue | **13.16** |
| **Social** | **Employment** | | |
| | Total Employee | Person | **1,998** |
| | **By Gender** | | |
| | Male | Person | **558** |
| | Female | Person | **1,440** |

[8] Air pollutant data is calculated by integrating actual monitoring results from hospitals with reported consumption data for natural gas, gasoline, diesel, and boiler data. As 2025 marks the initial stage of data integration, the Group has adopted a conservative estimation approach to ensure the completeness of the disclosure scope. The Group commits to completing the initial construction of its monitoring system in future years, at which time more detailed actual monitoring data will be provided.

[9] Non-hazardous waste includes office waste and canteen food waste, all of which are handled by waste removal units. Hazardous waste primarily consists of infectious, pathological, sharps, and chemical waste generated by each hospital campus. Data is derived from medical waste transfer manifests and third-party disposal records of various subsidiaries. All hazardous medical waste generated during the year has been handed over to qualified third-party professional institutions for harmless treatment.

[10] Medical wastewater covers wastewater generated during diagnostic, laboratory, and hospitalization processes at various affiliated hospitals. Data is primarily sourced from flow meter monitoring records at each hospital's wastewater treatment station or through scientific estimations based on municipal water consumption ratios. All hospital campuses of the Group are equipped with specialized wastewater treatment systems. After collection, medical wastewater must undergo primary sedimentation, biological treatment, and strict disinfection processes to ensure the elimination of pathogenic microorganisms. All treated wastewater is discharged into municipal sewage networks only after meeting the relevant requirements of the national Discharge Standard of Water Pollutants for Medical Organization. Key pollutants include indicators such as Chemical Oxygen Demand (COD), Biochemical Oxygen Demand (BOD), Suspended Solids (SS), and Ammonia Nitrogen (NH3-N), with relevant data derived from periodic wastewater quality testing reports commissioned from third-party agencies. Given that online monitoring systems at some campuses are still being improved, certain chemical indicators (such as COD and BOD) for the current year are only disclosed for specific campuses that possess continuous monitoring records. The Group commits to gradually achieving standardized monitoring and disclosure of water quality indicators across all campuses in the future.

| Category | KPI | Unit | 2025 |
|---|---|---|---|
| | **By Employment Type** | | |
| | Contract Employees | Person | **151** |
| | Regular Employees | Person | **1,847** |
| | **By Age Group** | | |
| | Under 30 | Person | **584** |
| | 30–40 | Person | **868** |
| | 41–50 | Person | **353** |
| | Over 50 | Person | **193** |
| | **By Employee Category** | | |
| | Senior Management | Person | **39** |
| | Middle Management | Person | **308** |
| | General Management | Person | **1,651** |
| | **By Region** | | |
| | Beijing | Person | **312** |
| | Tianjin | Person | **294** |
| | Shanxi | Person | **448** |
| | Wuzhi | Person | **651** |
| | Anhui | Person | **293** |
| | **Employee Turnover & Development** | | |
| | Employee Turnover Rate | % | **16.18** |
| | **By Gender** | | |
| | Male | % | **20.67** |
| | Female | % | **14.29** |
| | **By Age Group** | | |
| | Under 30 | % | **19.26** |
| | 30–40 | % | **9.87** |
| | 41–50 | % | **14.75** |
| | Over 50 | % | **26.06** |
| | **By Employee Category** | | |
| | Senior Management | % | **4.76** |
| | Middle Management | % | **4.09** |
| | General Management | % | **18.15** |

[11] Employee Turnover Rate = Number of employees who left during the reporting year/Total number of employees at the end of the reporting year * 100%.

| Category | KPI | Unit | 2025 |
|---|---|---|---|
| | **By region** | | |
| | Beijing | % | **13.69** |
| | Tianjin | % | **32.88** |
| | Shanxi | % | **12.28** |
| | Wuzhi | % | **6.85** |
| | Anhui | % | **9.56** |
| | | | |
| | **Employee Turnover & Development** | | |
| | **By Gender** | | |
| | Male | % | **34.1** |
| | Female | % | **65.9** |
| | | | |
| | **By Employment Category** | | |
| | Senior Management | % | **2.3** |
| | Middle Management | % | **14.2** |
| | General Employees | % | **83.6** |
| | | | |
| | **Average Training Hours** | | |
| | **By Gender** | | |
| | Male | Hours | **13.5** |
| | Female | Hours | **24.5** |
| | | | |
| | **By Employment Category** | | |
| | Senior Management | Hours | **10.8** |
| | Middle Management | Hours | **14.1** |
| | General Employees | Hours | **22.4** |
| | | | |
| | **Suppliers Management** | | |
| | Total Number of Suppliers | Companies | **394** |
| | **By region** | | |
| | North China | Companies | **267** |
| | Central China | Companies | **86** |
| | East China | Companies | **31** |
| | South China | Companies | **8** |
| | Other Region | Companies | **2** |
| | Overseas | Companies | **0** |

12 Percentage of Employees Trained = Number of trained employees in a specific category/Total number of employees in that category. The training figures here primarily cover special training programs such as group-specific training and external continuing education courses conducted throughout the year. Routine business training and on-the-job training conducted within hospitals and departments are not included in this year's statistical baseline due to their broad scope. We plan to continuously optimize our human resources data in the future to more comprehensively track and cover all regular training sessions and times.

13 Average Training Hours per Employee = Total training hours of a specific category of employees/Number of trained employees in that category.

## APPENDIX: HONG KONG STOCK EXCHANGE ESG INDICATOR INDEX

| Subject Areas | Aspects, General Disclosures and KPIs | Corresponding Section |
|---|---|---|
| **Governance Structure** | | |
| General Disclosure | A statement from the board containing the following elements:<br>(i) a disclosure of the board's oversight of ESG issues;<br>(ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and<br>(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. | Board Statement<br>ESG Governance and Framework |
| **Reporting Principles** | | |
| General Disclosure | A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:<br>Materiality:<br>The ESG report should disclose:<br>(i) the process to identify and the criteria for the selection of material ESG factors;<br>(ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.<br>Quantitative:<br>Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.<br>Consistency:<br>The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison. | Reporting Standards and Principles |
| **Reporting Boundary** | | |
| General Disclosure | A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change. | Reporting Scope and Period |

| Subject Areas | Aspects, General Disclosures and KPIs | Corresponding Section |
|---|---|---|
| **A. Environmental** | | |
| A1 Emissions | | |
| General Disclosure | Information on:<br><br>(a) the policies; and<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | Chapter 5. Green Hospitals: Practicing Sustainable Development |
| A1.1 | The types of emissions and respective emissions data. | Key Performance Indicators |
| A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Key Performance Indicators |
| A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Key Performance Indicators |
| A1.5 | Description of emissions target(s) set and steps taken to achieve them. | Chapter 5. Green Hospitals: Practicing Sustainable Development |
| A1.6 | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. | Chapter 5. Green Hospitals: Practicing Sustainable Development<br><br>5.4 Management of Medical Waste and Biohazardous Materials<br><br>5.5 Waste Management and Circular Utilization |

| Subject Areas | Aspects, General Disclosures and KPIs | Corresponding Section |
|---|---|---|
| A2 Use of Resources | | |
| General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials. | Chapter 5. Green Hospitals: Practicing Sustainable Development |
| A2.1 | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in'000s) and intensity (e.g. per unit of production volume, per facility) | Key Performance Indicator |
| A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility) | Key Performance Indicator |
| A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them. | Chapter 5. Green Hospitals: Practicing Sustainable Development<br><br>5.2 Low-Carbon Operations: Building a Green Bayze |
| A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. | 5.3 Resource Conservation and Emission Management |
| A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | Key Performance Indicators |
| A3 The Environment and Natural Resources | | |
| General Disclosure | Policies on minimising the issuer's significant impact on the environment and natural resources. | Chapter 5. Green Hospitals: Practicing Sustainable Development |
| A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | Chapter 5. Green Hospitals: Practicing Sustainable Development |

| Subject Areas | Aspects, General Disclosures and KPIs | Corresponding Section |
|---|---|---|
| **B. Social** | | |
| B1 Employment | | |
| General Disclosure | Information on:<br><br>(a) the policies; and<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | 4.1 Employment Standards<br><br>4.5 Comprehensive Benefits System |
| B1.1 | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region. | Key Performance Indicator |
| B1.2 | Employee turnover rates by gender, age group and region. | Key Performance Indicator |
| B2 Health and Safety | | |
| General Disclosure | Information on:<br><br>(a) the policies; and<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to providing a safe working environment and protecting employees from occupational hazards. | 4.4 Occupational Health and Safety<br><br>5.4 Management of Medical Waste and Biohazardous Materials |
| B2.1 | Number and rate of work-related fatalities occurred in each | Key Performance Indicator |
| B2.2 | Lost days due to work injury. | Key Performance Indicator |
| B2.3 | Description of occupational health and safety measures adopted, | 4.4 Occupational Health and Safety<br><br>5.4 Management of Medical Waste and Biohazardous Materials |

| Subject Areas | Aspects, General Disclosures and KPIs | Corresponding Section |
|---|---|---|
| B3 Development and Training | | |
| General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | 4.2. Professional Talent Development and Career Progression<br><br>4.3 Lifelong Learning and Professional Empowerment |
| B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | Key Performance Indicator |
| B3.2 | Average number of hours of training completed per employee by gender and employee category. | Key Performance Indicator |
| B4 Labor Standards | | |
| General Disclosure | information on:<br><br>(a) the policies; and<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to preventing child and forced labour. | 4.1 Employment Standards |
| B4.1 | Description of measures to review employment practices to avoid child and forced labor. | 4.1 Employment Standards |
| B4.2 | Description of steps taken to eliminate such practices when discovered. | 4.1 Employment Standards |

| Subject Areas | Aspects, General Disclosures and KPIs | Corresponding Section |
|---|---|---|
| B5 Supply Chain Management | | |
| General Disclosure | Policies on managing environmental and social risks of the supply chain. | 3.4 Rigorous Sourcing: Environmentally Friendly Supply and Quality Evaluation |
| B5.1 | Number of suppliers by geographical region. | Key Performance Indicator |
| B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. | 3.4 Rigorous Sourcing: Environmentally Friendly Supply and Quality Evaluation |
| B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | 3.4 Rigorous Sourcing: Environmentally Friendly Supply and Quality Evaluation |
| B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | 3.4 Rigorous Sourcing: Environmentally Friendly Supply and Quality Evaluation |

| Subject Areas | Aspects, General Disclosures and KPIs | Corresponding Section |
|---|---|---|
| B6 Product Responsibility | | |
| General Disclosure | information on:<br><br>(a) the policies; and<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters<br><br>relating to products and services provided and methods of redress. | 3.1 Anchoring Foundations through Lean Management<br><br>3.2 Patient First: Humanistic Care and Standardize Service<br><br>3.3 Safeguarding Trust: Medical Data Security and Responsible Marketing |
| B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | 3.1 Anchoring Foundations through Lean Management |
| B6.2 | Number of products and service related complaints received and how they are dealt with. | 3.1 Anchoring Foundations through Lean Management<br><br>3.2 Patient First: Humanistic Care and Standardize Service |
| B6.3 | Description of practices relating to observing and protecting intellectual property rights. | 3.3 Safeguarding Trust: Medical Data Security and Responsible Marketing |
| B6.4 | Description of quality assurance process and recall procedures. | 3.2 Patient First: Humanistic Care and Standardize Service |
| B6.5 | Description of consumer data protection and privacy policies, and how they are implemented and monitored. | 3.3 Safeguarding Trust: Medical Data Security and Responsible Marketing |

| Subject Areas | Aspects, General Disclosures and KPIs | Corresponding Section |
|---|---|---|
| B7 Anti-corruption | | |
| General Disclosure | Information on:<br><br>(a) the policies; and<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to bribery, extortion, fraud and money laundering. | 2.3 Anchoring in Integrity: Safeguarding a Clean Healthcare Environment<br><br>2.4 Comprehensive Risk Control: Weaving a Robust Compliance Protection Network |
| B7.1 | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases. | 2.3 Anchoring in Integrity: Safeguarding a Clean Healthcare Environment |
| B7.2 | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. | 2.3 Anchoring in Integrity: Safeguarding a Clean Healthcare Environment |
| B7.3 | Description of anti-corruption training provided to directors and staff. | 2.3 Anchoring in Integrity: Safeguarding a Clean Healthcare Environment |
| **Community** | | |
| B8 Community Investment | | |
| General Disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | Chapter 6. Social Inclusion: Delivering the Power of Public Welfare |
| B8.1 | Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sports). | 6.1 Medical Compassion: Deepening Community Health<br><br>6.2 Health Literacy and Education |
| B8.2 | Resources contributed (e.g., money or time) to the focus areas. | Chapter 6. Social Inclusion: Delivering the Power of Public Welfare |

| Subject Areas | Aspects, General Disclosures and KPIs | Corresponding Section |
|---|---|---|
| **Part D: Climate-related Disclosures** | | |
| **Governance** | 19(a). An issuer shall disclose 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. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:<br><br>(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;<br><br>(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;<br><br>(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;<br><br>(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies | ESG Governance Structure<br><br>5.1 Addressing Climate Change |
| | 19(b). An issuer shall disclose the management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:<br><br>(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and<br><br>(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions. | ESG Governance Structure<br><br>5.1 Addressing Climate Change |

| Subject Areas | Aspects, General Disclosures and KPIs | Corresponding Section |
|---|---|---|
| **Strategy** | 20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:<br><br>(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;<br><br>(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;<br><br>(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and<br><br>(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making | 5.1 Addressing Climate Change |
| | 21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:<br><br>(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and<br><br>(b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets). | 5.1 Addressing Climate Change |

| Subject Areas | Aspects, General Disclosures and KPIs | Corresponding Section |
|---|---|---|
| | 22(a) An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:<br><br>(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;<br><br>(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);<br><br>(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and<br><br>(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; | 5.1 Addressing Climate Change – Strategy |
| | 22(b) An issuer shall disclose information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a). | 5.1 Addressing Climate Change |
| | 23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a). | 5.1 Addressing Climate Change |
| | 24(a) An issuer shall disclose qualitative and quantitative information about how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; | 5.1 Addressing Climate Change |
| | 24(b) An issuer shall disclose qualitative and quantitative information about the climate-related risks and opportunities identified in paragraph 24(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. | |

| Subject Areas | Aspects, General Disclosures and KPIs | Corresponding Section |
|---|---|---|
| | 25(a). The issuer shall provide qualitative and quantitative disclosures about how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:<br><br>(i) its investment and disposal plans; and<br><br>(ii) its planned sources of funding to implement its strategy; | 5.1 Addressing Climate Change |
| | 25(b). The issuer shall provide qualitative and quantitative disclosures about how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities. | The Group has identified climate-related transition risks, physical risks, and opportunities, and evaluated their potential impact on business operations. Based on current assessment results, these factors have not had a material impact on the Company's financial position, operating results, or cash flows during this reporting period. The Group is continuously advancing relevant quantitative assessment methods and data capabilities and will carry out disclosures in the future. |

| Subject Areas | Aspects, General Disclosures and KPIs | Corresponding Section |
|---|---|---|
| | 26(a). An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:<br><br>(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;<br><br>(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and<br><br>(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; | 5.1 Addressing Climate Change<br><br>Company currently does not have the capability to conduct climate scenario analysis in a complete and accurate manner. Thus, we adopted the reasonable information and capabilities relief. |
| | 26(b). An issuer shall disclose how and when the climate-related scenario analysis was carried out, including:<br><br>(i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);<br><br>(ii) the key assumptions the issuer made in the analysis; and<br><br>(iii) the reporting period in which the climate-related scenario analysis was carried out. | 5.1 Addressing Climate Change<br><br>Company currently does not have the capability to conduct climate scenario analysis in a complete and accurate manner. Thus, we adopted the reasonable information and capabilities relief. |

| Subject Areas | Aspects, General Disclosures and KPIs | Corresponding Section |
|---|---|---|
| **Risk Management** | 27 (a). An issuer shall disclose information about the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:<br><br>(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);<br><br>(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;<br><br>(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);<br><br>(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;<br><br>(v) how the issuer monitors climate-related risks; and<br><br>(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period. | 5.1 Addressing Climate Change |
| | 27(b). An issuer shall disclose information about the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); | 5.1 Addressing Climate Change |
| | 27(c). An issuer shall disclose information about the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process. | 5.1 Addressing Climate Change |

| Subject Areas | Aspects, General Disclosures and KPIs | Corresponding Section |
|---|---|---|
| **Metrics and Targets** | 28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of $CO_2$ equivalent, classified as:<br><br>(a) Scope 1 greenhouse gas emissions;<br><br>(b) Scope 2 greenhouse gas emissions; and<br><br>(c) Scope 3 greenhouse gas emissions. | 5.1 Addressing Climate Change<br><br>Key Performance Indicator<br><br>Scope 3 emissions are calculated based on relevant standards. Due to the complexity of the external value chain, data collection and accounting work are still being optimized. To ensure disclosure quality, detailed quantitative information is not disclosed this period; it will be disclosed when the process is mature. |

| Subject Areas | Aspects, General Disclosures and KPIs | Corresponding Section |
|---|---|---|
| | 29. An issuer shall:<br><br>(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;<br><br>(b) disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;<br><br>(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and<br><br>(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). | Key Performance Indicator<br><br>Scope 3 emissions are calculated based on relevant standards. Due to the complexity of the external value chain, data collection and accounting work are still being optimized. To ensure disclosure quality, detailed quantitative information is not disclosed this period; it will be disclosed when the process is mature. |
| | 30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks. | We have identified risks and opportunities and evaluated their impacts. Based on current results, these factors had no material financial impact. We are advancing quantitative methods for future disclosure. |

| Subject Areas | Aspects, General Disclosures and KPIs | Corresponding Section |
|---|---|---|
| | 31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks. | We have identified climate-related transition risks, physical risks and related opportunities, and evaluated their potential impact on business operations. Based on the current assessment results, the relevant factors have not had a significant impact on the company's financial position, operating results and cash flow during this reporting period. The group is continuously promoting the construction of relevant quantitative assessment methods and data capabilities, and will gradually carry out disclosures in the future. |
| | 32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities. | We have identified climate-related transition risks, physical risks and related opportunities, and evaluated their potential impact on business operations. Based on the current assessment results, the relevant factors have not had a significant impact on the company's financial position, operating results and cash flow during this reporting period. The group is continuously promoting the construction of relevant quantitative assessment methods and data capabilities, and will gradually carry out disclosures in the future. |

| Subject Areas | Aspects, General Disclosures and KPIs | Corresponding Section |
|---|---|---|
| | 33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities. | Currently, climate-related capital expenditures, financing, or investment amounts have not been separately accounted for or disclosed. We are progressively refining relevant identification methods and will disclose when conditions are mature. |
| | 34. An issuer shall disclose:<br><br>(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and<br><br>(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making. | Internal carbon pricing mechanisms have not yet been applied in operational decision-making, nor have climate factors been included in remuneration incentives. We will monitor management practices and policy trends to evaluate future feasibility. |
| | 35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv). | The Group has not yet established a mature industry-specific metric identification and statistical system. Relevant metric systems are being developed and will be disclosed when completed. |
| | 36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks. | 5.1 Addressing Climate Change<br><br>Reporting Standards and Principles;<br><br>2.2 Sustainability and Materiality |

| Subject Areas | Aspects, General Disclosures and KPIs | Corresponding Section |
|---|---|---|
| | 37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target. | 5.1 Addressing Climate Change<br><br>ESG Governance and Structure |
| | 38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:<br><br>(a) whether the target and the methodology for setting the target has been validated by a third party;<br><br>(b) the issuer's processes for reviewing the target;<br><br>(c) the metrics used to monitor progress towards reaching the target; and<br><br>(d) any revisions to the target and an explanation for those revisions. | 5.1 Addressing Climate Change;<br><br>ESG Governance and Structure |
| | 39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance. | 5.1 Addressing Climate Change;<br><br>ESG Governance and Structure |

| Subject Areas | Aspects, General Disclosures and KPIs | Corresponding Section |
|---|---|---|
| | 40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:<br><br>(a) which greenhouse gases are covered by the target;<br><br>(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;<br><br>(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;<br><br>(d) whether the target was derived using a sectoral decarbonisation approach; and<br><br>(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset). | The Company is progressively establishing a climate-related target system. Currently, the selection of metrics, scope, baseline setting, and pathway planning for targets (including GHG targets) are still under refinement. We will disclose relevant progress and performance in due course based on business development and regulatory requirements. |
| | 41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36). | Key Performance Indicator |

佰泽医疗集团
BAYZED HEALTH GROUP