



Chaoju Eye Care Holdings Limited 朝聚眼科醫療控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 2219

2022

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE (ESG)
REPORT



Table of Contents

01			
About the Report	1		
02			
About Chaoju Eye Care	2		
2.1 Corporate Profile	4		
2.2 Sustainable Governance	5		
2.3 Stakeholder Engagement	7		
2.4 Materiality Assessment	9		
03			
Strengthening Corporate Governance	10		
3.1 Compliance Corporate Governance	10		
3.2 Risk Management and Internal Control	14		
04			
Quality of Medical Services is First	16		
4.1 Safe Medical Quality	16		
4.2 Intimate Medical Services	20		
4.3 Drug Quality Management	23		
4.4 Pharmaceutical R&D Innovation	25		
05			
Adhere to the Responsibility of Business Operation	28		
5.1 Corporate Integrity Governance	28		
		5.2 Responsible Marketing	30
		5.3 Data Privacy Protection	30
		5.4 Supply Chain Management	32
		06	
		Focus on the Medical Team	35
		6.1 Improve Employment Management	35
		6.2 Occupational Health and Safety	37
		6.3 Empowering Employee Development	39
		07	
		Corporate Green Development	45
		7.1 Rational Use of Resources	45
		7.2 Emissions Management	46
		7.3 Responding to Climate Change	49
		08	
		Giving back to the community	51
		Appendix I: Summary of Sustainable Development Information	56
		Appendix II: Index to the HKEX Environmental, Social and Governance Reporting Guide	61



1. About the Report

Chaoju Eye Care Holdings Limited and its subsidiaries (hereinafter referred to as "the Group", "we") are pleased to release our second Environmental, Social and Governance Report (hereinafter referred to as "ESG Report" or "this Report"), which outlines our efforts, strategies and objectives on environmental, social and governance (or "ESG"), and sets out our vision and commitment to fulfill our sustainability philosophy and corporate social responsibility.

Reporting Principles

This report has been prepared in accordance with the *Environmental, Social and Governance Reporting Guide* (the "Guide") set out in Appendix 27 of the Listing Rules issued by the Stock Exchange. This report has complied with all the mandatory disclosure requirements set out in Part B of the Guide. The contents covered in this report have met the requirements of the "comply or explain" provisions and the four reporting principles (materiality, quantification, balance and consistency) set out in the "Guide". The last chapter of this report contains an index of the "Guide" prepared with reference to the contents of this report for the reader's quick reference. This report should be read in conjunction with the "Corporate Governance Report" section of this annual report for a comprehensive understanding of the Group's ESG performance.

Materiality: This report follows the materiality principles of the HKEX and discloses the process of identifying the material ESG factors and the criteria for their selection, the materiality identification process and materiality matrix, and the description of key stakeholders and the process and results of stakeholder engagement.

Quantification: The statistical criteria, methods, assumptions and/or calculation tools used in this report for reporting emissions/energy consumption (where applicable), and the sources of conversion factors are described in the report explanatory notes.

Balance: This report presents the Group's performance for the Reporting Period in an unbiased manner, avoiding selections, omissions or formats of presentation that might improperly influence the reader's decisions or judgments.

Consistency: The statistical methods used to disclose data in this report are consistent. If there are any changes, it will be clearly stated in the report.

Report Scope

As the Group generates revenue primarily from (i) basic ophthalmic services; and (ii) consumer ophthalmic services, this report describes the Group's overall performance on sustainability and corporate social responsibility in relation to basic ophthalmic services business and consumer ophthalmic services business for the period from January 1, 2022 to December 31, 2022 (hereinafter referred to as the "Current Year" or the "Reporting Period"). In order to provide a more comprehensive disclosure of the Group's environmental practices and to optimize the environmental data, the scope of environmental data collection has been increased from 3 eye hospitals last year to 18 eye hospitals¹.

¹ Baotou Chaoju Eye Hospital Co., Chaoju (Inner Mongolia) Eye Hospital Co., Chaoju (Chifeng) Eye Hospital Co., Chaoju (Ulanqab) Eye Hospital Co., Baotou Kunlun Chaoju Eye Hospital Co., Xilinhot Chaoju Eye Hospital Co., Hulunbuir Chaoju Eye Hospital Co., Hohhot Chaoju Eye Hospital Co., Tongliao Chaoju Eye Hospital Co., Luanzhou Jidong Eye Hospital Co., Yutian Jidong Eye Hospital Co., Datong Chaoju Ankang Eye Hospital Co., Siyang Chaoju Eye Hospital Co., Jiaxing Chaoju Eye Hospital Co., Hangzhou Chaoju Eye Hospital Co., Ningbo Boshi Eye Hospital Co., Xiangshan Chaoju Eye Hospital Co., Ninghai Eye Hospital Co.

Company names and their abbreviations in this report

Full names	Abbreviations
Baotou City Chaoju Eye Hospital Co., Ltd. (包頭市朝聚眼科醫院有限公司)	Baotou Hospital
Chaoju (Inner Mongolia) Eye Hospital Co., Ltd. (朝聚(內蒙古)眼科醫院有限公司)	Hohhot Hospital
Hulunbuir Chaoju Eye Hospital Co., Ltd. (呼倫貝爾朝聚眼科醫院有限公司)	Hulunbuir Hospital
Chaoju (Chifeng) Eye Hospital Co., Ltd. (朝聚(赤峰)眼科醫院有限公司)	Chifeng Hospital
Siyang Chaoju Eye Hospital Co., Ltd. (泗陽朝聚眼科醫院有限公司)	Siyang Hospital
Dalad Banner Chaoju Eye Hospital Co., Ltd. (達拉特旗朝聚眼科醫院有限責任公司)	Dalad Banner Hospital
Hangzhou Chaoju Eye Hospital Co., Ltd. (杭州朝聚眼科醫院有限責任公司)	Hangzhou Hospital

Note: The above table lists only the names of subsidiaries appearing in the report and is not a complete list of the Group's subsidiaries.

Report Language

This report is published in both Traditional Chinese and English. In case of discrepancies, please refer to the traditional Chinese version.

Report Approval

This ESG report was approved and adopted by the Board of Directors on 28 March, 2023, after confirmation by management.

Your Feedback

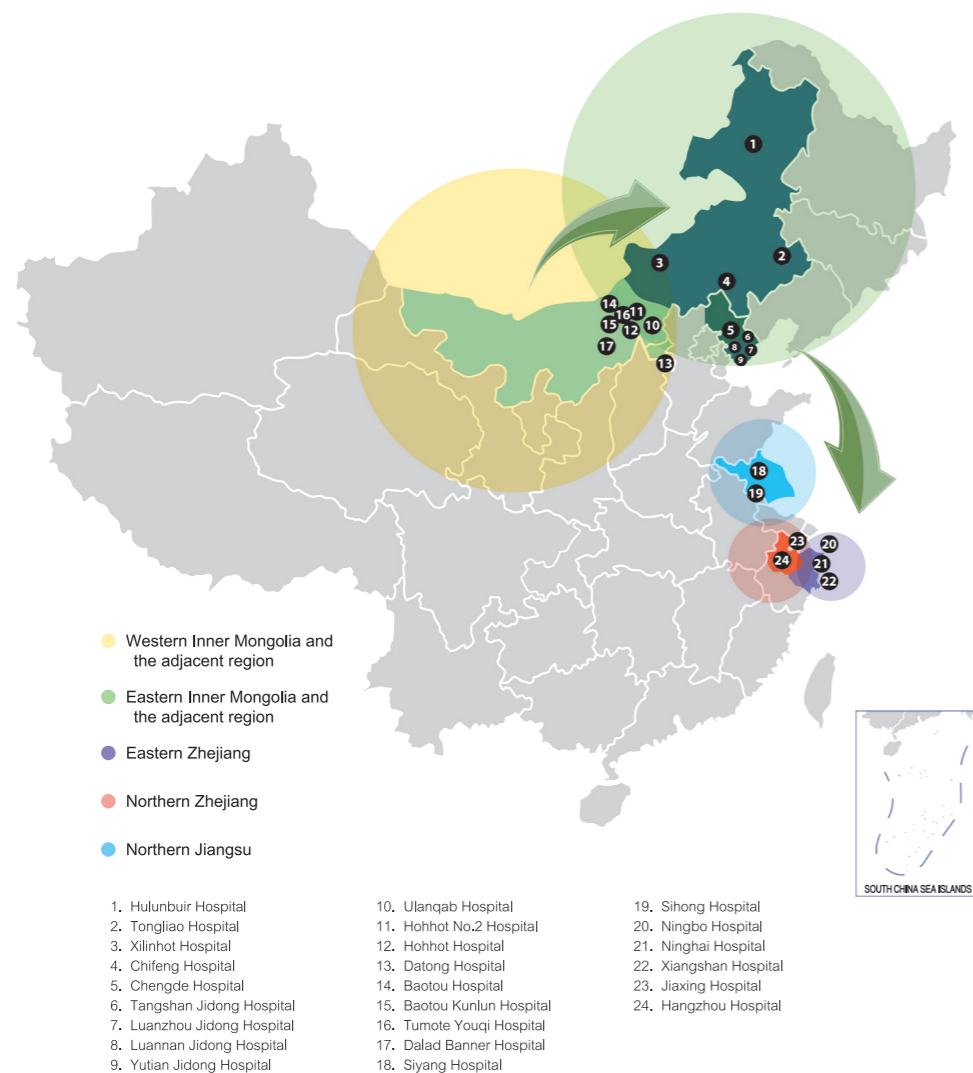
We value your views on this report and if you have any inquiries or suggestions, please feel free to send them by email to the following email address (ir@chaojueye.com).



2. About Chaoju Eye Care

2.1 Corporate Profile

The Group is a leading ophthalmic medical service group in North China with a strong reputation nationwide. With a growing population and strong demand for ophthalmic services, the growth potential of the ophthalmic services market in China is expected to be huge. With our experience and market leadership in ophthalmic services, we believe we are in a good position to capitalize on the growing opportunities and benefit from the rapid expansion of the ophthalmic services market in China.



2.2 Sustainable Governance

ESG Governance Strategy

While operating our business, the Group conducts a comprehensive analysis of ESG issues based on the results of materiality assessment in accordance with the "ESG Reporting Guide" of the HKEX, which serves as a reliable basis for the Group to manage ESG issues, continuously improve our ESG governance policies, evaluate ESG performance and reduce significant risks to our business operations. Based on the results of the materiality assessment, this year we focused on the six areas identified in the chart below to respond to each of the identified materiality issues and contribute to a sustainable future.



Focus Areas	ESG Management Strategy	Response to Materiality issues
Strengthening Corporate Governance	<ul style="list-style-type: none"> Standardized corporate governance Strengths in Group Management Risk management and internal control Strategic inter-industry cooperation 	<ul style="list-style-type: none"> Compliance
Quality of medical services is first	<ul style="list-style-type: none"> Quality of care is the basis of service Improving staff service capacity Focus on patient satisfaction with treatment outcomes and services Provide safe and reliable medicines to patients Academic exchange with peers 	<ul style="list-style-type: none"> Quality and Safety of Medical Services Medical Services and Dispute Management R&D and Innovation Intellectual Property Protection Health Care Accessibility

Focus Areas	ESG Management Strategy	Response to Materiality issues
Adhering to the responsibility of business operation	<ul style="list-style-type: none"> Corporate integrity management, anti-fraud and anti-corruption Reasonable and legal marketing, no exaggeration and no falsehood Focus on patient and corporate data privacy Sustainable supply chain 	<ul style="list-style-type: none"> Anti-Corruption Information security and privacy protection Supply Chain Sustainability Management Responsible Marketing
Focus on the medical team	<ul style="list-style-type: none"> Improve various employment systems Protect the legal rights and interests of employees Conduct technical and functional training and cultivate talents in various aspects 	<ul style="list-style-type: none"> Occupational Health and Safety Human Capital Development Employee Rights Protection
Corporate Green Development	<ul style="list-style-type: none"> Valuing resources and using them wisely Responsible for emissions from operations Concerned about the impact of climate change 	<ul style="list-style-type: none"> Addressing Climate Change Emissions Management Water Resources Management Energy Use
Giving back to the community	<ul style="list-style-type: none"> Volunteer clinics for children and the elderly Organize seminars on eye care 	<ul style="list-style-type: none"> Community and Philanthropy

ESG Governance Structure

In the previous year, the Group's ESG management was widely recognized by various stakeholders. In order to continuously improve our ESG performance, we have formulated the "Environmental and Social Responsibility Management System" to provide an institutional basis for managing ESG issues in a holistic manner.

The Board of Directors, as the decision-making level of the ESG governance structure, has overall oversight of ESG matters, including reviewing ESG issues and strategies, identifying and monitoring ESG risks that companies will face in their daily operations, and approving the disclosure of annual ESG reports. The Board will also regularly review and monitor the performance of ESG-related issues and the progress of achieving the objectives in order to ensure that the Company's progress in achieving its objectives is in line with expectations and that it continues to perform well to promote the sustainable development of the Company. Under the supervision of the Board of Directors, each department will also continuously promote the implementation of various ESG policies and measures to ensure that our ESG policies are always in line with the Group's business trends and to continuously improve ESG efforts. The heads of the Group's hospitals, optical centers and other subsidiaries are responsible for the leadership of the fulfillment of ESG responsibilities within their jurisdictions and report the fulfillment status to

the Board of Directors on a regular basis. The General Management Department is responsible for coordinating and coordinating the day-to-day management of employee rights and interests. The Medical Quality Department is responsible for the daily supervision and management of medical services, and also performs the implementation and supervision of external social responsibilities of the community and the hospital. The Medical Department and Nursing Department fully guarantee the quality and safety of medical services, protect the legitimate rights and interests of patients and enjoy the proper treatment services, while actively expanding medical, teaching, scientific research, preventive health care, rehabilitation and other businesses. The Department of Equipment, the Department of Imaging, the Department of Logistics and Security and other departments do a good job in fulfilling and supervising the responsibility of environmental protection, especially the rational disposal of medical waste and the environmental protection work of radiation and other aspects.

The Group plans to establish an ESG Committee in 2023 to further standardize and improve corporate ESG management.

2.3 Stakeholder Engagement

The Group is fully aware of the importance of stakeholders' views to our operations and we are committed to establishing communication mechanisms with various stakeholders and valuing their demands. We define stakeholders as individuals or groups that affect or are affected by our operational activities, including government and regulatory authorities, shareholders and investors, employees, patients, etc. In order to better meet the expectations of our stakeholders, the Group communicates with them through channels such as shareholders' meetings, public announcements and letters, customer satisfaction surveys, online platforms, telephone/email, etc. to understand and respond to their expectations and requests, and to incorporate the concerns of our stakeholders into our operations and decision-making process in order to enhance our operational management and sustainable development.

Stakeholder Type	Main Ways to Participate	Topics of Concern
Shareholders and Investors	<ul style="list-style-type: none"> Annual General Meeting and Other General Meetings Announcements and Circulars Financial Reports Anti-Corruption Management Investor Meet & Greet Shareholder Visits 	Economic performance, corporate governance, compliance, anti-corruption, risk management, intellectual property protection
Patients	<ul style="list-style-type: none"> Customer Satisfaction Survey and Opinion Form Medical Service System Information Security Management System Daily Operation/Communication Online Service Platform Service Hotline /Telephone Customer Privacy Protection Measures Academic Seminars Research and Innovation Mailbox 	Quality and safety of medical services, medical services and dispute management, responsible marketing, information security and privacy protection, R&D and innovation



Stakeholder Type	Main Ways to Participate	Topics of Concern
Government and regulatory authorities	<ul style="list-style-type: none"> Compliance Management Institutional visits Official correspondence Policy Implementation Information disclosure Prompt reporting of adverse events Research visits Work report 	Compliance, climate change, quality and safety of medical services, medical services and dispute management, anti-corruption
Employees	<ul style="list-style-type: none"> Channels for employees to express their opinions (forms, suggestion boxes, etc.) Employee satisfaction survey Regular meetings and training Employee activities Employee Handbook Employee appraisal and promotion Staff Communication Conference Employee Intranet 	Human capital development, occupational health and safety, employee rights protection
Suppliers	<ul style="list-style-type: none"> Supplier Management Process Transparent and fair procurement Daily communication and meeting exchange Business visits to factories 	Supply chain sustainability management, compliance, anti-corruption
Community Public	<ul style="list-style-type: none"> Community Volunteer Clinic Community Benefit Projects Seminars/Lectures/Workshops 	Emissions management, energy use, water management, community and public goods, health care accessibility
Business Partners	<ul style="list-style-type: none"> Cooperation Projects Conference Visits Lectures 	Economic efficiency, compliance, anti-corruption
Interbank	<ul style="list-style-type: none"> Communication Conference 	Compliance, industry co-development, R&D and innovation, environmental and social responsibility

2.4 Materiality Assessment

We followed the "Materiality Principles" in the "ESG Reporting Guide" of the HKEX and conducted a comprehensive analysis in conjunction with the results of the survey on materiality issues of various stakeholders and the business operations of the Group during the year. Our materiality assessment procedure:

Step 1: Identify

- According to the HKEX's "ESG Reporting Guide" and other policy requirements, refer to the ESG management practices of outstanding peer companies and combine the actual operation of the group to identify important matters.

Step Two: Sort

- We prioritized various ESG issues based on the results of materiality survey.

Step Three: Apply and Report

- For issues of high materiality, We provide key considerations to the Group's operations and makes key disclosures in the ESG report.

The management of the Group confirms that the results of the materiality assessment for the year 2021 are still applicable for the current year as (i) there were no significant changes in the Group's business and business environment during the Reporting Period; and (ii) the results of the materiality assessment for 2021 still reflect the expectations of the stakeholders towards the Group. Based on the stakeholder analysis of the materiality assessment results, the management of the Group identified 18 materiality issues, of which 6 were High materiality, 10 were moderate materiality and 2 were of general materiality. The following table shows the ESG materiality issues identified by us during the year.

Matrix of material issues



3. Strengthening Corporate Governance

Vision: Being a Leader of Happy Ophthalmic Healthcare (全球快樂眼健康引導者)

Mission: To provide patients with a safe and affordable eye care environment, professional and effective equipment and technology, and a caring and humane service experience.

Aim: Benefit patient satisfaction, staff development, hospital efficiency and effectiveness.

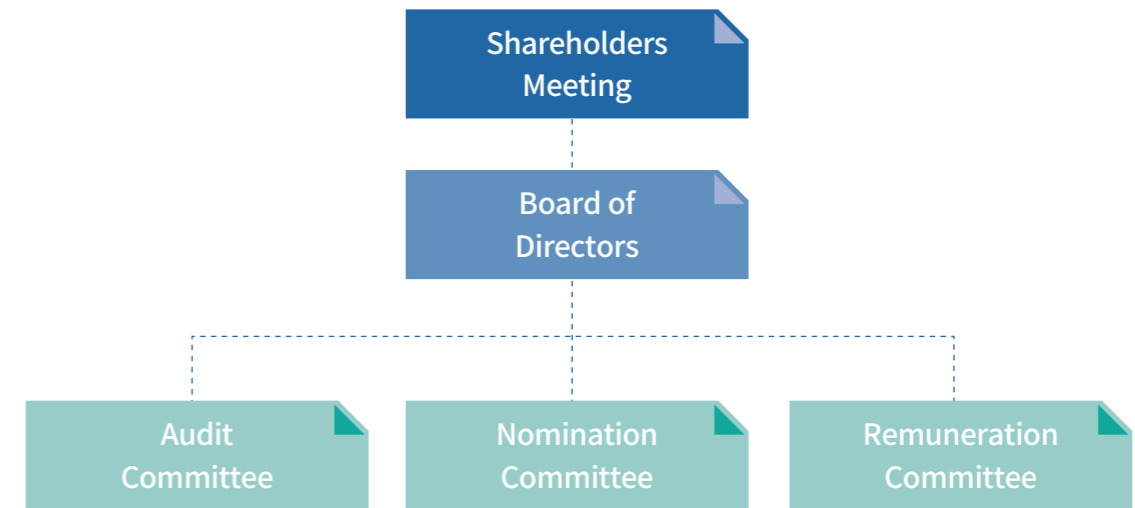
3.1 Compliance Corporate Governance

The Group is committed to maintaining a high standard of corporate governance to protect its interests and to enhance corporate value and responsibility. We are keen to monitor and respond to changes in the business and external environment, and is committed to maintaining a high standard of corporate governance to protect the interests of shareholders, and has adopted various measures and procedures to strengthen management, foster organic growth and promote environmental protection and occupational health and safety.

The Group strictly abides by *the Companies Act (2021 Revision) of the Cayman Island, the Company Law of the People's Republic of China* (《中華人民共和國公司法》), the HKEX Listing Rules and other relevant laws and regulations, and has formulated *the Memorandum and Articles of Association of Chaoju Eye Care Holdings Limited* (Hereinafter referred to as the "Articles of Association") to provide the institutional basis for corporate governance. The Board of Directors of the Group is the highest governing body of the Group and is responsible for implementing corporate governance and risk management, enhancing transparency and practicing a spirit of accountability through effective internal monitoring.

The Group has established management systems such as the *Working System of the Nomination Committee of the Board of Directors of Chaoju Eye Care Holdings Limited, Working System of the Remuneration Committee of the Board of Directors of Chaoju Eye Care Holdings Limited and Working System of the Audit Committee of the Board of Directors of Chaoju Eye Care Holdings Limited* to regulate corporate governance and establish a corporate governance structure consisting of the general meeting of shareholders, the board of directors and its special committees and management.

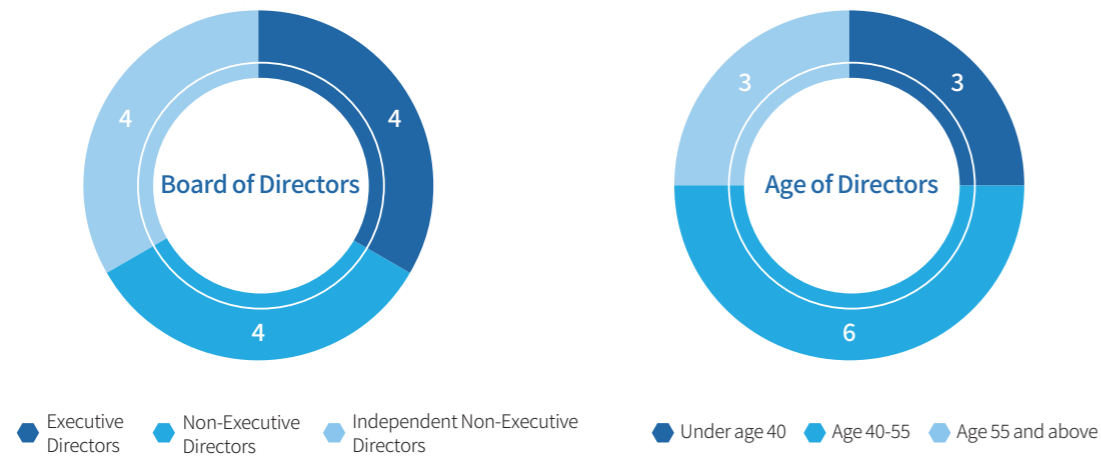
At 31 December 2022, the Board consists of 12 members, including 4 executive directors and 8 non-executive directors (4 of whom are independent non-executive directors), with a total of 3 female directors. The Board is ultimately responsible for the business, strategy and financial performance of the Group.



The Board has adopted the Board Diversity Policy to ensure that the Board has the skills, experience and multiple perspectives necessary to meet the Company's business needs. In reviewing the size and composition of the Board and in searching for and proposing candidates for directorship, the Nominating Committee considers relevant factors to achieve diversity on the Board in light of the Company's business model and specific needs. The Nominating Committee considers diversity on the Board from a number of perspectives, including, but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. Directors have a balanced mix of gender, knowledge and skills, including management, strategic development, business development, sales, research and development, investment management, finance and risk management. The directors also have degrees in various fields including clinical medicine, public healthcare, business management, financial management, finance, economics, accounting and law.



The Board of Directors has a balanced mix and the following table shows the diversity profile of the Board members:



Sustainable competitive advantage:

Advantages	Related Policies
Governance Advantages Experienced and visionary management team and shareholders, clustered operations, centralized management	<ul style="list-style-type: none"> Memorandum and Articles of Association of Chaoju Eye Medical Holdings Limited Group Hospital Committee Meeting System Decision-making Management System for Major Matters Internal Information Transmission Management System Rules and Regulations Management System Capital Management System Taxation Management System Measures for the Management of Anti-Fraud Work Internal Audit System

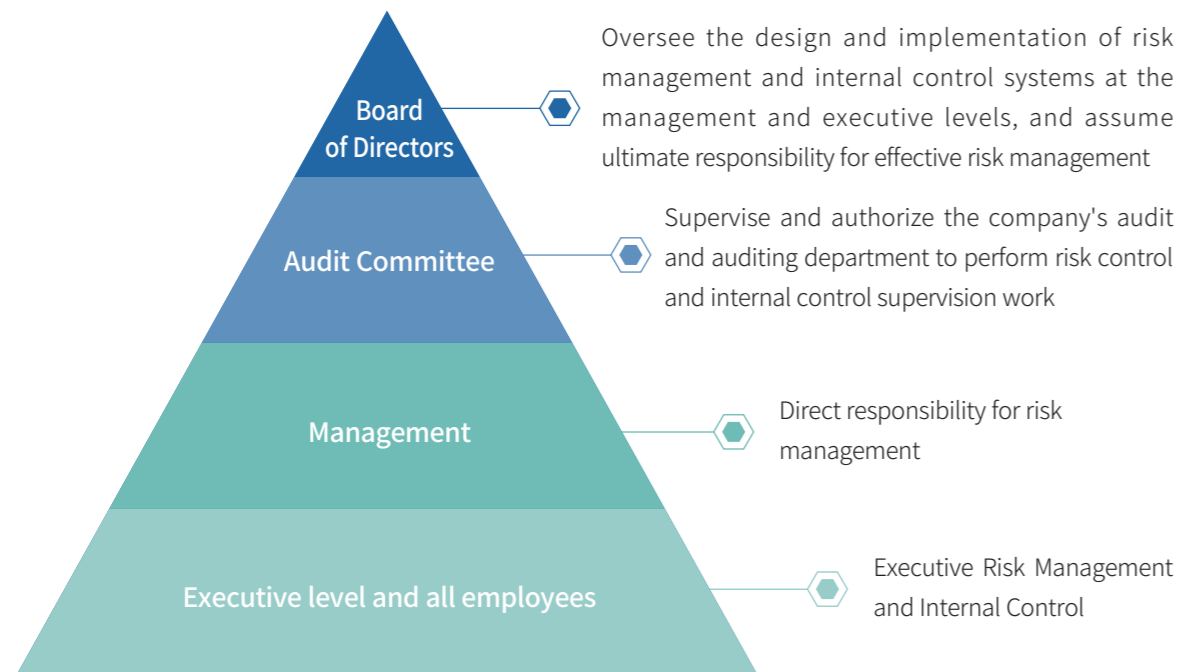
Advantages	Related Policies
Employee Benefits Equal and diversified workplace environment, high level medical professional team, perfect staff training system	<ul style="list-style-type: none"> Employee Handbook Recruitment Management System Employee Welfare Management System Management Measures for Training Reserve Cadres Measures for the Management of Employee Salary Issuance Management Measures of Enterprise Internal Trainers
Service Advantages A full range of clinical ophthalmology services for superior customer satisfaction	<ul style="list-style-type: none"> Code of Staff Appearance, Dress and Behavior Management System of Discipline Construction Clinical Research Management System Chaoju Group Medical System Compilation Adverse Event Reporting System of Chaoju Group First Consultation System Information Security Management System
Environmental Advantages We are committed to improving the efficiency of resource utilization, reducing pollutant generation and emissions, and focusing on the impact of climate change.	<ul style="list-style-type: none"> Environmental and Social Responsibility Management System



3.2 Risk Management and Internal Control

The Board of Directors of the Group understands its responsibility to maintain an appropriate system of risk management and internal control to safeguard the shareholders' investment and the Company's assets and to review the effectiveness of the system annually. The risk management and internal control systems and procedures are designed to meet the Group's specific business needs and minimize the Group's risk exposure, are designed to manage, not eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, but not absolute, assurance that no material misrepresentation or loss will occur. Please refer to Page 79 of the Corporate Governance Report for the Risk Management section.

Risk Management System Structure



The key elements of the Group's risk management and internal control structure are as follows:

- A clear organizational structure with appropriate segregation of duties, lines of authority, reporting lines and responsibilities to minimize the risk of error and abuse;
- Clearly written policies and procedures for key functions and operations, which are reviewed regularly;
- A sound risk management process that requires all relevant departments to accurately identify, prudently assess, dynamically monitor and timely respond to various risks within their areas of responsibility, and to fulfill their risk management responsibilities;
- Continuous monitoring of key operating data and performance indicators, timely and up-to-date business and financial reporting, and taking real-time corrective action where necessary; and
- The internal audit function conducts regular independent reviews of key operations.

The internal audit department of the Group plays an important role in monitoring the internal governance of the Company. The primary responsibility of the internal audit department is to review the financial position and internal controls of the Company and to conduct regular comprehensive audits of all branches and subsidiaries of the Company. This review covers all material controls, including financial, operational, compliance monitoring and risk management. In addition to the regular reports, any urgent matters concerning internal control will be reported in a timely manner. The results and recommendations of the review are submitted to the Audit Committee in the form of a written report for discussion and review. The Internal Audit Department will follow up to ensure that previously identified material weaknesses are properly addressed.

During the reporting period, the Board has reviewed the effectiveness of the Group's risk management and internal control systems and considers them to be effective and appropriate. The Group continuously reviews the effectiveness of its risk management and internal control system and takes measures and procedures in various aspects such as fund management, budget management and marketing activities to enhance the effectiveness of risk management and internal control system.



4. Quality of Medical Services is First

The Group primarily provides ophthalmic services, including basic ophthalmology and consumer ophthalmology. Our consumer ophthalmology services include the treatment and prevention of different types of ophthalmic abnormalities, including refractive correction, presbyopia correction, myopia prevention and control, as well as the provision of optometric products and services; our basic ophthalmology services include the treatment of various common ophthalmic diseases such as cataracts, glaucoma, strabismus, fundus diseases, ocular surface diseases, orbital diseases and pediatric eye diseases.

We have a wide range of ophthalmologists with the medical expertise and experience to treat a wide range of eye diseases and provide a variety of ophthalmic services. We focus on the quality of ophthalmology services and devote our resources to providing professional, dedicated and responsible ophthalmology services by ophthalmologists. We are also committed to recruiting and training qualified professionals to build a highly professional, ethical and committed team of ophthalmologists.

4.1 Safe Medical Quality

We strictly abide by the laws and regulations such as the *Law on Doctors of the People's Republic of China* (《中華人民共和國醫師法》) and the *Measures for Medical Quality Management* to ensure medical safety, and have developed many medical quality control procedures and standardized clinical practice guidelines such as the *Measures for Medical Quality Management*, the *Surgical Classification Management System*, the *Clinical Critical Value Management System*, and the *Medical Safety (Adverse) Event Reporting and Management System*.

Medical quality management is the core of medical management. Each hospital under our Group has established a medical quality control leadership group and various "committees" related to medical quality control, which are responsible for quality assurance work. We use a combination of external and internal experts to form a medical quality control committee, which is responsible for providing technical support for our medical quality control work, making quality control decisions and organizing medical quality assessments.

Medical Quality Management and Control System

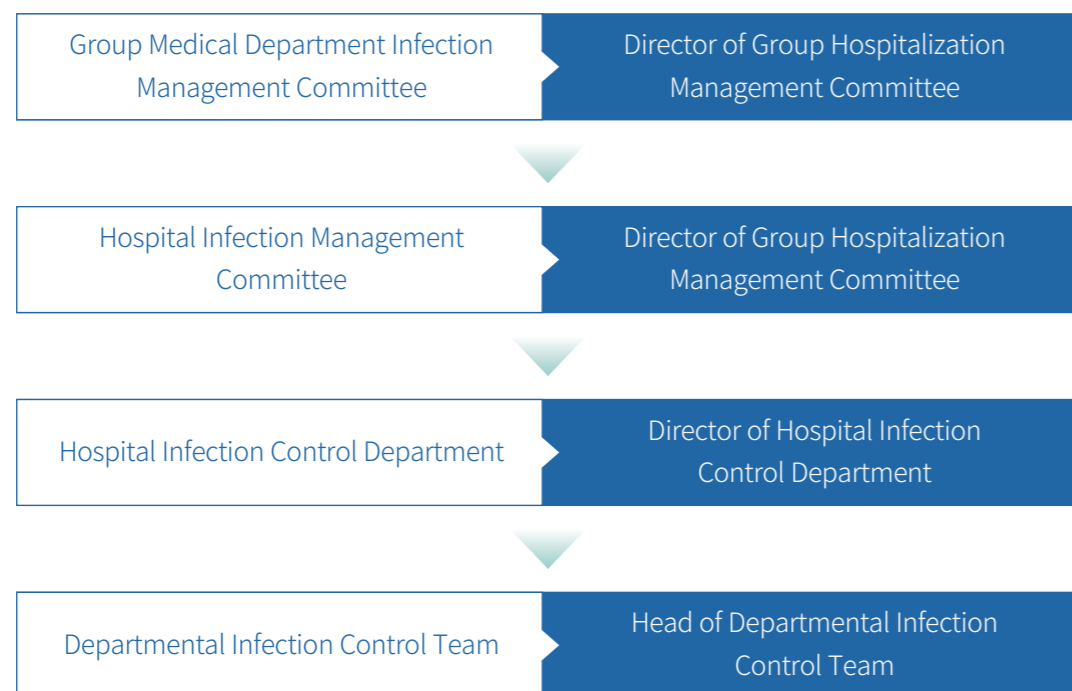
Organization	Responsibilities
Group Medical Quality Department	<ul style="list-style-type: none"> Establish the company's medical quality management and control system Improve the system and working mechanism of medical quality control and continuous improvement Supervise and guide hospitals to implement medical quality management related rules and regulations
Group Medical Quality Department Quality Control Group for each specialty	<ul style="list-style-type: none"> Responsible for the development of uniform quality control indicators, standards and quality management requirements of the company Medical quality management and control inspection Collect and analyze medical quality data from all hospitals and regularly release quality control information
Departmental Medical Quality Management Team	<ul style="list-style-type: none"> Establishment of the hospital's medical quality management committee The hospital medical department, nursing department, and hospital medicine department are specifically responsible for the day-to-day management

For the use of medical devices, we have also formulated the "Technical Practice for Instrument Cleaning", "Technical Practice for Instrument Disinfection", "Standards for Monitoring the Effect of Instrument Cleaning, Disinfection and Sterilization" and other instrument-related norms and standards to clarify the cleaning requirements and operational norms for various medical devices such as endoscopes, catheters and other instruments to prevent secondary infection when providing treatment services to patients.

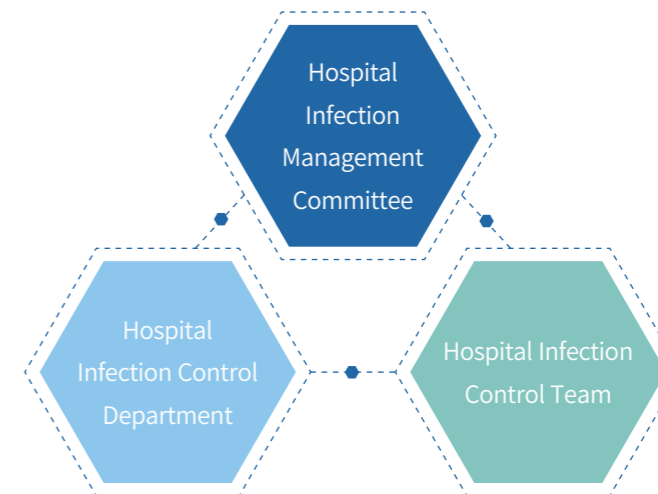


Ophthalmic structures are complex and delicate, and the development of ophthalmic surgery requires very high clinical level, operation specification and surgical procedures for doctors. In order to ensure the quality of each ophthalmic surgery, we have formulated the "Perioperative Safety Management System", "Surgical Safety Verification System", "Surgical Site Hospital Infection Prevention and Control System", and "Day Surgery Management Measures" to implement the whole process management in the preoperative, intraoperative and postoperative stages to reduce surgical risks. For all kinds of ophthalmic treatment, emergency, medical management and emergency plans, we make detailed classifications and formulate corresponding response processes and standardize operations to ensure rapid, efficient and orderly operation of all work. For difficult cases, our group has set up a consultation center for difficult diseases, and coordinates multiple experts for consultation according to the condition and the patient's request for consultation experts. In addition, we plan to standardize the establishment of a teleconsultation center in the next step to enhance the accessibility of quality ophthalmic medical services and protect the eye health of more patients.

As an eye hospital, prevention of nosocomial infections is one of the keys to our business operations. We have established an organizational structure for hospital infection management based on our Group's "Hospital Infection Management Control Manual" as the basis for management.



The Hospital Infection Management Committee plays a decision-making role for hospital infection, and the heads of various departments such as: medical department, nursing department, clinical departments, sterilization supply room, operating room, laboratory department, pharmacy, equipment department, administrative logistics, office and other related departments complete the corresponding cooperation work.



Hospital infection control cannot be achieved without the collaboration of various departments and divisions, such as the Medical Department, Nursing Department, Laboratory Department, Clinical Pharmacy, Equipment Department, Administrative and Logistics Department and medical staff. We have established a meeting system, which is held once a quarter to study, coordinate and solve problems related to hospital infection prevention and control; in case of urgent problems, a meeting is held at any time.

Regarding the hospital infection problem, we prevent it before it happens. The hospital infection control department is responsible for drawing up the hospital infection management plan, submitting it to the hospital infection management committee for approval and then organizing its implementation; we are responsible for drawing up the departmental hospital infection management system and supervising its implementation. At the same time, we will carry out regular surveys on the current rate of infection and prospective surveys, carry out targeted surveillance of high-risk groups, high-risk factors and multi-drug resistant bacteria in a purposeful and planned manner, analyze and evaluate problems in a timely manner, summarize lessons learned and make continuous improvements to our work.

We attach importance to infection prevention training for our staff, and the hospital infection management committee is responsible for the training of personnel related to infection management. In addition to the medical and nursing staff, the workforce and nursing staff also need to participate in training to master the basic theory and methods of disinfection and sterilization; the basic theory and methods of environmental hygiene; the rational use of disinfection medicine and instruments; the classification, transportation and temporary storage of medical waste and other basic knowledge to better serve the patients.



4.2 Intimate Medical Services

Our group has always considered enhancing our group's medical service capabilities and satisfying every patient as our primary guideline. In order to control the service quality in all aspects, strengthen the important responsibilities of the hospital director in service management, promote the continuous development of hospital service work, promote the continuous improvement of service problems, and finally achieve the patient or customer service goal of "timely help, always comfort, effective communication, and consensus", combined with the ophthalmology specialty hospital the "hospital service quality management approach" was developed to carry out the planning, service innovation, and daily supervision of hospital service work, and to promote the concrete implementation of service improvement work.

In order to improve patient satisfaction, each department of the hospital holds weekly meetings to discuss how to improve the quality of service, and if necessary, service interventions are made to improve patient satisfaction and reduce the proportion of unconsumed and dissatisfied patients. Our system is clear in rewarding and punishing, and appropriate rewards will be given to the advanced groups or individuals with outstanding service performance.

Adverse events of medical services can be divided into adverse medical safety events and adverse service events. In order to strengthen the management of medical safety adverse events in our hospitals, standardize the reporting of medical safety adverse events, improve the quality and efficiency of medical safety adverse event information reporting, timely identify and eliminate quality defects in hospitals, and promote continuous medical quality improvement. We have developed the "Medical Safety (Adverse) Event Reporting and Management System" and the "Service Adverse Event Management System" based on the Ten Patient Safety Goals issued by the *China Hospital Association* 《患者十大安全目標》.

Service Adverse Event Classification

Grade	Medical Safety Adverse Events	Medical Service Adverse Events
Level I Events	Warning events or alarm events, which are unanticipated deaths of patients or permanent loss of function due to unnatural disease progression.	Extremely bad service attitude, verbal abuse or physical or verbal conflict with patients, causing mental or physical harm to patients (or their families), extremely bad influence, causing disputes and damaging the reputation of the hospital.
Level II Events	Adverse event or error event refers to the damage to the patient's body and function caused by the treatment activity rather than the disease itself in the course of medical treatment of the disease.	Bad service attitude, shirking of responsibilities, indifference, hard language, and confrontation with patients (or their families) resulting in disputes or expansion of the situation, resulting in patient-initiated complaints.
Level III Events	No consequence event or critical event, although the fact of the error occurred, but did not cause any damage to the patient's body and function, or have minor consequences without any treatment can be fully recovered from adverse medical safety events.	Patient (or their families) dissatisfaction (complaints) due to environmental factors, deficiencies in the consultation process, inconsiderate service or unintentional errors by staff in the service.
Level IV event	Hidden events or attempted events that did not cause harm due to timely detection or errors that were discovered and corrected prior to implementation.	Incidents of inadequate doctor-patient communication, patient (or their families) dissatisfaction with treatment results, etc.

For different levels of events that cause patient dissatisfaction, we will take graded handling measures. Level I and II events must be reported and handled in strict accordance with the process, proposing specific remedial measures to solve problems for patients and improve patient satisfaction.



In order to prevent medical disputes from occurring in the hospital, we have developed the "Medical Dispute Prevention and Management Measures", "Patient Return Visit System", "Hospital Complaint Management System" and other systems in accordance with the *Regulation on the Prevention and Handling of Medical Disputes, Measures for the Administration of Medical Quality* and other laws and regulations. Since there are unavoidable risks in the treatment activities, such as: performing surgery, or other invasive operations and other special examinations and special treatments that are dangerous and may have adverse consequences, medical personnel should promptly explain medical risks to patients to reduce the probability of medical disputes from the source. After a medical dispute occurs, we will start the hospital's medical dispute emergency plan, and the medical dispute handling team will organize members of the expert group to determine and evaluate the responsibility, and make corresponding financial compensation to the patient if necessary.

We also proactively contact patients who have visited us to conduct daily satisfaction surveys to help us identify deficiencies in our services and make timely improvements to continue to provide satisfactory services to our patients. This year, our return visits recorded a decrease in dissatisfaction rates compared to 2021.

Projects	Telephone Callback Data				Average dissatisfaction rate
	High-end Lenses	Myopia Prevention and Control	Excimer Laser	Bright Tour	
Number of return visits in 2022	3,104	10,557	9,623	1,924	/
Unsatisfactory number in 2022	5	16	5	1	/
Dissatisfaction rate in 2022	0.16%	0.15%	0.05%	0.05%	0.10%
Dissatisfaction rate in 2021	0.16%	0.37%	0.08%	0.05%	0.17%

The Group follows up on patient inquiries and complaints in a timely manner in accordance with the relevant system, with a 100% treatment rate. Our care for patients is not only reflected in the consultation process, but also through the channels of public science, video clips, and offline activities to enhance the interest of our science, increase patients' understanding of ophthalmic diseases and treatments, and raise patients' awareness of eye care and eye protection.



4.3 Drug Quality Management

As a group providing comprehensive ophthalmic services, our Baotou Hospital is the only ophthalmic hospital in Inner Mongolia with a preparation room. The preparation room of Baotou Hospital produces its own traditional Chinese medicine capsules and eye drops. Specifically, we are one of the few healthcare providers in China that can produce 0.01% Atropine Sulfate eye drops that will be prescribed by the relevant hospitals for the prevention and control of myopia in young people. A team of researchers from the School of Medicine of the Chinese University of Hong Kong has demonstrated that atropine eye drops can result in a significant reduction in the incidence of myopia.¹

The preparation room of Baotou Hospital strictly abides by the relevant provisions of the *Medicinal Product Administration Law of the People's Republic of China* (《中華人民共和國藥品管理法》) on preparations for medical institutions, the *Pharmacopoeia of the People's Republic of China (2020 Edition)* (《中華人民共和國藥典(2020版)》) and other relevant laws and regulations, and has established systems and norms covering the entire life cycle of drugs, such as the "Standard Management Procedures for Batch Quality Evaluation and Release in the Preparation Room", the "Standard Operating Procedures for Handling Unqualified Materials in the Preparation Room", and the "Standard Operating Procedures for Handling Unqualified Finished Products in the Preparation Room", based on its own preparation of drugs.

¹ Yam JC, Zhang XJ, Zhang Y, et al. Effect of Low-Concentration Atropine Eyedrops vs Placebo on Myopia Incidence in Children: The LAMP2 Randomized Clinical Trial. *JAMA*. 2023;329(6):472-481. doi:10.1001/jama.2022.24162



Baotou Hospital implements the whole process management of the manufactured drugs, from the quality of packaging materials, raw and auxiliary materials, intermediate products to the manufactured products will be evaluated and release criteria will be set to manage, and random sampling will be conducted during the production stage to ensure the quality of the products. Before the drug is released, we will evaluate the quality of the batch to ensure that its quality meets the requirements. After verification of the production records and quality records, the drug can be put into use. We comply with the relevant regulations on labels in the Regulations for the Implementation of the Drug Administration Law of the People's Republic of China (《中華人民共和國藥品管理法實施條例》).

In accordance with the relevant provisions of the *Medicinal Product Administration Law of the People's Republic of China* (《中華人民共和國藥品管理法》), the *Regulations on the Administration of Pharmaceutical Affairs in Medical Institutions* (《醫療機構藥事管理規定》), the *Regulations on the Administration of Narcotic Drugs and Class I Psychotropic Substances in Medical Institutions* (《醫療機構麻醉藥品、第一類精神藥品管理規定》) and other laws and regulations, the Group has formulated the *Drug Administration Measures, the Management System for High Risk Drugs, the Management System for Safe Use of Drugs* and other drug management systems to ensure the safety of each patient's medication.

Our management guidelines for pharmaceuticals apply to the entire process of management of drug procurement, storage, and dispensing, establishing a quality management system that includes organizational structure, responsibility system, process management and facilities and equipment, and ensuring effective operation. The procurement of new drugs adheres to the principle of "quality first, purchase according to need, purchase on merit" to ensure the quality of drugs and the legality of purchase. We establish a "patient-centered" working mode, improve the level of medication, rationalize the use of medication, and ensure the safety and effectiveness of medication for patients.

In order to protect the treatment effect of patients, we have also formulated the "Drug Take-back Management System", which provides a reliable system guarantee for the timely identification and correct handling of unqualified drugs in the process of treating patients in each hospital. When the hospitals receive the notice of emergency drug recall, they will take back the designated products in time and store them back to the designated place. After inspection, they are destroyed by special personnel and recorded.

During the year, the Group had no incidents of product recalls for safety and health reasons, and there were no litigation cases arising from these matters.

4.4 Pharmaceutical R&D Innovation

While providing ophthalmology services to patients, the Group does not forget to devote itself to medical academic research and is committed to combining clinical experience with theory to promote the continuous development of the industry. Therefore, we believe that discipline construction is a fundamental strategic task for hospital construction and development. The level of discipline construction directly reflects the medical quality, technical level, academic status and comprehensive competitiveness of the hospital. In order to standardize the discipline construction of hospitals under our company, promote the development of clinical technology, clinical research and talent echelon construction of hospitals under our group, and achieve the development goal of "hospitals with brand, specialties with characteristics and experts with influence", we have formulated the "Discipline Construction Management System" to carry out scientific and comprehensive planning of discipline development with scientific management ideas, methods and means.

With the core of discipline echelon construction, based on the existing ophthalmology specialty direction, with the focus on improving medical technology and talent training, with the construction of scientific research platform as a carrier, we further highlight key specialties, strengthen specialty with special features, enhance basic specialties, focus on building a number of high-quality, characteristic advantageous specialties, giving full play to their demonstration role and technical radiation, so as to vigorously promote the company's overall The development of ophthalmology disciplines. Each hospital needs to locate the direction of discipline and specialty development according to its overall strategic goal, combine the basic conditions of the discipline, and build a discipline construction system of three levels of hospital basic specialty, key specialty and characteristic specialty based on the principle of "solid foundation, key strengthening and outstanding characteristics".

We have established the Discipline Construction Committee to be responsible for the planning and construction of our disciplines, to study, formulate and deliberate on matters related to our discipline planning and budget, discipline construction and evaluation, etc. The Discipline Construction Committee mainly consists of the committee director, members, chief experts or consultants and the head and members of the Discipline Construction Office, etc. It is responsible for integrating the advantages of various specialties in each hospital and carrying out various tasks such as personnel transfer, joint declaration of scientific research topics and development of new technologies. To this end, we have also developed management systems such as the "Academic Scientific Research Paper System", the "Scientific Research Project Application and Approval System", and the "Clinical Scientific Research Management System" to encourage medical personnel in each hospital to continuously explore medical technology innovation by publishing papers and applying for scientific research projects.

During the year, the Group led 3 authoritative research projects and published 13 papers in well-known scientific journals, including 8 SCI papers and 5 papers on CNKI, and published 1 book.



Intellectual Property Protection

Our Group attaches importance to scientific research and innovation, encourages our employees to participate in R&D innovation, files patents in a timely manner, and protects our own R&D achievements and intellectual property rights. We strictly abide by the *Civil Code of the People's Republic of China* (《中華人民共和國民法典》), the *Trademark Law of the People's Republic of China* (《中華人民共和國商標法》), the *Copyright Law of the People's Republic of China* (《中華人民共和國著作權法》), the *Patent Law of the People's Republic of China* (《中華人民共和國專利法》) and other relevant laws and regulations of the place of operation, formulate and implement a management system related to intellectual property rights, raise the awareness of intellectual property rights protection among the management and R&D staff, and avoid infringing on the intellectual property rights of others while protecting our own intellectual property rights.

The Group's employees applied for and were granted one utility model patent and were not punished by the relevant authorities for infringing the intellectual property rights of others.

Academic Conference Exchange

As a leading ophthalmology hospital in China, we attach great importance to the development of ophthalmology technology and look forward to exchanging advanced technology with our peers to bring patients a better treatment experience. 2022, the Group contributed a total of 123 articles to various academic conferences, professional journals, etc..

This year, Chifeng Hospital participated in the "6th Annual Academic Conference and National Clinical Ophthalmology Conference of China Association of Non-public Medical Institutions Ophthalmology Committee", "Vision China 2022 International Forum on Innovation and Development of Visual Health", "Annual Conference of Ophthalmology Special Committee of Chinese Society of Ultrasound Engineering" and "16th Annual Conference of Chinese Physicians Association Ophthalmology Branch", and together with industry colleagues We have discussed the theoretical value and significance of topics such as "the value of segmental sound velocity measurement in the calculation of refractive power of silicone oil-filled IOLs", the "impact of blepharoplasty on patients' ocular surface function", and "Common causes and ultrasound manifestations of ocular wall calcification" in practical clinical applications and explored the possibilities of cutting-edge development in the industry.

Chaoju Eye Care First Western Forum on Orbital Disease and Orbital Related Diseases was successfully held

September 17, 2022, AM, Chaoju Eye Care's first Western Orbital Disease and Orbital Related Professional Disease Forum was officially opened.

This year's conference was organized in the form of online and offline simultaneous live broadcast, with the three main themes of "orbital tumors", "nasal eye lesions" and "orbital related diseases", and various forms of communication activities such as symposiums, case sharing and surgical video demonstrations were held respectively, demonstrating new academic achievements, treatment technologies and related clinical treatment methods in this field.

Distinguished Professor talked about "Principles of Treatment and Personalized Treatment of Orbital Tumors Surgery". Currently, surgery is still the main treatment for orbital diseases and eye tumors. Different orbital tumors use different surgical approaches due to their size, scope, nature, growth location and adhesions. Orbital surgery is characterized by narrow space, concentrated and important tissue structures, and wild surgical stenosis, which makes it difficult to operate and has many postoperative complications. Accurate preoperative localization and qualitative diagnosis, choosing the correct surgical entrance, paying attention to surgical skills, and developing personalized treatment plans help patients restore their visual health. Chaoju Ophthalmology will make greater efforts in disease diagnosis and treatment and academic development of orbital disease specialty.



5. Adhere to the Responsibility of Business Operation

5.1 Corporate Integrity Governance

The Group adopts a zero-tolerance approach to bribery and corruption and is committed to operating our business in a professional, fair and honest manner. We strictly comply with the *Company Law of the People's Republic of China* (《中華人民共和國公司法》), the *Anti-unfair Competition Law of the People's Republic of China* (《中華人民共和國反不正當競爭法》), the "Nine Rules of Integrity for Staff of Medical Institutions" (《醫療機構工作人員廉潔從業九項準則》) and other policies and regulations, and all employees of the Group are required to comply with the aforementioned laws and regulations. At the same time, the Group has formulated the "Anti-Fraud Work Management Measures" to regulate the professional conduct of all employees of the Company, especially the middle and senior management, and to prompt all employees to strictly comply with professional ethics, laws and regulations and the Company's rules and regulations, so as to prevent acts that are detrimental to the interests of the Company and its shareholders.

Anti-fraud organization and responsibilities

All units and departments	Audit department	All personnel
<ul style="list-style-type: none"> Establishing an anti-fraud system Fraud prevention, risk assessment Cooperate with investigations 	<ul style="list-style-type: none"> Receiving reports, organizing investigations Case report Data filing and education 	<ul style="list-style-type: none"> Compliance with rules and regulations, laws and regulations Report problems found Assist in the investigation

In order to ensure that our employees are aware of our anti-fraud regulations, we provide anti-corruption and anti-fraud education and publicity through a variety of situations. Managers at all levels insist on setting an example by taking the lead in complying with laws and regulations and the company various rules and regulations, and establish and improve various anti-fraud internal control mechanisms and systems. We encourage our employees to comply with the law and engage in behaviors that abide by integrity and ethics in the daily work of the Company, and help them properly handle conflicts of interest and temptations to improper benefits that occur in the course of their work. In addition, we also publicly disclose the results of handling major fraud incidents so that employees can fully understand the harm of the incident and take it as a warning.

In 2022, we continued to provide anti-corruption and anti-fraud training to our Board members and employees through various means such as training seminars and poster campaigns. During the reporting period, a total of 80 employees of the Group had received anti-bribery training.

The Group's integrity in governance is also reflected in its interactions with external stakeholders and business activities. During the procurement process, the Group complies with the *Regulation on the Implementation of the Bidding Law of the People's Republic of China* (《中華人民共和國招標投標法實施條例》), and members of the tender evaluation committee are not allowed to accept financial or other benefits from bidders. Moreover, we will sign Anti-Bribery and Anti-Fraud Agreements with all suppliers and issue Integrity Notice Letters to suppliers, requiring them to adhere to business ethics.

We have established various channels, such as telephone, e-mail and letters, for receiving information on reported ethical violations, actual or suspected cases of fraud by our employees, which helps to reduce risks in legal, financial, operational and reputational aspects. After receiving the reports, the Audit Department shall promptly register and form the records of letter processing, and for reports that are determined to require the initiation of investigation, carry out investigation and accountability by situation. For real-name reports, regardless of whether an investigation is opened, the results of the investigation or the reasons for not opening an investigation shall be provided to the whistleblower. We implement a whistleblower protection system, complaints, whistleblowers are protected in assisting in the investigation work. The company prohibits any unlawful discrimination or retaliation, or hostile measures against employees involved in the investigation. For the violation of the disclosure of complaints, whistleblower information or retaliation against complaints, whistleblowers, according to the severity of the case to the appropriate administrative sanctions or termination of employment contracts.

In 2022, the Group had no incidents of embezzlement, bribery, extortion, fraud and money laundering, and there were no litigation cases arising from the above matters.



5.2 Responsible Marketing

In order to increase the visibility of our group and expand the volume of customers, we conduct online such as: official websites, self-media accounts registered in the official name of the App, search engine promotion ads, infomercials, online media ads, third-party platforms, and offline such as: brochures, radio ads, TV ads, equipment LED screen type ads, building walls, building posters, flyers magazines, souvenirs, etc. Advertising. When placing advertisements, we strictly abide by the requirements of national laws and regulations such as the *Advertising Law of the People's Republic of China* (《中華人民共和國廣告法》) and the *Measures for the Administration of Medical Advertisements* (《醫療廣告管理辦法》), and have formulated systems such as the "Management System for Sales Activities" and the "Management System for Advertising and Content Propaganda", etc. At the same time, we publish advertisements and content releases in accordance with the law after being approved by the Group's advertising and content release process and obtaining the "Advertising Review Certificate" issued by the location.

For the promotion of medical advertisements, we fill out the "Medical Advertisement Approval Form" and other documents as required, submit them to the relevant departments for review, and promptly apply for the "Medical Advertisement Review Certificate" to the health administrative department directly under our location, and only after the application is approved do we publish the advertisement reasonably and legally.

5.3 Data Privacy Protection

As an ophthalmic medical enterprise, the privacy and safety of patients is of paramount importance to us. During the reporting period, we strictly abide by the relevant laws and regulations, including the *Personal Information Protection Law of the People's Republic of China* (《中華人民共和國個人信息保護法》), the *Law on Doctors of the People's Republic of China* (《中華人民共和國醫師法》) and the *Nurses Regulation* (《護士管理辦法》), and formulated the "Patient Privacy Protection System" to regulate the medical practices of medical and nursing staff and keep patients' secrets.

The patient's privacy should be documented in detail in the medical record and should only be used for treatment. Without the patient's permission and authorization, the patient's disease and related private information shall not be disseminated to others or used for teaching or instruction. For the preservation and lending of medical records, no one is allowed to borrow paper or electronic medical records at will, and they are not allowed to be read by unrelated personnel, moreover, they cannot be lost.

The Group also strictly complies with the laws and regulations related to information security, such as *The Cybersecurity Law of the People's Republic of China* (《中華人民共和國網絡安全法》), the *Data Security Law of the People's Republic of China* (《中華人民共和國數據安全法》), the *Personal Information Protection Law of the People's Republic of China* (《中華人民共和國個人信息保護法》) and the *Data Governance Standard for Medical Institutions* (《醫療機構數據治理規範》), and also formulates the "Information Security Management Measures", the "Information System Network Security Management Measures", the "Information System Access Control Management Measures", "Information System Access Control Management Process", "Information System Risk Assessment Management Measures", "Information System Risk Assessment Management Process" and other systems to continuously strengthen information security management norms and improve information security management level.

Information Security Management System

Levels	Department	Responsibilities
Decision-making level	Board of Directors	<ul style="list-style-type: none"> Responsible for the overall information security management of the company Responsible for considering and making decisions on major matters of information security work of the company Confirm acceptable risks and risk levels, etc.
Management level	Information System Management Committee	<ul style="list-style-type: none"> Responsible for coordinating information security work within the company Promote the implementation of information security in the company Responsible for organizing the company to establish, implement, maintain and improve the company's information security and provide resources to relevant personnel
Executive Level	Information Center	<ul style="list-style-type: none"> Responsible for the establishment, implementation and daily operation of information security management system Responsible for drafting information security system and determining information security management requirements Responsible for the implementation of the information system in the company Responsible for the internal supervision, evaluation and improvement of information security system
	All units of the company	<ul style="list-style-type: none"> Responsible for compliance and implementation of information security management system requirements



According to the information security management system that has been constructed, we clarify the management methods and processes of information security and establish effective procedures for managing user authentication and access control, and data entry operation specifications to guarantee the authenticity and security of data. In addition, we also establish data reporting service system and clarify the process of data report service application, data report content filling, data report service approval and data report service provision to reduce the risk of leaking data from the information system.

In 2022, the Group had no incidents of violation of patients' privacy rights and loss of patient information.

5.4 Supply Chain Management

Suppliers are indispensable and important partners in the development of our Group. We are committed to rationalizing our supplier management procedures and have therefore formulated the "Supplier Management Measures" to effectively evaluate the qualifications and capabilities of suppliers, reduce procurement risks in the procurement of drugs, instruments, optometric products, administrative materials and other products, optimize supplier resources and establish a stable supplier management system, and all suppliers are required to comply with the supplier practices we have established.

Our supplier management department is responsible for the management of our suppliers. The management principle follows "strict access, quantitative evaluation, fault withdrawal and dynamic management", and implements the whole process of supplier development, access, cooperation, evaluation, grading, assessment and elimination. Before reaching cooperation with suppliers, we will carry out the development, investigation and audit of the three links. Among them, supplier audit is the core part of the supplier access process, only after a strict audit, and potential suppliers meet our access standards as well as access approval, they can participate in relevant procurement pricing activities.

In terms of daily management, we conduct annual appraisals of our cooperative suppliers and fill in the "Supplier Evaluation Form" as the basis for annual appraisals to reflect the comprehensive strength of our suppliers comprehensively and accurately, and to continuously promote suppliers to improve their product quality and service capability based on the principle of "elimination of winners and losers". We classify our suppliers into five levels: "strategic, excellent, good, qualified, and eliminated" based on the evaluation results. Suppliers who are rated as unqualified and included in the supplier blacklist will be disqualified from cooperation and will not be allowed to cooperate again within five years.

We tend to choose suppliers who share our concern for environmental protection and social responsibility. We will urge our suppliers to comply with business ethics and social ethics, and establish corresponding procedures to strictly monitor and prevent all kinds of commercial bribery activities between employees or patients and suppliers. We also give priority to suppliers with environmental qualifications to reduce the negative impact on the environment.

Case 1: Collaboration with Johnson & Johnson Eye Health, a win-win partnership for the future

In November 2022, at the 5th China International Import Expo, Chaoju Eye Care and Johnson & Johnson Eye Health, a business of Johnson & Johnson Total Vision, signed a one-year 2023 strategic cooperation agreement to collaborate in a number of ophthalmology fields, including cataract and dry eye, to jointly contribute to the development of ophthalmology.

Chairman of Chaoju Eye Care said, "We are honored to enter into a strategic partnership with the world-renowned brand Johnson & Johnson Eye Care on the world stage of the Fair. We hope that we can achieve results in the training of young ophthalmologists and the promotion of advanced ophthalmic leading technologies, expand the areas of cooperation, deepen the results of cooperation, and join hands to help the high-quality development of the ophthalmic industry."



Case 2: Collaboration with Carl Zeiss Towards 2025

With the growing demand for better vision, refractive surgery is becoming a key development department for ophthalmology hospitals, and full femtosecond surgical solutions are at the forefront of minimally invasive vision correction surgery. At the 5th Expo, Chaoju Eye Care signed a contract with Carl Zeiss for 6 SMILEs to promote its eye hospitals to carry out full femtosecond surgery.

Since its establishment, Chaoju Eye Care has been cooperating closely with Carl Zeiss, and this contract is the first step to realize the "2025 Thirty Full Femtosecond Devices Plan", which will help Chaoju Eye Care in cataract surgery talent training and refractive surgery talent training, and provide better services for Chaoju Eye Care in medical equipment, cataract IOLs, and after-sales services, and help Chaoju Eye Care in multiple locations nationwide. Chaoju Eye Care will provide better solutions for more patients by cooperating with **Carl Zeiss**.



Johnson & Johnson and Carl Zeiss Group are committed to integrating ESG strategies into their business strategies in a sustainable manner, as they focus on corporate governance, environmental health, employee development and community impact in addition to commercial success. The Group believes that by partnering with international companies with a sense of environmental and social responsibility, we can enhance our business capabilities and professionalism while learning from their advanced experience in sustainable supply chain management and improving our own green procurement management.

6. Focus on the Medical Team

The Group understands that our employees are our valuable assets and the cornerstone of our business development. For this reason, we are constantly optimizing our employment system and striving to provide a harmonious, inclusive, equitable and diversified work environment where our employees can actively engage in their work, cultivate and develop their potential, and develop unlimited career possibilities. The Group strictly complies with employment-related laws and regulations including the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Labor Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》), the *Law of the People's Republic of China on the Protection of Minors* (《中華人民共和國未成年人保護法》) and the *Provisions on the Prohibition of Using Child Labor* (《禁止使用童工規定》), regulates employment management, never employs child labor or forced labor, and adheres to the principle of equal employment and opposes all discrimination on the basis of gender, age, geography, education, religious beliefs, nationality, race, sexual orientation, disability or other factors, The company has the right to fire or dismiss any employee for any behavior that seriously affects the legitimate rights and interests of others, in order to protect the rights and interests of every employee.

6.1 Improve Employment Management

The Group has formulated the "Chaoju Eye Care Technology Group Limited Employee Handbook" and the "Management System of Personnel Assessment and Employment at All Levels" to manage staff recruitment and new employee onboarding in accordance with standardized procedures. We make reasonable recruitment plans to attract a wide range of talents with relevant expertise through approved open channels, such as campus recruitment, social recruitment, online advertising and headhunting recommendations. When recruiting, the Human Resources Department will conduct strict identity checks on candidates in accordance with the Group's Policy on Prohibition of Child Labor and Procedures for Remedial Measures, so that we do not use child labor nor support the employment of child labor by other companies or social groups, and correct any problems promptly. In case of negligent recruitment of child labor, we will immediately stop their work and report to the local labor bureau and contact the legal guardian of the child laborer to ensure their follow-up life, and we will consider re-employing them after they reach the age of 16 or the minimum legal working age.

New employees are required to submit a complete set of induction information within one week, including medical reports, identity and academic degree documents, and for finance and doctor positions, they are required to bring their qualification certificate or license, title certificate, etc. New employees are obliged to ensure the authenticity of the information, and we have the right to terminate the employment relationship directly if there is any falsification.



The human resources department of each hospital under the Group will set different employment assessment standards according to the classification of staff positions within the preparation room: such as key positions, general positions, auxiliary positions, etc.; the layering of personnel: such as the head of the preparation room, the head of the preparation plant, the head of the inspection and general operators, etc. The assessment will be fully qualified before entering the position and will continue to be examined by the position for its ability, and those who cannot perform the job will be recruited separately.

We provide competitive salaries for our employees and set up regulations such as "Employee Compensation Management Measures" and "Employee Performance Management Measures" for standardized management. Employee salary includes basic salary, position salary, performance salary, etc. and there are differences according to rank experience, etc. We implement salary confidentiality system, and prying into others' salary through any form is a serious violation of company rules and regulations.

Moreover, the subsidiaries of the Group have established labor unions according to the actual situation to protect the legitimate and equal rights of employees and build a harmonious and stable labor relationship.

In order to establish and improve the staff career development channel, develop together with the hospital, and then improve the efficiency, we have formulated the "Staff Career Development Promotion Management System", in which the staff can adjust the career development direction in the process of career development, and choose a more suitable development channel among the three career development channels of management, technical and job rotation. We will combine the results of employee's personal performance evaluation, training and competency evaluation as the criteria and basis for employee promotion.

The Group implements a five-day work week and an eight-hour day, and those who are based in hospitals work in accordance with the hospital commuting time. We advocate efficient work and do not encourage employees to work overtime. If the company does need to work overtime due to sudden work or temporary tasks, the approval of the director or above is required. In principle, overtime will be transferred within one quarter. If the subsequent work arrangement cannot be transferred, overtime pay can be calculated in accordance with the "Staff Attendance and Holiday Management Measures".

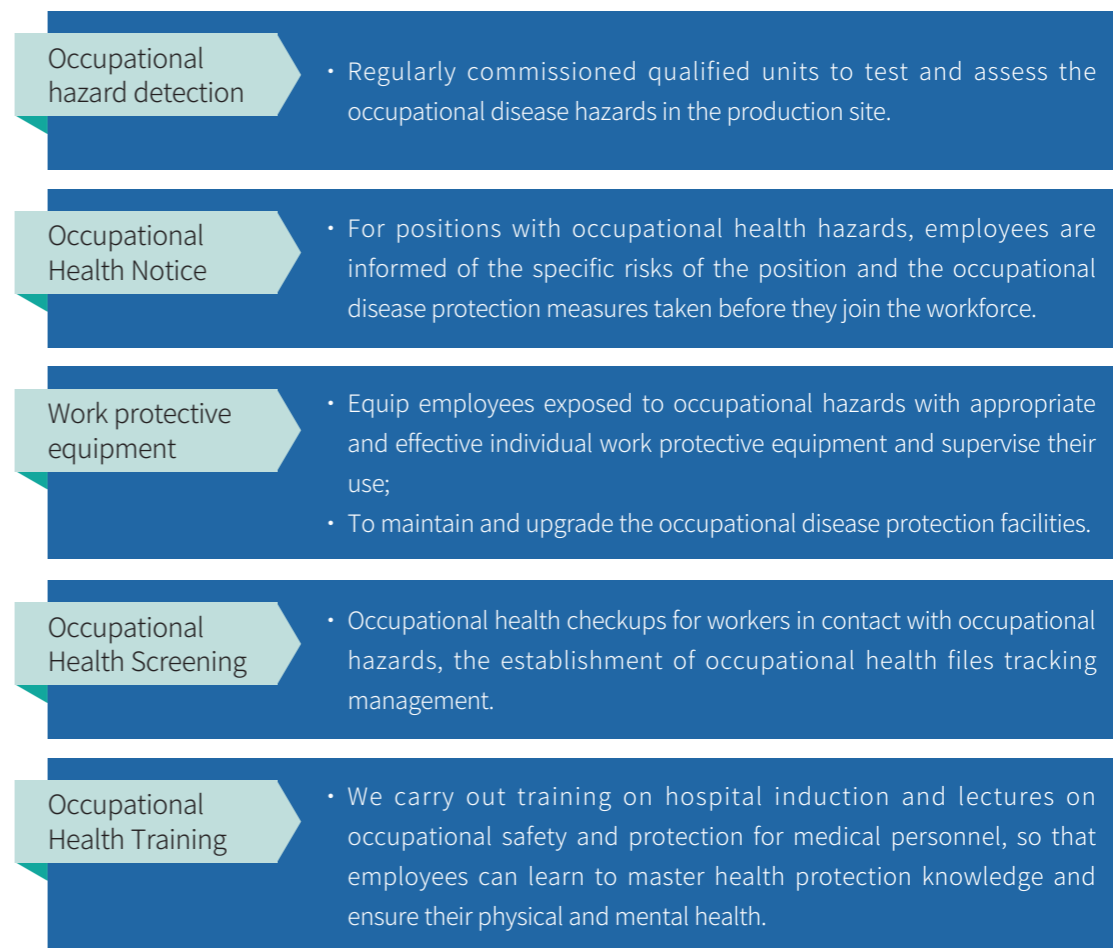
In addition, the Group also pays attention to the protection of employees' leave benefits. In addition to national holidays, all employees are entitled to annual leave based on their accumulated working experience, and their non-performance pay is not affected during the leave period; employees are also entitled to leave benefits such as personal leave, sick leave, marriage leave, bereavement leave, maternity leave and nursing leave.

We value talents and respect the retention of employees. Employees who voluntarily apply for separation must inform their superiors in advance and initiate the "Separation Application Form" in the office system; if the company claims to end the labor relationship, we will handle it according to the company system, labor contract or labor agreement. At the same time, employees have the right to reject unreasonable behavior and request the company to make adjustments according to the law.

6.2 Occupational Health and Safety

The Group is committed to providing a healthy and safe working environment for every employee and safeguarding their occupational safety. The Group strictly abides by the *Law of the People's Republic of China on Work Safety* (《中華人民共和國安全生產法》), and aims for "zero accidents and zero injuries". The Group has established a "Compilation of Work Safety System" and "Occupational Health Management System" to inform employees of occupational-related risks, prepare work protective gear for employees, and provide regular medical checkups and training.

Occupational health management measures



Due to the special nature of the Group as a medical enterprise, in order to reduce the health risks of our employees at work we have established systems such as "Reporting and Management System of Occupational Exposure", "Occupational Exposure Protection System" and "Preliminary Plan for Handling After Sharps Injury", as well as carefully implementing various safe operational steps for preventing and controlling occupational exposure, and at the same time developing a perfect process for handling occupational exposure to ensure the safety of our employees. We carry out regular risk investigation, once the risk is found, the rectification must be implemented within the specified time, and the completion of rectification should be reviewed and assessed in time. The Group has not suffered any death due to occupational injuries in the past three years. During the year, the Group was also not penalized for violating laws and regulations related to occupational health and safety.

In 2022, the Group's subsidiaries organized several health and safety-related training drills for employees.



Case 1: Inner Mongolia Chaoju Eye Hospital – Fire safety knowledge dissemination training seminar

Inner Mongolia Chaoju Eye Hospital invited Inner Mongolia Jiu'an Fire Prevention and Propaganda Center to conduct a public service fire safety knowledge lecture and a field exercise on the use of firefighting equipment in the hospital building, in which a total of 245 employees of the hospital participated.

Through a large number of videos, cases and data, the instructor of the propaganda center explained to the participants in depth, analyzed the causes of fire, summarized the basic types of fire, taught fire emergency and preventive measures, taught the participants the use of firefighting facilities and equipment and precautions, and improved the fire prevention knowledge and ability of employees.



Case 2: Siyang Chaoju Eye Hospital – Cardiac arrest resuscitation care routine training

Siyang Chaoju Eye Hospital provided resuscitation training on cardiac arrest for all medical and nursing staff. First of all, the basic procedures of cardiopulmonary resuscitation were introduced, so that the patient was in the supine position with the pillow removed, placed on a hard platform, ground or bed, checked whether the airway was clear, if not clear quickly, undressed the patient, checked whether there was an aortic pulsation, and then performed cardiopulmonary resuscitation procedures such as chest heart compressions and medication.

After the patient is resuscitated, medical personnel should assist in maintaining effective circulatory and respiratory function, preventing recurrent cardiac arrest, maintaining water, electrolytes, acid-base balance, and preventing cerebral edema, acute renal failure and secondary infection.



6.3 Empowering Employee Development

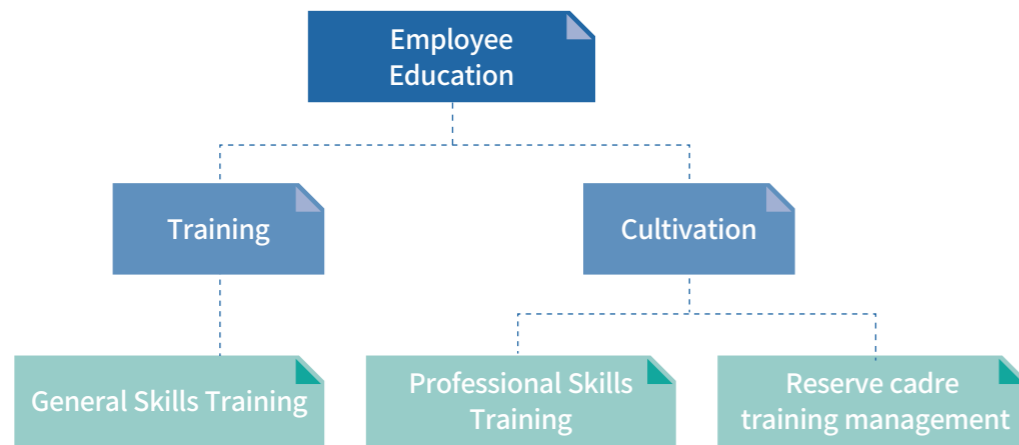
Talent is the cornerstone of our group's development, we continue to improve our talent training mechanism and build multi-channel and multi-category training for our employees. Our group has an education and training department, and has established the "Training Management System for Personnel at All Levels", "Training Program and Management System for "180-Day Growth Plan for New Employees", "Management System for Further Training of Chaoju Eye Hospital Group Employees", and "Management Measures for Corporate Internal Trainers" to improve the comprehensive training system from new employee orientation to skill enhancement.



2022 Training Summary



The Group divides employee education into "cultivation" and "training", screening potential employees through their daily work and participation in training, and targeting them for cultivation, thus empowering the Group's long-term business development.



For the new employees of our group, our training adopts four-dimensional management, namely training discipline management, training assessment management, training evaluation management and training file management. At the same time, we help new employees to integrate quickly, clarify their individual job responsibilities and work processes and work behavior norms, and grasp the ability of their positions as soon as possible to be competent for their new positions. The training for new employees is divided into the following three stages:

Phase I: On boarding

- | | |
|--------------------------------|--|
| On boarding Education | <ul style="list-style-type: none"> HR Department issues employee handbook On boarding education: <ol style="list-style-type: none"> Corporate culture and development history Overview of each unit Unit management system Introduction to common diseases of ophthalmology Brief description of medical marketing and service etiquette |
| Intensive on boarding training | <ul style="list-style-type: none"> At least one intensive on boarding session per year 3 days of standardized face-to-face instruction Archived as video training material |
| Decentralized on boarding | <ul style="list-style-type: none"> If arranging video on boarding, set up training Q&A |

Phase II: Professional skills training

- | | |
|------------------------------|---|
| Job Leading | <ul style="list-style-type: none"> Set up job teaching content according to the requirements of job duties Master with apprentice teaching method |
| Professional Skills Training | <ul style="list-style-type: none"> Basic professional knowledge and skills required by job responsibilities Medical service and marketing skills |
| Work Mindset Coaching | <ul style="list-style-type: none"> Arrange counselors to help new employees get familiar with the corporate culture and adapt to the environment Provide proper guidance and assistance |

Phase III: General vocational skills training

- | | |
|---------------------------|--|
| Online/In-Person Training | <ul style="list-style-type: none"> Implementation of generic skills training and assessment by Talent Development Department and Group internal instructors |
| Team Activities | <ul style="list-style-type: none"> Team building activities organized by the human resources department of each hospital/unit |



Training objectives for different positions

Position	Training Objectives
Medical	<ul style="list-style-type: none"> Basic operation of various diagnostic equipment and indications and contraindications, doctor-patient communication skills, medical marketing service skills, etc.
Medical Technology	<ul style="list-style-type: none"> Basic operation of various diagnostic equipment and indications and contraindications, doctor-patient communication skills, medical marketing service skills, etc.
Nursing	<ul style="list-style-type: none"> Routine nursing ophthalmic disease care, acute and critical care, nursing services, etc.
Optometry	<ul style="list-style-type: none"> Optometric knowledge, visual function examination and correction methods, visual rehabilitation and health care technology and marketing, etc.
Function	<ul style="list-style-type: none"> Basic knowledge and skills required for job duties in each functional department

We provide internal training opportunities for our employees to learn cutting-edge theoretical knowledge, clinical skills and hospital management experience, to develop their professional knowledge and vision, and to enhance their working ability, so as to meet the demand for talents for the rapid development of the Group's business. At the same time, we also support the staff to be sent out for further training, and provide relevant information and study process arrangement according to the requirements of the training unit or training institution, and study carefully to achieve the goal of further training and obtain certification as required.

Tianjin Eye Hospital is one of our training partners, we will make arrangements according to the "Annual Staff Training Plan" to determine the training requirements and related matters, the training programs include:

Refresher Course Name	Specialties	Period
Eye Muscle Refresher Course	Strabismus and Pediatric Ophthalmology	4 Months
Ophthalmic Anterior Segment Refresher Course	Glaucoma, cataract, keratoconus	1-3 Months
Orbital disease and ocular trauma refresher course	Orbital disease ocular tumor, ocular trauma	1-3 Months
Retinal detachment, fundus disease refresher course	Retinal detachment, fundus disease	1-3 Months
Refresher Course on Visual Function Examination	Various visual function examination items	1-3 Months

For the current year's employee training², see the following table:

Staff Training Information	By gender		By Employee Category		
	Male	Women	Grassroots	Middle Management	Senior Management
Percentage of employees trained (%)	23.70%	76.30%	80.43%	16.59%	2.98%
Average length of training (hours)	174.07	163.11	156.77	186.27	2611.08

Education and Development of Medical Navigators

The services that our healthcare professionals provide to our patients determine the reputation and impact of our brand. We provide our staff with the resources, tools and constant support to enable them to provide quality services to our patients and clients.

Professional in-house training team:

Throughout the group system, we provide practical clinical training and scenario-based coaching for healthcare professionals to help them can draw on cutting-edge clinical experience and use fresh examples as a guiding program to improvise on problems encountered when treating and communicating with patients.

We have set up a team of internal trainers and selected employees with experience and outstanding ability who have been employed for more than one year to take up teaching tasks. We develop courses oriented to our group's business objectives and apply them to various trainings of the company, including but not limited to new employee training, professional knowledge and experience training, corporate culture training, professional quality training, etc.

² Due to the previous impact of the epidemic, we conducted limited training, while in 2022, with the gradual improvement of the epidemic situation, we provided more training programs, thus there was a significant increase in the training provided by the Group. Meanwhile, the number of training hours per employee in 2022 increased significantly compared with the previous year, mainly due to the further improvement of the statistical caliber of training data. In addition, the Company has further improved its training system with more training programs than in previous years.



School-enterprise cooperation projects:

University interns are the reserve force for the long-term development of our industry, and we are happy to build and provide a platform for them to grow rapidly and effectively improve the interns' basic clinical knowledge, basic skills learning and clinical problem solving ability. Therefore, we have introduced the "Management System for School-Enterprise Cooperation Interns" and work closely with universities to check and supervise the teaching management of interns.

We will arrange for the interns to set up a sound department and provide the faculty, equipment and other necessary conditions that can meet their internship needs. They will be supported by a certain number of technical cadres adapted to their teaching needs and with strong teaching abilities to guide their graduation internship, conduct teaching visits, organize case discussions, give mini-lectures, etc.

Reserve cadre training program:

We will assess the performance scores of our employees' work, and select employees with organizational and management talents for cultivation, taking into account their actual daily work and development potential. We will strictly follow the promotion path and requirements of the Group and impose strict requirements on our reserve cadres to ensure that their growth direction is always in line with the development goals of the Group.

Creating a platform for doctor-patient communication:

We have made it our vision to be the global leader in happy eye health, and we equally require our staff to maintain a consistent goal. Not only do we provide medical services to patients inside the hospital, but also outside the hospital, we can use the Internet platform to provide the public with rich and interesting ophthalmic knowledge in a fun and educational way. We encourage our staff to combine current hot topics, such as "Online Courses" and "World Cup", to fully utilize their potential and use the Internet as a carrier to bring colorful knowledge and popularization to the public.

7. Corporate Green Development

Environmental management is also an important aspect of our Group. We are responsible for protecting the environment, integrating green development into our business operations, ensuring that our operations comply with the requirements of relevant laws, regulations and standards, and continuously improving our environmental management system to minimize the negative impact of our operations on the environment.

7.1 Rational Use of Resources

The Group promotes the rational use of resources to reduce the negative impact of its business on the environment. In accordance with the *Energy Conservation Law of the People's Republic of China* (《中華人民共和國節約能源法》), the *Electric Power Law of the People's Republic of China* (《中華人民共和國電力法》), the *Water Law of the People's Republic of China* (《中華人民共和國水法》) and a series of other resource-related systems, we have established the Water Resources Management System, the Electricity Consumption Management System, and the Energy Management System to improve the efficiency of resource use on the one hand and reduce waste of resources on the other. The Group has established a series of energy conservation measures for lighting systems, air conditioning systems, electronic equipment and other electrical appliances usage from the headquarters to each hospital and optical center to optimize the way the Group uses resources.

Reducing Electricity Consumption

We follow the principle of energy conservation in the use of energy resources to avoid wasting energy. For the lighting system, we use energy-efficient lamps, turn them off when the office is not in use, and set up sensors to turn on and off lights in areas that are not used frequently to ensure efficient use of the lighting system. For the air conditioning system, we use split air conditioners with a Class 1 energy efficiency label and set up the company in several different zones, each with individual on/off controls, and regularly clean the filters and fans of the air conditioners to reduce energy waste. For the use of electronic devices, we purchase electronic devices with energy efficiency roll labels and turn them off completely or put them into standby mode during idle or non-working hours to save electricity usage.

Water Conservation

The Group's production and operation mainly consumes water from the municipal water supply, and we do not have any problems in obtaining suitable water sources. We use water-saving labeled faucets and post water-saving stickers in conspicuous places next to water-using equipment to remind our employees of the good habit of water conservation. We also regularly check water fixtures and pipes for any leaks, and if there are any, we repair them immediately to reduce water waste.



Reduce Fuel Consumption

In terms of fuel consumption, the Group gives priority to new energy vehicles in the selection of vehicles, and regularly inspects and maintains the vehicles to ensure that they operate in the best condition and reduce the occurrence of fuel leakage or rapid fuel consumption.

7.2 Emissions Management

The Group strictly controls the emissions generated from its major operations to ensure that the emissions generated are in compliance with the emission standards and to minimize the pollution of the atmosphere, water bodies and soil by the emissions. In order to reduce the impact on the environment, the Group monitors its emissions on a regular basis in accordance with the relevant laws and regulations on waste emissions, such as the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* (《中華人民共和國大氣污染防治法》), the *Water Pollution Prevention and Control Law of the People's Republic of China* (《中華人民共和國水污染防治法》), and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* (《中華人民共和國固體廢物污染環境防治法》).

During the reporting period, the Group did not have any incidents of excessive or non-compliant emissions of pollutants, and there were no litigation cases arising from the above matters.

Waste Water Discharge Management

The waste water generated by our business is mainly domestic waste water and medical waste water. We adopt A/O+ disinfection process to pretreat the waste water, and the waste water is discharged to the municipal sewage network after pretreatment. The Group regularly monitors and records waste water indicators, including biochemical oxygen demand (BOD), chemical oxygen demand (COD), ammonia nitrogen (NH₃-N), etc., to ensure that the water quality meets the waste water discharge standards. The Group also commissioned a third party to conduct tests on the types of bacteria and physical and chemical indicators of the waste water samples for each hospital in accordance with the "Standard for Discharge of Water Pollutants from Medical Institutions" (GB 18466-2005), and successfully passed the third party's tests.

Management of Exhaust Gas Emissions

The exhaust gas generated from the Group's operations is mainly a small amount of malodor from the wastewater treatment process, which mainly contains hydrogen sulfide (H₂S) and ammonia (NH₃). We monitor the concentration in accordance with the concentration monitoring value of "Maximum Allowable Concentration of Atmospheric Pollutants in the Vicinity of Sewage Treatment Facilities" of the *Water Pollution Emission Standards for Medical Institutions* (GB18466-2005). The exhaust gas will be purified by activated carbon in the internal set-up gas collection system and then discharged on the roof of the building.

Non-Hazardous Waste Management

The non-hazardous waste generated by the Group's business is mainly office household waste and waste packaging of disposable consumables. We will implement and treat general solid waste in accordance with the provisions in the "General Industrial Solid Waste Storage and Landfill Pollution Control Standards" (GB18599-2020). We will first collect the non-hazardous waste in a uniform manner, and after treatment, sort the waste according to recyclable waste, non-recyclable waste, food waste and other waste, and recycle the recyclable waste for reuse.

Hazardous Waste Management

The hazardous waste generated by the Group's business is mainly infectious medical waste and injurious medical waste, including medical and chemical waste, waste ink cartridges, waste toner cartridges, batteries and end-of-life IT equipment, etc. We comply with the "Pollution Control Standards for Storage of Hazardous Waste" (GB18597-2001), the "Regulations on the Management of Medical Waste" and the "Technical Specification for Centralized Disposal of Medical Waste (for Trial Implementation)" as emission standards, and have commissioned a third party to handle medical hazardous waste for us in a uniform and safe manner, including sorting, packaging, temporary storage and transportation, etc.

In order to better implement our environmental responsibilities, we link environmental factors to our business operations and also set directional environmental goals:

Category	Objectives
Greenhouse Gas Emissions	Actively implement implementation in accordance with the Group's energy conservation measures, and review the base year to maintain or gradually reduce GHG emission intensity under similar business operation conditions
Energy Use Efficiency	Actively implement and execute energy conservation measures in accordance with the Group's energy conservation measures, and review the base year to maintain or gradually reduce energy consumption intensity under similar conditions in business operations
Water Use Benefits	Actively implement and enforce water conservation measures in accordance with the Group's water conservation measures, and review the base year to maintain or gradually reduce water consumption intensity under similar business operation conditions.
Waste Reduction	In accordance with the Group's resource conservation measures, we will actively implement their implementation and review the base year to maintain or gradually reduce the intensity of waste generation under similar conditions of business operations.



During the Reporting Period, the summary of GHG emissions, water consumption, energy consumption, waste generation and other environmental performance indicators are as follows:

GHG emissions	Unit	2021	2022
Scope I GHG emissions	tons CO ₂ e	311.50	603.84
Scope I GHG offsets	tons CO ₂ e	/	1.77
Scope II GHG emissions	tons CO ₂ e	1,089.00	3,517.70
Total GHG emissions (Scope I and Scope II)	tons CO ₂ e	1,400.50	4,119.76
GHG emissions intensity	Tons CO ₂ e/10,000 RMB	0.023	0.048

Water consumption	Unit	2021	2022
Total water consumption	m ³	50,497.50	101,868.40
Water consumption intensity	m ³ /10,000 RMB	0.83	1.20

Energy consumption	Unit	2021	2022
Total energy consumption	MWh	1,874.35	5,579.72
Energy consumption intensity	MWh/10,000 RMB	0.031	0.066

Waste generation	Unit	2021	2022
Total non-hazardous waste generation	tons	70.50	2,082.05
Non-hazardous waste generation intensity	Tons/10,000 RMB	0.0012	0.024
Total hazardous waste generation	tons	31.82	50.86
Hazardous waste generation intensity	Tons/10,000 RMB	0.0005	0.0005

Other Environmental Performance Indicators	Unit	2021	2022
Total Natural Gas Consumption	m ³	65,310.00	66,936.00
Natural gas consumption intensity	m ³ /10,000 RMB	1.08	0.79
Total use of packaging materials for finished products	Tons	5.50	6.63
Use of packaging materials for finished products intensity	Tons/10,000 RMB	0.00023	0.000078
Gasoline consumption for official vehicles among owned vehicles	L	47,680.00	150,997.60
Amount of diesel fuel used for official use in owned vehicles	L	14,787.00	57,547.18
Domestic waste water emissions	m ³	31,677.80	80,399.43
Discharge of medical waste water	m ³	6,859.48	20,506.12

Note: This year, environment data collection has increased from three subsidiaries last year to 18, so the environment data displayed has increased accordingly.

7.3 Responding to Climate Change

Climate change has a profound impact on the world and poses different risks to businesses in various industries. In order to actively address climate change, the Group has been practicing the concept of sustainable low-carbon green development and implementing the national targets of carbon peaking by 2030 and carbon neutrality by 2060 in order to reduce carbon emissions and aggravate climate change. The Group proactively identifies the risks and opportunities of climate change for the Company, including physical risks and transition risks, in order to formulate measures to address the relevant risks and enhance the Company's ability to adapt to the impact of climate change.

The Group discloses relevant information referring to the recommendations of the Task Force on Climate Change Related Financial Disclosures (TCFD) to enhance its risk response capabilities and meet the expectations of stakeholders. The following summarizes how the Group has made disclosures in accordance with the TCFD's recommendations.



Governance:

- Integration of climate change topics with issues of importance to the company's concerns, overseen by the Board of Directors;
- Relevant functions and business units integrate the management of climate change into their daily work priorities.

Strategy:

- Actively align with the national "3060" dual carbon goal and identify the major sources of greenhouse gas emissions generated during daily operations.

Risk Management:

- Carry out relevant management actions in resource conservation and emission reduction to reduce greenhouse gas emissions from energy use;
- Encourage employees to build green office and commute low-carbon to reduce greenhouse gas emissions.

Targets and Objectives:

- Regularly count and disclose GHG emissions and emission intensity to lay the foundation for the future.

During the reporting period, we referred to the classification of climate change risks in the TCFD guidelines and identified the potential risks that climate change may have on ophthalmic medical business operations by considering the policy risks in transition risks and the acute and chronic risks in physical risks.

Climate Change Risk Identification		Potential Impact	Responses
Physical Risk	Acute	Extreme weather events such as rainstorms and typhoons cause inconvenient commuting risks for employees and inconvenient access to hospitals for patients	Track climate change related issues and issue notices at the first time before the arrival of extreme weather events such as rainstorms and typhoons to protect the safety of employees
	Chronic	Increased electricity consumption and electricity safety risks due to extreme heat	When extreme heat occurs in summer, strengthen the inspection of electricity equipment and eliminate safety hazards in a timely manner
Transition risk	Policy risk	National "3060" dual carbon policy and the growing number of international climate-related policies	Pay attention to the development trend of climate policy in real time and make response measures in advance

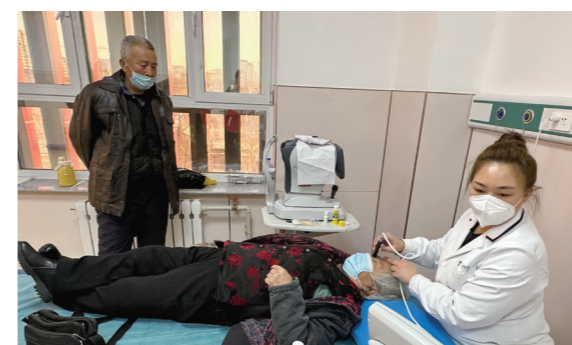
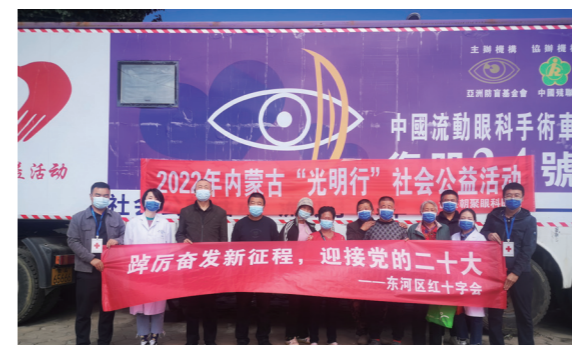
8. Giving Back to the Community

The Group is very concerned about the development of the community and is actively involved in social welfare projects to fulfill its social responsibility. We are committed to improving the level of medical services in the communities where we operate, participating in the construction of community health service systems and looking out for the health of the community at large. We mainly provide the community public with services such as voluntary consultation, screening and knowledge popularization, hoping to protect the health of the community's eyes.

During the year, our group participated in various social welfare activities, serving children, the elderly, community residents, etc., and has served more than 250,000 people in total. In the future, we will provide services to more groups and take practical actions to fulfill our mission of public welfare and spread the importance of eye health.

Case 1: 2022 "Bright Tour" Cataract Restoration Charity Clinic

As the company with the largest number of mobile ophthalmic surgical vans in China, we continued to respond to the Inner Mongolia Red Cross Society's "Walk for Sight" campaign this year to help cataract patients regain their sight. Our Baotou Hospital, Chifeng Hospital, Hulunbeier Hospital and Xilinhot Hospital responded to the call by going to the grassroots level to spread health concepts, promote health knowledge, answer health and medical questions from the community, and conduct cataract screenings throughout the region. Patients who meet the eligibility criteria for assistance will be arranged to receive in-depth examinations and surgical treatment. The project has screened over 100,000 people and performed nearly 1,000 surgeries, achieving the social benefit of "restoring the sight of one person, saving a family and impacting a community".



Case 2: Hulunbuir Hospital – Campus Screenings Throughout 2022

The Hulunbuir Hospital team visited school outreach campuses throughout the community throughout 2022 to conduct vision testing screenings for students. During the full year program, the team served a total of 79,360 student visits, making diagnoses for students with vision problems and allowing for early improvement of vision problems.



Case 3: Dalad banner Hospital Guan Gong Committee – Helping needy students to get glasses

The Group cooperated with Dalad banner Hospital Guan Gong Committee to jointly conduct a free glasses distribution campaign for needy students in late 2022, so that students who do not have sufficient financial means and have vision problems can be helped to improve their daily learning. During the six-month campaign, a total of 12 students benefited from this activity.



Case 4: Inner Mongolia Chaoju Eye Hospital – Eye Health Clinic with Agricultural Bank Trade Union

In August 2022, Inner Mongolia Chaoju Eye Hospital and the Trade Union Office of Agricultural Bank of China Hohhot Branch launched an "Eye Health Clinic", providing a series of eye examinations for more than 300 employees of the Agricultural Bank of China, answering some ophthalmology questions and promoting eye care knowledge. With the principle of "early detection, early diagnosis and early treatment", the team of Inner Mongolia Chaoju Eye Hospital analyzed the symptoms in detail and gave treatment suggestions to the employees of the Bank. In the future, we will continue to carry out our public welfare mission and bring eye health benefits to more employees of corporate groups.



Case 5: Inner Mongolia Chaoju Eye Hospital – Myopia prevention and control lecture on Eye Care Day was successfully held live

Xincheng District Education Bureau, together with Inner Mongolia Chaoju Eye Hospital, carried out "Guarding 'eye' color vision, lighting up 'light' bright future" in August 2022 at Suhu Street Experimental Primary School in horqin campus, the national eye care day myopia prevention and control science popularization live expert lecture activity. This lecture activity strongly advocates scientific eye use to students, popularizes the knowledge of correct eye use, and enhances the awareness of eye care and eye protection. The live event attracted more than 18,300 students, teachers and parents from primary and secondary schools and kindergartens in Xincheng District to learn how to protect their eyes.



Appendix I: Summary of Sustainable Development Information

Indicators	Unit	2022
Environmental Scope		
Emissions		
NO _x	kg	1,590.38
SO _x	kg	3.15
PM	kg	152.67
GHG emissions		
Scope I GHG emissions ³	tons CO ₂ e	603.84
Scope I GHG offsets	tons CO ₂ e	1.77
Scope II GHG emissions ⁴	tons CO ₂ e	3,517.70
Total GHG emissions (Scope I and Scope II)	tons CO ₂ e	4,119.76
GHG emissions intensity	Tons CO ₂ e/ 10,000 RMB	0.048
Energy consumption		
Purchased electricity consumption	MWh	5,579.72
Intensity of purchased electricity consumption	MWh/10,000 RMB	0.066
Gasoline consumption	L	150,997.60
Diesel consumption	L	57,547.18
Water consumption		
Total water consumption	m ³	101,868.40
Water consumption intensity	m ³ /10,000 RMB	1.20

Indicators	Unit	2022
Environmental Scope		
Waste		
Non-hazardous waste generation	tons	2,082.05
Non-hazardous waste generation intensity	tons/10,000 RMB	0.024
Hazardous waste generation	tons	50.86
Hazardous waste generation intensity	tons/10,000 RMB	0.0005
Paper consumption		
Paper consumption	kg	24,540

Note1: All hospitals in the scope of environmental data collection calculated COD, BOD, and NH₃-N emissions based on concentrations, and the emissions did not exceed the standard limits during the reporting period.

³ Scope 1 GHG emissions were calculated based on vehicle fuel consumption, natural gas consumption, and relevant emission coefficients.

⁴ in the calculation of Scope 2 GHG, an emission factor of 0.5810 kg CO₂e/KWh is selected for electricity after 2021 with reference to the document of the Ministry of Ecology and Environment of China.



Indicators	Unit	2022
Social Scope		
Total number of employees	Person	2,162
Total number of employees by gender		
Females	Person	1,633
Male	Person	529
Total number of employees by rank		
Grassroots employees	Person	1,830
Mid-level management employees	Person	328
Senior management employees	Person	4
Total number of employees by form of employment		
Full-time contract employees	Person	2,132
Full-time dispatched employees	Person	88
Part-Time Employees	Person	22
Total number of employees by age group		
Under 30 years old	Person	650
30-50 years old	Person	1,309
Over 50 years old	Person	203
Total number of employees by region		
Mainland China Region	Person	2,160
Hong Kong, Macau, Taiwan and Overseas Regions	Person	2
Employee Turnover Rate		
Total Employee Turnover Rate	%	10.05%
Turnover Rate by Gender		
Female	%	9.68%
Male	%	11.15%

Indicators	Unit	2022
Social Scope		
Employee turnover rate by age group		
Under 30 years old	%	15.69%
30-50 years old	%	5.88%
Over 50 years old	%	18.72%
Employee turnover rate by region		
Mainland China Region	%	10.05%
Hong Kong, Macau, Taiwan and Overseas Regions	%	0.00%

Indicators	Unit	2022
Employee Training		
Percentage of Employee Training by Gender		
Female	%	76.30%
Male	%	23.70%
Percentage of Employees Trained by Employment Type		
Junior employees	%	80.43%
Non-Junior employees	%	19.57%
Average number of training hours⁵ for employees by gender⁵		
Female	Hours	163.11
Male	Hours	174.07
Average number of training hours by employment category		
Junior employees	Hours	156.77
Non-Junior employees	Hours	215.49

⁵ Average training duration for employee=total training duration for employees/total number of employees



Appendix II: Index to the HKEX Environmental, Social and Governance Reporting Guide

Indicators	Unit	2022
Employee Training		
Health and Safety at Work		
Number of work-related fatalities in the past three years (2020, 2021, 2022)	Person	0
Percentage of work-related fatalities in the past three years ⁶ (2020, 2021, 2022)	%	0
Number of workdays lost due to work-related injuries	days	0
Number of penalties imposed for violations of employee employment and labor laws and regulations	Pieces	0
Products and Services		
Number of complaints received about products and services	Pieces	53
Complaint handling rate	%	100%
Anti-corruption		
Percentage of board members covered by anti-corruption training	%	100
Number of corruption lawsuits filed and concluded against the issuer or its employees during the reporting period	Pieces	0
Supplier Management		
By Geography		
Total number of suppliers	Number of suppliers	255
Mainland China	Number of suppliers	255
Hong Kong, Macau, Taiwan and Overseas	Number of suppliers	0

	Content of Indicators Related Sections	Section for Disclosure
A. Environmental scope		
A1: Emissions		
General Disclosure	Information on emissions and greenhouse gas emissions, discharges to water and land, generation of hazardous and non-hazardous waste, etc.: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	7. Corporate Green Development
A1.1	Types of emissions and related emission data.	7.2 Emissions Management
A1.2	Total direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	Appendix I: Summary of Sustainable Development Information
A1.3	Total amount and intensity of hazardous waste generated.	Appendix I: Summary of Sustainable Development Information
A1.4	Total volume and intensity of non-hazardous waste generated.	Appendix I: Summary of Sustainable Development Information
A1.5	Description of emissions targets set and steps taken to meet these targets.	7.2 Emissions Management
A1.6	Describe methods for dealing with hazardous and non-hazardous waste and describe the waste reduction goals set and steps taken to achieve them.	7.2 Emissions Management

⁶ Proportion of employees who died from work-related injuries = number of death caused by work-related injuries/total number of employees x 100%



Content of Indicators Related Sections		Section for Disclosure
A2: Resource Usage		
General Disclosure	Policies for efficient use of resources, including energy, water and other raw materials.	7.1 Rational Use of Resources
A2.1	Total direct and/or indirect energy consumption and intensity by type (e.g., electricity, gas, or oil).	Appendix I: Summary of Sustainable Development Information
A2.2	Total water consumption and intensity.	Appendix I: Summary of Sustainable Development Information
A2.3	A description of the energy efficiency targets established and the steps taken to meet these targets.	7.2 Emissions Management
A2.4	Describe any problems with access to suitable water sources and the water use efficiency goals established and the steps taken to meet these goals.	7.1 Rational Use of Resources 7.2 Emissions Management
A2.5	The total amount of packaging materials used in the finished product and the amount per unit of production.	7.2 Emissions Management
A3: Environment and Natural Resources		
General Disclosure	Policies to reduce the issuer's significant impact on the environment and natural resources.	7.1 Rational Use of Resources
A3.1	Description of the significant environmental and natural resource impacts of operations and the actions taken to manage those impacts.	7.1 Rational Use of Resources
A4: Climate Change		
General Disclosure	Policy for identifying and responding to significant climate-related issues that have had and may have an impact on the issuer.	7.3 Responding to Climate Change
A4.1	Description of significant climate-related issues that have had and may have an impact on the issuer and actions taken to address them.	7.3 Responding to Climate Change

Content of Indicators Related Sections		Section for Disclosure
Indicator content		
B1 : Employment		
General Disclosure	Information regarding pay and termination, recruitment and promotion, hours of work, leave, equal opportunity, diversity, anti-discrimination and other treatment and benefits: (a) policies; and (b) compliance with relevant laws and regulations that have a material impact on the issuer.	6. Focus on the Medical Team
B1.1	Total number of employees by gender, employment type, age group, and region.	Appendix I: Summary of Sustainable Development Information
B1.2	Employee turnover rates by gender, age group, and region.	Appendix I: Summary of Sustainable Development Information
B2 : Health and Safety		
General Disclosure	Information on the provision of a safe working environment and the protection of employees from occupational hazards: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	6.2 Occupational Health and Safety
B2.1	The number and rate of work-related fatalities in each of the past three years (including the reporting year).	Appendix I: Summary of Sustainable Development Information
B2.2	Number of work days lost due to work-related injuries.	Appendix I: Summary of Sustainable Development Information
B2.3	Describe the occupational health and safety measures adopted, and the related implementation and monitoring methods.	6.2 Occupational Health and Safety



Content of Indicators Related Sections		Section for Disclosure
B3 : Development and Training		
General Disclosure	Policies related to enhancing employees' knowledge and skills to perform their job duties. Describe training activities.	6.3 Empowering Employee Development
B3.1	Percentage of employees trained by gender and employee category (e.g., senior management, mid-level management, etc.).	6.3 Empowered Employee Development Appendix I: Summary of Sustainable Development Information
B3.2	Average training hours completed per employee by gender and employee category.	6.3 Empowering Employee Development Appendix I: Summary of Sustainable Development Information
B4 : Labor Standards		
General Disclosure	Information on (a) policies to prevent child labor or forced labor; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	6.1 Improve Employment Management
B4.1	Describe measures to review recruitment practices to avoid child labor and forced labor.	6.1 Improve employment management
B4.2	Describe the steps taken to eliminate violations when they are identified.	6.1 Improve Employment Management
B5 : Supply Chain Management		
General Disclosure	Environmental and social risk policy for managing the supply chain.	5.4 Supply Chain Management
B5.1	Number of suppliers by region.	Appendix I: Summary of Sustainable Development Information
B5.2	A description of the practices relating to the engagement of suppliers, the number of suppliers to whom such practices are implemented, and the methods of implementation and monitoring of such practices.	5.4 Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	5.4 Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.4 Supply Chain Management

Content of Indicators Related Sections		Section for Disclosure
B6 : Product Liability		
General Disclosure	Information on health and safety, advertising, labeling and privacy matters and remedies for products and services provided: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	4. Medical Service Quality First 5. Adhere to the Responsibility of Business Operation
B6.1	The percentage of the total number of products sold or shipped that are subject to recall for safety and health reasons.	4.3 Drug Quality Management
B6.2	Number of complaints received about products and services and how they were responded to.	4.2 Intimate Medical Services
B6.3	Description of practices related to the preservation and protection of intellectual property rights.	4.4 Pharmaceutical R&D Innovation
B6.4	Describe the quality assurance process and product recall procedures.	4.3 Drug Quality Management
B6.5	Description of consumer data protection and privacy policies and how they are enforced and monitored.	5.3 Data Privacy Protection
B7 : Anti-corruption		
General Disclosure	Information on the prevention of bribery, extortion, fraud and money laundering: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	5.1 Corporate Integrity Governance
B7.1	The number of corruption lawsuits filed against the issuer or its employees that were concluded during the reporting period and the outcome of those lawsuits.	5.1 Corporate Integrity Governance
B7.2	Description of preventive measures and reporting procedures, and related enforcement and monitoring methods.	5.1 Corporate Integrity Governance
B7.3	A description of the anti-corruption training provided to directors and employees.	5.1 Corporate Integrity Governance



Content of Indicators Related Sections		Section for Disclosure
B8 : Community Investment		
General Disclosure	Policy on community engagement to understand the needs of the communities in which it operates and to ensure that its business activities take into account community interests.	8. Giving back to the community
B8.1	Focused areas of contribution (e.g., education, environmental issues, labor needs, health, culture, sports).	8. Giving back to the community
B8.2	Resources used in the area of focus.	8. Giving back to the community





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