ACOTEC

先瑞達醫療科技控股有限公司

Acotec Scientific Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6669



2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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About this Report



This is the fifth Environmental, Social and Governance Report ("ESG Report") issued by Acotec Scientific Holdings Limited (the "Company", "Acotec" or "We") and together with its subsidiaries (the "Group"). The report mainly introduces the Group's management policies over environmental, social and governance aspects and the specific management measures taken during the Reporting Period, to strengthen communication with the Group's internal and external stakeholders.

REPORTING SCOPE

The scope of this report covers Acotec Scientific Holdings Limited and its main domestic and foreign subsidiaries and offices. The Corporate Environmental, Social and Governance Report is an annual report covering the period from January 1, 2025 to December 31, 2025 ("Reporting Period").

REPORTING PRINCIPLES

This report has been prepared in accordance with the following reporting principles:

Materiality

Key ESG issues have been identified through materiality assessment and relevant content has been disclosed in the ESG report;

Quantitative

Quantitative information on environmental and social aspects is presented in the ESG report, together with a description of its purpose and impact. Comparative data will be provided in subsequent ESG reports;

Consistency

We use consistent disclosure and statistical methods. In this report, we have maintained the same disclosure and statistical methods for the information as disclosed in the previous year's report. For information disclosed for the first time, we will adopt consistent methods for ESG information disclosure in subsequent years to facilitate meaningful year by year comparisons.

REPORTING PREPARATION BASIS

This report has been prepared with reference to the requirements of the *Environmental, Social and Governance Reporting Code* of the Stock Exchange of Hong Kong Limited ("HKEx") as set out in Appendix C2 to the Listing Rules, *GRI's Sustainability Reporting Standards* (GRI Standards), and MSCI-ESG ratings.

ACCESS AND RESPONSE TO THE REPORT

This report is published in both English and Chinese versions via the internet. Stakeholders may access this report on the website of the (www.acotec.cn) and the Hong Kong Stock Exchange (www.hkexnews.hk). In case of discrepancies between the Chinese version and the English translation, the Chinese version shall prevail.

CONTACT US

We attach great importance to the views of stakeholders and the public. If you have any inquiries or suggestions, please feel free to contact us through the following methods.

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Principal place of business in Hong Kong: 19/F, Golden Dragon Centre, 188 Des Voeux Road Central, Hong Kong

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About Us

Acotec Scientific Holdings Limited is a global leading medical technology company focusing on the development and application of technology platforms for vascular interventional treatments. Through years of diligent work, we have built a comprehensive, multidimensional R&D network. Centred on clinical value and underpinned by global resources, this integrated ecosystem drives innovation across multiple dimensions. Transcending singular technologies, we have connected the entire innovation journey – from frontier exploration and clinical validation to value realisation. Based on systematic capabilities, we continually push the boundaries of the industry, delivering premium yet accessible interventional therapy solutions that have a meaningful impact for patients and healthcare providers worldwide.

Leveraging the versatility and efficiency of our diverse technology platforms, Acotec has launched 32 competitive products that centered on the "leave nothing behind" treatment philosophy. These products provide minimally invasive endovascular interventional solutions across five key therapeutic areas: vascular surgery, cardiology, nephrology, neurology, and oncology. The portfolio includes the world's first clinically validated Below-The-Knee Drug-Coated Balloon AcoArt (Tulip® & Litos®, hereinafter referred to "BTK DCB"), China's first Above-The-Knee Drug-Coated Balloon (AcoArt Orchid® & Dhalia®, hereinafter referred to "ATK DCB"), the Vertebral Artery DCB (AcoArt Verbena®), the Peripheral Aspiration System (AcoStream®) and the Radiofrequency Ablation System (AcoArt Cedar®).

Acotec will continue to innovate clinical therapies for vascular intervention and diversify our product portfolio to help combat vascular diseases. Going forward, we will continue to pursue our goal of becoming a world-leading enterprise in the field of medical technology, provide better solutions for systemic vascular interventional therapy for the doctors and patients around the world, and enable patients to enjoy better clinical benefits and a higher quality of life in the long term.

Acotec possesses a number of domestic and foreign core intellectual property rights. We aim to provide innovative, technological products to medical workers so that they can provide better treatment solutions to patients. Meanwhile, we are committed to building a brand that is a "made in China, world-leading" brand. Currently, in addition to the Chinese market, our business extends to multiple countries and regions across Asia, Europe, and other parts of the world.



Corporate Positioning

Reliable innovative medical technology platforms



Corporate Mission

Maintain our commitment to achieving long-term clinical benefits and improving the life quality of patients



Corporate Vision

Combat vascular diseases and become one of global leaders among medical technology enterprises

- **Maintain respect for clinical facts and evidence**

Aim to deliver long-term clinical benefits, respect facts and evidence, and explore unmet clinical needs, with the goal of offering more solutions for the treatment of vascular diseases

- **Constantly pursue innovation**

Adhere to reliable innovative ideas while also maintaining an imaginative perspective, with a view to continuously providing new treatment methods and reliable products and opening up the next frontier of vascular interventional treatment

- **Improve health outcomes**

Deliver new treatment methods and reliable products to doctors and patients and improve holistic vascular disease treatments so that more patients with vascular diseases can return to a healthy and high-quality life



2025 GROUP DEVELOPMENT HIGHLIGHTS

Accelerating Innovation and Expanding Product Portfolio Horizontally and Vertically

In 2025, our R&D efforts entered a period of intensive harvest, with 11 new products receiving market approval throughout the year, covering our core vascular intervention sectors:

- Launching major product: In May 2025, the Vertebral Artery DCB (AcoArt Verbena®) received regulatory approval for commercialization. This product fills a critical gap in the domestic market, ushering in a new era of "leave nothing behind" for the treatment of vertebral artery origin stenosis.
- Entering new therapeutic areas: The Peripheral Controlled Mechanically Detachable Fibered Coil (Lavender) and the TACE Microcatheter (V-otter) received regulatory approvals in August 2025 and December 2025, respectively. This marks the successful expansion of our presence into the fields of peripheral vascular aneurysms and oncology intervention.
- Advance in coating technology: In July 2025, the Sirolimus-Coated Coronary Balloon Dilatation Catheter (AcoArt Canna®) received regulatory approval. This launch further strengthens our drug-coated product portfolio and marks the Group's capability in mastering both paclitaxel and sirolimus drug-coating technologies.

Pursuing our Global Strategy and Expanding Steadily Overseas

We remain steadfast in pursuing our global expansion strategy, achieving tangible progress in our overseas market expansion:

- Achieving milestones in global expansion: Peripheral Radiofrequency Ablation System (AcoArt Cedar®) obtained 510(k) clearance from the US FDA in October 2025.
- Clinical progress: Patient enrollment for the AcoArt Litos® BTK DCB is progressing smoothly at multiple clinical sites across the United States and Europe.
- Extending market reach: Through our strategic partnership with Boston Scientific Corporation, the distributed products are being introduced to broader global markets. During the Reporting Period, the BSC Group had recorded active sales of the collaborated products in 17 countries worldwide, bringing innovative Chinese medical solutions to patients worldwide.

Advancing Product Accessibility to Empowering Value Co-creation

In 2025, we continued to refine market strategies, and are committed to enhancing access to high-quality healthcare resources:

- Empowering through education: In 2025, we organised more than 300 academic and patient education events, building a comprehensive education platform for both clinicians and patients. Through educational efforts and technology promotion, we facilitated the adoption of innovative therapies in underserved regions, tangibly benefiting medical communities and patients while advancing sustainable industry development.

- Achieving wide coverage: As at the end of the Reporting Period, our products covered more than 3,000 hospitals nationwide, establishing an extensive end-user network covering grade-A tertiary hospitals as well as municipal and county-level hospitals.

Forging Renewed Strategic Collaboration with Global Industry Leader

- Finalizing a landmark agreement: The Group signed the 2026 Framework Agreements on December 12, 2025, renewing and deepening the strategic collaboration with Boston Scientific Corporation ("BSC") in product global commercialization, joint R&D, and manufacturing service for a subsequent three-year period with effect from January 1, 2026.

Fortifying Quality to Cultivate an Agile, High-Efficiency Supply Chain

We have established an integrated end-to-end support chain spanning R&D, production, and delivery, resulting in a highly resilient manufacturing ecosystem:

- Driving growth with dual engines: We leveraged modern production bases in Beijing and Shenzhen to ensure a rapid response to market demands and high-quality product delivery.

- Upgrading Management Systems: A rigorous Quality Management System ensured our products enjoy unimpeded access to global markets.



Chairperson's Message

Amid the surging tides of change, only those anchored by purpose sail far, and only the steadfast prevail. As a medical technology enterprise deeply rooted in the field of vascular interventions, Acotec has embedded sustainability into its corporate DNA since its establishment. Guided by our founding commitment to "delivering enduring clinical benefits and enhancing patients' quality of life", we forged resilience through pioneering innovation, accumulated value through unwavering accountability, and steadily advanced via collaborative ecosystem development.

2025 marked the 15th year of our practice of the concept of sustainable development. Through fifteen years of navigating challenges, we have remained anchored by ESG principles, embedding long-termism into every dimension of our operations. This commitment infuses innovation with warmth, upholds quality with steadfast dedication, and gives growth a solid foundation. Amid market uncertainty, we have forged a sustainable pathway that strikes a balance between commercial value and societal contributions.

Fifteen years of dedicated pursuit have seen us wield innovation as a torch, illuminating the path for global advancement in vascular interventional therapy. The core value of medical technology lies in addressing unmet clinical needs through technological breakthroughs and safeguarding patient health with innovative achievements. From pioneering peripheral drug-coated balloon (DCB) therapy in China to developing China's first below-the-knee DCB solution; from the phased progression of over 30 products to comprehensive expansion across coronary, peripheral, neurovascular, and oncology fields; and from localised innovation to global R&D efforts – we persistently adhere to the "Trusted Innovation for Life" philosophy. Guided by pressing clinical challenges, we drive continuous breakthroughs in core technological domains including material science, intelligent energy modulation, and precision engineering. 2025 ushered in yet another banner year of innovation for us. We obtained registration approval for multiple core products, while our overseas commercialisation footprint achieved landmark progress. China-originated interventional medical technologies continued resonating globally. We continued to implement and improve the "leave nothing behind" treatment philosophy, bringing more minimally invasive, highly efficacious, accessible, and affordable therapeutic options into clinical practice – offering patients and physicians around the world compelling new choices. We remain steadfast in our conviction that innovation is the lifeblood of corporate progress. Only through relentless technological breakthroughs can we consistently secure the high ground of innovation amid ongoing industrial advancement. In this way, we are steadily delivering fresh momentum in this sector.

During fifteen years of steadfast commitment, we have anchored our enterprise in quality to forge a solid foundation for sustainable growth. Medical devices, being vital to life, require unwavering vigilance and quality control, aligning with our founding principles and relentless perseverance. We steadfastly uphold "Pursuing Excellence in Quality, Safeguarding Life and Health" as our immutable quality policy. This drives us to build a comprehensive, full lifecycle quality management system spanning product R&D, manufacturing, logistics, distribution, and clinical application. Stringent quality standards are implemented at every stage and for every process. In 2025, we continued to upgrade our quality management system and earned strong recognition and trust from patients, physicians, and partners worldwide through our consistent, high-quality products. Quality remains the cornerstone of an enterprise's existence and the core of brand competitiveness. Only by applying meticulous attention to every product can we secure a firm foothold in the market and lay a solid foundation for our long-term growth.

Fifteen years of dedicated practice have seen us secure our corporate operations in robust governance, cultivating a standardised and efficient operational ecosystem. Effective corporate governance is the cornerstone of sustainable development, and a scientific management system is the critical pillar driving long-term stability and progress. In 2025, we continuously refined our governance structure and optimised the ESG management framework, further strengthening the Board of Directors' strategic decision-making and oversight functions. This drives efficient execution and cohesive collaboration within management, resulting in scientific, comprehensive, and sustainable mechanisms for decision-making, supervision, and incentives. We are committed to ethical compliance, and are steadily enhancing systems such as intellectual property management, information security protocols, and codes of business conduct. Through transparency, integrity, and ethical standards, we safeguard the rights of shareholders, employees, and partners. We champion a culture of diversity and inclusion, promoting diverse board composition and professional management teams. We ensure that decisions are informed by multifaceted perspectives and underpinned by scientific rigour to elevate operational excellence and development. Only through empowering corporate development with superior governance can an organisation maintain resilience amid complex market dynamics and achieve steady and sustainable growth.

Over the past fifteen years of steadfast commitment, we have woven sustainability into our corporate DNA, embracing our responsibilities under the sustainable development strategy. As a medical technology enterprise, we steadfastly uphold eco-conscious operational principles, embedding low-carbon practices into every facet of our production and operations. Through concrete actions, we respond to the national dual-carbon strategy, forging an environmentally responsible enterprise. In 2025, we continuously advance the green transformation of production processes, rigorously controlling emissions of wastewater, exhaust gases, and solid waste to ensure 100% compliant emissions. We strive to conserve energy and reduce consumption through optimised energy structures and enhanced resource efficiency. We champion the localisation and sustainable substitution of core raw materials. We recognise that green development is not an overnight endeavour but a commitment requiring sustained perseverance. Moving forward, we will deepen our dedication to environmentally sound operations, contributing Acotec's steadfast efforts – step by step – towards safeguarding our ecological environment.

During fifteen years of compassionate service, we have illuminated our corporate journey with social responsibility, embodying the warmth and accountability of a medical technology enterprise. As a medical technology enterprise dedicated to safeguarding life and health, we embrace the philosophy of "from society, for society," integrating social responsibility into the fabric of our corporate growth and leveraging our expertise to give back. In 2025, our vascular health outreach programmes have brought educational seminars and clinical support to communities, rural areas, and remote regions, with dozens of annual initiatives benefiting hundreds of citizens. Through strategic partnerships with medical institutions and industry peers, we have launched targeted training programmes for frontline healthcare professionals, enhancing vascular disease management capabilities and facilitating the flow of high-quality medical resources to the grassroots level.

Though the journey is long and difficult, we will make it to the end with our persistent efforts. 15 years of dedication have propelled us to new heights in our ESG practice, while deepening our conviction that sustainable development is not merely a requirement for corporate growth, but a responsibility and mission entrusted to us by society. The global healthcare technology industry now stands at a pivotal moment of transformation and upgrading. Technological breakthroughs are emerging at a staggering pace, market demands are continuously evolving, and challenges coexist alongside opportunities. At this juncture, we remain steadfast in our belief that by staying true to our founding aspirations, propelling progress through innovation, earning trust with uncompromising quality, securing operations via robust governance, pioneering a sustainable future through green initiatives, and translating responsibility into tangible commitments, we will navigate the tides of change and advance steadily on the path of long-termism.

As we embark on this new journey, Acotec will continue to uphold its core mission to safeguard global vascular health, guided by ESG principles. We will deepen our expertise in vascular interventional therapy, increase investment in innovation, accelerate global expansion, and consistently elevate the quality of our products and services. We will persist in embracing sustainable business practices, refining our governance framework, fulfilling our social responsibilities, and collaborating with industry partners, healthcare institutions, and communities worldwide. Together, we will forge a sustainable healthcare ecosystem, driven by technological excellence and responsibility, innovation and craftsmanship. Through the relentless pursuit of progress and our unwavering commitment, we will contribute Acotec's strength to advancing the global vascular health industry and strive tirelessly for a better quality of life for all.

Chairperson of the Board, Executive Director and CEO
Li Jing

March 26, 2026



Board of Directors Statement

The Board of Directors (the "Board") assumes sole responsibility for the Group's environmental, social and governance (ESG) strategy and reporting. The Board is responsible for assessing and determining ESG-related risks and ensuring that the Group has proper and effective management and internal controls in place for ESG-related risks. The Board of Directors and all the directors of the Group hereby warrant that the contents of the Report do not contain any false representations, misleading statements or material omissions and take joint and several liability for the truthfulness, accuracy and completeness of the contents.

The Board is the highest decision-making body for ESG management, and it is responsible for guiding the direction of the Group's sustainable development, formulating the overall vision, goals and management strategies for the Group 's sustainable development, and reviewing the Group's annual ESG report. Meanwhile, the relevant working groups under the Board are tasked with promoting the implementation of ESG work within the Group. By assessing the materiality of ESG issues, we have found that product quality management, R&D innovation and intellectual property management are ESG issues of high importance to the Group. As a leading innovative medical device enterprise, we are steadily working to strengthen the Group's product quality management, innovation and R&D capabilities, with the goal of continuously leading the industry and promoting the sustainable development of the Group.

Innovative research and development, product quality management and intellectual property management are of paramount importance to the Group. World-class technologies are the key to our success, and we have formed a diverse technology platform encompassing, but not limited to, drug-coating technology, radiofrequency ablation technology, polymer material technology, and aspiration platform technology. The Group integrates these diverse technologies to generate synergies, which help us to enhance product quality and expand our presence in other innovative therapy sectors. Based on the principle of mutually beneficial cooperation and win-win outcomes, we integrate and share leading resources in partnership with various stakeholders, maximise shareholder value, deliver benefits to our customers, and share the fruits of Acotec's development with our employees.

We are conscious of the opportunities and challenges brought to our operations by more stringent regulatory requirements and the development trend of green, safe and sustainable industries. Going forward, we will continue to adjust our sustainable development management strategy and methods in accordance with stakeholder expectations and our operating conditions, and continuously improve the Group's sustainable development.

2025: Achievements in Sustainable Development

We pay close attention to the evolving trends in global ESG guidelines and standards, monitor their impact on our operations, and proactively respond to them in our reports. In this year's ESG report, we have referenced the United Nations ("UN")' Transforming our world: the *2030 Agenda for Sustainable Development*, focusing on 11 out of the 17 Sustainable Development Goals ("SDGs"). Here are the highlights of our achievements related to these goals in 2025:

Trusted Innovation for Life		• A strong in-house R&D team of 145 members • Organised a total of 87 R&D trainings covering all R&D employees • 336 registered and pending intellectual property rights • The Group has successfully achieved all annual quality objectives
Robust Governance for Development		• Diverse composition of the Board of Directors, with over 50% female directors • Organised a total of 11 business ethics training sessions with 100% employee coverage
Extraordinary Employees for Growth		• Female employees account for 61% • Employee training coverage rate reached 100%, with an average training duration of 23.53 hours per domestic employee. • No injuries were recorded during 4.9 million consecutive working hours from 2021 to 2025
Warm Community for Harmony		• Participated and supported the organization of multiple free clinic initiatives, attracting over 400 community residents to participate in.
Greener Environment for Future		• Properly collected, stored and disposed of waste • Implemented measures to reduce hazardous waste and production wastewater discharge • Continued to promote localised procurement of raw materials in the supply chain

ESG Management

IDENTIFICATION OF MATERIAL ISSUES

After comprehensively considering the national macroeconomic policies, capital market focus, sustainable development reporting standards and peer benchmarking, we identified a total of 20 issues including 6 environmental issues, 12 social issues and 2 governance issues. We engaged an independent third-party organisation to understand stakeholders' rate on ESG issues' materiality and obtained their views and suggestions on the Group's sustainable development through an online questionnaire and stakeholders' interviews.

1

Identify ESG issues related to the Group by benchmarking the *HKEX ESG Reporting Code* and peer disclosures.

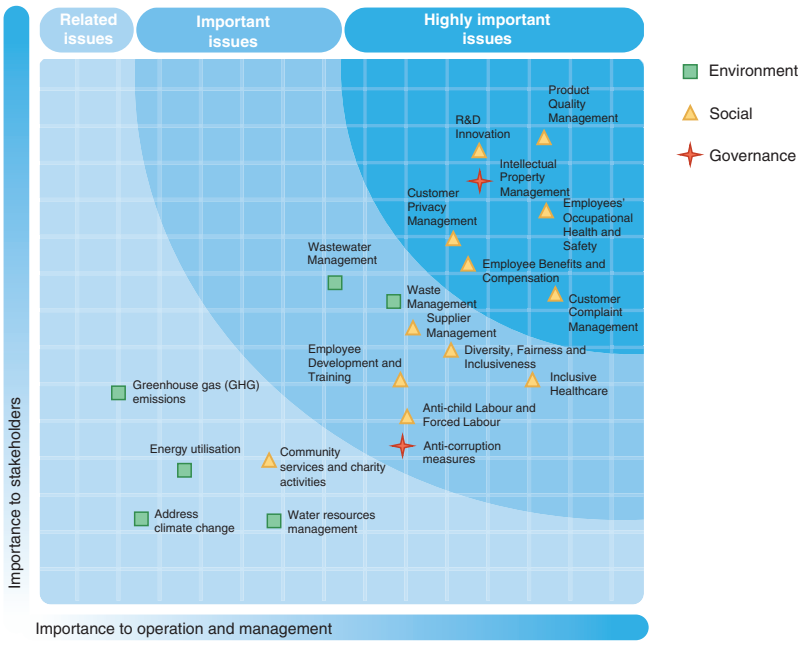
2

Conduct stakeholder interviews to gather feedback and suggestions on the Group's practice of sustainable development and their views on a future sustainable development strategy.

Prepare an online questionnaire to assess ESG material issues. Stakeholders were invited to rate materiality of relevant ESG issues.

3

Based on the results of the stakeholders' questionnaire and the Group's development, we assessed material issues in terms of "importance to stakeholders" and "importance to operation and management", then ranked the materiality of issues and generated a matrix.



Acotec Materiality Assessment Matrix

COMMUNICATION WITH STAKEHOLDERS

Based on the requirements of the *HKEX ESG Reporting Code* and with reference to procedures for the materiality analysis of the Global Reporting Initiative ("GRI"), the Group gathered issues concerned to major stakeholders by questionnaires and interviews, and then analysed and ranked these issues so as to determine important corporate issues regarding environment, society, and governance and disclosed them in the ESG report.

Stakeholder	Expectations of Stakeholder	Mechanisms of Communication and Participation	Responses from the Group
Investors	• Increase the Group's market value and profitability • Continuously improve the Group's environmental and social responsibility performance	General meeting of shareholders, information disclosure, company website	• Release reports regularly, disclose information truthfully and thoroughly and invest efforts in making achievements and profits • Improve corporate governance and risk management level, convene general meetings, enhance investor relations management and strive to improve environmental and social responsibility management
Customers	• High-quality products • Safeguard customer's legitimate interests	Sign contracts and agreements	• Provide high-quality products and services • Establish a sound customer service system and customer opinion feedback and complaints mechanism
Employees	• Uphold employee remuneration and benefits • Care for safety and health of employees • Offer equal promotion and development opportunities • Improve the Communication mechanism; engage in company management	Employment contracts, labour union	• Strictly observe provisions within employment contracts, improve the remuneration and benefits system • Offer a safe and healthy work environment • Offer development paths for employees and organise staff training • Offer equal communication channels

Stakeholder	Expectations of Stakeholder	Mechanisms of Communication and Participation	Responses from the Group
Governments	• Observe the law, operate in compliance with regulations, and in line with national policies	Engage in relevant governmental meetings	• Strict attention to relevant laws and regulations, continuously enhance corporate compliance management and respond to national policies
Suppliers	• Have honest, fair and just cooperation, achieve mutual benefits and win-win results to promote industry development	Sign contracts and agreements, and hold tender and bidding, and supplier meetings regularly	• Actively perform the contracts and agreements by adhering to open and transparent business principles • Adopt an open and transparent procurement model, and develop an accountable supply chain
Communities	• Minimise the impact of production and operations on local communities • Boost the development of local economy	Participate in community activities, care for public health and organise health education events	• Assist in health education activities • Support free medical consultation activities

ESG RISK MANAGEMENT

RISK MANAGEMENT AND CONTROL MECHANISM

Acotec attaches great importance to the impact of future uncertainties on the Group's achievement of business goals and sustainable development, continuously improving the risk management system and internal control system. The Board is responsible for assessing and defining the Group's ESG-related risks and ensuring that the Group has an appropriate and effective ESG risk management and internal control system in place. We have established accountable functions led by the Finance Department, Legal Department, and Internal Audit & Internal Control Department. These functions are responsible for establishing and operating compliance management and internal audit systems to ensure robust and effective risk management and internal control.

We have established the "Management Rules for Internal Control", "Management Rules for Internal Audit", and other management rules to cover various business processes. During the Reporting Period, we established the "Product Sample Management Policy" and the "Credit Management Policy for Platform Distributors and Distributors", and revised the "Market Activity Process Guidelines". We have established a robust risk assessment system to continuously monitor operating risk, financial risk, market risk, policy and regulation risk, and ethical risk. We identify and assess risks and take necessary controls on a timely basis.

SALES PROCESS RISK MANAGEMENT

For sales processes involving distributors, Acotec has established a Distributor Registration OA process and created a distributor database. During the registration process, we will review the distributor's business license, qualifications, business permits, and operational status. Before signing a distribution contract, the distributor must complete the registration process to ensure they meet the necessary qualifications.

OPERATIONAL PROCESS RISK MANAGEMENT

We utilize the OA system and the Ctrip Business Travel APP to manage employee travel activities and mitigate risks in process management. All employee travel must commence with the submission of a "Travel Request Form" through the OA system. Only after the request has been approved can employees proceed to book tickets and hotels via the Ctrip Business Travel APP. Within the Ctrip Business Travel APP, we have integrated the Group's travel standard controls and an approval process for any excesses, making cost control more direct and efficient. Additionally, we have set time limits for invoice reimbursement in the OA system to prevent the submission of long-overdue invoices and expense claims.

SUPPLY CHAIN RISK MANAGEMENT

During the Reporting Period, we officially released the "Acotec Procurement Management Policy" and the "Acotec Supplier Management Policy." Complementing these policies, the Supplier Onboarding OA System was officially launched to facilitate effective policy implementation and standardise procedural execution. Concurrently, the internal control and audit function periodically conducts audits and spot checks on the enforcement of both policies.

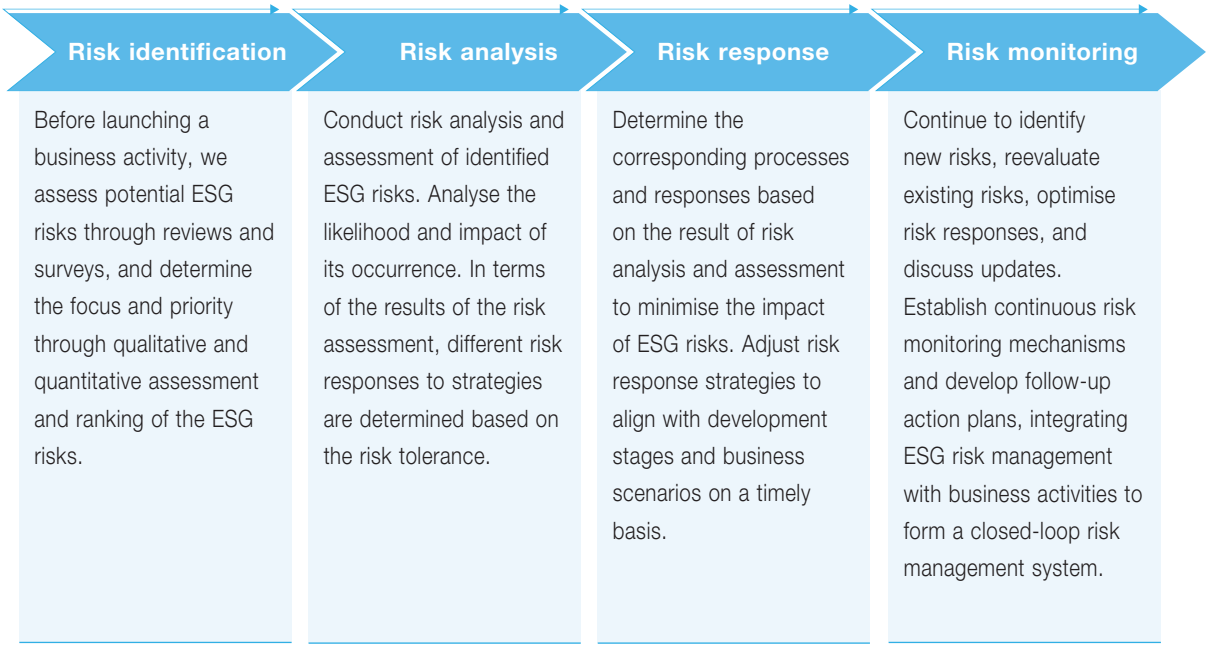
During the Reporting Period, the Acotec internal control and audit function collaborated with a third-party digital operations platform provider to optimise internal controls within the procurement-to-payment cycle. Through concerted efforts with the IT Department, we are progressively establishing a Supplier Relationship Management (SRM) System across the Group. This initiative aims to reduce costs, enhance efficiency, and improve collaborative effectiveness and stability Group-wide in procurement activities – all while ensuring a compliance foundation.

We actively organised training sessions on risk awareness and internal control auditing, with a view to improving internal management skills.

ESG RISK MANAGEMENT

To strengthen the Group's ESG risk management, we identify, analyse, respond, and monitor ESG risks, and gradually integrate ESG risk management with the Group's overall risk assessment system.

ESG risk management process



MATERIAL ESG RISKS AND RESPONSES

We identified the following top four ESG risks: product safety and quality risks; production safety risks; waste pollution and emissions risks; procurement integrity risks. We have taken measures in response to the identified risks.

ESG-related risks	Potential impacts and effects on Acotec	Measures to mitigate identified risks
Product safety and quality risks	If the Group's products encounter significant safety and quality issues, Acotec will face penalties such as fines and rectification orders, as well as reputational damage risks.	• Set product quality goals • Perform regular internal and external audits of the quality management system *For more details, please refer to the Responsible Production and Quality Assurance subsection under Trusted Innovation for Life.*
Production safety risks	Safety accidents may occur due to unclear safety production responsibilities, unimplemented measures and unavailable assessments.	• Conduct regular safety training, including topics on safety handling and emergency response procedures for hazardous chemical products • Conduct Regular environmental monitoring on job positions with potential occupational hazards *For more details, please refer to Fully protect employees in health and safety subsection under Extraordinary Employees for Growth.*
Waste pollution and emissions risks	In cases of non-compliance with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution from Solid Waste, the Group will face fines and other penalties based on the severity of the incident.	• Utilise compressed air instead of alcohol to clean products to reduce the generation of hazardous wastes, including alcohol • As the steriliser technology advances, wastewater generated in the sterilisation process will be significantly reduced *For more details, please refer to the Emission Control and Environmental Protection subsection under Greener Environment for Future.*
Procurement integrity risks	If serious corruption incidents occur in procurement, the Group will experience decreased profitability, a crisis of trust, and increased internal management costs.	• Organise regular anti-fraud training covering all employees • Improve internal control procedure, establishing or revising relevant policies and operating procedures *For more details, please refer to the Green Procurement and Sustainable Supply subsection under Greener Environment for Future.*

Trusted Innovation for Life

Acotec focuses on R&D and manufacturing in the belief of “Trusted Innovation for Life” to provide diversified and innovative hi-tech products for vascular interventional treatment. We are also concerned about intellectual property protection to support the mutual development of the industry and enhancement of product quality. We have been actively responding to UN Sustainable Development Goals (SDGs) 3, 12 and 17.





1.1 R&D-LED INNOVATION

Upholding the original intention of providing the best treatment solutions for vascular disease patients in China and around the world, Acotec continuously introduces innovative products and has built a diverse product portfolio.

1.1.1 R&D PERSONNEL

Acotec attaches high importance to establishing a robust R&D talent system. Building upon an experienced team foundation, supported by systematic training, and safeguarded by comprehensive incentives, the Group continuously fortifies its core R&D competitiveness. This provides steadfast support for the Group's sustained leadership. The founders and senior management team of the Group have an average of over 30 years of experience in the medical device industry, with deep expertise across the entire value chain of vascular disease treatment device R&D, production, and commercialization. They can accurately identify clinical needs and market trends, efficiently advancing product innovation and implementation.

As of December 31, 2025, Acotec had built a strong R&D team of 145 members, including 78 people with master's degrees or above within the Chinese R&D team. The talent structure is robust, with the team possessing diverse technical backgrounds covering materials science, mechanical design and manufacturing, chemistry, biomedical engineering, electronic science, automation, and computer programming that furnish a strong underpinning for continuous innovation. In 2021, Acotec established an R&D centre in the U.S. Furthermore, Acotec is strengthening its global R&D footprint to bolster new product development, worldwide registration, and clinical deployment. We actively participate in campus recruitment events at several top-tier universities to consistently reinforce our talent reserves.

We have established a global R&D collaboration network, leveraging cross-regional and cross-disciplinary collaborative R&D mechanisms to promote knowledge sharing and technology exchange. This fosters innovation across the entire organization. By harnessing the talents of global experts, we aim to create leading-edge technologies that will ultimately be brought to markets worldwide.

Regarding talent development, the R&D Department has implemented a systematic training framework that includes a dual-track approach through an online professional knowledge academy and offline professional competency enhancement, developing eight course modules. It includes specialised training covering critical domains such as medical device design verification, clinical medicine knowledge, and FDA quality system regulations, comprehensively enhancing the professional capabilities of R&D personnel.

Concerning talent incentives, we have established a multi-tiered incentive mechanism, further refining the talent incentive structure. This fully stimulates the innovative vitality of the R&D team, drives the continuous advancement of R&D capabilities, and supports Acotec's high-quality, sustainable development.



During the Reporting Period, the Group organised a total of **87** R&D trainings, covering all R&D employees.

a total of 87
R&D trainings

R&D training

1.1.2 R&D TECHNOLOGY PLATFORM

Through continuous technological accumulation and innovative applications, we consistently strengthen our technological competitiveness. We have established a multi-dimensional R&D network, creating an integrated innovation ecosystem anchored in clinical value, supported by global resources and driven by multi-dimensional innovation. Our technical platforms encompass drug and functional coating processes, intelligent energy control, micro-extrusion moulding of materials, and the precision machining of polymeric and metallic materials. Furthermore, leveraging the extensibility and efficiency of our diverse technology platforms, we achieve comprehensive competitive advantages across R&D, manufacturing, and supply chain operations:

In R&D, diverse technology platforms effectively accelerate product proofing cycles and expand R&D trial-and-error opportunities, driving the implementation of high-quality, efficient R&D while continuously accumulating core proprietary technical know-how of R&D and production.

In product development, precision technical capabilities enable the customised adjustment of product parameters, ensuring accurate alignment with the diverse clinical needs of patients.

For supply chains, securing stable supplies of core raw materials by localising production helps hedge against risks within international supply chains.

Leveraging such advantages enables Acotec to launch ground breaking products, securing first-mover advantages in the market while continuously reinforcing cost competitiveness through technological iterations and process optimisation. These consolidated strengths fortify the core foundation for Acotec's sustainable long-term innovation.

1.1.3 R&D PROGRESS

2025 marked the commencement of a bumper harvest period for the Company in terms of product approvals. The strategic layout of its diverse R&D technology portfolio began yielding significant economies of scale. During the Reporting Period, the Company secured registration approval for 11 products. Its product portfolio expanded in depth, with several approvals representing key milestones for the Group.

Vertebral Artery DCB (AcoArt Verbena®)

This product obtained NMPA registration approval in May 2025. Clinical trial results have demonstrated the efficacy and safety of the AcoArt Verbena® in clinical applications: the primary endpoint of the clinical trial was the target lesion restenosis rate at 12 months post-procedure, with the AcoArt Verbena® group showing a rate of 13.04%, which was significantly lower than the control group's 37.31%. This result not only met the non-inferiority hypothesis but also established the superiority in statistical inference. The launch of this product marked the beginning of a new era of "Leave Nothing Behind" for vertebral artery stenosis treatment and helped enhance the Company's market competitiveness in the neurointervention sector.

Coronary Sirolimus-Coated DCB (AcoArt Canna®)

This product obtained NMPA registration approval in July 2025, marking the completion of the Company's product portfolio covering both paclitaxel-coated and sirolimus-coated balloons, further consolidating the Company's leading position in DCB products.

The Peripheral Controlled Mechanically Detachable Fibered Coil (Lavender) and TACE Microcatheter (V-otter)

These two products obtained NMPA registration approval in August 2025 and December 2025, respectively, marking the Company's expansion into two new therapeutic areas: peripheral vascular aneurysms and oncology.

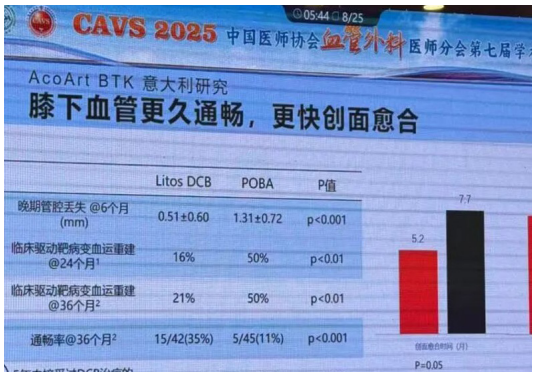
1.2 INDUSTRIAL COORDINATION AND MUTUAL DEVELOPMENT

We hold a firm conviction that high-quality industry development stems from open collaboration and knowledge sharing. As an innovator in the field of vascular intervention, we actively integrate ourselves into both the domestic and international academic ecosystems. By participating in high-calibre academic exchanges, deepening international collaboration, and advancing evidence-based research, we work alongside industry peers to advance the standards of diagnosis and treatment for vascular diseases in China.

DEEPENING DOMESTIC ACADEMIC EXCHANGES AND FOSTERING A COLLABORATIVE PROFESSIONAL ECOSYSTEM

In 2025, Acotec attended nine national third-party academic conferences, including the 10th Chinese Vein Surgery Forum, the 23rd Vascular and Endovascular Conference (VEC), the 10th Innovative Vascular Congress, the 18th China Southern Endovascular Congress (SEC), the 11th Asian-Pacific Angiology Academic Alliance Congress (APAC), and the 16th China Endovascular Course (CEC). By hosting dedicated events showcasing our comprehensive product portfolio, arterial and venous product lines, and leveraging the launch of multiple new products, the Group systematically demonstrated its innovative R&D achievements. This initiative enabled knowledge-sharing with industry peers, helping foster consensus within the sector and advance collaborative technological progress.









Academic forums and thematic events

ESTABLISHING A COLLABORATIVE PLATFORM TO PROMOTE THE STANDARDISED DEVELOPMENT OF THERAPIES

"The Pioneer" is a series of academic events initiated and led by Acotec, embodying the philosophy of "pioneering and forging ahead". With the objective of driving collective progress within the industry, the programme focuses on promoting and expanding pioneering therapy of vascular disease treatment in China. Throughout 2025, the activities operated at both national and regional levels. This included hosting dedicated "The Pioneer" sessions at national academic conferences, alongside regionally organised "The Pioneer" arteriovenous workshops, venous radiofrequency therapy training courses, and single and multi-centre surgical livestreams – delivered through both online and offline formats. Centred on therapeutic technique discussions, complex case sharing, and standardised procedural exchanges, the series established an efficient platform for industry collaboration. This facilitates enhanced diagnostic and treatment capabilities among clinicians, accelerates the extension of advanced therapies to broader clinical settings, and propels the overall advancement of clinical standards within the sector.



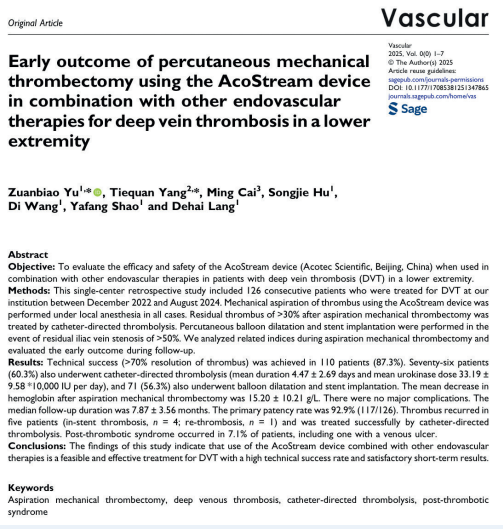


"The Pioneer" with a series of events

FOSTERING THE CONVERGENCE OF COLLECTIVE WISDOM TO EMPOWER THE INDUSTRY'S ADVANCEMENT THROUGH EVIDENCE-BASED APPROACHES

To foster international industry collaboration and align with cutting-edge global diagnostic and therapeutic standards, the Group has proactively established bridges for international cooperation. The Group has invited renowned overseas professors to conduct academic lecture tours across multiple locations in China, facilitating in-depth lectures, technical exchanges, and experiential discussions with domestic physicians. These sessions focused on sharing robust clinical data, practical application insights, and internationally advanced therapies of BTK DCB. This initiative has not only broadened the global perspective of Chinese physicians but has also facilitated the integration and localisation of worldwide vascular interventional expertise in China.

We firmly believe that authentic clinical data forms the cornerstone of therapeutic advancement. In 2025, authoritative follow-up results from clinical practice – covering therapeutic areas including peripheral aspiration systems, among other products – were published in academic journals. These real-world data from frontline clinical settings not only consistently validate the reliability of our products but also contribute evidence-based insights from China's clinical practice to the field of vascular disease treatment. Furthermore, they provide a valuable practical reference for refining comprehensive vascular disease therapeutic protocols.



Original Article

Vascular

Vascular
2025, Vol. 0(0) 1–7
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DOI: 10.1177/17085381251347865
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Early outcome of percutaneous mechanical thrombectomy using the AcoStream device in combination with other endovascular therapies for deep vein thrombosis in a lower extremity

Zuanbiao Yu[1,*], Tiequan Yang[2,*], Ming Cai[3], Songjie Hu[1], Di Wang[1], Yafang Shao[1] and Dehai Lang[1]

Abstract

Objective: To evaluate the efficacy and safety of the AcoStream device (Acotec Scientific, Beijing, China) when used in combination with other endovascular therapies in patients with deep vein thrombosis (DVT) in a lower extremity.
Methods: This single-center retrospective study included 126 consecutive patients who were treated for DVT at our institution between December 2022 and August 2024. Mechanical aspiration of thrombus using the AcoStream device was performed under local anesthesia in all cases. Residual thrombus of >30% after aspiration mechanical thrombectomy was treated by catheter-directed thrombolysis. Percutaneous balloon dilatation and stent implantation were performed in the event of residual iliac vein stenosis of >50%. We analyzed related indices during aspiration mechanical thrombectomy and evaluated the early outcome during follow-up.
Results: Technical success (>70% resolution of thrombus) was achieved in 110 patients (87.3%). Seventy-six patients (60.3%) also underwent catheter-directed thrombolysis (mean duration 4.47 ± 2.69 days and mean urokinase dose 33.19 ± 9.58 *10,000 IU per day), and 71 (56.3%) also underwent balloon dilatation and stent implantation. The mean decrease in hemoglobin after aspiration mechanical thrombectomy was 15.20 ± 10.21 g/L. There were no major complications. The median follow-up duration was 7.87 ± 3.56 months. The primary patency rate was 92.9% (117/126). Thrombus recurred in five patients (in-stent thrombosis, $n = 4$; re-thrombosis, $n = 1$) and was treated successfully by catheter-directed thrombolysis. Post-thrombotic syndrome occurred in 7.1% of patients, including one with a venous ulcer.
Conclusions: The findings of this study indicate that use of the AcoStream device combined with other endovascular therapies is a feasible and effective treatment for DVT with a high technical success rate and satisfactory short-term results.

Keywords
Aspiration mechanical thrombectomy, deep venous thrombosis, catheter-directed thrombolysis, post-thrombotic syndrome

A research paper entitled "Early outcome of percutaneous mechanical thrombectomy using the AcoStream device in combination with other endovascular therapies for deep vein thrombosis in a lower extremity" was published in the journal *Vascular*. The study concluded that this combined treatment approach is feasible and effective, demonstrating a high technical success rate and satisfactory short-term outcomes.

1.3 PROTECTION AND MANAGEMENT OF INTELLECTUAL PROPERTY RIGHTS

Acotec strictly abides by intellectual property related laws and regulations and national standards, such as the *Trademark Law of the PRC*, the *Patent Law of the PRC*, the *Law of the PRC Against Unfair Competition*, and the *Enterprise Intellectual Property Management Specification*. We have established comprehensive intellectual property portfolios in China and overseas to protect our know-how, inventions, and proprietary technologies, and to propel future success through commercializing our products. The Group has developed management regulations related to intellectual property rights such as the "Company Patent Reward System", the "Company Intellectual Property Management System", the "Employee Confidentiality Agreement" and the "Post-Employment Intellectual Property Agreement" to effectively manage and protect intellectual property rights, trademarks, copyrights, and technical secrets, and other intellectual property.

In 2025, to encourage active innovation and patent applications among employees, the Group revised its "Patent Reward System". This revision aims to precisely reward inventors who have made outstanding contributions in technological (design) innovation and IP protection. It incentivises employee enthusiasm for R&D innovation, promotes the alignment of intellectual property (IP) with corporate strategy, and directs R&D resources towards technologies offering greater long-term value to the Group.

We consistently adhere to a full product lifecycle IP strategy where IP management is integrated into the entire process – from product initiation and R&D to market access and commercialization. This strategy is implemented through the following key measures:

Early-stage involvement in R&D

During product initiation and feasibility analysis, preliminary technical solution assessments are conducted from both legal and patent perspectives. This supports R&D direction and mitigates potential infringement risks.

Global patent portfolio development and maintenance

Aligned with the Group's international development strategy, patent portfolios are established and maintained in China and key overseas markets. This is achieved via the Patent Cooperation Treaty (PCT) and direct filings in target markets, with ongoing maintenance and dynamic adjustments.

Patent mining and multi-tiered protection during R&D

Throughout the R&D process, we continuously identify and extract core technologies through systematic analysis. This establishes a multi-tiered patent protection system centred on invention patents, supplemented by utility model and design patents, while concurrently considering defensive patent layouts.

Patent monitoring and infringement response

Through continuous patent monitoring and assessment of potential infringement risks, the patent portfolio is optimised to safeguard the Group's competitive advantage in relevant technological fields and markets.

The Group's IP strategies are closely aligned with its commercial strategies. Through systematic patent management, we strengthen technological barriers and enhance brand value, providing robust support for product commercialization and long-term development.

We actively participated in World Intellectual Property Day events hosted by relevant organisations within the Beijing Economic-Technological Development Area. Furthermore, we engaged extensively in IP-related training and seminars to deepen our understanding of patent applications, trademark protection, and IP portfolio planning. These initiatives have significantly raised IP protection awareness among our employees.

In 2025, the Group continued to maintain its qualifications for patent pre-examination and priority examination. As of 31 December 2025, we had obtained 80 patents, registered 178 trademarks, and acquired 16 copyrights. Furthermore, there are 40 patents and 22 trademarks in the process of application and registration. Acotec has applied for patents for the technologies involved in its core products, including three groups of pending and authorised patents amounting to 10 in total, covering drug-coating technologies, aspiration technologies and radiofrequency technologies.

120
Patents (registered + pending)

200
Trademark (registered + pending)

16
Copyright (registered + pending registered)

1.4 RESPONSIBLE PRODUCTION AND QUALITY ASSURANCE

A well-developed quality management system and product utilisation safety are important safeguards and critical topics for the production and operation of a medical device enterprise. Acotec has established a complete management system of product quality, so that strict quality inspection procedures have been implemented throughout the manufacturing and operations processes, and there is effective quality management throughout the entire life cycle of products.

1.4.1 QUALITY SYSTEM

Acotec strictly complies with the *Product Quality Law of the People's Republic of China*, the *Measures for the Supervision and Administration of Medical Device Manufacture*, the *Good Manufacturing Practice of Medical Devices*, the *Regulation on the Supervision and Administration of Medical Devices*; the *21 CFR Part 820*, the *REGULATION (EU) 2017/745*; the Brazilian laws RDC No.665/2022, the RDC No.23/2012, the RDC No.67/2009; the *Medical Devices Regulations* of Canada, the *Medical Device Act* of Korea, the *Korea Good Manufacturing Practice* and other laws and regulations, standards, and guidelines. We have a Quality Management Department in place to perform quality management duties and have formulated quality policies and quality targets.

Our quality management system spans the entire production process, encompassing product design and development, production control, supplier management, materials management, quality control, product release, marketing, and other processes. We have established a comprehensive management process from condition assurance before and during product production, deviations and abnormal events during production, as well as post-market management procedures after product launch.

Acotec adheres to the quality policy of "Pursuing Excellent Quality, and Safeguarding Life and Health", and adopts the *Medical Devices-Quality Management Systems-Requirements for Regulatory Purposes* GB/T 42061 (ISO13485:2016) and the *Supervision and Administration of Medical Device Manufacturing* to set up the Group's quality management system, as well as establish, record, implement, maintain, and continuously update and improve quality management systems in an effective and appropriate way in alignment with the risk level and device type to ensure compliance with technical and regulatory requirements. We continuously improve our quality management system from the perspective of overall quality both outside and within the Group to strive for higher quality products and services. The Group's quality management system documents include the quality manual, procedural documents, work instruction documents and records, clarifying management responsibilities and the authority of relevant departments.

We conduct regular internal and external audits of the quality management system, to update and revise internal quality standards and systems and exercises real-time supervision of each quality management process with reference to domestic and foreign industry regulations. We accept compliance audits conducted by external third parties, including GMP compliance inspections by local food and drug administrations, CE certification and MDSAP certification, and audits by partners in the course of domestic and overseas transactions and cooperation. In audit period, third-party auditors conduct procedures including on-site inspections of production condition, a stability study, the release of raw and auxiliary materials, the release of finished products, project implementation process, technical personnel training, quality management documents, plant facilities and equipment, process verification and process control, as well as putting forward suggestions for rectification. During the Reporting Period, there were no material deficiencies identified in the inspections, and post-inspection rectifications had all been completed on time.

1.4.2 MANUFACTURING PROCESS CONTROL

We have production facilities that have obtained of ISO Class 7 Cleanroom certification. The facilities are equipped with injection moulding machines, heat sealing machines, folding machines, sealing machines, knitting machines, rheological machines, ethylene oxide sterilisation systems, purified water preparation systems, gas production systems, gas and liquid chromatography analysis systems, and other advanced production and inspection equipment. The equipment and the facilities have laid a solid foundation for manufacturing high-quality products.

We consider the conditions and technical requirements required for manufacturing from a holistic perspective, and has strict regulations on equipment and facilities, materials management, employee health, etc. We conduct daily environmental monitoring of production areas and clean areas to ensure the compliance with GMP requirements in the manufacturing environment.

Equipment and facilities

In the equipment management and operating procedures, we provide a detailed description of the output requirements of equipment, facilities, and tools to ensure that their operating conditions meet the specified technical specifications to guarantee the product quality achieves the intended outcome.

Materials management

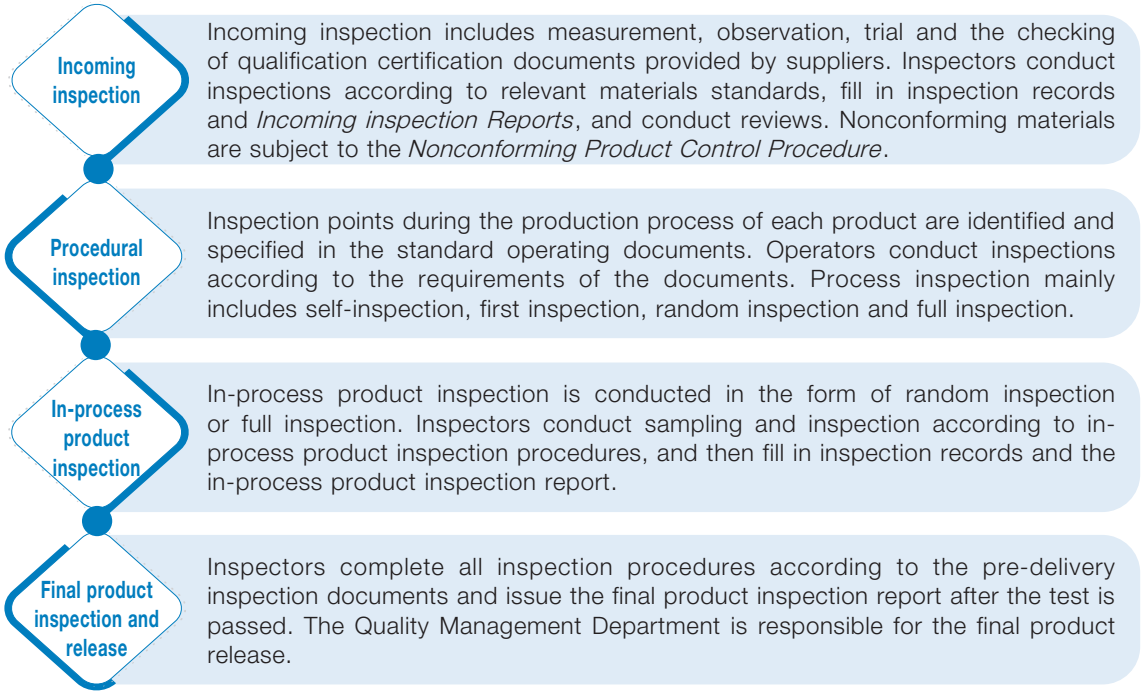
Inspect in accordance with the "Inspection and Control Procedures", issue the incoming inspection reports and conduct reviews. Conforming materials are stored in warehouse while nonconforming materials are isolated in accordance with the "nonconforming Product Control Procedure". If verification is performed at the supplier's site, the activities to be verified and the method of product release shall be specified in procurement documents.

Employee health

Employees who are directly exposed to materials and products are required to have a physical examination once a year and are only allowed to work after passing the physical examination. Personnel suffering from infectious diseases are not allowed to engage in work that involves directly exposed to materials and products. Workers involved in product quality (personnel who are directly exposed to materials and products) are required to have health records and health certificates or physical examination reports.

1.4.3 QUALITY INSPECTION

The Group has established a complete internal quality inspection system and abides by the highest quality standards from the release of materials to the batch release of products. All products have to go through multi-level quality inspection before they enter the market. We inspect product quality in accordance with the relevant requirements of the "Inspection and Control Procedures". Products identified with quality abnormalities are dealt with in accordance with the "Nonconforming Product Control Procedure".



1.4.4 QUALITY TARGETS

To keep improving our product quality, we have set annual quality targets, including the qualification rate of finished products and the pass rate of external audit inspection. Each quality targets is updated annually with specific target values set. The performance of each quality target is assessed the following year to evaluate the completion status.

2025 Quality Targets	Target	Completion
Qualification rate of finished products	≥95%	99%
Pass rate of external audit inspection	100%	100%

Quality training

To strengthen the corporate culture of quality and enhance employees' professional knowledge and skills, we provide quality awareness training to ensure that employees are aware of the relevance and materiality of the activities they are involved in, and how to contribute to the achievement of quality targets. The quality management training system covers company-level training, department-level training, and external regulatory agency training in the form of lectures, seminars, self-study, etc. We maintain a training file for each employee at the Human Resources Department as a proper record of the employee's education, training, skills and experience.

Company-level training	We carry out quality management-related training for all employees at the company level based on a training plan we develop each year. Training topics cover quality system management, production safety, and internal audits of the quality system.
Department-level training	We carry out department-level quality management trainings on a regular basis. New employees are required to attend an induction training when they join the Group, and they are allowed to work only after completing the list of induction trainings.



Quality management system training

Product recall

Acotec is required by applicable laws and regulations to recall our products if they are defective and have caused, or are likely to cause, harm to patients, and has formulated the "Recall Control Procedure" to clarify respective responsibilities of the Quality Control Department, Marketing and Sales Department, Supply Chain Management Department and other relevant departments:

1	**Quality incident**	There are safety hazards that have been or may be caused by product quality and other quality defects indicated by customer complaints, self-assessment of the quality management system, and notifications from medical device regulators such as the PRC National Medical Products Administration, etc.
2	**Investigation and assessment**	Organise investigation and assessment
3	**Recall decision**	Approve the recall decision subject to assessment outcome Organise and formulate a recall plan according to the recall decision and the recall order notification, and submit it to the relevant competent regulators for filing
4	**Recall implementation**	Organise the recall according to the plan, issue the recall notice, notify in writing and regularly report the progress of the recall to the relevant competent regulators
5	**Evaluation of the recall outcome**	Organise the evaluation of the recall and report the recall outcome to the relevant competent regulators

During 2025, the Group did not have any product recalls. There was no material breach of product and service duties that had a significant impact on the Group, nor any recall of sold or delivered products due to any safety or health reasons.

Robust Governance for Development

Acotec strives to optimise corporate governance, comply with business ethics, ensure marketing compliance and customer privacy protection, and adhere to medical ethics. We have also been proactively responding to UN Sustainable Development Goal SDG 16.

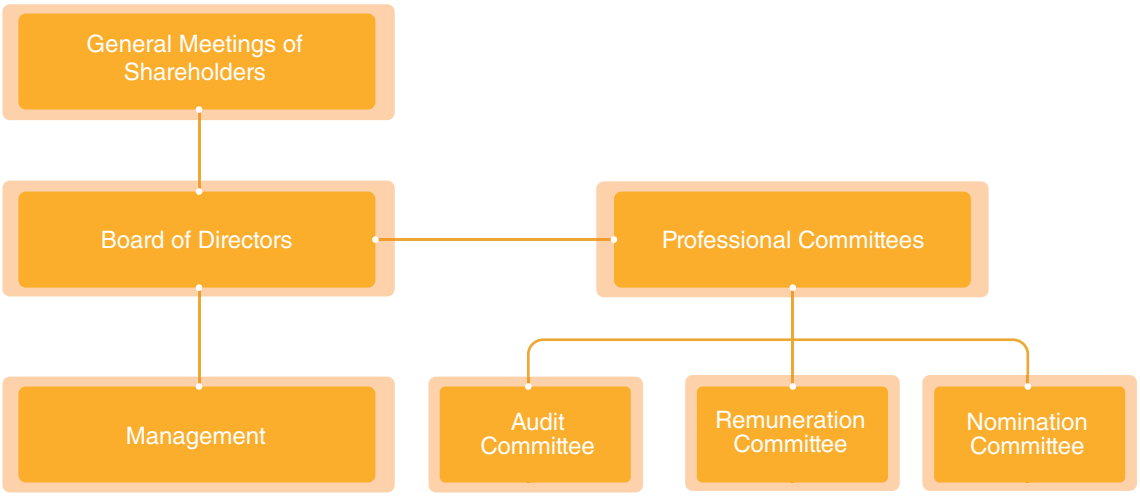




2.1 OPTIMISING GOVERNANCE TO GENERATE SYNERGY AND RAISE EFFICIENCY

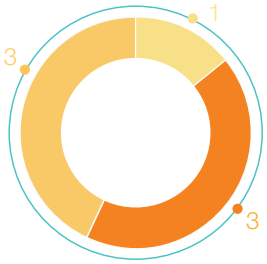
2.1.1 CORPORATE GOVERNANCE

We strictly comply with the requirements of relevant laws, regulations and regulatory documents such as the *Company Law of the PRC*, the *Securities Law of the PRC* and the *Corporate Governance Code* set out in Appendix C1 of the Listing Rules of the Hong Kong Stock Exchange. Acotec revises and improves its "Articles of Association" and other rules and regulations, taking into account the Company's actual development and the requirements of regulatory authorities. In this way, we have formed a governance structure consisting of the shareholders' meeting, the Board of Directors, and senior management as the main bodies, in order to establish a scientific, efficient, stable and long-term decision-making, supervision and incentive system, continuously improve corporate governance and steadfastly safeguard the interests of the Company's shareholders.



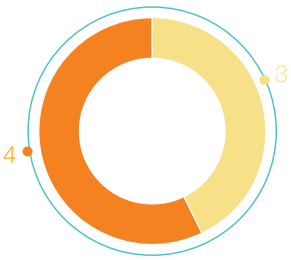
As the core of the governance structure, the Board of Directors is responsible for engaging and deciding on all major issues related to the Company's operations, including policy matters, strategies, budgets, internal control and risk management. To this end, the Board has established three Board committees: the Audit Committee, the Remuneration Committee and the Nomination Committee. As the supervisory and executive bodies in the governance structure, these committees are appointed and authorised by the Board to operate effectively in accordance with their terms of reference. As of the end of the Reporting Period, the Board comprises one Executive Director, three Non-Executive Directors and three Independent Non-Executive Directors. At least one annual general meeting and at least four regular meetings of the Board of Directors are required to be held each year.

Composition of the Board of Directors by type



Independent Non-Executive Director
Non-Executive Director
Executive Director

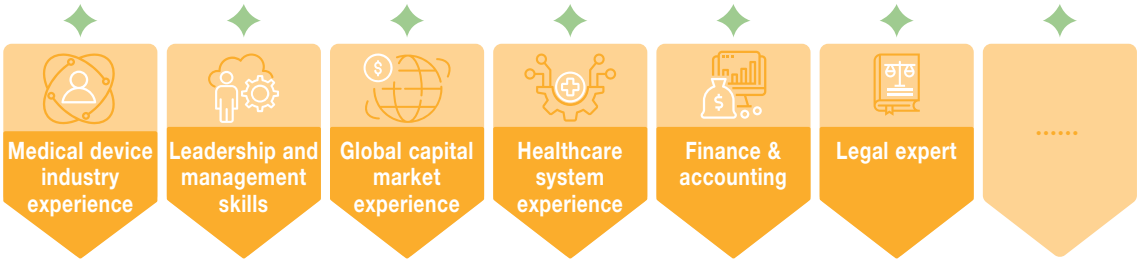
Composition of the Board of Directors by gender



Male
Female

We advocate for Board diversity and have continued to build a diverse and professional Board of Directors from multiple perspectives, including gender, age, cultural and educational background, professional development, tenure of service, and industry experience, to improve corporate decision-making, enhance the Board's effectiveness, and ensure it has a comprehensive and integrated perspective. Four out of the seven directors on Acotec's Board of Directors, or more than 50%, are women, and the Group's CEO, Ms. Li Jing, serves as an Executive Director alongside the other directors, each of whom brings experience and expertise to the Group and the Board:

Experience and expertise of Board members



2.1.2 INTERNAL CONTROL SYSTEM CONSTRUCTION

In 2025, leveraging external expertise and internal risk assessments, we targeted key high-risk areas within the healthcare industry for focused improvement. Our initiatives specifically addressed interactions with Healthcare Professionals (HCPs), compliance in marketing and academic activities, fund payments and third-party management, approval authorities, as well as compliance training and culture building.

Through continuous improvement of systems, processes, and execution mechanisms, the Group's overall compliance management foundation and internal control environment have been further strengthened. This has led to transformation in three key areas: from the phased rectification of individual issues to systematic and procedural management; from reliance on manual experience-based judgments to a combination of system requirements and process constraints; and from a "compliance result-oriented" approach to an emphasis on both compliance processes and evidence. These transformations provide more robust governance support for the Group's stable operations and long-term development.

2.1.3 ESG GOVERNANCE

We continuously optimize our ESG management system. We have established an ESG governance structure consisting of the Board of Directors, the Business Development Department, and relevant functional departments. The Board of Directors forms the decision-making level, the Business Development Department serves as the coordination level, and an execution level is formed by various functional departments working together. This further clarifies the responsibilities of each department in the ESG domain, strengthens overall ESG management within the Group, and promotes the sustainable development of Acotec.

Specific Responsibilities of Each Level in the ESG Structure

Decision Level: Board of Directors

Responsible for overall ESG Governance | **Supervise and review ESG performance**

- Define the Group's overall ESG management objectives and strategies.
- Assess and determine the Group's ESG risks, and ensure the establishment of appropriate and effective ESG risk management and internal control systems.
- Review major ESG management matters, including but not limited to the annual ESG report.

Coordination Level: Business Development Department

Implement decisions from the decision Level | **Communicate and coordinate ESG matters** | **Organize the preparation of ESG reports**

- Implement the Group's ESG management initiatives in alignment with overall objectives and strategies; formulate relevant policies and procedures, and maintain the ESG indicator system.
- Direct, coordinate, and oversee ESG activities across all departments, and evaluate implementation performance.
- Lead the preparation of the annual ESG report and manage its disclosure and promotion in compliance with the "Listing Rules".
- Manage external ESG service providers to facilitate industry exchanges, advisory services, assurance engagements, and training programs as needed.
- Report regularly to the Board of Directors and senior management on ESG management performance.
- Engage with stakeholders by organizing participation in key domestic and international forums based on annual communication priorities, and leverage third-party CSR organizations to conduct targeted dialogues on critical social responsibility issues.

Execution Level: Relevant Functional Departments

Complete ESG-related work | **Communicate with stakeholders**

- Execute social responsibility initiatives within respective professional areas or business lines, aligned with the ESG indicator system and specific role mandates, under the unified coordination of the Business Development Department.
- Conduct risk assessments to identify key risk points and analyze root causes of emerging issues.
- Establish routine communication mechanisms with stakeholders based on specific roles and counterpart groups; gather feedback through work reports, meetings, and consultations to drive continuous improvement in social responsibility performance, and provide timely responses when necessary.

2.2 OPERATING IN COMPLIANCE, WITH INTEGRITY AND HONESTY

Combating corruption and promoting integrity is both a key element of corporate governance and an essential part of its self-restraint mechanism. To strengthen this work is not only fundamental to corporate reform and growth, but also imperative for regulating business operations and management.

Acotec is committed to anti-corruption work and strictly abides by the *Company Law of the PRC*, the *Anti-monopoly Law of the PRC*, the *Law of the PRC Against Unfair Competition*, the *Criminal Law of the PRC* and other laws and regulations related to anti-corruption and business ethics. We have established an "Anti-Fraud System" that requires all employees, including directors and senior management, to abide by, in order to promote a business philosophy of honesty, integrity, and legal compliance. Additionally, we have formulated the "Business Code of Conduct of Acotec Scientific Co., Ltd.", which emphasizes honesty, integrity, and fairness in all areas of operation. We don't condone or tolerate any form of bribery, kickbacks, or accepting gifts to obtain contracts or business benefits from individuals, including but not limited to competitors, customers, vendors, suppliers, and government officials. The acceptance of any mentioned improper gifts from any of the parties is also strictly prohibited for employees.

The Group's Management Department has established a sound internal control system, set up reporting channels for fraud prevention and detection, implemented control measures to reduce fraud risk, and taken appropriate and effective remedial measures against fraud. We have also established reporting channels including telephone numbers, reporting mailbox and reporting box of suspected cases of fraud, publishing handling department, address, telephone number, e-mail appropriately both inside and outside the Group. Acotec did not have any embezzlement lawsuits throughout the Reporting Period.

Anti-fraud reporting hotline: +86 010-67872107

Anti-fraud reporting mailbox: compliance@acotec.cn

Whistleblowers, investigators, and employees who assist in investigations shall be protected during all parts of the process. In response to any unlawful discrimination or retaliation against whistleblowers, investigators, or employees who assist in investigations, the Group will take disciplinary action, including, but not limited to, dismissal, termination of employment contract, and other disciplinary actions; and if the individual has violated criminal laws, they will be transferred to the judicial authorities.

In terms of strengthening employee integrity education, we strive to improve employees' awareness of the importance of abiding by professional ethics, resisting corruption, and creating a culture of honesty and integrity. We have carried out 11 relevant trainings in 2025 for directors and employees, to enhance their awareness of corruption risk prevention. We organised an annual anti-fraud training session, which is mandatory for all employees.



Business Conduct Training

During the Reporting Period, Acotec's Board members and employees at the management and grassroot levels spent 11 hours per person on anti-corruption training.

During the Reporting Period, we have organised 11 business ethics-related trainings, with a 100% employee coverage rate.

11 Average training hours per employee

100% Employee coverage rate

We have signed Integrity Agreements with our core key suppliers and include a Integrity and Compliance Statement as an annex to the distribution contracts signed with our distributors. We regularly conduct compliance training for distributors, requiring them to adhere to Acotec's anti-corruption and integrity requirements. Our new employee training also includes integrity and anti-corruption training.

In 2025, the Group did not identify any significant risks related to corruption. Meanwhile, the Group and its employees were not involved in any confirmed incidents of corruption, or any public legal proceedings related to corruption. We will continuously attach importance to anticorruption measures and strengthen the anti-corruption monitoring body's supervisory capabilities, with the goal of providing robust protection for the Group's healthy development in the future.

2.3 RESPONSIBLE MARKETING AND DATA SECURITY

RESPONSIBLE MARKETING

With professional academic guidance and clinical value at its core, we carry out stratified marketing strategy for different target groups. for physicians, we showcase innovative products and therapies through the "Pioneer" series, specialized seminars, and training sessions to effectively communicate evidence of clinical safety and efficacy; for distributors, we provide comprehensive product training, robust after-sales service, and committed technical support to offer full-lifecycle protection, address inquiries promptly, and foster mutual trust; and for the public and patients, we conduct health education campaigns and free clinics to enhance disease awareness. All such activities are strictly conducted within relevant laws and regulations such as *the Advertising Law of the PRC*, the *Regulations on the Supervision and Administration of Medical Devices* and the *Measures for the Examination of Medical Device Advertisements*. During the Reporting Period, the Group has not experienced any advertising or trademark violations. These measures collectively reflect the Group's values of "clinical practice at the core and patients first," as well as its commitment to compliance and ethical business practices.

ANTI-UNFAIR COMPETITION

To guard against unfair competition, the Group strictly complies with *the Company Law of the PRC*, *the Anti-Unfair Competition Law of the PRC*, *the Anti-monopoly Law of the PRC* and other relevant laws and regulations. During operations, the Group avoids monopolistic practices, including horizontal and vertical monopolies. In particular, we avoid any potential appearance of monopolistic practices in product pricing. Furthermore, we conduct publicity and training among employees to ensure compliance.

CUSTOMER SERVICES

The Group has established a multi-channel, professional customer communication mechanism to ensure clinical needs are promptly addressed and effectively translated into improvements in products and services.

In terms of demand response, we implement a tiered approach to handling customer inquiries. The frontline sales team is responsible for daily Q&A, while market and R&D personnel jointly provide on-site guidance for complex product usage issues. We also continuously disseminate operational key points and success stories through our official WeChat account and other online platforms. Additionally, we rely on regular distributor and clinical training to ensure the accurate and widespread dissemination of product knowledge.

In terms of feedback collection, the Marketing Department actively gathers customer feedback and improvement suggestions through regular visits and weekly sales meetings. Clinical feedback is quickly relayed to the R&D Department via normalized communication meetings, where issue priorities are identified and solutions are jointly discussed to ensure R&D improvements truly meet clinical needs.

INFORMATION SECURITY MANAGEMENT

The Group strictly complies with relevant laws and regulations, including *the Cybersecurity Law of the PRC, the Data Security Law of the PRC, and the Personal Information Protection Law of the PRC*. The Group has established a sound information security management system to ensure the information security of the Group and its stakeholders.

For institutional construction, we have formulated and implemented the "Information Classification Management and Information Disclosure System", clarified the requirements for information confidentiality and disclosure criteria, standardized the internal information management process, ensured the proper fulfillment of information security and information disclosure obligations, and protected the legitimate rights and interests of the Group and other stakeholders.

For technical protection, during the Reporting Period, the Group deployed an IP-Guard system, which implemented preventive measures and post traceability of core technical information through protective measures such as screen watermarks, file encryption, decryption tracing, and external approval, effectively reducing the risk of information leakage.

For customer information protection, we strictly keep customer data confidential in marketing communication, and customer sensitive information is managed by dedicated personnel. All personal information related to external publicity has been desensitized to ensure privacy of patients, customers and employees is not violated.

CUSTOMER SATISFACTION

To enhance customer satisfaction, we conduct surveys during relevant meetings to gather feedback from customers, including their satisfaction with complaint handling, product quality, and overall company performance. Customer satisfaction is continuously monitored in our daily operations, with dedicated personnel following up on customer feedback during regular communications. Given the high concentration of our customer base, we typically visit clients directly to survey their product usage experiences.

CUSTOMER COMPLAINTS

We have established a "Sales Management Policy" that outlines detailed procedures for managing customer channels, return and exchange processes, customer information management, credit limit management, pricing and discount mechanisms, and monitoring of the two-invoice system. This policy ensures the quality of our products and services. In 2025, we received 198 complaints, with a 100% response rate and a 100% closure rate for all complaints.

The Group maintains a strict complaint management process. Should customers have any concerns regarding product or service quality, they may file a complaint through a sales manager or by calling the corporate hotline. The Sales Department will report the issue within 48 hours, and the problematic products will be returned. The Quality Management Department will then investigate and handle the complaint, providing a detailed report to the Marketing and Sales Department to respond to the customer. Once the customer confirms and accepts the resolution, the complaint is closed. If necessary, corrective and preventive actions will be initiated to improve our products and services.



2.4 RESEARCH TRIALS WITH ETHICAL COMPLIANCE

In all of the clinical trial projects in which Acotec is involved, the Group always follows clinical trial management norms and ethical standards and adheres to R&D ethics. We strictly manage the compliance and standardisation of clinical trials and animal experiments. During clinical trial projects, the Group always follows the medical ethical principles of the *Declaration of Helsinki* of the World Medical Association, the *Ethical Review Measures for Biomedical Research Involving Human Beings* of the National Health Commission, *the Quality Management Standards for Medical Device Clinical Trials* of the National Medical Products Administration, and other domestic and international regulations covering clinical trial management, as well as the ethical and moral requirements stipulated by the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH).

For trials, we evaluate whether their implementation, data recordkeeping, and results reporting comply with the trial protocol and clinical trial-related regulations by checking the original records and documents related to the clinical trials and on-site inspections, and verifying the authenticity and consistency of the relevant declaration information. In order to ensure that all trials meet the requirements of relevant domestic and international standards, we supervise and inspect all clinical trials and actively cooperate with reviews performed by the ethics committee. During the Reporting Period, the Group was not involved in any litigation related to clinical trials.

For R&D involving animal experiments, we cooperate with qualified third parties to conduct the experiments. We require that these third parties implement rigorous management processes, including for the legal sourcing of animals and operational compliance in relation to animals and laboratory management, among other areas. We renew our third-party zoological management qualifications annually and select suitable third parties based on their technical expertise, corporate fee quotations, and implementation teams. We examine the management processes of all third-party animal testing facilities on the Group's list, and we require that animal experiments be conducted in accordance with ethical regulations for laboratory animals.

Extraordinary Employees for Growth

We regard talents as the core competitiveness of enterprise development. We respect each employee equally, insist on a people-oriented approach, value the safety and health of our staff, provide a safe and comfortable working environment, and continuously develop their skills and expertise to create a future together. We have been actively responding to UN Sustainable Development Goals SDGs 1, 3, 5, 8 and 10.





3.1 EQUAL EMPLOYMENT WITH PROTECTED RIGHTS

RECRUITMENT & HIRING

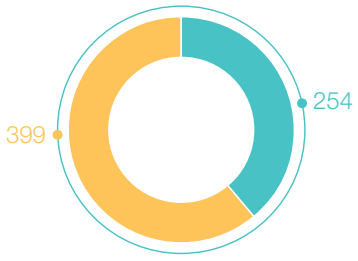
The Group strictly abides by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other laws and regulations. The Group has established the *Beijing Acotec Staff Handbook* and the *Compensation and Benefits Management Policy*, which provide clear guidelines on recruitment, compensation, working hours, various types of leave (statutory holidays, annual leave, incentive annual leave, marriage leave, bereavement leave, maternity leave), and various benefits. Additionally, our "Code of Business Conduct" includes explicit provisions on equal employment opportunities, anti-discrimination, anti-corruption, and anti-harassment.

We have established multiple channels for recruitment, and implements a system of equal employment opportunities. Additionally, the Human Resources Department ensures the supply of talents via social recruitment, campus recruitment, internal referral, and head-hunters' recommendation on the basis of the talents needs of each department. In 2025, the Group participated in multiple campus recruitment events at top-tier universities designated as the "985 Project" and the "211 Project" and established a management trainee program for them.

Acotec strictly adheres to national laws and regulations, firmly prohibiting the employment of child labor and forced labor. The Group rigorously controls the recruitment process, ensuring that candidates entering the interview stage are at least 18 years old, and thoroughly verifies the age of all new hires. In 2025, the Group had no instances of child labor or forced labor, and no violations or arrears in social insurance contributions occurred.

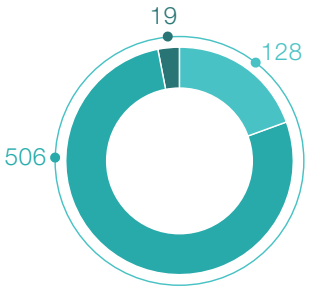
As of December 31, 2025, the Group employed a total of 653 full-time staff, including 145 professional and technical talents. In 2025, the Group promoted 38 domestic employees.

Total employees by gender



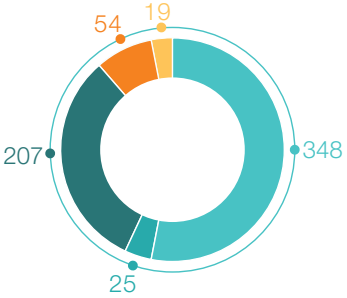
Male
Female

Total employees by age



Below 30
30-50
Above 50

Total employees by region



Beijing
Shanghai
Shenzhen
Other domestic regions
Hong Kong SAR, Macao SAR, Taiwan region and abroad

COMPENSATION & TERMINATION

The Group has established a market-oriented compensation system, optimized the salary structure, ensured a balance between internal pay equity and external market competitiveness, enhanced the effectiveness of salary incentives, motivated and retained talents. In addition to fixed salaries, employees are eligible for monthly, quarterly, semi-annual, and annual bonuses based on their positions and job grades, in accordance with the principle of short-term, long-term incentives, individual and team incentives. The competitive salaries, comprehensive benefits, and positive development trends offered by the Group attract more high-end talents to join the Acotec family.

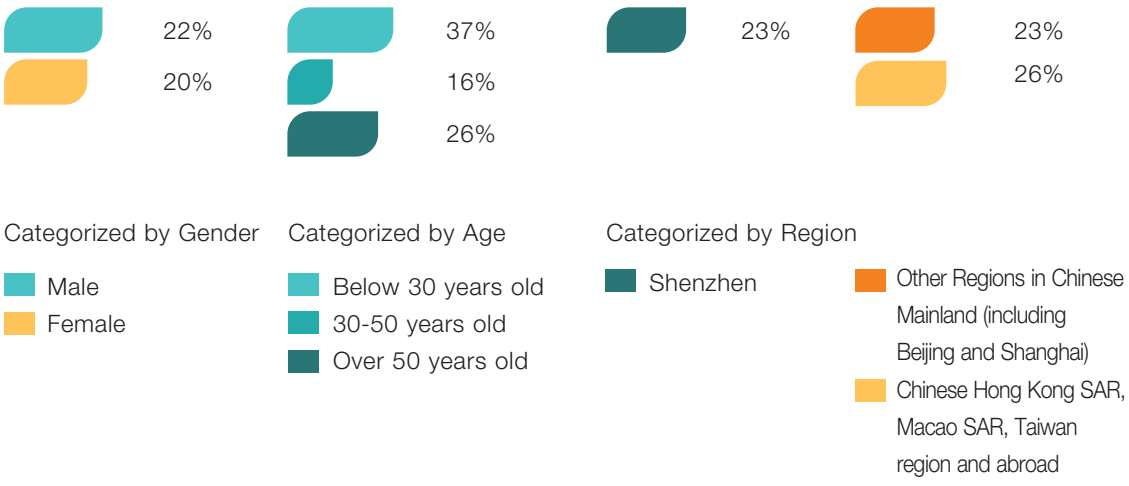
To recognize employees' contributions and motivate them to further drive the Group's development, the Group has established a restricted share unit scheme and share award scheme to provide long-term incentives for employees. This initiative aims to deepen the integration of innovative talents with the Group's development, effectively enhance employee cohesion, and boost the Group's competitiveness.

We ensure the rights of employees during their departure in accordance with the law by paying employees their wages for the actual working days of the month they resign, as stipulated, and assisting with the transfer of social insurance relationships. We pay attention to the reasons for employee turnover, conduct communication before an employee's departure, and understand the reasons for their resignation to further enhance relevant employee treatments.

Here is a detailed situation of employee turnover in our Group:

Employee Turnover Rate

2025 Turnover rate (%)



WORKING HOURS & HOLIDAYS

A flexible working hour system is implemented for task-oriented positions by the Group such as sales and technical positions, and a standard working hour system of 8 hours per day, 40 hours per week is implemented for other office positions. In accordance with relevant government laws and regulations, we protect employees' right of normal rest and day-off, and firmly oppose forced labour.

In terms of holidays, we provide employees with holidays in accordance with national and local regulations and actual conditions, such as annual leave, sick leave, marriage leave, maternity leave and other paid holidays. In addition to the annual leave stipulated by the state, the Group implements bonus annual leave (one extra paid annual leave day for each year of service in the Group), male employees enjoy 15 days of paid paternity leave.

EQUAL OPPORTUNITY, DIVERSITY, AND ANTI-DISCRIMINATION

In accordance with applicable laws, Acotec implements a fair job opportunity system that grants equal job opportunities to applicants or employees, regardless of their ethnic background, skin colour, gender, lineage, age, disability, religion, nationality, family or marital status, civil rights, military or veteran status, genetics, pregnancy, and other legally protected features. The number of ethnic minority employees is 38.

The employees of different gender, from different age groups and educational backgrounds allow us to leverage the best experience and knowledge. This also helps maintain and pass down the Group's best practices in culture and management.

We strictly comply with the *Law of the People's Republic of China on the Protection of Rights and Interests of Women*, *Special Provisions on Labour Protection for Female Employees* and other relevant laws and regulations and do not discriminate against women during hiring and promotion of employees in our operation. As of the end of the Reporting Period, Acotec had 399 female employees, accounting for 61% of the workforce. The Group's management team had 17 female employees, accounting for over 50% of the total.

As of the end of the Reporting Period

Number of female employees

399

Accounting for

61%

Number of female employees in the Group's management team

17

Accounting for

over 50% of the total



3.2 CARE FOR EMPLOYEES WITH THOUGHTFUL BENEFITS

We care for our employees and provide them with generous benefits. We have set up multiple additional employee benefits on top of statutory ones. We hope to improve the quality of life and work experience of our employees with a variety of benefits.

Our employee benefits system includes supplementary medical care, accident insurance, supplemental medical insurance for employees' children, holiday subsidies, etc., giving employees multi-faceted protection. The Group provides commercial insurance coverage for 100% of its employees, in addition to the statutory social insurance and housing fund. We actively offer support to employees facing difficulties. The Group also distributes gifts on traditional holidays; holds celebrating events on festivals such as the Mid-Autumn Festival; grants care allowance for employees who have served at Acotec for a year or more when they get married or have a child. Quarterly birthday parties are organized for employees, accompanied by the distribution of birthday gift cards. The Group's pantry provides freshly brewed coffee and a variety of teas throughout the day. The Group is equipped with facilities such as a gym, cafeteria, and reading lounge, further enhancing employees' sense of belonging and happiness. We also arrange mentors for new employees to help them quickly integrate into the new life and work environment.



Dragon Boat Festival Event



Mid-Autumn Festival Event



Women's Day Event



Employee Birthday Party

Acotec pays attention to the voice of employees, listening carefully to them and valuing their feedback. We build multiple communication channels such as corporate email, Microsoft Teams and OA system to ensure effective and timely communications. With bilateral communication mechanism between the company and employees, the Group simplifies the employee feedback process and encourages them to put forward opinions, to continuously improve and optimise the Group's management. To gain a comprehensive understanding of employees' opinions on various aspects of the Group, We conducted targeted interview and survey activities with employees across different departments and positions. These activities allowed us to gather valuable feedback, which serves as a foundation for organizational development and policy adjustments.

3.3 FULLY PROTECT EMPLOYEES IN HEALTH AND SAFETY

We attach importance to the welfare of employees, aims to enhance the health and safety of employees and ensure the smooth operation of the Group, pays close attention to the safety and health of each employee, and takes a series of measures to fully protect their health and safety on the basis of strict compliance with the *Work Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China*, the *Code of Occupational Disease Prevention of PRC* and other relevant laws and regulations. The Group has formulated the *Occupational Disease Hazard Prevention and Control Responsibility System*, the *Occupational Disease Hazard Warning and Notification System*, the *Declaration System for Occupational Disease Hazard Projects*, the *Public Education and Training System for Occupational Disease Prevention and Control*, the *Maintenance and Repair System for Occupational Disease Protection Facilities*, the *Management System of Occupational Disease Protective Equipment*, the *Management System for Monitoring and Evaluation of Occupational Disease Hazards*, the *Management System of Simultaneous Design, Construction and Commissioning for Occupational Health in Construction Projects*, the *Occupational Health Supervision and File Management System for Workers*, the *Occupational Disease Hazard Responding and Reporting System*, the *Emergency Rescue and Management System for Occupational Disease Hazards*, the *Occupational Health Practices at Work*, and other occupational disease prevention and control systems stipulated by laws, rules and regulations, which provide detailed regulations on the maintenance of employees' occupational health and safety. The Group's EHS department is primarily responsible for overseeing employee health and safety initiatives. During the Reporting Period, the Group introduced a new regulation, *the* "Emergency Response Plan for Oxygen Leakage" and updated existing policies, including the "Administrative Measures on Confined Space Safety" and "the Administrative Regulations on Security Personnel Inspections".

The main sources of hazards that may cause occupational diseases during work are toxic and harmful vapours from chemicals and noise, and the main high-risk job positions are electricians. We provide occupational health check-ups for employees in positions exposed to such risks. Every year, the Group hires a professional third party to conduct monitoring for the work environment of the positions with occupational disease hazards to ensure compliance with the requirements of national regulations.

We conduct safety training every year for all new employees, production personnel, and all QC inspectors. In 2025, the Group conducted a total of 5 safety training sessions with over 400 participants trained, which included 4 sessions for new employees' safety training and 1 session for all employees, 5 sessions in total. The Group attaches great importance to emergency management.

New employees' safety training	All employees' safety training	Cumulative training
4 sessions	**1** sessions	**400+** participants



In 2025, We held a number of safety training activities, including anti-explosion drills, fire evacuation drills, emergency drills for electrical safety during withstand voltage testing and emergency drills for the power distribution room, and conduct 2 safety drills, to improve employees' ability to respond and handle emergencies and raise their safety awareness.





Fire drill in the canteen

In terms of employee's health and safety, we will continue to support employees in high-risk jobs to receive adequate safety training and protection equipment, and for employees involved in special operations, the Group will provide financial support to help employees meet related requirements continuously.

The lost working hour due to work-related injuries is **0**

Over 4.9 million
working hours without any recordable injury accidents.

In 2025, there were no violations of relevant laws and regulations that had a significant impact on the Group. The lost working hour due to work-related injuries is 0. From 2022 to 2025, the number of work-related deaths was 0 each year. From 2021 to 2025, the Group accumulated 4.9 million consecutive working hours[1] without recordable injuries[2].

1 In 2025, calculation is based on the annual average number of 653 employees and the average number of 2,000 working hours per employee per year.

2 Recordable injuries:

All work injuries resulting in death and all occupational diseases are "recordable". However, for non-fatal work injuries, only the following specific circumstances are "recordable":

(1) Need for Medical Treatment or Loss of Consciousness,

(2) Restriction of Work or Motion,

(3) Need to transfer to another job.

3.4 PROMOTION WITH GROWTH

The Group employs a scientific talent evaluation method, a positive talent development system, and a fair allocation mechanism to leverage the strengths of its employees and help them realize their full potential and achieve professional success. The Group establishes and enhances a talent map based on business strategies annually. Through recruitment and internal cultivation, strategic talents are identified and prepared for the Group's future growth. To stimulate employee potential and support career development, the Group has specially implemented a dual-track promotion system, offering expansive growth opportunities for both technical and managerial talents.

The Group has established an effective performance evaluation, assessment, and feedback mechanism to ensure that employees' performance is fairly and objectively evaluated, providing timely feedback and improvement suggestions to employees. The performance assessment is conducted monthly, quarterly, semi-annually, and annually based on employees' positions and grades. Before the evaluation period begins, employees, along with their supervisors, set evaluation standards. After the evaluation period, employees summarize their work along with conducting a self-assessment, and their immediate supervisors assess their performance and conduct performance reviews. Their immediate supervisors understand the issues and challenges encountered during the assessment period, so as to provide corresponding guidance to help employees better achieve their work objectives.

The Group values the career development of every employee and provides multiple development paths, encouraging individuals to maximize their strengths and contribute their maximum value in their areas of expertise. In terms of promotion, the Group has implemented a dual-track promotion system, encompassing both management and professional technical pathways. Annually, the Group conducts promotion evaluations, assessing employees based on multiple dimensions such as performance metrics, superior evaluations, and organizational contributions. Those with outstanding performance may be eligible for promotion. In 2025, the Group organized a specialized promotion assessment for engineer levels, focusing on employees' professional skills, innovative capabilities, and problem-solving abilities, with exceptional individuals being promoted. This dual-track promotion system offers employees a variety of career development paths.

Regarding incentive mechanisms, the Group has tailored different incentive forms for various departments and positions. For instance, the R&D department has project bonuses, the sales department has sales bonuses and excess bonuses, manufacturing frontline workers receive production and skill bonuses, and functional employees are eligible for quarterly/semi-annual/annual performance bonuses depending on their roles. These incentives, combined with the promotion system, create a diversified incentive mechanism. Additionally, we have established a restricted stock unit (RSU) program and stock award program to provide long-term incentives for our employees as a recognition of their contributions.

The Group provides ample room for each employee's development, offering training opportunities and encouraging on-the-job learning and participation in skill training to continuously enhance business skills. The Group aims for each employee to enhance their overall business skills through learning and grow together with the Group. Acotec has established training systems such as the "Beijing Acotec Training Management System" and the "Beijing Acotec Staff Handbook" and other training systems, which outline training organization management, annual learning requirements for employees, training evaluation, and incentives for continuing education etc.

Training programs can be categorized as new employee onboarding training, job-specific training, and general skills training. Tailored training programs are offered for different positions and levels. Beyond the essential onboarding training for new hires, we also provide job-specific skills and further education opportunities based on role requirements and business needs.

These training sessions are available both online and offline: online, a wide range of high-quality course resources are provided, allowing employees to engage in self-directed learning during their fragmented time; offline, experienced colleagues are invited to conduct exchange seminars and offer in-depth, face-to-face guidance. The training content is closely centered around key areas such as clinical trial processes, regulatory interpretation, and registration essentials, combining theory with practice to ensure the effectiveness of the training and to help employees achieve continuous breakthroughs in their professional fields, thereby driving the Group's business to new heights. Additionally, we utilize the "Business Knowledge Academy" platform to provide employees with convenient access to both general and specialized knowledge training on a weekly basis, helping them in better self-improvement.

In 2025, the Group achieved a 100% training coverage rate, with an average of 23.53 hours of training per domestic employee. The following is the specific situation of domestic employee training:

Domestic employee training	Percentage of domestic employee training (%)		Average length of time (hours)	
By Gender	**2025**	**2024**	**2025**	**2024**
Male	100%	100%	22.09	22.50
Female	100%	100%	24.44	25.00
By Level				
Management	100%	100%	36.41	43.52
Non-management	100%	100%	23.45	24.10

Warm Community for Harmony

Acotec insists on building a caring community and carries out various public science activities to promote inclusive healthcare. We have been proactively responding to UN Sustainable Development Goals SDGs 3 and 11.





4.1 INCLUSIVE AND ACCESSIBLE HEALTHCARE

We are committed to expanding innovative medical technologies into a wide range of application scenarios to benefit more patients. From product innovation and technology popularization to payment accessibility, we fulfil our commitment to "Making Health Accessible".

PROMOTING PRODUCT INNOVATION TO BENEFIT CHINESE DOCTORS AND PATIENTS WITH ADVANCED THERAPIES

Since its establishment in 2011, Acotec has remained true to its original mission of addressing unmet clinical needs by continuously launching innovative products that fill domestic gaps. In 2016 and 2020, we launched China's first ATK DCB and BTK DCB, respectively, providing innovative solutions for patients with peripheral artery disease. Subsequently, the Peripheral Aspiration System and Radiofrequency Ablation System were successively launched, breaking the market dominance previously held by products of overseas brands. In 2025, the launch of the Vertebral Artery DCB ushered in a new era of "Leave Nothing Behind" for the treatment of vertebral artery origin stenosis.

TECHNOLOGY DISSEMINATION TO EMPOWER GRASSROOTS HEALTHCARE

Innovative products need to be mastered by doctors to deliver value to patients. To this end, we enhance grassroots medical capabilities through various means, such as hosting seminars and training sessions, providing intra-operative guidance, and facilitating in-depth exchanges with international experts. We aim to promote the recognition and application of cutting-edge therapies among Chinese doctors, standardise operations, and ensure patients in different regions receive consistent and high-quality medical services. Additionally, in 2025, we organised over 50 distributor training sessions to improve the professional competence of our distributor teams, ensuring treatment concepts and product features are consistently and effectively communicated to users.

AFFORDABLE PRICING TO ALLEVIATE THE BURDEN IN LINE WITH POLICIES

In response to the urgent treatment needs in grassroots markets, we remain committed to uncompromising product quality while prioritizing patient affordability. By actively aligning with national policies and implementing scientifically structured pricing strategies, we effectively alleviate the financial burden on patients, ensuring that effective treatments are accessible to a broader population.

4.2 CARING FOR THE COMMUNITY AND GIVING BACK TO THE COMMUNITY

While addressing actual treatment needs in clinical settings, we also focus on educating the public about diseases to increase awareness of preventive and treatment knowledge related to vascular diseases. We aim to promote scientific treatment concepts and advocate for healthy lifestyles. Furthermore, we actively engage in social philanthropy, viewing charitable initiatives as an integral part of our corporate social responsibility. Leveraging our influence and resources, we have made sustained efforts in areas such as free clinics and health knowledge dissemination. In 2025, we supported multiple free clinic events, benefiting over 400 individuals.

Case: **Varicose Veins Free Clinic Initiative**

We have organised a series of free clinics on varicose veins in collaboration with professional medical institutions. These clinics focus on various groups, including teachers, healthcare workers, delivery personnel, and other professions that require prolonged sitting or standing, as well as elderly and local community residents. Each event offered complimentary initial screenings for lower limb vascular conditions, one-on-one consultations with specialist physicians, and education on daily prevention and care. Furthermore, we provided personalized treatment plans for individuals in need. Our goal is to empower the public to achieve early detection and timely intervention for lower limb vascular diseases, ultimately safeguarding their leg health.



Greener Environment for Future

Acotec adheres to the philosophy of green operation and actively responds to the national call for low-carbon sustainable development. We place great emphasis on the environmental impacts of our operation and production and are committed to formulating an environment-friendly operation and development model by improving employees' environmental awareness. We have proactively responded to UN Sustainable Development Goals SDGs 7, 13 and 17.





5.1 EMISSION CONTROL AND ENVIRONMENTAL PROTECTION

To enhance the Group's environmental protection efforts and promote environmental benefits, and to implement the *Environmental Protection Law of the PRC* and other environmental protection regulations and policies, the Group has established the "Acotec Environmental Protection Management System", and the EHS Department is the main responsible department. The Rules specifies management requirements on the control of hazardous chemical liquid waste, wastewater, solid waste, noise, and waste gas pollution. During the Reporting Period, there have been no severe violations of relevant laws and regulations regarding emissions that would have a significant impact on the Group.

The Group's environmental management is guided by the principles of "prevention first, combining prevention and control, and comprehensive management". The Group extensively carries out activities of comprehensive utilization, transforming harm into benefit, and eliminating sources of pollution. Acotec strictly implements national environmental laws and regulations, inspects the Group's environmental protection plans, discusses important environmental protection measures, and supervises the implementation of these plans. At the same time, the "Acotec Environmental Protection Management System" clearly defines the environmental responsibilities of each department and employee, designating the relevant departments responsible for regularly monitoring emissions of waste gas, wastewater, and noise to ensure compliance with environmental standards.

We strive to enhance employees' awareness of environmental risks. In addition to conducting general EHS training for all employees, the Group provides differentiated training tailored to the specific roles of employees. This ensures that employees are aware of the EHS risks associated with their positions and are capable of responding effectively in emergency situations. Regarding environmental risk preparedness, we identify potential sudden environmental risks that may arise during production processes, conduct risk assessments, develop emergency response plans, and carry out drills to practice these responses.

WASTE DISCHARGE MANAGEMENT

The Group stresses the importance of waste source control to reduce its total waste discharge emission. The Group has strictly complied with the *Law of the PRC on Prevention and Control of Environmental Pollution by Solid Waste* and other relevant laws and regulation, which serve as basis for its formulation of *the* "Regulations on the Safety Management of Hazardous Wastes". The Regulations clarifies the waste discharge requirements for management purpose, so that waste discharge can be properly collected, stored and disposed by waste types and traits. During the Reporting Period, the Group established a "Garbage Classification Work Plan" to further advance the reduction of waste through improved garbage sorting practices.

The Group mainly generates hazardous wastes including organic solvent wastes (alcoholic waste), activated carbon wastes, laboratory chemical reagent wastes, chemical liquid wastes and reagent bottle wastes. In 2025, we have divided the hazardous waste storage facility into zones, with different types of hazardous waste stored in separate areas and clearly labelled. Before handing over the hazardous waste to the disposal vendor, we affix information labels to the outer packaging of the waste, indicating relevant risk information to facilitate tracking and protection. In 2025, our Group recorded zero non-compliance incidents regarding hazardous waste disposal. Our group generated a total of 28.451 tons of hazardous waste in 2025.



Area for waste bottles



Area for liquid waste

No.	Category	Hazardous waste	Processing method
1	Organic solvent wastes	Wastes generated during the use of organic solvents.	Recycling
2	Other wastes	Waste activated carbon; waste packaging, containers, filtration and adsorption media containing or contaminated with toxic and infectious hazardous wastes.	Recycling

In addition, we are gradually using compressed air instead of alcohol in the product cleaning process to reduce the use of hazardous waste, including alcohol.

WASTEWATER MANAGEMENT

Acotec strictly adheres to relevant laws and regulations such as *the People's Republic of China Water Pollution Prevention and Control Law* and rigorously implements pollution prevention measures. The wastewater generated by our group primarily comes from two sources: domestic sewage from employees' daily lives and production wastewater. Domestic sewage includes wastewater from daily cleaning activities and bathroom use by employees. Production wastewater mainly consists of water used for sterilization, which involves the use of ethylene oxide disinfectants. After sterilization, the ethylene oxide is absorbed by water, generating wastewater. The domestic sewage and production wastewater are discharged together into the septic tanks within the industrial park. After preliminary treatment through the septic tanks, the wastewater is further processed through the municipal sewage network and then sent to a sewage treatment plant. During the Reporting Period, the Group engaged a professional third-party company to regularly clean the septic tanks and wastewater collection systems, ensuring compliant discharge standards.

In 2025, after third-party testing, it was confirmed that the pH value, suspended solids, chemical oxygen demand (COD), and ammonia nitrogen levels of the wastewater discharged by our group all met the emission standards. To reduce wastewater discharge, we initiated an upgrade of our sterilization technology in 2022. By 2025, 55% of our products had adopted the upgraded sterilization process, resulting in a significant reduction in wastewater generation during the sterilization phase.

Goals for domestic wastewater discharge and water consumption	Goals for industrial effluent discharge
Meet local discharge standards	Meet local discharge standards
Improve water use efficiency and reduce water consumption intensity	Conduct technical transformation to reduce the volume of wastewater discharge and gradually reduce the concentration of emissions while ensuring compliance with discharge standards.

ATMOSPHERIC POLLUTANTS EMISSION MANAGEMENT

We have strictly complied with the *Law of the PRC on Prevention and Control of Atmospheric Pollution* and the relevant laws and regulations in our regular monitoring and assessment on exhaust emission to ensure the compliance with the emission standards on atmospheric pollutants. We have also taken several emission-reduction measures to decrease the waste gas emission.

The Group's waste gas is mainly generated from the production workshop and injection moulding workshop during the cleaning and the heat-shrink process of tubes. All the volatile organic gases generated (in non-methane total hydrocarbons (NMHC)) are collected by the closed clean room ventilation system, and then transmitted to the adsorption treatment device of activated carbon on the roof through pipelines. After adsorption treatment by activated carbon, it is lawfully discharged from the roof gas cylinder. As tested by a professional third party, the Group has complied with standards in terms of NMHC emission.

We have formulated the following waste gas emission targets: compliance with local emission standards, gradually reducing the volume of waste gas and the concentration of emissions; reduction of hazardous chemicals, replacing high-toxic chemicals with low-toxic or non-toxic ones, and the reduction of VOCs.

NOISE MANAGEMENT

We have strictly complied with *the Law of the PRC on Prevention and Control of Noise Pollution* and the relevant laws and regulations in our noise management activities. Noise generated by the Group is mainly from air compressors, air-conditioning units, exhaust gas purification equipment, etc. All air compressors and air-conditioning units are located in dedicated equipment rooms where sound insulation and noise reduction equipment are installed. Noise generated during the operation is mitigated by the use of advanced low-noise equipment, vibration isolation devices, and sound insulation room. The exhaust gas purification equipment is located on the roof with low-noise design; and noise reduction measures such as vibration reduction, sound insulation cover, and flexible coupling are also adopted. The noise produced meets three standard limits specified in the *Emission Standard for Industrial Enterprises Noise at Boundary* (GB12348-2008).

The pollutant emission

Metric	Unit	2025	2024
Hazardous waste generated (waste liquid, waste packaging generated by production and experiments, etc.)	ton	28.451	26.57
Hazardous waste generated intensity	kg/10 thousand RMB of revenue	0.44	0.50
Non-hazardous waste generated (domestic waste)	ton	47.00	42.00
Non-hazardous waste generated intensity	kg/10 thousand RMB of revenue	0.73	0.79
Total wastewater discharge	m^3	26,037.00	20,756.00
Volume of Exhaust gas	kg	530.19	444.00

5.2 ENERGY SAVING AND CONSUMPTION REDUCTION FOR GREEN DEVELOPMENT

The Group is committed to improving operational efficiency to ensure the effective use of energy and resources. We check, assess and monitor the use of resources on a regular basis to reduce the consumption of water, electricity and other resources.

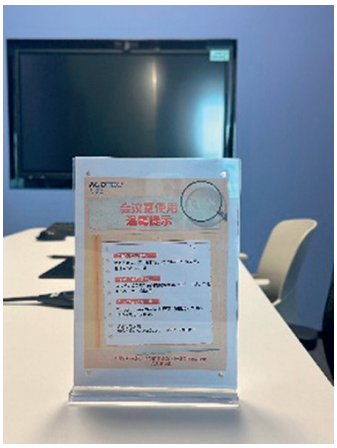
ENERGY SAVING AND CONSUMPTION REDUCTION

The energy required for the Group's operation includes electricity, natural gas, gasoline, etc. The main energy-consuming facilities include air conditioning in clean area where temperature and humidity control is needed, air compressors, reverse osmosis purified water equipment, various equipment in production workshops, lighting in workshops and office, etc.

The Group has renovated the air-conditioning unit for temperature and humidity control in the clean area to save energy and reduce consumption as the air-conditioning unit consumes most electricity. When the air-conditioning unit is operating in a normal mode of the compressor unit, heating unit, humidification unit and blower unit, the temperature and humidity of the clean workshop is under good control to meet the specification requirements and ensure the smooth manufacturing of products. When the manufacturing process is completed, the air-conditioning unit automatically switches to the standby mode, and there is no need to meet any temperature and humidity requirements under such mode. The compressor unit, humidification unit, and heating unit all stop working. The blower is operating at a low speed to maintain a positive pressure and cleanliness in the clean area and avoid contamination. The renovated unit saves more than half of the electricity, thus significantly reduces the electricity consumption During the Reporting Period, the Group implemented time controls on its refrigeration units, halting their operation on weekends to further reduce energy consumption. In 2025, the Group signed a contract with a third-party professional heating company to be responsible for regular inspections and maintenance of our heat exchanger stations and heating pipelines. This move helps to improve the efficiency of the heat exchanger stations, enhance energy efficiency ratios, and reduce the likelihood of environmental incidents such as water running, flowing, dripping and leaking.

Additionally, the office areas have been equipped with highly energy-efficient LED lights, which save more than half the energy compared to the previous fluorescent lights. The Group's heat exchange stations adjust the heating temperature based on external temperatures and operate at lower temperatures during the night to decrease energy usage. The lighting in the Group's public areas automatically turns off based on the set schedule.

The Group has been continuously advancing green office campaigns, by adopting measures such as providing office supplies to departments on a monthly basis to limit consumption, putting up "save paper" and other environmental protection posters at office, providing recycling boxes for "reusable paper", and promoting double-sided printing to reduce paper consumption. The Group also responds to the national call for environmental protection activities such as environmental protection educational activities and recycling of packaging materials and plastic bottles to reduce materials consumption.



Energy saving sign at the conference room



Switch off the Screen sign at the conference room



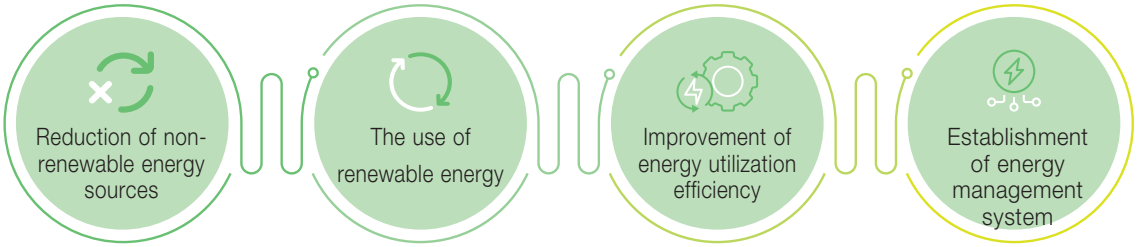
Paper saving sign



Air conditioning temperature limit sign

Green office

In addition, the Group has carried out energy use and efficiency improvement plans, and will focus on the following areas in the future:



WATER MANAGEMENT

The Group relies on the municipal water supply network for its production and domestic use. The Group has formulated the "Management Rules for Environmental Protection" to specify the requirements on water running, flowing, dripping and leaking. The Group's water consumption during production activities is relatively low. The Group's goal in water resource management is to increase the efficiency of water resource utilization, ensuring that water resources contribute to maximum environmental and economic benefits while meeting operational needs. In the current year, the Group has not encountered any issues regarding water sources. To further conserve water resources, the Group will continue to enhance water-saving publicity and promotion efforts in the future, continuously strengthening employee awareness of water conservation.



PACKAGING MATERIALS MANAGEMENT

In terms of the use of packaging materials, given the nature of the Group's products, the amount of packaging materials used in our products is small and mainly consists of paper and plastics. Meanwhile, the resources used for the packaging materials have a relatively small impact on the environment.

Due to the nature of the Group's business, our operations do not involve substantial consumption of natural resources or have a significant impact on the environment.

The Group's consumption of energy and resources

Metric	Unit	2025	2024
Electricity consumption	kWh	8,431,677.00	5,204,930.00
Gasoline consumption	ton	26.77	12.29
Natural gas consumption	criteria m^3	9,372.61	8,660.75
Heat consumption	GJ	14,108.71	9,371.32
Comprehensive Energy consumption	1,000 kWh	12,770.52	8,047.50
Comprehensive electricity use intensity	kWh/10 thousand CNY of revenue	0.20	0.15
Water consumption	m^3	29,906.06	22,895.00
Water use intensity	m^3/10 thousand CNY of revenue	0.46	0.43
Packaging paper usage	Ton	44.62	33.60
Recycled waste paper	Ton	35.94	30.00
Packaging material usage intensity	kg/10 thousand CNY of revenue	0.69	0.63

5.3 ADDRESSING CLIMATE CHANGE

We are actively responding to the national carbon peaking and carbon neutrality goals ("3060 Target") and promoting CO2-based greenhouse gas emission reductions in the context of climate change. The Group has taken measures to save energy, improve the ecological environment and improve the management of emissions to make unremitting efforts to achieve the 3060 targets.

We adopt the Task Force on Climate-related Financial Disclosure ("TCFD") recommendations and disclosed our efforts and future direction in addressing climate change based on the categories of governance, strategy, risk management, as well as metrics and targets.

GOVERNANCE

Based on the climate-related governance and the Group's ESG governance structure, the Board of Directors determines the Group's overall ESG targets and management strategies and is responsible for assessing and defining the Group's relevant ESG risks, and ensuring that the Group has an appropriate and effective ESG risk management and internal monitoring system in place. The Board of Directors' ESG responsibilities include addressing climate change issues. Acotec's ESG governance framework includes a coordination layer and an implementation layer responsible for executing and implementing climate change management and goals. Relevant employees regularly report to the Board of Directors.

STRATEGY

Climate-related risks include transitional risks related to the transition to a low-carbon economy and physical risks related to the impacts of climate change. Transitional risks can include policy and regulatory risks, technological risks, market risks and reputational risks. Physical risks include acute physical risks (those that are driven by specific weather events, such as typhoons, or floods) and chronic physical risks (refer to longer-term shifts in climate patterns, such as sustained higher temperatures).

Type		Climate-related Risk	Time Horizon[3]	Impact on Business Model and Value Chain	Potential Financial Impact	Our Response Measures
Physical Risk	**Acute**	• The sudden occurrence of extreme weather events such as heavy rain and cold waves may trigger a series of risks including self-imposed production halts or reductions, supply chain disruptions, and difficulties in product transportation, all of which can lead to decreased business stability, increased costs, and reduced production capacity. • Extreme weather disasters are also highly likely to cause damage to production equipment and employee safety accidents, adding unfavorable factors.	• Short-term	• Upstream • Operations • Downstream	• Increased operating costs	• Incorporate extreme weather factors of primary production locations into operational considerations, regularly inspect the operational status of production equipment to ensure safety and proper functioning. • Provide employees with relevant labor protection materials and equipment, and develop emergency plans related to extreme weather. • To address the climate-related risks identified, we have developed the "Emergency Response Plan against Extreme Weather Events", which defines the responsibilities of the emergency response team in case of extreme weather events (rainstorms, snowstorms, strong winds);
	Chronic	• Longer-term climate pattern shifts (such as prolonged high temperatures) may lead to increased operational costs and equipment maintenance and repair costs due to higher cooling demands in summer, as well as subsequent costs associated with energy structure adjustments.	• Long-term	• Operations	• Increased operating costs	• Strengthen risk prevention and emergency management efforts. Regularly monitor the climatic conditions of production sites and stay updated with climate change warning information in real-time.

3 Short term refers to within 1 year; Mid term refers to within 1-3 years; Medium to long term: within 3-5 years; Long term: 5 years or more.

Type		Climate-related Risk	Time Horizon[3]	Impact on Business Model and Value Chain	Potential Financial Impact	Our Response Measures
Transition Risk	**Policies and laws**	• With the refinement and introduction of policies, regulatory authorities are bound to adopt increasingly stringent greenhouse gas emission restrictions and strengthen disclosure requirements for greenhouse gas emissions.	• Medium-to-Long-term	• Operations	• Increased capital expenditure (CapEx)	• Keep abreast of industry trends and policy changes, and adjust business operations accordingly in a timely manner.
	Technology	• The iterative innovation of production technologies to meet environmental requirements and the process of research and development may bring about increased upfront costs for investing in new technologies or adopting/deploying new operations and processes.	• Medium-to-Long-term	• Operations	• Increased capital expenditure (CapEx)	• Continue to promote low-carbon technology upgrades, optimize operational strategies, and promptly follow up on the updates and iterations of related technologies.
	Market	• Guided by policies and market trends, and with the gradual increase in customers' awareness of low-carbon environmental protection, changes in raw material prices (such as energy, water) and emission requirements (such as waste) may lead to higher production costs.	• Medium-to-Long-term	• Downstream	• Decreased revenue	• Explore and utilize more energy-efficient and consumption-reducing green production technologies to mitigate the adverse effects of increased energy use and emission requirements on the Group.
	Reputation	• A decline in business revenue resulting from damage to the Group's reputation	• Medium-to-Long-term	• Downstream	• Revenue loss due to reputational damage	• Enhance communication with stakeholders, regularly review our emission reduction performance, and dynamically adjust future action plans based on the progress of ongoing efforts.

	Climate-related opportunities	Likelihood of occurrence	Duration of impact	Potential Financial Impacts	Our Response Measures
Product and service opportunities	• The frequent occurrence of extreme weather leads to an increased risk of related diseases. Increased R&D investments investment can better address growing medical needs.	• High	• Medium	• Increased Operational Revenue • Increased Capital Investment	• Boost R&D investments to continuously drive technological upgrades and product innovation.

RISK MANAGEMENT

Based on the features of the industry where the Group operates and the actual circumstances, we have identified and assessed the management process for climate-related risks.

Risk Identification

Assess potential climate change risks through reviews and surveys before launching a business activity.

01

Risk Analysis

Analyse the occurrence likelihood and impact of climate change risks identified, and determine the focus and priority through qualitative and quantitative assessments and ranking of the climate change risks.

02

03

Based on risk analysis and assessment results, combined with risk tolerance, determine corresponding processes and response strategies to mitigate the impact of climate-related risk.

Timely adjust risk response strategies based on different development stages and business situations.

Emergency plans for identified climate related risks, such as the "Emergency Response Plan against Extreme Weather Events".

Risk Response

04

Adjust risk response strategies to align with development stages and business scenarios on a timely basis.

Continuous attention to extreme weather prediction and forecasting.

Risk Monitoring

METRICS AND TARGETS

The selection of appropriate parameters and metrics and the setting of targets are critical to the measurement of shifts in climate patterns. According to the requirements of the *ESG Reporting Code* issued by Hong Kong Stock Exchange and based on its actual circumstances, the Group has defined the climate-related risk metrics related to energy use efficiency and GHG emission management. Meanwhile, the Group has developed the relevant targets, and reviewed the implementation of such targets on a regular basis. Our energy-related goal is to improve the efficiency of energy utilization, ensuring that energy contributes to maximum environmental and economic benefits while meeting operational needs.

The GHG emissions from the Group's production and operation mainly come from the direct and indirect GHG emissions caused by gasoline, natural gas and purchased electricity consumed in daily operations Based on the sources of GHG, we take corresponding measures to reduce emissions. The measures taken by us to reduce the consumption of purchased electricity mainly include implementing energy-saving and consumption-reduction transformations and introduction of energy-saving equipment. The Group's GHG emission status is as follows:

Metric	Unit	2025	2024
Total GHG emissions[4]	tCO_2-e	6,126.74	4,110.80
Direct (Scope 1) GHG emissions	tCO_2-e	100.94	55.89
Indirect (Scope 2) GHG emissions	tCO_2-e	6,025.80	4,054.91
GHG emissions intensity	$kgCO_2$-e/10 thousand RMB of revenue	95.04	76.98

Based on the sources of greenhouse gas (GHG) emissions, the Group has implemented targeted mitigation measures. Specifically, to reduce purchased electricity consumption, our key initiatives include executing energy-saving transformations and deploying energy-efficient equipment.

The Group remains committed to the principles of energy conservation, consumption reduction, and environmental protection, aiming to minimize emissions at the source. Our long-term goal is to advance the management of emissions and waste, as well as broader environmental protection efforts. Ultimately, we strive to realize a circular economy and pursue a path of sustainable development.

Recognizing that our operational and market environments are constantly evolving, we will continuously review our practices and timely adjust our targets and measures as needed. Looking ahead, we will further refine its strategy formulation, risk management, and the identification and management of metrics and targets. We are dedicated to collaborating with stakeholders across all sectors to address climate change and achieve shared sustainable development.

4 GHG Emissions Calculation Method:

Direct (Scope 1) GHG Emissions: The gasoline and natural gas consumption is multiplied by the corresponding emission factor, and the emission factor refers to the *General Principles for Comprehensive Energy Consumption Calculation* (GB/T 2589-2020), *China Energy Statistical Yearbook, 2006 IPCC National GHG List Guide*, etc;

Indirect (Scope 2) GHG Emissions: The amount of electricity and heat purchased multiplied by the corresponding emission factor, and the emission factor refers to the "Announcement" of the Ministry of Ecology and Environment on the *Release of Carbon Dioxide Emission Factors for Electricity in 2023*;

Total GHG emissions: Sum of direct GHG emissions and indirect greenhouse gas emissions.

5.4 GREEN PROCUREMENT AND SUSTAINABLE SUPPLY

Sincere cooperation with suppliers is an important guarantee for realising Acotec's corporate strategy, and also an inexhaustible driving force for our development. We attach importance to the exchange with suppliers, actively build a cooperation platform, strive to establish a long-term close and mutually beneficial partnership with suppliers. Together, we provide high-quality products and services to customers, and promote the sustainable and stable development of the industry.

To meet the Group's development needs, regulate the cooperation between the Group and relevant suppliers, guide them to enhance their service awareness, the Group has issued the "Supplier Management Regulations" to regulate the audit, evaluation and re-evaluation of suppliers, and ensure that the purchased products meet the stipulated quality requirements and are not lower than the national mandatory standards and comply with the relevant provisions of laws and regulations through evaluation, selection and monitoring of suppliers in accordance with the *Contract Law of the PRC* and other relevant laws and regulations, and the Group' relevant regulations.

The Group's suppliers can be categorized into Category A, B, and C suppliers, and there are also service providers for sterilization services, calibration, transportation services, etc. Among which, category A suppliers mainly supply raw materials directly related to body blood, category B suppliers mainly provide packaging materials and category C mainly provide production consumables and auxiliary production materials. The business qualification, quality management system and ability to provide qualified samples should be evaluated when we first cooperate with a new supplier. Suppliers are assessed as qualified if they pass all reviews and are approved by the quality director. All the Group's suppliers are required to pass evaluation in order to become qualified suppliers before any transaction with them can take place. The Group has 445 suppliers, including PPE suppliers and manufacturers, with 418 based domestically and 27 based internationally. The localisation rate of suppliers is 94%.

The re-evaluation of qualified suppliers is conducted once a year, which is organised by the Quality Management Department and jointly reviewed and evaluated by the Supply Chain Management Department and approved by the quality director. Supplier re-evaluation can be initiated at any time in case of abnormal events such as sudden unavailability, major quality problems, unqualified site audits or major changes. A supplier's performance in meeting the requirements of purchased products (such as timely delivery, reasonable price, after-sale service, satisfaction of technical specifications or quality requirements, etc.) shall be the inputs of supplier re-evaluation. The Quality Management Department shall update the list of qualified suppliers regularly according to the evaluation results of qualified suppliers.

To ensure procurement integrity, the Group's procurement staff is rotated once every few years to avoid the same buyer being in charge of the same supplier all the time. Meanwhile, we have adopted a stringent process of supplier screening to minimise frauds committed by suppliers. The Group's integrity procurement clauses have been extended to cover a certain proportion of clinical trial suppliers, animal testing suppliers, material suppliers, and conference service suppliers, among others.

The Group continues to promote the substitution of externally sourced raw materials with self-produced raw materials, reducing the long supply cycles and the risk of unstable raw material quality associated with externally sourced materials.

We consider the environmental protection performance of products when selecting suppliers, ensure that the purchased products meet the requirements of relevant environmental protection indicators, and give priority to purchasing environment-friendly products and service under same conditions.

Appendix

HKEX ESG REPORTING CODE CONTENT INDEX

Aspect	Content	Report Content
Part B: Mandatory Disclosure Requirements		
	Governance Structure	Board of Directors Statement ESG Management
	Reporting Principles	About this Report
	Reporting Boundary	About this Report
Part C: "Comply or explain" Provisions		
A. Environment		
A1 Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	5.1 Emission Control And Environmental Protection
	KPI A1.1 The types of emissions and respective emissions data.	5.1 Emission Control And Environmental Protection
	KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5.1 Emission Control And Environmental Protection
	KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5.1 Emission Control And Environmental Protection
	KPI A1.5 Description of emission target(s) set and steps taken to achieve them.	5.1 Emission Control And Environmental Protection
	KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	5.1 Emission Control And Environmental Protection

Aspect	Content	Report Content
A2 Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	5.2 Energy Saving And Consumption Reduction For Green Development
	KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	5.2 Energy Saving And Consumption Reduction For Green Development
	KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	5.2 Energy Saving And Consumption Reduction For Green Development
	KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	5.2 Energy Saving And Consumption Reduction For Green Development
	KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	5.2 Energy Saving And Consumption Reduction For Green Development
	KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	5.2 Energy Saving And Consumption Reduction For Green Development
A3 The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	5.2 Energy Saving And Consumption Reduction For Green Development
	KPI A3.1Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	5.2 Energy Saving And Consumption Reduction For Green Development

Aspect	Content	Report Content
B. Social		
Employment and Labour Practices		
B1 Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	3.1 Equal Employment With Protected Rights
	KPI B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	3.1 Equal Employment With Protected Rights
	KPI B1.2 Employee turnover rate by gender, age group and geographical region.	3.1 Equal Employment With Protected Rights
B2 Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	3.3 Fully Protect Employees In Health And Safety
	KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.3 Fully Protect Employees In Health And Safety
	KPI B2.2 Lost days due to work injury.	3.3 Fully Protect Employees In Health And Safety
	KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.3 Fully Protect Employees In Health And Safety

Aspect	Content	Report Content
B3 Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	3.4 Promotion With Growth
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	3.4 Promotion With Growth
	KPI B3.2 The average training hours completed per employee by gender and employee category.	3.4 Promotion With Growth
B4 Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	3.1 Equal Employment With Protected Rights
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	3.1 Equal Employment With Protected Rights
	KPI B4.2 Description of steps taken to eliminate such practices when discovered.	Not Applicable

Appendix

Aspect	Content	Report Content
Operating Practices		
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	5.4 Green Procurement And Sustainable Supply
	KPI B5.1 Number of suppliers by geographical region.	5.4 Green Procurement And Sustainable Supply
	KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	5.4 Green Procurement And Sustainable Supply
	KPI 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 Green Procurement And Sustainable Supply
	KPI 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 Green Procurement And Sustainable Supply

Aspect	Content	Report Content
B6 Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	2.3 Responsible Marketing And Data Security
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	1.4 Responsible Production And Quality Assurance
	KPI B6.2 Number of products and service related complaints received and how they are dealt with.	2.3 Responsible Marketing And Data Security
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	1.3 Protection And Management Of Intellectual Property Rights
	KPI B6.4 Description of quality assurance process and recall procedures.	1.4 Responsible Production And Quality Assurance
	KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	2.3 Responsible Marketing And Data Security

Aspect	Content	Report Content
B7 Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	2.2 Operating In Compliance, With Integrity And Honesty
	KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	2.2 Operating In Compliance, With Integrity And Honesty
	KPI B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	2.2 Operating In Compliance, With Integrity And Honesty
	KPI B7.3 Description of anti-corruption training provided to directors and staff.	2.2 Operating In Compliance, With Integrity And Honesty

Aspect	Content	Report Content
Community		
B8 Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	4.2 Caring For The Community And Giving Back To The Community
	KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	4.1 Inclusive And Accessible Healthcare 4.2 Caring For The Community And Giving Back To The Community
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	4.2 Caring For The Community And Giving Back To The Community
Part D: Climate-related Disclosures		
D-I Governance	The governance body(s) responsible for oversight of climate related risks and opportunities	5.3 Addressing Climate Change
	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities 5.3 Addressing Climate Change	5.3 Addressing Climate Change

Appendix

Aspect	Content	Report Content
D-II Strategy	Climate-related risks and opportunities	5.3 Addressing Climate Change
	Business model and value chain	5.3 Addressing Climate Change
	Strategy and decision-making	Note 1
	Financial position, financial performance and cash flows	Note 2
	Climate resilience	Note 2
D-III Risk Management	The processes and related policies used to identify, assess, prioritise and monitor climate-related risks	5.3 Addressing Climate Change
	The processes and related policies used to identify, assess, prioritise and monitor climate-related opportunities	5.3 Addressing Climate Change
	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process	5.3 Addressing Climate Change

Aspect	Content	Report Content
D-IV Metrics and Targets	Greenhouse gas emissions	5.3 Addressing Climate Change Note 3
	Climate-related transition risks	5.3 Addressing Climate Change Note 2
	Climate-related physical risks	5.3 Addressing Climate Change Note 2
	Climate-related opportunities	5.3 Addressing Climate Change Note 2
	Capital deployment	Note 2
	Internal carbon prices	Note 4
	Remuneration	Note 4
	Industry-based metrics	Note 3
	Climate-related targets	Note 1

Note:

1. The Group is principally engaged in the medical device business. Preliminary analysis indicates that climate change does not have a material impact on its operations. The Group has not yet formulated transition plans or emission reduction targets, and will carry out such work in due course when conditions mature, with relevant disclosures to be included accordingly.

2. The Group has conducted analysis of climate-related physical risks, transition risks and opportunities, as well as qualitative assessments of their financial implications. Preliminary evaluation suggests that climate change does not have a material financial impact on the Group. Accordingly, it has not yet undertaken systematic financial quantification or scenario analysis in relation to addressing climate change, nor has it compiled statistics on relevant capital expenditure, financing or investment amounts. Such work will be carried out in due course when conditions mature, with related disclosures to be included in future reports.

3. Constrained by the availability of supply chain data and the absence of uniform industry data standards, the Group has not yet commenced the quantification of Scope 3 greenhouse gas emissions and industry-specific metrics. This is consistent with the reasonable information exemption under Appendix D of the HKEX ESG Reporting Code.

4. The Group has not yet established an internal carbon price. However, it has implemented green office measures in daily operations, such as optimizing business travel arrangement, and is accumulating relevant historical data to support the future development of an internal carbon pricing mechanism and the integration of climate-related considerations into remuneration management.

Appendix

GRI STANDARDS INDEX

Issues	GRI Indicators	Description	Corresponding Chapter/ Remarks
Guidance			In 2025, Acotec reported information cited in this GRI Index against the GRI Standards
Applicable GRI 1			GRI 1: Foundation 2021
GRI 2: General Disclosures			
The organisation and its reporting practices	2-1	Organisational details	About us
	2-2	Entities included in the organisation's sustainability reporting	About this report
	2-3	Reporting period, frequency and contact point	About this report
	2-4	Restatements of information	Part of the environmental data
	2-5	External assurance	External assurance unavailable
Activities and workers	2-6	Activities, value chain and other business relationships	Green procurement and sustainable supply
	2-7	Employees	Equal employment opportunity with protected rights
	2-8	Workers who are not employees	Not applicable

Issues	GRI Indicators	Description	Corresponding Chapter/ Remarks
Governance	2-9	Governance structure and composition	Optimising governance to generate synergy and raise efficiency
	2-10	Nomination and selection of the highest governance body	Optimising governance to generate synergy and raise efficiency
	2-11	Chair of the highest governance body	Optimising governance to generate synergy and raise efficiency
	2-12	Role of the highest governance body in overseeing the management of impacts	Optimising governance to generate synergy and raise efficiency
	2-13	Delegation of responsibility for managing impacts	Optimising governance to generate synergy and raise efficiency
	2-14	Role of the highest governance body in sustainability reporting	Optimising governance to generate synergy and raise efficiency
	2-15	Conflicts of interest	Not disclosed
	2-16	Communication of critical concerns	Optimising governance to generate synergy and raise efficiency
	2-17	Collective knowledge of the highest governance body	Optimising governance to generate synergy and raise efficiency
	2-18	Evaluation of the performance of the highest governance body	Optimising governance to generate synergy and raise efficiency
	2-19	Remuneration policies	Not disclosed
	2-20	Process to determine remuneration	Not disclosed
	2-21	Annual total compensation ratio	Not disclosed

Appendix

Issues	GRI Indicators	Description	Corresponding Chapter/ Remarks
Strategy, policies and practices	2-22	Statement on sustainable development strategy	Optimising governance to generate synergy and raise efficiency
	2-23	Policy commitments	Optimising governance to generate synergy and raise efficiency
	2-24	Embedding policy commitments	Optimising governance to generate synergy and raise efficiency
	2-25	Processes to remediate negative impacts	Not disclosed
	2-26	Mechanisms for seeking advice and raising concerns	Not disclosed
	2-27	Compliance with laws and regulations	Optimising governance to generate synergy and raise efficiency
	2-28	Membership associations	Not disclosed
Stakeholder engagement	2-29	Approach to stakeholder engagement	Communication with stakeholders
	2-30	Collective bargaining agreements	Not disclosed
GRI 3: Material Topics			
Material topics	3-1	Process to determine material topics	Identification of material issues
	3-2	List of material topics	Identification of material issues
	3-3	Management of material topics	Identification of material issues

Issues	GRI Indicators	Description	Corresponding Chapter/ Remarks
Material topics			
1. Economic standards			
Economic performance	3-3	Management of material topics	Identification of material issues
	201-1	Direct economic value generated and distributed	Not disclosed
	201-2	Financial implications and other risks and opportunities due to climate change	Addressing climate change
	201-3	Defined benefit plan obligations and other retirement plans	Equal employment opportunity with protected rights
	201-4	Financial assistance received from government	Not disclosed
Market presence	3-3	Management of material topics	Not disclosed
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Not disclosed
	202-2	Proportion of senior management hired from the local community	Not applicable
Indirect economic impacts	3-3	Management of material topics	Warm Community for Harmony
	203-1	Infrastructure investments and services supported	Warm Community for Harmony
	203-2	Material but indirect economic impact	Warm Community for Harmony
Procurement practice	3-3	Management of material topics	Green procurement and sustainable supply
	204-1	Proportion of spending on local suppliers	Green procurement and sustainable supply

Appendix

Issues	GRI Indicators	Description	Corresponding Chapter/ Remarks
Anti-corruption	3-3	Management of material topics	Operating in compliance, with integrity and honesty
	205-1	Operations assessed for risks related to corruption	Operating in compliance, with integrity and honesty
	205-2	Communication and training about anti-corruption policies and procedures	Operating in compliance, with integrity and honesty
	205-3	Confirmed incidents of corruption and actions taken	Operating in compliance, with integrity and honesty
Anti-competitive behaviour	3-3	Management of material topics	Responsible marketing and data security
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Responsible marketing and data security
2. Environmental standards			
Materials	3-3	Management of material topics	Energy saving and consumption reduction for green development
	301-1	Materials used by weight or volume	Energy saving and consumption reduction for green development
	301-2	Recycled input materials used	Energy saving and consumption reduction for green development
Energy	3-3	Management of material topics	Energy saving and consumption reduction for green development
	302-1	Energy consumption within the organisation	Energy saving and consumption reduction for green development
	302-2	Energy consumption outside of the organisation	Energy saving and consumption reduction for green development
	302-4	Reduction of energy consumption	Energy saving and consumption reduction for green development

Issues	GRI Indicators	Description	Corresponding Chapter/ Remarks
Water and effluents	3-3	Management of material topics	Energy saving and consumption reduction for green development
	303-1	Interactions with water as a shared resource	Energy saving and consumption reduction for green development
	303-3	Recycled and reused water	Energy saving and consumption reduction for green development
Biodiversity	3-3	Management of material topics	Not applicable
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable
	304-2	Significant impacts of activities, products, and services on biodiversity	Not applicable
	304-3	Habitats protected or restored	Not applicable
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable
Emissions	3-3	Management of material topics	Emission control and environmental protection
	305-1	Direct (Scope 1) greenhouse gas emissions	Emission control and environmental protection
	305-2	Indirect (Scope 2) greenhouse gas emissions	Emission control and environmental protection
	305-4	Intensity of greenhouse gas (GHG) emissions	Emission control and environmental protection
	305-5	Reduced greenhouse gas (GHG) emissions	Emission control and environmental protection
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant gas emissions	Emission control and environmental protection

Appendix

Issues	GRI Indicators	Description	Corresponding Chapter/ Remarks
Wastewater and Wastes	3-3	Management of material topics	Emission control and environmental protection
	306-1	Waste generation and significant waste-related impacts	Emission control and environment protection
	306-2	Management of significant waste-related impacts	Emission control and environment protection
Environmental compliance	103-1	Explanation of the material topic and its Boundary	Emission control and environment protection
	103-2	The management approach and its components	Emission control and environment protection
	103-3	Evaluation of the management approach	Emission control and environment protection
	307-1	Non-compliance with environmental laws and regulations	Emission control and environment protection
Supplier environmental assessment	3-3	Management of material topics	Green procurement and sustainable supply
	308-1	New suppliers that were screened using environmental criteria	Green procurement and sustainable supply
3. Social standards			
Employment	3-3	Management of material topics	Equal employment opportunity with protected rights
	401-1	New employee hires and employee turnover	Equal employment opportunity with protected rights
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Equal employment opportunity with protected rights
	401-3	Parental leave	Equal employment opportunity with protected rights

Issues	GRI Indicators	Description	Corresponding Chapter/ Remarks
Occupational health and safety	3-3	Management of material topics	Fully protect employees in health and safety
	403-2	Hazard identification, risk assessment, and incident investigation	Fully protect employees in health and safety
Training and education	3-3	Management of material topics	Promotion with growth
	404-1	Average hours of training per year per employee	Promotion with growth
Diversity and Equal Opportunities	3-3	Management of material topics	Equal employment opportunity with protected rights
	405-1	Governance Body and Employee Diversity	Equal employment opportunity with protected rights
Child labor	3-3	Management of material topics	Equal employment opportunity with protected rights
	408-1	Operations and suppliers at significant risk for incidents of child labor	Equal employment opportunity with protected rights
Forced or compulsory labor	3-3	Management of material topics	Equal employment opportunity with protected rights
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Equal employment opportunity with protected rights
Local Communities	3-3	Management of material topics	Warm Community for Harmony
	413-1	Operations with local community engagement, impact assessments, and development programs	Warm Community for Harmony
Supplier Social Assessment	3-3	Management of material topics	Green procurement and sustainable supply
	414-1	New suppliers that were screened using social criteria	Green procurement and sustainable supply
Customer Health and Safety	3-3	Management of material topics	Responsible production and quality assurance
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Responsible production and quality assurance

Issues	GRI Indicators	Description	Corresponding Chapter/ Remarks
Marketing and labeling	3-3	Management of material topics	Responsible marketing and data security
	417-2	Incidents of non-compliance concerning product and service information and labeling	Responsible marketing and data security
	417-3	Incidents of non-compliance concerning marketing communications	Responsible marketing and data security
Customer privacy	3-3	Management of material topics	Responsible marketing and data security
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Responsible marketing and data security
Intellectual property protection		Description of practices relating to observing and protecting intellectual property rights.	Protection and management of intellectual property rights

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