

Social Responsibility Report 2023

AIER EYE HOSPITAL GROUP CO., LTD.



About the Report

Introduction

The 2023 Social Responsibility Report of Aier Eye Hospital Group Co., Ltd. (also known as the 2023 Sustainability Report of Aier Eye Hospital Group Co., Ltd., hereinafter referred to as the "report") is the 15th social responsibility report issued by Aier Eye Hospital Group Co., Ltd. Following the principle of objectivity, normativity, transparency, and comprehensiveness, the report provides a genuine and exhaustive disclosure of the Group's management strategies, practices and performances in environmental, social and governance (hereinafter referred to as "ESG") aspects and other spheres of social responsibility in 2023. The report intends to effectively communicate with all stakeholders and systematically respond to their expectations and requirements.

Reporting Period

The reporting period is from 1 January 2023 to 31 December 2023. To make the report more comparable and complete, some contents are beyond this scope.

Release Cycle

The report is an annual report. The most recent report was published in April 2023.

Reporting Scope

The report covers Aier Eye Hospital Group Co., Ltd., subsidiaries of Aier Eye Hospital in the People's Republic of China, and the branches of Aier Eye Hospital in Hong Kong, China, the United States, Europe, and Southeast Asia (hereinafter "Aier Eye Hospital" "Aier" "the Group" "the Company" or "we").

Preparation Basis

Global Reporting Initiative (GRI Standards) issued by the Global Sustainability Standards Board (GSSB)
Guidelines for Standardized Operation of Listed Companies on ChiNext in Shenzhen Stock Exchange
China's National Standard - Guidance on Social Responsibility Reporting (GB/T 36001-2015)
Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises issued by the Chinese Academy of Social Science (CASS-ESG 5.0)
ISO 26000:2010 - Guidance on Social Responsibility issued by the International Standardization Organization

Data Sources

The data in the report come from public government data, internal statistical reports of Aier Eye Hospital, and third-party documents and reports. Aier Eye Hospital guarantees that the report is free of any false recording, misleading statement, or major omissions.

Data Specification

Data and cases disclosed in this report are derived from official documents and statistical reports of Aier Eye Hospital and reviewed by relevant departments. Unless otherwise specified, all financial data in this report are stated in CNY.

Language

The report is published in both simplified Chinese and English. In case of any divergence, the simplified Chinese version shall prevail.

Statement

The report has been reviewed and approved by the Board of Directors, with no deceptive content, misleading descriptions or significant omissions discovered.

Report Disclosure

The report is available in Chinese and English on the official website of Aier Eye Hospital (www.aierchina.com) for download. For any questions or suggestions concerning the report, please email us at zhengquanbu@yeah.net or call us at +86-0731-85136739.



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Message from the Chairman

Aier Sets Sail on a New Journey of Excellence



“ Since our 2009 listing, Aier Eye Hospital has navigated 15 eventful years, and we are proud to present our 15th consecutive social responsibility report. This year's report is not only a comprehensive review of our achievements over the past year, but also a strategic action plan based on the future development trend of the industry.

Time is the greatest developer of truth. With each passing year since our listing, our experience deepens, and so does our awareness of the profound responsibility we carry. We increasingly appreciate the value of steady progress, and are continually humbled by the support and trust we receive from all parties of society. Our enduring belief in self-improvement, patient welfare, and social contribution has been the cornerstone of our confident journey thus far and will continue to be the driving force behind our steadfast pursuit of excellence. ”

Chairman of Aier Eye:

Looking back on the journey, how did Aier achieve the significant growth?

When Aier Eye Hospital Group was founded, there was only a 1,500 square meter hospital and five ophthalmologists. Twenty years later, Aier Eye has grown into a leading ophthalmic medical group in the world in terms of scale and treatment capacity, with a service network covering Asia, the United States, and Europe. We have helped millions of eye disease patients regain their sight, and the smiles on every patient's face have made us feel the significance and value of our existence. Along the long road, sometimes it's about seizing opportunities and moving faster, and sometimes it's about facing difficulties head-on and staying steady. What's needed isn't just passion, but also the perseverance to journey to the West for scriptures and the ability to execute plans seamlessly. In a way, 2023 is a touchstone.

Looking back to 2023, we feel that external challenges and uncertain risks are escalating rather than declining. People tend to be cautious in consumption and all industries are actively seeking ways to "break the ice" in the midst of fierce competition. The more volatile the external environment becomes, the more essential it is for us to maintain a consistent and reliable performance, year after year.

Throughout the year, we have upheld the principle of "the Caring Nature of a Physician", continued to improve diagnosis and treatment technology, and constantly improve the level of service. Our number of outpatient visits and surgeries has set new records, and a number of core medical quality indicators are among the forefront of the industry, making the reputation of Aier continue to be spread from near to far, and the service network deepened, so that more people can get high-quality eye health medical services. We have invested our efforts and commitment, and in return, we have flourished and grown.

This year, we have reinforced our discipline construction, leading to comprehensive advancements in ophthalmology and consistently driving the development of our Group with new growth engines. Talent is the foremost priority of Aier. We have bolstered our team by recruiting distinguished ophthalmologists and nurturing our own cadre of young talents. Simultaneously, we have expanded our collaborative efforts with top-tier universities, enhancing our international ophthalmology sharing platform. With the establishment of "Aier Eye Hospital Changsha Medical Center", we have officially embarked on our mission to build a world-class ophthalmology medical center, and accelerated our progress on the new journey of "1+8+N" high-quality development.

This year, our academic and scientific research has reached a new level. We have released big data reports such as the "2023 White Paper on Refractive Cataract Surgery in China and Europe", published a number of high-level academic papers and monographs, and produced a series of scientific research transformation results; and the "Federal Collaboration Platform for Digital Ophthalmology", which was jointly researched and developed with the Institute of Computing of the Chinese Academy of Sciences, has been officially launched, and the International Clinical Training Center was put into use. While continuously developing and improving, Aier Eye Hospital has been more open to communicate and share with global counterparts to jointly promote the progress of ophthalmology technology, further enhancing the status of Aier Eye Hospital in the industry and its international influence.

This year, we created a new mode of public welfare and charity work and won the highest government charity award - "China Charity Award" for three consecutive terms. We jointly launched China's first scientific documentary on eye health, "The Story of Eyes", which conveyed professional and obscure ophthalmology knowledge in a vivid and popular way, triggered widespread social attention and enhanced people's awareness of eye health; launched a series of public welfare activities, such as the "Brightness Project" and the "Fraternity - Brightness Campaign", to help and rescue poor eye patients, which has been praised by local governments and the public time and again.

In the past twenty years, Aier has gone through many rounds of economic ups and downs and has withstood the test of risks. "We deeply understand that the development of any industry is not linear. It is determined by long-term latent demands and influenced by short-term external factors. The decisive factors are the values, foresight, and adaptability of each enterprise. Understanding this principle allows us to maintain a firm optimism about the future of the ophthalmology industry while exercising sufficient caution in the present moment."

Looking back on the journey, it further convinces us: Only through hardships can courage be demonstrated, and only through perseverance can progress be achieved. We have always adhered to a patient-centered approach, continually innovating around this core. Gradually, we have developed advantages in hierarchical chain mode, global resources, medical education and research platforms, as well as technology and talent, laying a solid foundation for future high-quality development.

Embarking on a new journey, how can we become even stronger?

In recent years, the public's expectations of medical care have been continuously increasing. There are not only continuously growing basic medical needs, but also increasingly emerging personalized needs. Both the payment ability and a better medical experience also need to be considered. This conforms to the inevitable law from initial satisfaction to higher pursuit. At the same time, the competitive landscape is constantly evolving, diagnosis and treatment technologies are continuously advancing, and emerging formats have also emerged. It can be said that the ophthalmology industry has entered a new stage, and Aier has also embarked on a new journey.

As we embark on this new journey, the question of how to further consolidate and enhance our comprehensive strengths is not merely a matter of immediate tactics, but also a critical strategic consideration for our long-term development goals. Given the evolving external landscape, this new phase differs from its predecessors, potentially presenting a more challenging and extended duration. Consequently, our guiding principles are clear and focused: we prioritize building robust strength across several key areas, including advancing medical technology, developing a formidable talent echelon, maintaining healthy asset quality, and ensuring a stable financial position. With these strengths in hand, we remain steadfast and unflustered. Secondly, we must demonstrate greater resolve by unwaveringly executing our '1+8+N' development strategy. We must maintain our steadfast commitment, ensuring that we do not slacken, deviate, indulge in grandiose distractions, or show any sign of indecision. Thirdly, we need to be more astute, proactively foreseeing and adapting to the evolving trends. We should actively and steadily advance our international presence while simultaneously fortifying our systematic and robust domestic network.

Therefore, in the future, Aier must make greater efforts in the following areas: Firstly, continuously enhance the "scientific and technological content", fully leverage its advantages in globalization and ecological circles, synchronize with the latest international medical technologies, utilize advanced technologies such as big data, cloud computing, and artificial intelligence, to improve clinical capabilities, service levels, and the ability to transform research achievements, ensuring that "Innovation driven, Technological Aier" is implemented and solidified throughout the entire group. Secondly, continually promote "quality improvement" through discipline construction and high-frequency, high-quality education and training, ensuring that institutions at all levels, both new and matured, strive for quality and consistency, instilling trust in every Aier eye hospital and implementing a hierarchical diagnosis and treatment system. Thirdly, always maintain a "youthful spirit", stimulate the initiative and service awareness of all employees through bold mechanism innovation, every individual in Aier has boundless potential, and the company's responsibility is to inspire and unleash it. Fourthly, establish a "big cycle" of know, trust, select, and recommend, where scientific management and optimization of details are crucial, enabling every patient to become a companion of Aier Eye Hospital and a disseminator of eye health knowledge, deeply embedding the Aier brand into society as a whole.

In essence, as we progress through this new chapter, we are dedicated to diligently advancing key areas: enhancing diagnostic and treatment technologies, refining service models, boosting management efficiency, nurturing talent, and driving scientific research and innovation. We are committed to commercializing our sci-tech achievements, leveraging our innovative edge, and continuously improving and upgrading our services. Our goal is to build a reputable, century-old hospital step by step, with exceptional service experience that earns a highly satisfied patient reputation.

"Broaden your horizons and there shall be no hindrance; cultivate your inner self and the harvest will come". We prefer to err on the side of caution in assessing the situation, aiming to ensure that all departments and divisions within our group are as prepared as possible. In reality, while the sea breeze may ripple the water's surface, it cannot alter the underlying current or the larger trend.

The principal contradictions in the supply and demand of ophthalmic medical services in China have not fundamentally changed, despite the temporary impact of the economic scarring effect. Given China's large population, the penetration rate for various eye disease treatments remains low. The prevalence of myopia is high, and an aging population, coupled with the widespread use of smartphones which intensifies eye strain, continues to drive up the incidence of eye diseases across all age groups. Concurrently, there is a growing awareness of eye health among the public, and the application rate of advanced ophthalmic technologies is steadily increasing.

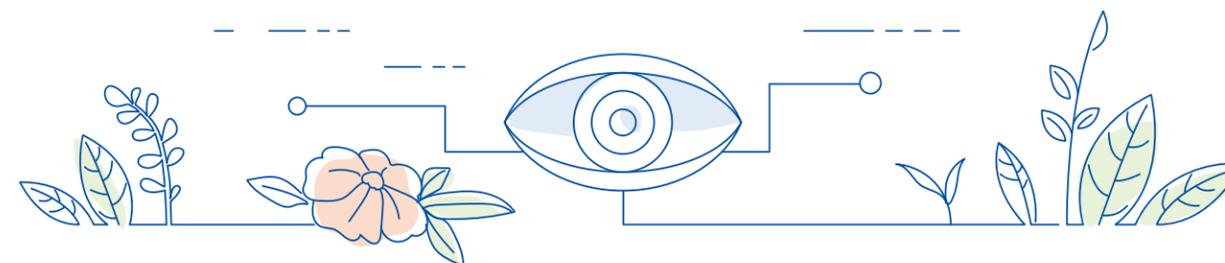
Based on these fundamental trends in ophthalmic demand, we have every reason to predict that ophthalmology will emerge as one of the most resilient industries, even when residents exercise financial caution. Once residents' confidence rebounds, this industry's resilience will only be further highlighted. The past three years of pandemic management have demonstrated that the need for eye care is not eradicated but merely deferred, with the underlying demand poised to escalate rather than diminish.

Naturally, the resilience of an eye hospital's development is not conjured out of nothing; it is underpinned by robust financial resources, a reputable brand image, and stringent cost management. Similarly, the potential for growth is not simply handed to us; it is cultivated through agile operational mechanisms, a well-developed talent echelon, and strategic organizational adjustments. Looking from another perspective, the new phase of industry development represents a fresh arena for corporate competition. Charting a favorable course, allocating resources judiciously, and managing the pace of growth are crucial for further bolstering our core competitive advantage.

At the crossroads of advanced hospital care and corporate high-quality development, we remain steadfast in our commitment to medical safety and quality, which are the cornerstones of our existence. Our dual mission is to deliver exceptional medical services to our patients while also generating substantial returns for our investors. We are dedicated to excellence in both medical service and management, and outpace the industry's growth rate. This drive propels us forward on our new journey, emboldening us to take on greater responsibilities and to forge new milestones in our achievements.

This year marks a significant milestone for Aier Eye Hospital. We will host two international conferences: the 19th World Congress on Myopia and the 18th Annual Meeting of the World Association of Eye Hospitals. These events will bring together leading global ophthalmology experts in China to not only amplify the robust voice of Chinese ophthalmology on the world stage but also to contribute valuable Chinese insights to the advancement of global eye care.

As winter gives way to spring and all things come to life, we ascend to new heights in a spiraling upward trend. This is the eternal law of business evolution and development. Reflecting on the ancient wisdom that "what seems ordinary is most extraordinary, and what seems easy is achieved through great hardship", we hold a steadfast belief: in the years to come, looking back, we will stand even more proudly!



About Aier

Performance Highlight in 2023

Outpatient Visits and Surgeries

- The number of outpatient visits reached **15.1064** million
- The number of operations was **1,183,700**
- Eye health documentation services were provided to **40.51** million people



Medical Quality

- The incidence of endophthalmitis after cataract operation is **0.0166%** (the incidence of national statistics is about 0.03% in Three-A hospitals)
- The incidence of endophthalmitis after vitreous resection is **0.0088%** (about 0.05% at home and abroad)
- The average qualified rate of hospital prescriptions was **94.13%**, and the average qualified rate of medical orders was **98.19%**
- The utilization rate of antibiotics in inpatients was **5.27%**, which reached the evaluation standard of national tertiary eye hospitals
- The results of patient satisfaction survey were **99.3%**



Environment Management

- Total greenhouse gas emissions were **86,035.38** tonnes of CO₂ equivalent
- Total greenhouse gas emission density **0.037** tons CO₂ equivalent / RMB 10,000 revenue
- According to local conditions, the construction of distributed photovoltaic power generation system was promoted, and the renewable energy consumption was **44,598** KWH
- The compliance rate of sewage disposal of all branches has reached **100%**



Scientific Research Achievements

- **640+** participants participated in international and domestic academic conferences, and **220+** conference papers were accepted
- There were **143** new patents and **646** valid patents in total



Employee Growth

- Staff training coverage is **100%**, and the total training time is **624,206** hours
- **36.5%** of female executives at Deputy Director level or above in the Group



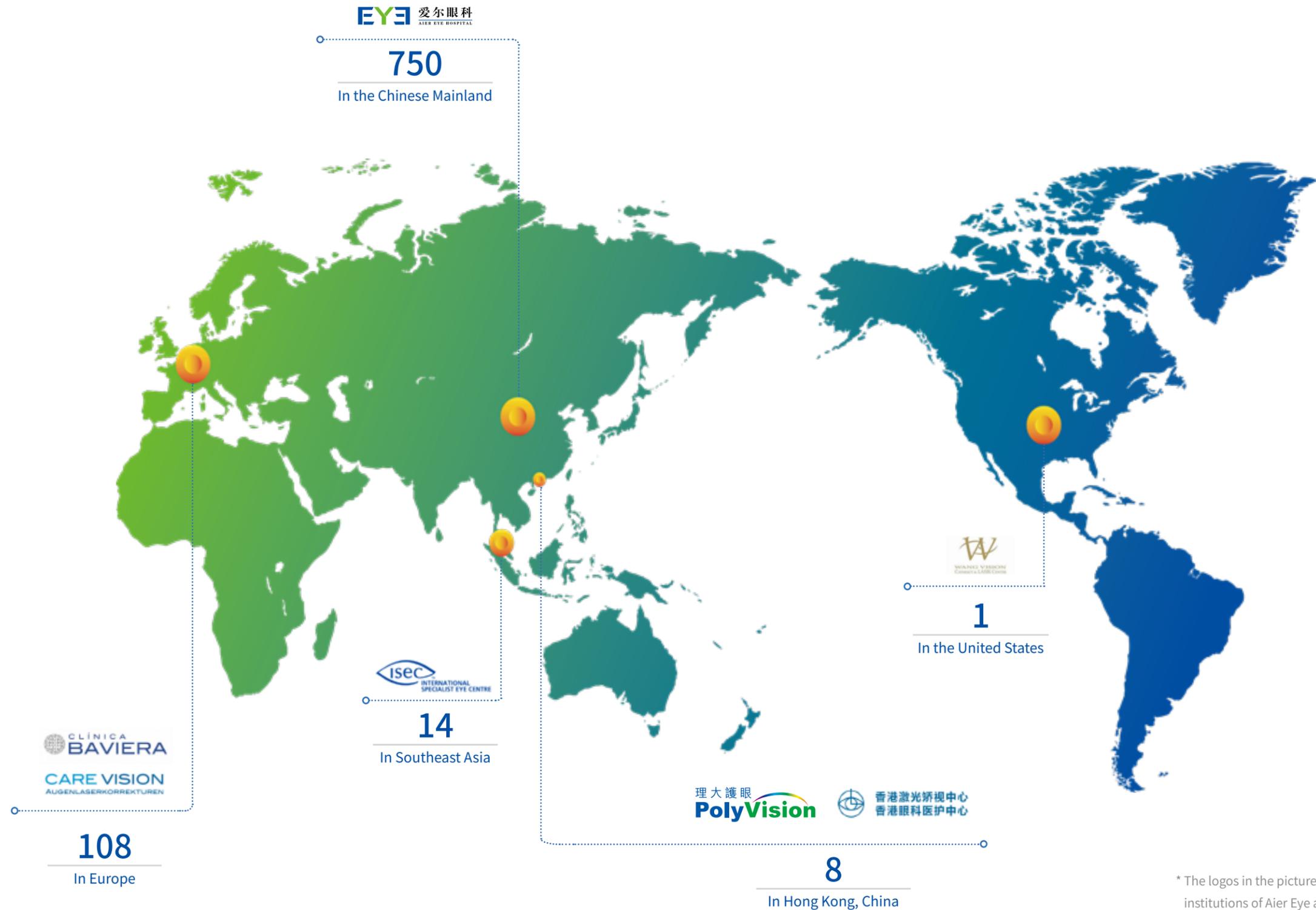
Public Welfare and Charity

- Donate RMB **386** million in 2023
- More than **700** public welfare projects have been supported
- Over the years, it has helped about **1.5** million patients with difficult eye diseases to see again, and provided free eye health clinics and popular science education to nearly **200** million people



Company Profile

Aier Eye Hospital, established in 2003, has a vast medical presence in Asia, Europe, and North America. Aier Eye Hospital was listed in 2009 on the Shenzhen Stock Exchange (stock code: 300015), and its branches in Europe and Southeast Asia were listed in Madrid, Spain (CBAV.MC) and Singapore (SGX:40T), respectively. As of December 31, 2023, there were 881 eye hospitals, eye centers and clinics under Aier brand. Among them, there were 750 in the Chinese mainland (including 439 under the Group and 311 under M&A Funds), 8 in Hong Kong, China, 1 in the United States, 108 in Europe, and 14 in Southeast Asia.



* The logos in the picture are medical institutions of Aier Eye at home and abroad

Business Layout

Aier Eye Hospital is the world's largest ophthalmology medical group. As a professional ophthalmology hospital chain, Aier Eye Hospital is devoted to providing general and hierarchical eye healthcare services for all kinds of people. At present, the Group is mainly engaged in surgical services, medical optometry, and the diagnosis and treatment of various eye diseases, include but are not limited to:

Refractive Surgery

Refractive surgery is to correct ametropia (such as nearsightedness, farsightedness, and astigmatism). According to the location of the operation, it can be divided into three categories: corneal surgery, intraocular refractive surgery, and scleral surgery. Aier Eye Hospital has developed customized refractive surgeries that can be matched with patients according to various indications and individual needs, such as implantable contact lens (ICL) surgery, small incision lenticule extraction (SMILE) eye surgery, contour vision (personalized femtosecond) surgery, TransPRK surgery, and presbyopia correction surgery. The five major techniques can cater to patients' various needs, and the Group has been ranked the first in myopic surgeries in China for many years in a row.

Optometry

Optometry refers to non-operative correction of myopia, hyperopia, presbyopia, astigmatism, and other eyes ametropia. Aier Eye Hospital has proposed "5P Myopia Prevention Mode", and developed high-end technologies, such as "Cloudclip", a smart wearable device for myopia prevention, and an artificial intelligence (AI) diagnosing system for ophthalmology, providing one-stop customized diagnosis and treatment plan for children and teenagers with myopia. The Mode consists of "file establishment for prevention, scientific anticipation, control and intervenes and scientific popularization and education". Based on the vision-function check on both eyes, the Group can also provide comprehensive solutions for people with ametropia, which synchronizes with the state-of-art ideas and diagnosing methods in the world, and thus makes the Group's technological advantages and its social cognition more significant.

Cataract

Cataract is one of the common causes of blindness worldwide, which is mainly treated by surgery. Aier Eye Hospital constantly upgrades the quality of services for cataract projects, synchronizes with the cutting-edge technologies for treating refractive cataracts in the world, customizes diagnosis plans based on eye measuring, projects an image of high-quality technical service, and soundly develops medium and high-end surgical methods, so as to improve the added value of its service while meeting the diversified needs of patients.

Keratopathy

Keratopathy is one of the main causes of visual deterioration, resulting in blurred vision, declining vision, and even vision loss, and it is also one of the eye diseases causing blindness. As one of the earliest eye healthcare institutions in China to offer corneal transplant surgery and pterygium removal surgery, Aier Eye Hospital is among the top in China in terms of the number of annual outpatient visits and surgeries. Besides, to supply enough resources for corneal transplants, Aier Eye Hospital has established 9 Aier Eye Banks and 53 corneal donation stations as of the end of 2023, which has made corneal transplants more convenient.

Fundus Diseases

Fundus diseases mainly refer to the lesions of the retina, choroid, optic nerve, and vitreous body, including inflammation, vascular disease, degenerative changes, congenital abnormalities, etc. Common fundus diseases include diabetic retinopathy, macular degeneration, high myopic retinopathy, and retinal detachment. Aier Eye Hospital offers a full range of treatments for fundus diseases, including retinal diseases, optic nerve diseases, vitreous diseases, macular disease, etc. In addition, Aier Eye Hospital has developed advanced treatment programs such as micropulse laser, vitreous ablation laser and non-contact wide-angle minimally invasive vitrectomy.

Glaucoma

Glaucoma is the world's first irreversible blinding eye disease. The relative or absolute increase in intraocular pressure beyond the tolerance of optic nerve can result in optic nerve damage and visual field defects. The principle of treatment is to reduce patients' intraocular pressure. Aier Eye Hospital has introduced new glaucoma therapy aligned with the international standard, and established a base for glaucoma diagnosis and treatment. We are committed to building a special medical treatment alliance for glaucoma management, which manages the admission and treatment of patients with intractable diseases, allocation of medical resources, and clinical training and teaching. Therefore, the medical needs of patients can be satisfied as far as possible.

Strabismic Amblyopia

Strabismic amblyopia refers to a condition where vision is subpar compared to the normal level without any apparent eye abnormalities, and cannot be corrected to normal through adjustment. The effectiveness of treating strabismic amblyopia is closely related to the patient's age, the severity of amblyopia, and the timeliness of the treatment. Treatment methods include refractive correction, occlusion therapy, visual training, medication, and surgical treatment, etc. Aier Eye Hospital utilizes a team of seasoned experts, capable of accurately diagnosing strabismic amblyopia, and formulating personalized treatment plans depending on the specifics of the patient's condition.

Lacrimal Duct Disorders

Lacrimal duct disorders are common diseases in ophthalmology, mainly involving lacrimal duct obstruction, dacryocystitis and lacrimal canaliculi stenosis, etc. Aier Eye Hospital provides comprehensive and professional medical services in the diagnosis and treatment of lacrimal duct disorders. Leveraging advanced treatment technologies, a professional medical team, abundant academic exchanges, and patient education, Aier Eye Hospital provides superior medical experiences and efficient treatment plans to patients with lacrimal duct diseases.

Orbital and Ocular Tumors

Orbital and ocular tumors, are lesions occurring in orbital tissues, including inflammation, tumor, trauma, secretion-related diseases, etc., which can cause exophthalmos, eye movement disorders or double vision. Aier Ophthalmology carries out six core clinical technologies: Ophthalmic imaging diagnosis technology, personalized precision decompression of thyroid related eye diseases, comprehensive diagnosis and treatment of orbital malignant tumors, 3D printing repair technology of orbital fractures, comprehensive diagnosis and treatment of eye tumors and orbital diseases, navigation-assisted nasal endoscopic decompression of optic nerve canal. Aier Ophthalmology has organized or participated in the formulation of a number of diagnostic standards, diagnosis and treatment norms and guidelines for orbital diseases and eyeshadow images in China, and has a strong clinical research capability to overcome the difficulties of difficult orbital eye tumor diseases.

Ecological Strategy

With the growing strategic value of our "Eye Healthcare Ecosystem", we make sustained efforts in six dimensions, namely hierarchical chain, intra-city network, digital ophthalmology, education and technology, globalization, and sustainable public welfare. By doing so, Aier aims to promote holistic development and become the world's leading innovative eye healthcare service group.

Hierarchical Chain

To solve the "difficulty to visit the doctor" caused by the mismatch of demand and supply, Aier Eye Hospital has explored and established a hierarchical chain mode, covering "flagship hospitals in central cities, hospitals in provincial capital cities, hospitals in prefecture-level cities, and hospitals in county-level cities". In this mode, hospitals of higher level could support those of lower level with medical technologies, while hospitals of lower level could transfer patients suffering intractable diseases to higher-level hospitals. We strive to cover more cities and counties in China and provide more patients with high-quality and affordable eye health services.

In the next ten years, Aier Eye will fully promote the "1+8+N" strategy: 1 world-class eye hospital, 8 national and regional eye medicine centers, N provincial first-class eye hospitals and N city leading eye hospitals, effectively serve the majority of eye disease patients, improve China's overall ophthalmic medical technology capabilities, catch up with the world's advanced level. Aier Eye Hospital strive for every hospital to establish a good reputation of patients, maintain a continuous and stable level of business, in the course of development, slowly become the infrastructure of urban services, urban medical supporting hardware, urban history of the famous landmark.

Intra-City Network

To achieve hierarchical diagnosis and treatment, make hospital visits more orderly, and bring convenience to patients, Aier Eye Hospital, following the national initiative of "Healthy China - Preventing and Controlling Childhood Myopia", has established an Intra-City Network Ecology, where ophthalmic hospitals take the lead, ophthalmic (optometry) clinics play a major role and Eye Health e-Stations work as extensions, to further improve the resource allocation in regions, increase efficiency and sharing, optimize the resource distribution, and provide patients with more convenience.

Digital Ophthalmology

Placing considerable value on precision medicine, Aier has made full use of digital intelligence technology to develop digital products and encourage interdisciplinary integration, striving for breakthroughs in medical technology, management efficiency, and innovative scientific research. Aier plans to optimize the practical application, R&D, delivery and O&M of data with the construction of data centers, in a bid to raise the digitalization level at major regional hospitals and promote region-wide adoption of the medical cloud platform system. We also work to expedite the realization of digital scenarios, promote the application of AI intelligent diagnosis and launch the federal learning platform, as part of our effort to enhance digital ophthalmology capabilities. We endeavor to build a comprehensive and intelligent medical service network and develop a set of new standards for digital ophthalmology, contributing to the construction of a lifecycle eye health service system for all.

Education and Technology

Scientific research, innovation and talent cultivation are the foundation of long-term development. We develop comprehensive education and training systems through independent school operation, school-enterprise cooperation, and establishment or co-establishment of training centers. By setting our sights on clinical applications and major scientific problems in ophthalmology and visual science, we have made coordinated efforts to accelerate the layout of scientific research and set up a "multi-location"

ophthalmology research system, achieving breakthroughs. Relying on the model of "platform + project + talent", we continue to speed up the development and research of cutting-edge technologies, common industry technologies and clinical practical techniques, so as to create a closed loop of "clinic-research-incubation-conversion", thereby contributing our wisdom and strength to the evolution of ophthalmology and visual science in China.

Aier Eye Hospital has reached strategic partnerships with many well-known universities and colleges in hospital co-construction, talent and teacher cultivation, and scientific research, in the hope of setting an exemplary model of a "renowned university plus prestigious enterprise". Meanwhile, we constantly promote the construction of talent introduction and cultivation system, work out a talent supply chain plan for meeting development needs, and develop a diversified training and teaching mechanism, to guarantee talent supply for our development and provide more excellent ophthalmology talents for the society.

Based on the above, Aier Eye Hospital has been constantly building an all-dimension scientific research platform. As of the end of 2023, we had achieved a clinic-teaching-scientific research-integrated innovation pattern nationwide, consisting of "multiple hospitals/schools", "multiple institutes", "5 stations", "5 centers", "4 bases", "1 platform" and "1 laboratory". Making use of rich clinic resources, and connecting the academic education, scientific research, physician training, and clinical practices, we have truly transformed the research fruits into treatment approaches and teaching cases, and thereby improve the clinical service quality.

Globalization

While concentrating on the Chinese market, Aier Eye Hospital is trying to strike a balance whereby domestic and overseas markets reinforce each other. Aier Eye Hospital has been steadily implementing its globalization strategy to learn high-end service modes and philosophy, and cutting-edge medical technologies and management experience. We keep introducing the world's leading technology and equipment by merging and acquiring leading ophthalmic

institutions, such as Hong Kong Asia Medical, Ming Wang Ophthalmic Center in the United States, Clinica Baviera in Europe, International Specialist Eye Centre (ISEC) Healthcare in Southeast Asia. Also, we have built a sharing platform for the world's ophthalmic doctors and scientists, so as to carry out comprehensive strategic cooperation with well-known ophthalmology and vision science institutions in the world. We have also established research and incubation platforms for technological innovation in many countries and regions, including Europe, the United States, and Israel, in order to achieve two-way empowerment in medical technology, education and training, scientific research and other dimensions. All these are anticipated to promote the popularization and application of international advanced technologies in China, strengthen, broaden and deepen our goal of "Global Vision for Your Vision", constantly broaden Chinese path of ophthalmic innovation and development, advance the development and progress of human ophthalmology and visual science, and ultimately demonstrate the international influence of Chinese medical brands.

Sustainable Public Welfare

Taking on its social responsibility actively, Aier Eye Hospital seeks to strike a harmonious balance between fulfilling social responsibility and achieving better development. In addition to popularizing basic eye health knowledge, we have developed a "cross-subsidy" public welfare model for sustainability to aid poor patients with eye diseases, attempting to truly implement the national "targeted poverty alleviation" strategy in the ophthalmology sector. We continue to engage in philanthropic initiatives around the world by providing medical assistance and technical training for developing countries and regions, hoping to drive the development and progress of local ophthalmic medical services. In light of our strategic planning for public welfare, we deepen our cooperation on public welfare programs, collaborate with the Eye Care Foundation, and make vigorous inputs to effectively help underprivileged patients with eye diseases. Meanwhile, we have been working with Hunan Xiangjiang Philanthropy Foundation to improve the education and scientific research level of ophthalmology and visual science, striving to project a positive public welfare image in China's ophthalmic medical industry.

Corporate Culture

We promote the development of the eye health business with love and in accordance with national policies and industry trends. Adhering to long-termism and the team spirit of responsibility, cooperation, innovation and dedication, we integrate all kinds of resources and work with our ophthalmic colleagues and partners to share global ophthalmological achievements. Specifically, we continuously improve the level of medical technology, innovate the medical service model, and meet the needs of patients. In doing so, we are committed to enabling everyone, no matter rich or poor, to enjoy the right to eye health, and making ourselves an industry model in terms of discipline building, digital healthcare, talent development, innovative management, patient care, respect for employees, and giving back to society.



Awards and Recognitions

In 2023, Aier Eye hospital continued to improve its medical services, participated in social welfare activities, assumed social responsibility, and won numerous governmental commendations and awards as well as recognition and positive evaluations from the industry and the public in the areas of medical services, public welfare and charity, discipline construction, health science and technology, scientific and technological innovation, grass-roots party building, and support for the military and the families. In total, we have received more than 2,700 awards, prizes, honorary titles, thank you banners and other related honors. Among them, there are more than 200 awards and honors issued by government departments, about 125 honors for medical services, more than 100 honors for medical technology and professional competitions, about 35 honors for discipline construction, more than 90 honors for health popularization and technological innovation, about 87 honors for grass-roots party building, about 37 honors in supporting the military, more than 130 times serving in new industry societies/associations, the National People's Congress, the Chinese People's Political Consultative Conference and other relevant social organizations, and more than 70 honors (recognition) from other social organizations. A total of 1,610 banners, thank-you letters, paintings, plaques, etc. were received from patients.

Honor/Award Name	Name Organization
Disclosure evaluation rated as A ¹	Shenzhen Stock Exchange
17th "Top 50 Value Companies Listed on the Growth Enterprise Market", "Outstanding Digitalized Company in China", "Meritorious Secretary of a Listed Company in China"	China Listed Companies Value Ranking
19th "Best Capital Operations Project Award"	New Fortune
5th "Best Listed Company" ²	New Fortune
14th "Investor Relations New Media Award for Listed Companies in China", "Investor Relations Pegasus Award for Listed Companies in China", "Investor Relations Case Award for Listed Companies in China"	Securities Times
Advanced Individual of Xinhuanan Contribution Award - Chen Bang	Hunan Provincial Party Committee, Provincial People's Government
12th "China Charity Award" ³	Ministry of Civil Affairs of the People's Republic of China
National Advanced Private Enterprise in Employment and Social Security	China Federation of Industry and Commerce, Ministry of Human Resources and Social Security of the People's Republic of China, China Federation of Trade Unions
2023 Charity Enterprise of China Charity List	The Public Welfare Times
18th People's Corporate Social Responsibility Award "Annual Corporate Award"	People's Daily
Listed company with the best practical case in rural revitalization	China Listed Companies Association
2022 China New Economy Top 500 Enterprises	China Enterprise Evaluation Association
Excellent Leader of the National Health Industry Cyber Security Contest	National Health Commission of China

*The above list does not include subsidiary awards

¹ For 8 consecutive years
² For 5 consecutive years
³ Three consecutive terms

Sustainability Management

Adhering to the grand mission of "enabling everyone, no matter rich or poor, to enjoy the right to eye health", Aier Eye Hospital promotes the implementation of the "1+8+N" strategy. Efforts are made to build a "world-class eye center" and to strike a harmonious balance between social responsibility and business growth.

Aier's Sustainable Development Goals

Aier Eye Hospital has been adhering to the harmonious balance between social responsibility and business growth. While providing high-quality ophthalmic medical services, Aier actively fulfills its obligations and duties as a corporate citizen, in a bid to give back to society and serve the people's livelihood with concrete actions. In addition to complying with the United Nations Sustainable Development Goals (SDGs), we will continue to improve our services, promote integrity and innovation, take care of our employees, protect the ecology, and work with our partners so that we can steadily progress on the path of sustainable development and create more value for society. Our social responsibility goals and directions for action are as follows:

Directions	Material Issues Involved	Actions	Major Contributions to SDGs
Love Leads the Way in Sharing Global Achievements	Product safety and quality	<ul style="list-style-type: none"> Improve the Group's medical quality and safety control system Develop a Group-wide medical risk management system Establish a "Group - Province - Hospital" three-tier quality and safety supervision mechanism and inspect all hospitals for medical quality and safety on a regular basis Exercise strict control over medical devices and medicines, and conduct special inspections to ensure the safety of medical supplies Optimize the online learning platform for service management, deliver quality and safety training for all employees, and cultivate a culture that emphasizes medical quality and safety 	   
	Excellent medical service	<ul style="list-style-type: none"> Formulate "Four Service Principles" to standardize services Create a smart service system to provide convenient, customized and accurate medical services for patients Establish and keep improving the normalized supervision mechanism for medical services Develop a sound training system of service capability to enhance service personnel's awareness and strengthen their competence Establish a multi-department linkage mechanism to deal with doctor-patient disputes, and ensure sufficient communication with patients 	
	Training of professionals	<ul style="list-style-type: none"> Establish a comprehensive education and training system for researchers 	
	Responsible marketing	<ul style="list-style-type: none"> Clarify the responsibilities of responsible marketing personnel, establish a mechanism for reviewing, publishing and archiving advertisements, and strictly enforce responsible marketing compliance requirements Conduct audits on responsible marketing 	

Directions	Material Issues Involved	Actions	Major Contributions to SDGs
Developing Quality Services with Love and Care	Data and privacy protection	<ul style="list-style-type: none"> Establish an information security working group and formulate the Group's information security strategies Conduct information security audits and pass the assessment of level 3 protection certification Publish the Privacy Policy to protect users' control over their personal information 	   
	Supply chain management	<ul style="list-style-type: none"> Establish strict supplier approval, assessment, and removal processes and standards to improve the lifecycle control and audit for suppliers Integrate ESG factors into supplier chain management to foster a responsible supply chain Conduct internal audits of suppliers to ensure that upstream suppliers have appropriate qualifications and qualified products 	
Love Leads the Way in Sharing Global Achievements	R&D and innovation	<ul style="list-style-type: none"> Establish an innovative platform for medicine, education and research that integrates "multiple hospitals/schools", "multiple institutes", "5 stations", "5 centers", "4 bases", "1 platform" and "1 laboratory" Continuously improve the management system and support mechanism for scientific research Set up 14 professional teams to cultivate scientific research and innovation talents Provide a strong capital guarantee for solid support 	    
	Digital transformation	<ul style="list-style-type: none"> Initiate the "Digital Ophthalmology" model to explore the digital and intelligent development of ophthalmic treatment Independently develop numerous new digital management systems to provide targeted services for patients with different eye diseases 	
	Intellectual property protection	<ul style="list-style-type: none"> Respect intellectual fruits and continuously improve the management system and process that support scientific research Deploy the ophthalmic research institute information management system to ensure the accuracy and security of research results submitted by researchers 	
	Industrial cooperation and development	<ul style="list-style-type: none"> Actively participate in industry exchanges and seminars to co-formulate industry standards and promote synergistic progress between healthcare organizations Build strategic partnerships with many well-known universities and colleges to establish a comprehensive platform integrating healthcare, education, research and industry 	
Growing with Love and Improving Employee Well-being	Accessibility of ophthalmology medical care	<ul style="list-style-type: none"> Organize primary doctors to attend professional training and arrange experts to work in different hospitals, so as to increase the accessibility of medical resources and expert services Develop a coordinated remote medical network and extend quality medical resources to primary healthcare facilities using information technology 	
	Labor management and rights protection	<ul style="list-style-type: none"> Ensure compliant employment for an equal and inclusive workplace Conduct human rights risk assessments and make every effort to mitigate human rights risks Respect employees' rights of free association, sign collective agreements with employees, and conduct regular collective bargaining to contribute to participatory democracy Establish incentive mechanism and offer a range of welfare benefits to all employees 	

Directions	Material Issues Involved	Actions	Major Contributions to SDGs
Growing with Love and Improving Employee Well-being	Staff training and development	<ul style="list-style-type: none"> Establish seven major posts and dual promotion channels for management talents and professional talents Build a hierarchical talent training system that includes operation management training, medical management training and core medical talent training Build a distance education platform of Aier Management Institute as well as a cloud live class platform to improve employees' learning efficiency and convenience Forge ahead with on-job postgraduate program relying on the academic education platform built in partnership with universities 	
	Occupational health and safety	<ul style="list-style-type: none"> Improve the occupational health and safety management system to promote the monitoring and assessment management of safety risks Strengthen the daily safety prevention and management at all premises to ensure the health and safety of employees Organize safety emergency drills to improve employees' abilities to respond to emergencies and prevent accidents 	
Cherishing Lucid Waters and Lush Mountains with Heartfelt Devotion	Waste discharge management	<ul style="list-style-type: none"> Dispose of wastewater and other types of waste in compliance Implement garbage sorting and recycling to reduce waste discharge 	
	Management of resource consumption	<ul style="list-style-type: none"> Continuously improve the efficiency of water use and strengthen the daily management and maintenance 	
	Green operation	<ul style="list-style-type: none"> Improve environmental management policy and establish the environmental management department Conduct environmental audit, which covers medical waste disposal, wastewater discharge, power consumption management and fuel consumption management Implement measures to save electricity and water, promote paperless office, and encourage employees to be green travelers 	
	Climate change and carbon emission	<ul style="list-style-type: none"> Improve the initiatives on governance, strategy, risk management, and metrics and targets with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) 	
Creating a Better Life for All with Commitment to Public Welfare	Charity	<ul style="list-style-type: none"> Formulate the public welfare strategy of Aier Eye Hospital and implement the "cross subsidy" model, so as to create a sustainable public welfare ecology for eye health Continue to engage in public welfare activities relating to rural revitalization, care for the disadvantaged, education, etc. Set up a Public Welfare Strategic Advisory Committee to further the systematization and Professionalization of public welfare 	
Consolidating Corporate Governance under Aier Principles	Integrity and compliance operation	<ul style="list-style-type: none"> Set up "three lines of defense" of risk control to realize compliance operation targets Provide training for all employees and foster a compliance culture 	
	Risk management	<ul style="list-style-type: none"> Formulate the Risk Management Policy to optimize the digital risk management platform and strengthen risk prevention capabilities Establish a risk library, improve the mechanism for risk identification, evaluation and early warning, and conduct regular internal audits across all business lines 	
	Business ethics and anti-corruption	<ul style="list-style-type: none"> Improve the business ethics management system and form an effective supervision mechanism Make internal and external reporting channels accessible to the public to foster a culture of integrity and compliance Conduct integrity education to increase integrity awareness 	

Social Responsibility Governance Structure

Aier Eye Hospital integrates the concept of sustainability into its operations and management, constantly reviews its sustainable development performance and strengthens the management of various aspects in sustainability. The Group conducts business in strict accordance with the concept of sustainability by communicating regularly with stakeholders, studying sustainable development policies, managing material issues, planning development goals and making recommendations for improvement. The Group has established a three-tier social responsibility governance structure consisting of the Board of Directors, the Social Responsibility Management Committee and the Social Responsibility Working Group. We clarify the responsibilities at all levels of the governance structure to realize top-down supervision, management and implementation of social responsibility issues, and to ensure the effective management of corporate social responsibility.



Social Responsibility Governance Structure

Stakeholder Engagement

We identify stakeholders and consider the impact of the Group's operations on them. We also understand and respond to their demands and expectations through a variety of channels such as the General Meeting of Shareholders, study tours, meetings and interviews with governmental organizations and social notices. These enable us to set sustainable development goals and formulate corresponding initiatives to practice the concept of sustainable development. The Group proactively communicates with shareholders, investors, customers, employees, suppliers, government organizations and the community through various channels, both online and offline, to seek for their suggestions or views and better contribute to the sustainable development. Summarized below are our stakeholder communications during the reporting period:



Stakeholders	Expectations and Requirements	Main Communication Methods	Communication and Responses
 Patients	<ul style="list-style-type: none"> Service quality and safety Patient service quality Patient information security Protection of patient rights and interests 	<ul style="list-style-type: none"> Patient satisfaction survey WeChat Official Account Service hotline 	<ul style="list-style-type: none"> Service quality optimization Enhancement of privacy and data security Improvement of complaint and feedback mechanism Control over the whole process of medical services
 Governments/Regulators	<ul style="list-style-type: none"> Compliance with laws and regulations Ratepaying in accordance with laws Climate change response Economic development 	<ul style="list-style-type: none"> Information submission Information disclosure Institution inspection 	<ul style="list-style-type: none"> Compliance with laws and regulations Identification of climate-related risks and opportunities Maintenance of sustainable profitability
 Shareholders/Investors	<ul style="list-style-type: none"> Corporate information disclosure Investment return and growth Legitimate and compliant operations 	<ul style="list-style-type: none"> General Meeting of Shareholders Presentations for business performance Investor phone number/e-mail Company's official website Surveys on headquarters/hospitals Road show 	<ul style="list-style-type: none"> Expanding investor communication channels Responsible investment Compliance system building
 Suppliers	<ul style="list-style-type: none"> Integrity and fairness Stable demand for supplies Fair pricing Climate change response 	<ul style="list-style-type: none"> Supplier audit Supplier assessment Supplier communication Supplier training 	<ul style="list-style-type: none"> Open tendering Responsible procurement initiatives Integrity culture fostering Fostering a sustainable supply chain

Stakeholders	Expectations and Requirements	Main Communication Methods	Communication and Responses
 Partners	<ul style="list-style-type: none"> Market synergy Resource sharing 	<ul style="list-style-type: none"> Expert training Communication meetings Company research activities 	<ul style="list-style-type: none"> Organization of industry knowledge forums Empowerment and support by professionals Establishing a database for market synergy
 Employees	<ul style="list-style-type: none"> Employee salary and welfare Talent development and cultivation Diversity and equality Care for employees Occupational health and safety 	<ul style="list-style-type: none"> Workers and employees' congress Employee care activities Management suggestion box Employee research activities Employee training 	<ul style="list-style-type: none"> Enrichment of employee welfare mechanism Improvement of employee training system Establishment of diversified internal communication channels Organization of diversified employee activities Provision of a safe working environment
 Local Communities/Public welfare Organizations	<ul style="list-style-type: none"> Protection of the community environment Engagement in social welfare activities Promotion of community development 	<ul style="list-style-type: none"> Press reports Company's official website WeChat Official Account Voluntary services Community activities 	<ul style="list-style-type: none"> Promoting green operation Organization of public welfare activities Employees' engagement in volunteering activities Community investment

Materiality Assessment

Materiality assessment is of great significance to Aier Eye Hospital's business development and future planning. With reference to the material issues included in the 2022 Social Responsibility Report, we have identified 7 categories of stakeholders by analyzing the Group's business relationships and operations. On this basis and taking into account macro policies, industry trends and relevant domestic and international standards, the Group identified 22 material issues in the environmental, social and governance aspects. During the reporting period, we actively solicited stakeholder views and expectations on Aier Eye Hospital's sustainability through online questionnaires, and comprehensively assessed the level of impact of each issue on stakeholders and the Group's operations. A matrix for material issues was then formed.

Materiality Assessment

Review and Analysis

Based on the *2022 Social Responsibility Report of Aier Eye Hospital Group Co., Ltd.* and in conjunction with the national policies, industry standards, and the current status of the group that were newly introduced in 2023, preliminary screening of key sustainability issues was conducted.

Identify Material Issues

Taking into account the actual situation and characteristics of Aier Eye Hospital's business development, and in combination with industry features, 22 sustainability issues were identified by referencing the GRI (Global Reporting Initiative) standards and the requirements of related sustainability guidelines.

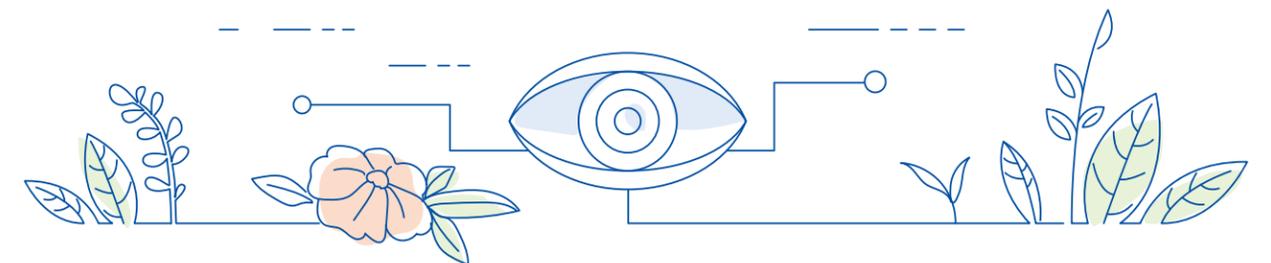
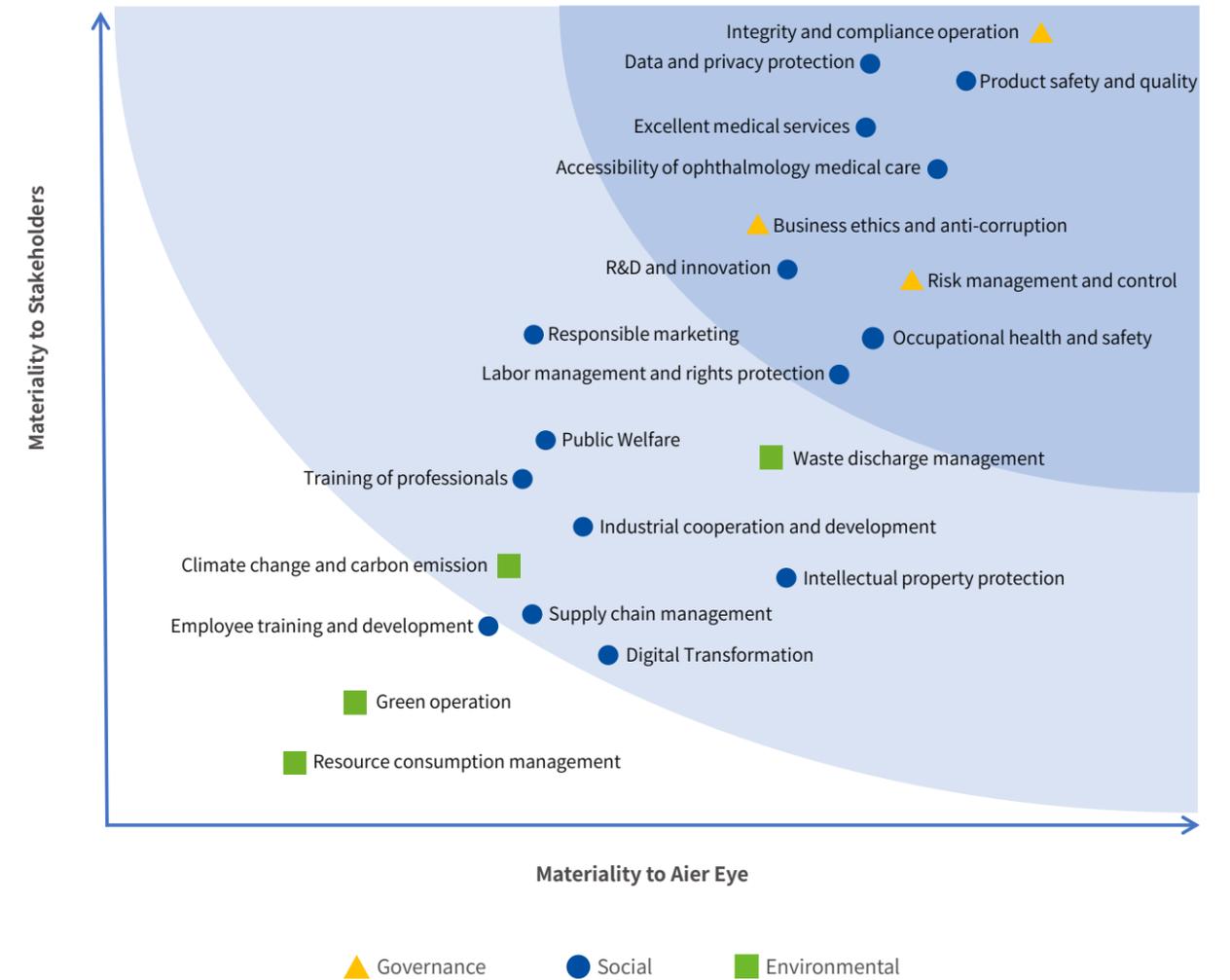
Assess Materiality

Research was conducted with stakeholders such as management and employees during the daily operational process to understand their demands and expectations. After benchmarking with peers and trend analysis, a questionnaire survey was conducted with departments involved in the main issues of Aier Eye Hospital to determine the materiality of the issues.

Confirm Results

Based on the results of the materiality assessment, the Board of Directors and the Corporate Social Responsibility Management Committee reviewed and confirmed the matrix of key material issues for the current year.

Matrix for material issues



01

Developing Quality Services with Love and Care

Following the national development concept of "placing people's health at the center", Aier Eye Hospital continues to optimize the medical service quality and safety management system in an effort to strengthen medical services. We strive to protect patients' privacy and guarantee their information security. We safeguard patients' rights and interests from all fronts and provide them with considerate, reassuring and comfortable services. We cultivate trustworthy and transparent relationships with suppliers and jointly foster a sustainable supply chain. On this basis, we work together to promote the development of a quality and efficient healthcare service system with Chinese characteristics.

Contributions to SDGs



Safety and Quality Management

The Group keeps working on the medical quality and safety management system. We strengthen the quality and safety control over medical services and products from multiple dimensions, including organizational structure, system development, supervision and rectification, training and knowledge publicity. By doing so, we ensure the effectiveness of the medical quality and safety management system and guarantee the health and safety of patients.

Quality Management System

Adhering to the quality principle of "operating with integrity and putting quality first", we take the quality and safety of medical services and products as a fundamental requirement. We build a comprehensive medical quality and safety control system, develop and continuously optimize relevant policies, and take strict actions to ensure that corresponding responsibilities are well performed. These efforts aim to consolidate the foundation for medical quality and safety management and enhance our resilience to relevant risks. In 2023, the National Health Commission of the People's Republic of China issued the lists of national medical quality control centers and their expert committee members on the official website. Professor Tang Shibo of the Group was selected as one of the committee members of the national ophthalmic medical quality control center.

Medical Quality and Safety Control System

Aier Eye Hospital complies with a series of national laws, regulations and policies, such as the *Law of the People's Republic of China on the Promotion of Basic Medical and Health Care*, the *Law on Doctors of the People's Republic of China*, the *Measures for the Administration of the Clinical Application of Medical Technologies* and the *Implementation of the Regulation on the Administration of Medical Institutions*. The Group has also formulated and implemented the *Aier Measures on Medical Quality and Safety Management*, the *Aier Medical Risk Management Program*, the *18 Core Policies for Medical Quality and Safety*, *Aier's Administrative Measures for Examination of Surgical Skills* and other policies. These documents clarify responsibilities and measures on medical quality and safety management for all levels of the Group, and define the safety specifications that hospitals must follow when providing medical services. All these policies are expected to provide a solid guarantee for the Group's continuous improvement in medical quality and safety management.

To build up medical quality and safety management in 2023, we revised the *KPI for Hospital Directors and Medical Directors of Aier Eye Hospital* and the *Medical Inspection Scoring Rules of Aier Eye Hospital* to set up annual targets for medical quality and safety performance assessment. In the same year, we released the *Implementation Rules of Comprehensive Medical Quality Improvement of Aier Eye Hospital (2023-2025)*, the *Action Plans of Surgical Quality and Safety Improvement of Aier Eye Hospital (2023-2025)*, the *Outpatient Services Management Policy of Aier Eye Hospital* and other policies. On this basis, we put forward specific requirements for comprehensively improving medical quality, thus making the Group's medical services more standardized. Moreover, we upgraded the "Medical Management Toolkit" to systematically support the orderly medical services of the Group's newly built hospitals.

Based on the concept of "prevention first", the Group focuses on medical quality and safety risk prevention and has established a medical risk management system covering all hospitals. We have also formed a closed-loop management mechanism for regular notification, rectification, feedback and evaluation of medical safety incidents. By virtue of the mechanism, we assist hospitals to strengthen the settlement of medical incidents and the quality of key surgeries. We have developed a multi-department emergency response mechanism that provides timely risk identification and warnings. The mechanism helps us to deal with major public opinion events and high-risk incidents more effectively and minimize negative impacts caused by such risks. In response to high-risk pending incidents, we require responsible departments to track, investigate and rectify such issues. We also supervise corresponding departments to formulate and implement rectifications, so as to ensure the effectiveness of the risk management mechanism. In addition, the incidence of endophthalmitis after our major surgeries remained below the national average of the three hospitals.

2023

Incidence of endophthalmitis after cataract surgery

(about 0.03% in Grade-A tertiary hospitals according to national data)

0.0166 %

Incidence of endophthalmitis after vitrectomy

(about 0.05% according to domestic and international data)

0.0088 %



We conduct multi-angle and all-round evaluation on the medical service quality and safety management performance of the Group and province-specific branches, regularly summarize and analyze medical safety incidents, improve the disciplinary adverse event comment mechanism, and carry out medical case studies and discussions on related incidents. At the same time, we carry out regular analysis and warning work around medical safety incidents, strictly inspect the behavior of concealing and delaying reports of medical safety related incidents, comprehensively strengthen the attention of all employees to medical quality and safety incidents, and improve the handling level of quality and safety related incidents.



Strengthening the Quality and Safety Control of Surgical Anesthesia

To standardize surgical quality and safety performance, the Group established the Anesthesiology Team in 2023 to study quality control measures of clinical anesthesia and promote above measures in regional subsidiary hospitals. We held the first Annual Anesthesia Conference to facilitate the exchange of theoretical knowledge and practical experience regarding anesthesia quality and safety among medical professionals, specifically focusing on improving the quality and safety of surgical anesthesia. This will ultimately contribute to safe ophthalmic surgeries in every detail.

In 2023, the Group's united study group conducted **11** sessions of case study, including:



4 for ocular surface cornea, **2** for optometry, and **1** for fundus diseases, strabismus and amblyopia, glaucoma, lacrimal tract, and oculoplastics, respectively, of which the ocular surface cornea discipline had established a mechanism for routine review/discussion.

Medical Supplies and Drugs Management Mechanism

The Group highly values the quality and safety of medical supplies and drugs. We control medical instruments and drugs in strict accordance with relevant national regulations and utilize medical supplies in a compliant and safe manner, so as to adhere to the bottom line of quality.

Quality and Safety Control of Medical Supplies

Aier Eye Hospital strictly abides by the *Regulations on Supervision and Administration of Medical Devices*, the *Measures for Supervision and Administration of Medical Instruments Management*, the *Standards for Quality Management of Medical Instruments*, the *Guiding Principles for On-site Inspection of Standards for Quality Management of Medical Instruments* and other laws and regulations. Meanwhile, Aier Eye Hospital has formulated and implemented a series of internal policies such as the *Management System for Unqualified Medical Instruments*, the *Management System for Complaints, Incident Investigation and Treatment of Medical Instruments*, and the *Report Form for Adverse Medical Instruments Related Incidents*. In these policies, we clarify the job responsibilities for all positions, so as to better control and supervise the whole process and strictly ensure the quality and safety of medical supplies.

All medical instruments used by Aier Eye Hospital are imported from the original factory in an effort to ensure the performance and quality of medical supplies from the source. For daily management, hospitals are required by the Group to carry out monthly inspections on specifications of medical supplies and to conduct regular risk assessments of the quality and safety of medical supplies. Next, targeted rectifications must be adopted based on the assessment result. Besides, the Group and province-specific branches conduct special inspections from time to time. By the end of the reporting period, the Group and province-specific branches had conducted special inspections on the management of drug consumption in 145 hospitals and equipment management in 113 hospitals.

Drug Quality and Safety Control

Aier Eye Hospital complies with the *Drug Administration Law of the People's Republic of China*, the *Measures for the Reporting and Monitoring of Adverse Drug Reactions*, the *Good Supply Practice for Drugs*, the *Measures for Supervision and Administration of Drug Distribution* and other national laws and regulations. We have also formulated and implemented internal management policies, such as the *Provisions of Quality Risk Management and the Provisions for the Administration of Quality Principles and Targets*. In doing so, we strengthen the quality risk control throughout all processes of drug procurement, inventory, storage, maintenance, sales, delivery and after-sales. We promptly identify drug quality risks and take preventive or corrective measures accordingly. Besides, we have clarified the responsibilities of drug quality management for all levels in our policies. We have also set up quantifiable and comparable indicators and targets for relevant departments and responsible persons, so as to improve the Group's drug quality management.

Aier Eye Hospital fully implements national policies and requirements on pharmacy management. We formulated the *Rules for Pharmacy Assessment of Aier Eye Hospital* in 2023. As a reference for hospitals from province-specific branches, the internal policy assists above hospitals to independently inspect and rectify pharmacy management issues, and to strictly prevent and control compliance risks related to drug quality and safety. Meanwhile, we revised a total of 114 standards and norms in 2023, including the *Collection of Provisions for the Administration of Pharmacy Quality and Safety* and the *Collection of Ophthalmic Clinical Medication Guidelines and Pharmacy Management Provisions*. These documents lay a systematic foundation for the daily use, management, supervision and inspection of medicines, and provide a solid reference for rational pharmacy management and clinical medication.





Drug Certification

- All the drugs and consumables used are certified by National Medical Products Administration (NMPA), Food and Drug Administration (FDA) and other authoritative institutions.



Drug Use

- We have formulated management policies related to clinical drug use, such as the *Provisions for the Administration of Adjuvant Drugs*, the *Provisions for the Administration of Botulinum Toxin Type A for Clinical Use*, and the *Provisions for the Administration of Temporarily Prepared Eye-Drops Preparations*, in order to ensure the rational, safe and standardized use of clinical drugs.
- We have compiled templates like the *Hospital Pharmaceutical Quality Communication Template* and the *Pharmacy Work Record* for hospitals to advance the standardized control of drug quality and safety.



Drug Recovery and Recall

- We have formulated the *Provisions for the Administration of Drug Recovery* and the *Provisions for the Administration of Drug Recall* to guide the recovery or classified recall of sold drugs with safety hazards or significant quality issues based on the actual situation;
- As for drug recovery, we focus on recovering stocked drugs by notifying drug purchasers to immediately stop the sale and use of relevant drugs and requiring them to return these drugs within the prescribed timeline. As for drug recall, we take the initiative to assist suppliers in recalling drugs and to promptly collect, convey, provide feedback on and summarize the drug recall information from all aspects of drug circulation and supervision;
- We inspect the quality of recovered and recalled drugs, report and destroy the drugs confirmed as unqualified in accordance with the *Provisions for the Administration of Unqualified Drugs*, and keep detailed records of drug disposal on file.



Optimizing the Medication System to Secure Drug Safety from Multiple Dimensions

In 2023, Aier Eye Hospital formulated the *Guidelines for Safe Medication for Children*. The document covers such content as the characteristics of children's medication, principles of medication, key drugs for children, precautions in children's medication, and pharmacy administration. It provides explicit guidance on drug use by children and safeguard the drug use safety for children.

In addition, we formulated the *Ophthalmology Prescription Review Guidelines* in 2023, specifying prescription review requirements in 8 aspects of children's prescription, medication beyond specifications, antimicrobials, glucocorticoid, essential drugs, traditional Chinese medicine injections, intravenous infusion and anaesthetics. Thanks to the guidelines, hospitals from all province-specific branches can better review prescriptions and medical advice, improve the quality of prescriptions, and rationalize drug use, thus ensuring medical safety.



Strengthening Digital Management for Higher Pharmacy Management Efficiency

We have upgraded the digital medication management platform, established a pharmacy management module on the digital platform, and pushed forward the development of the pharmacy management indicator system of Aier Eye Hospital. In 2023, we added 64 indicators to the management system, including outpatient topical antimicrobials, key monitoring drugs, Chinese patent medicines and antimicrobials for inpatient class I incision, so as to exert macro control over clinical medication data.

We constantly promoted the application of the Rational Drug Use System, optimized its rules for reviewing prescriptions and functions for giving medical advice, and expanded the coverage of hospitals for front-loaded prescription review. By the end of 2023, the Group had a total of 127 hospitals for prescription review. In 2023, we also improved the library of special ophthalmic rules and established a mechanism of "putting prescription review first and medical advice next", so as to make the provision of prescriptions and doctors' advice more reasonable.

2023		
Average qualification rate of prescriptions	Average qualification rate of doctors' advice	Usage rate of antibacterial drugs ordered by inpatients
94.13 %	98.18 %	5.27 %
Above indicators all reached the evaluation standards of national tertiary eye hospitals.		

Quality and Safety Supervision

Aier Eye Hospital understands that medical quality and safety is the cornerstone of high-quality development. We have set up a quality and safety supervision mechanism in three tiers of "the Group, province-specific branches and hospitals" to strengthen the supervision on medical quality and safety by the Group and all province-specific branches. By means of inspections at the Group's level/unannounced inspections, inspections at the provincial level/cross-inspections, as well as self-inspections and self-corrections at the hospital level, we supervise the medical quality and safety management of all hospitals. Based on the inspection results, we put forward rectification requirements to relevant hospitals and urge them to take timely and targeted corrective measures. As a result, we are able to improve the medical quality and safety management performance of hospitals. Moreover, the Group requires all hospitals to prepare medical quality and safety reports on a regular basis, such as *Group Medical Safety Incident Notification and Brief Report on Medical Quality and Safety*. The Group also urges them to supervise and rectify own behaviors on this front, so as to strengthen their ability to deal with medical safety incidents.

In 2023, we completed cross-inspection and evaluation for a total of 50 hospitals in provincial capitals and prefecture-level hospitals providing large volume of healthcare services. We also collaborated with province-specific branches to conduct comprehensive medical quality and safety inspections on 41 medical institutions. Besides, we carried out hospital self-examination and secondary supervision on a quarterly basis, with a question completion rate of 94.9%.

Quality and Safety Training

We have formulated targeted training plans for all business lines and levels, regularly conducted regular medical quality and safety-related training for all employees of the Group, provinces and hospitals (including temporary employees and outsourced employees), and conducted training and assessment at least once a quarter for employees in the medical, nursing and medical skills sequences. For other series of employees to carry out training once a year, the training content includes quality and safety related professional knowledge, professional skills, operating procedures, laws and regulations, industry norms, internal control requirements, professional ethics, excellent cases, etc. Over the years of training has covered all employees, so that to ensure medical quality and safety become the consensus and direction of efforts of all staff.

To promote the application of knowledge and tools related to medical quality and safety in all hospitals, we have set up professional teams in 25 province-specific branches, with a view to enhancing staff's ability to better utilize quality management tools. In 2023, we conducted a total of 9 training sessions on theoretical and practical exercises of medical quality management tools at province-specific branches.

We also enhanced the quality control by medical management personnel through special training, practical competitions and other activities. In 2023, the Group launched 2 training sessions on medical management, covering more than 300 medical management personnel. A total of 44 training activities were conducted at province-specific branches, achieving 100% coverage with 24,146 trainees.

Medical Management Training Courses

- In March 2023, we held the first session of medical management training courses with the theme of "compliant and lawful practices for medical safety" to enhance the awareness and professional skills of medical management personnel on quality and safety compliance.

The Medical Management Training at the Provincial Level and the First Quality Improvement Competition

- In September 2023, we organized the Medical Management Training at the provincial level and the first Quality Improvement Competition themed on "strengthening knowledge reserve and acquiring professional skills to better track medical quality". We introduced the drill of medical quality tracking for the first time, with the aim of promoting the use of medical quality management tools and improving the efficiency of medical management.



Aier's Six Cases Winning the Title of "Valuable Case of the Innovation on Quality Improvement and Efficiency Enhancement of Medical Services"

From November 17 to 19, 2023, the 4th International Medical Quality and Safety Conference hosted by the Institute of Hospital Management of the National Health Commission was successfully held, and more than 2,000 leaders, experts, and medical and health workers from all over the country gathered to discuss and build new achievements, new ideas, and new strategies for improving medical quality and safety capabilities.

A total of six cases of Aier Ophthalmology were selected and awarded the title of "Value case", which were selected by the medical Department of the Medical management Center of the Group, "Application of system tracking method to reduce cataract postoperative infection", and "Application of PDSA method" selected by Aier Hunan Provincial Office. Improve the quality of cataract surgery in hospitals ", "Refined operation enables the improvement of the quality of medical services for patients in Tibetan areas", selected by Aier Eye Hospital of Chengdu, "Improve the standard rate of visual acuity after refractive cataract surgery", selected by Aier Eye Hospital of Chuxiong, "Exploration and Practice of regional homogenized medical quality management of Private Hospital Groups", selected by Aier Eye Hospital of Nanjing, and Aier Eye Hospital of Wuhan "Application of wechat mini program in health education of patients with dry eye physiotherapy" selected by Hankou Hospital.



Attendees of Aier Eye Hospital



Certificates for Awarded Cases

Providing Quality Services

At Aier Eye Hospital, we are "centering on the patients, using caring as a connection, and taking the laws as principles" to satisfy patients' needs. We are creating lean management and technological innovation driven service modes and building professional and standardized service talent teams, to provide patients with heartwarming and considerate services.

We actively respond to the requirements in the *Notice on Carrying out Thematic Activities to Improve Medical Experience and Improve Patient Experience* issued by the National Health Commission and the National Administration of Traditional Chinese Medicine. Taking into account the actual operations, we have established the *Aier Eye Hospital Implementation Plan for Thematic Activities to Improve Medical Experience and Patient Experience (2023-2025)*. In our "hierarchical diagnosis and treatment" and "intra-city network" operation modes, we require our provincial and regional subsidiary hospitals to develop and implement their own implementation plans. Specifically, we require them to, from patients' perspective, provide more convenient and intelligent medical services throughout the medical treatment process and develop modern medical service modes featuring more scientific processes, more continuous patterns, more efficient and considerate services, and better hospital environment. The aim is to make our services more accessible to patients and give them a greater sense of security, happiness and gain.

Improving Service Quality

We keep optimizing our medical service management system and have built a three-tier management structure consisting of the Group's headquarters, provincial and regional subsidiary hospitals, and local hospitals. Our provincial, regional and local subsidiary hospitals provide medical services under the monitoring and management of the Group's Service Management Department. Thanks to the efficient coordination and cooperation among all the tiers, a closed-loop management system for medical services from planning and implementation to monitoring and correction has been formed.

Service Standards Setting

To mobilize all staff members to take active part in delivering quality services throughout the medical treatment process, we have built a robust service standard and policy system covering the *Personnel Quality Standards*, *the Post Service Standards in Public Areas* and the *Policy of Aier Eye Hospital on Respecting and Safeguarding the Legitimate Rights and Interests of Patients*. We also continue to improve the service standards and specifications of the provincial and regional subsidiary hospitals taking into account patients' needs and the actual operations. In 2023, we issued the *Science Popularization Manual on Diagnosis and Treatment Service Scenarios for Dry Eye Patients* to detail service standards for different types of patients and provide them with more heartwarming service experience.



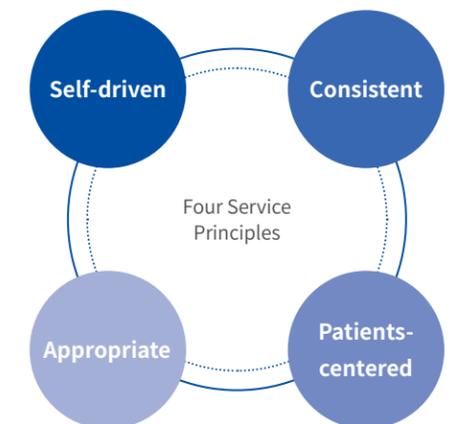
In 2023, the Group organized **10** sessions of "2023 Star Outpatient Service Evaluation on Dry Eye Diagnosis and Treatment" to guide the hospitals to provide thoughtful services during dry eye diagnosis and treatment. Our achievements were as follows:

- Prompt treatment rate: **73%**, exceeding the annual target of 70%;
- Revisit rate: **22%**, exceeding the annual target of 20%;

We implement the "Four Service Principles" to regulate our medical staff in terms of image, conduct, language and job duty, building more professional and regulated medical service teams. Meanwhile, through 6S lean management¹, we are systematically improving our services and making our service processes more standard. We also organize service training for relevant employees from time to time to build up their competence and provide patients with considerate, reassuring and comfortable services. In the year, given the 6S management performance of the provincial and regional subsidiary hospitals, the Group set the interim targets - be more regulated, practical, and efficient, to spur the hospitals to implement 6S management in batches and in a comprehensive and regulated manner. In 2023, the Group organized the selection of excellent hospitals in 6S management. Ten hospitals with complete workflow, strict implementation of the long-term mechanism, and outstanding management performance, such as Quanzhou Aier Eye Hospital, Lanzhou Aier Eye Hospital, and Longxi Aier Eye Hospital, won the 6S Lean Management Award. Meanwhile, ten hospitals that had been conducting 6S management for less than a year and achieved initial results thanks to their complete workflow and management mechanism, such as Linxia Aier Eye Hospital, and Zhengzhou Aier Eye Hospital, won the 6S Emerging Management Award.

Service Regulations (Partial)

- Norms of Personnel Quality
- Service Standards for Public Area Positions
- Norms for Nursing Service Leadership in Refractive Surgery Departments
- Management Measures for Patient Claims on Digital Platform of Aier Eye Hospital Group
- Patient Satisfaction Survey System of Aier Eye Hospital
- System for Respecting and Safeguarding Patients' Lawful Rights and Interests of Aier Eye Hospital
- System for Protecting Patient Privacy of Aier Eye Hospital
- System of Patient Health Education of Aier Eye Hospital



¹ "6S" is short for SEIRI, SEITON, SEISOU, SEIKETSU, SHITSUKEI, and SAFETY. The 6S lean management mode is often applied to the management for factory workshops and office places.

"6S Management Regulation and Improvement Month"

From May to June 2023, the Group organized the provincial and regional subsidiary hospitals to participate in the "6S Management Regulation and Improvement Month" activities to further meet the "patients-centered" service standards. Through such activities, we promote the regulated implementation of 6S management, improve the competence of all staff, and provide patients with a clean, comfortable and safe diagnosis and treatment environment.

The activities were led by the 6S management team of the provincial and regional subsidiary hospitals. The implementation of 6S management was deepened at the hospitals through concept promotion, practical application and exercises. The performance of the hospitals on the activities was summarized and based on this, incentives and punishments were given. This not only consolidated the results of the activities, but also helped the hospitals to establish a long-term management mechanism and comprehensively improve their medical service capabilities.



Visual Standards at Yingkou Aier Eye Hospital



Empowering Services with Digital Intelligence

Responding to the call of the National Health Commission, the Group continues to innovate by adopting new technologies, modes and platforms, taking into account industry development trends and patients' needs. We have developed smart hospitals, Aier digital human "EYEGPT", remote medical cooperation terminals, remote group consultation systems, and other medical systems. While meeting clinical needs, the innovative systems have enabled the internal resource integration among our hospitals, gradually built a digital medical treatment alliance, and improved hospital operation efficiency and patients' medical experience. They have also facilitated the hierarchical diagnosis and treatment mode featuring "initial treatment at grassroots hospitals, two-way referral, separate treatment of chronic and acute diseases, and coordination among different tiers" and helped solve pain points of patients in seeking medical services.

• Smart Hospitals

To continuously meet users' needs for lifecycle eye health services, we have upgraded our smart hospitals by improving basic functions such as online consultation, registration and bill payment, report search, nursing consultation, and inpatient service and by adding distinctive and inclusive medical modules, including intelligent eyelid tumor screening, the fundus AI screening system, charity diagnosis and treatment, and cornea donation. We also continue to improve user interactions to enhance patients' medical experience and build an integrative service platform that meets patients' eye care needs.

By the end of 2023, Aier had launched smart hospital platforms in 340 of its hospitals, providing 2,740 patients with online consultation services, and 2,969,292 patients with our convenient, customized and accurate online eye health services.

• Aier Digital Human "EYEGPT"

Jointly developed by Aier Eye Hospital and the Institute of Computing Technology, Chinese Academy of Sciences, Aier digital human "EYEGPT" is a diagnosis and treatment supporting platform with the real-time speech and text interaction. It is now in the first stage of R&D and application. In the future, "EYEGPT" will be further developed into an agile digital human based on the continuous optimization for computing power, algorithms and agility. The platform will then contribute to digital ophthalmic service models, and intelligent ophthalmic service technologies, ophthalmologists and hospitals.



Aier Digital Human "EYEGPT" Debuted at the 4th International Forum on Refractive and Cataract Surgery (IRCS)

Service Quality Supervision

The Group attaches great importance to service quality management and control and has established a sound routine mechanism for service quality supervision to ensure the effective implementation of service quality management requirements. We also continuously improve the service supervision mechanism for provincial and regional subsidiary hospitals, and organize service supervision training for their patient service managers. In 2023, we conducted inspection tours in 16 provinces and regions through on-site training and mentoring, covering 165 hospitals and 4 outpatient clinics. At the same time, we further optimize the hospital self-inspection mechanism, requiring the hospitals to conduct self-inspection and self-evaluation on service quality against the Groups' service inspection model, including inspection by the general watchkeeper, ward inspection, and 6S inspection. Step by step, we have advanced the implementation of service standards. Once identified, problems are corrected in a timely manner. These efforts help to comprehensively improve the service quality of the hospitals and provide an excellent medical experience for patients.

Changchun Aier Eye Hospital:

- Establish a service supervision and management system and form a closed-loop supervision and management mechanism that covers standards, inspections, feedback, correction, and follow-up actions;
- Carry out daily inspection by the general watchkeeper, weekly self-inspection by the Party Member Service Group, monthly special inspection by the Quality Supervision Committee, and random inspection by patient experience officers.

Dongguan Aier Eye Hospital:

- Set up a Service Etiquette Inspection Team and a 6S Management Team, define inspection standards, and organize monthly hospital-wide inspection;
- Supervise and inspect the departments on a daily basis by the Patient Service Department in terms of service etiquette, environment and layout, art and indicator display, and dressing code. Any problems, once identified, will be notified immediately, with a correction order issued accordingly to urge immediate corrections. Penalties will be given to those who fail to take prompt corrective action.

Through internal inspection and supervision, online investigation, and offline interview, we investigate and assess the medical service quality throughout the medical treatment process of the hospitals in terms of medical staff's competence, core processes, hospital environment, and service processes. Our inspection team will make a *List of Problems Identified in Service Inspection* considering the results of unannounced service quality inspections. The team will also assist the hospitals in identifying where they can improve service quality and making improvement plans, thereby encouraging them to take optimization measures.



In 2023, the Group carried out unannounced inspections on the service quality of **50** hospitals across **22** provinces and regions, and **94%** of problems identified during the inspections had been corrected.

We also inspect the services of the hospitals with the help of social forces. For example, we carry out the "Service Experience Officer" activity, inviting investors and employees' relatives and friends to visit the hospitals as "mysterious patients" and give us suggestions on how to improve the hospitals' services. This gives us different perspectives and ideas on how to improve the service quality of the hospitals. In 2023, the "experience officers" gave the hospitals an average score of 93 (out of 100) and made more than a hundred suggestions for improvement. The Group carefully considers the suggestions made by each experience officer, requires the target hospitals to develop improvement plans based on the suggestions, and monitors the hospitals' progress in making corrections.



Investor Experience Officers

- From May 1 to July 2, 2023, a total of 76 experience officers, from our investors, visited 40 of our hospitals in 20 provinces and regions to experience services and fill in evaluation questionnaires. A total of 73 questionnaires were valid, and 51 experience officers had proposed suggestions for the hospital development and service improvement.
- According to their comments, 92.9% of the experience officers considered that the hospitals' services met their expectations, and 21.9% of them believed the services exceeded their expectations. They gave our hospitals an overall impression-based score of 9.04 (out of 10).



Employee Experience Officers

- From July 15 to November 22, 2023, a total of 106 experience officers, from relatives and friends of our employees, visited 60 of our hospitals in 23 provinces and regions to experience services and fill in evaluation questionnaires. A total of 104 questionnaires were valid, and 42 experience officers had proposed suggestions for the hospital development and service improvement.
- According to their comments, all the experience officers felt that the hospitals' services met their expectations, and 50% of them believed the services exceeded their expectations. They gave our hospitals an overall impression-based score of 9.56 (out of 10).

Service Capability Building

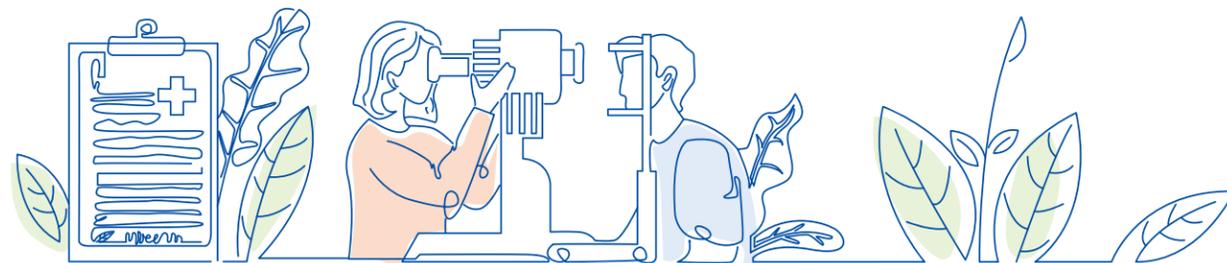
The Group takes "strengthening primary-level departments, setting targets, and promoting integration" as the guidelines and carefully implements the "patients-centered" service culture. We are active in providing humanistic care, and are building professional, regulated and considerate medical service teams by providing targeted training for the medical staff. And we strength their communication with and compassion for patients in order to provide safer, more convenient, and more comfortable services in more effective communication.

By integrating the Group's service training resources, we have developed a series of service skill training courses, produced internal professional service trainers, and optimized the online learning platform. We implement diverse, differentiated, and comprehensive service training projects for the Group's headquarters and the provincial and regional subsidiary hospitals. The training covers many areas such as the service concept and culture, general service specifications, the service processes of specific departments, and delicacy service management. In 2023, the Group carried out 146 service training sessions in the form of targeted hands-on training and livestreaming training, with more than 16,000 participants. Such training effectively promoted communication and mutual learning among the provincial and regional subsidiary hospitals and improved the service skills of all staff. Thanks to these efforts, the higher quality of services will inevitably accelerate the sustainable development of our hospitals.

Building an Online Learning Platform for Service Management

In order to provide continuous and regular service training, the Group continues to enrich training resources on the online learning platform for patient service management. In 2023, we launched 5 series of over 30 service courses and cases for hospital staff to learn.

In addition, we developed short video courses to encourage employees to learn in their spare time. The average annual learning time of the short video courses exceeded 25 hours per person. Employees in all roles can innovate service practices based on the good practices they learn from the courses and the characteristics of their positions, delivering better patient services.



Meanwhile, the Group also organizes thematic training for nursing staff at the provincial and regional subsidiary hospitals. Through theoretical training, hands-on exercises, idea exchanges and discussion, we have standardized the medical service processes, actions and time nodes of the hospitals. In 2023, the Group conducted service management training for 1,789 management personnel including directors of the Nursing Department and head nurses of all hospitals. We also carried out professional skills training for 1,794 operating room nurses at provincial and regional subsidiary hospitals. Meanwhile, we continued to promote the "STAR Project". During the year, we conducted 12 training sessions on cataract, 9 on ametropia, 34 on cornea and ocular surface, and 10 on fundus diseases.



Cataract Nurse Training



Refractive Project STAR Engineering Training



Carrying out Optometric Service Management Training & Optometric Service Standard Revision Seminar

From October 17 to 19, 2023, the Group held the first Optometric Service Management Training & Optometric Service Standard Revision Seminar in Changsha. This aimed to encourage our subsidiary hospitals at the provincial and regional levels to improve their optometric services, with the practices of subsidiary hospitals in the provincial capital as the benchmark. The training covered service management, optometric service standards, product and service management, service skill improvement, hospital service sharing, and the like. We asked the participants to study the standards applicable to their posts and to share their views on the revisions. A total of 38 staff members from 35 provincial subsidiary hospitals took the training. This training has enabled our provincial and regional subsidiary hospitals to implement the Group's service standards and improve their optometric service management performance and patient satisfaction.



Group Photo of the First Optometric Service Management Training & Optometric Service Standard Revision Seminar

Hospital Environment Upgrading

The Group is in strict compliance with relevant national laws and regulations such as the *Regulation for Cleaning and Disinfection Management of Environmental Surface in Healthcare* and the *Guiding Principles on Establishment and Planning of Medical Institutions*. The Group continues to optimize the setting of indicators, service staffing, and the spatial layout of clinical areas to provide patients with a convenient, clean and hygienic hospital environment. The consulting rooms, waiting areas, wards and other areas are equipped with non-slip and noise-reducing flooring, sofa chairs, wheelchairs and other facilities, to ensure a safe hospital environment and heartwarming and humanistic hospital services for patients. In the year, we upgraded the Service Management Toolkit for Hospital Public Areas by updating the standards for the physical environment of our hospitals and the key service and communication points for patient reception staff. This has further ensured accessible and convenient services for patients throughout the process.

Furthermore, we organized the "6S Management Regulation and Improvement Month" campaign to encourage the provincial and regional subsidiary hospitals to improve their environment, professional competence, and processes. This campaign helps to further enhance their software and hardware configuration and give patients more convenient and efficient hospital services.

Customer Satisfaction

Adhering to the principles of the first complaint responsibility system, patient-centered, and quick response, Aier Eye Hospital provides transparent, efficient and diverse communication channels to listen to patients' voices. We have also established a sound patient complaint handling mechanism to promptly respond to their complaints and protect their rights and interests. Our serenity in patient communication has consolidated the relationship between our doctors and patients.

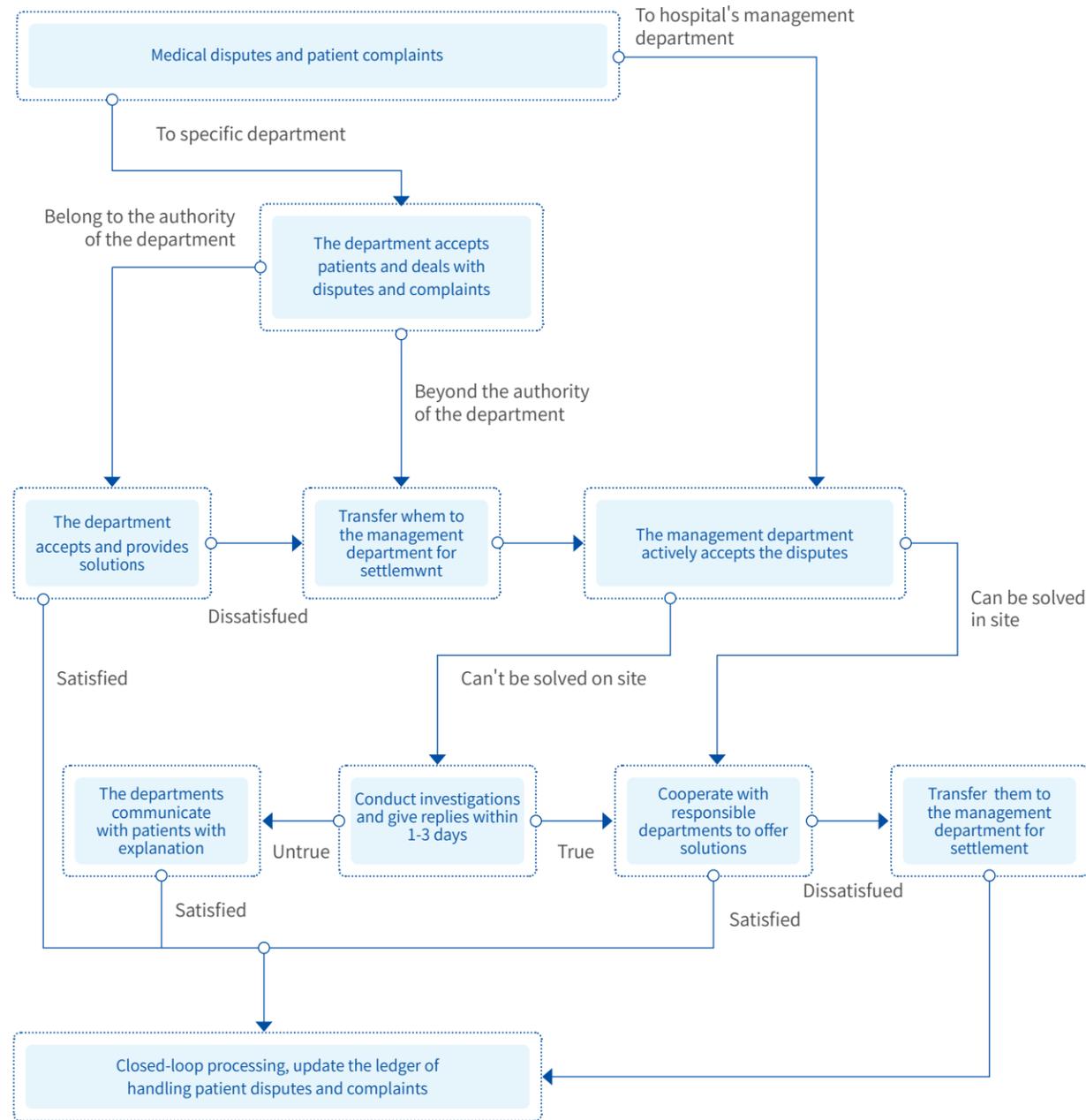
Patient Complaint Management

The Group complies with the *Regulations on the Prevention and Treatment of Medical Disputes*, *the Measures for the Administration of Complaints in Medical Institutions* and other laws and regulations. We have developed internal policies including the *Aier Reporting System of Medical Incidents* and *the Aier System for Management of Disputes and Complaints*, which set out standard processes for handling disputes with and complaints by patients. The Group has established and continues to improve a cross-departmental mechanism for handling doctor-patient disputes. A dedicated complaints resolution department has been appointed to collect patient complaints and feedback and track the implementation of follow-up measures. The Service Management Department is responsible for non-medical complaints, and the Medical Department is responsible for medical complaints.

We provide a 24/7 patient complaint hotline and prominently display the complaint process and contact information online and on site to collect patient feedback through various channels. This enables us to take timely action to meet patients' needs and honestly communicate the results of our complaint handling. In addition, we keep improving the standard operating procedures (SOP) for the complaint hotline service. By enhancing the continuity and accuracy of information flow, we have increased the efficiency of interdepartmental collaboration to better respond to patient complaints and make the response more regulated.



We respond to patient complaints and feedback promptly for closed-loop management in strict accordance with the established Patient Complaint and Problem Solving Process:



Patient Complaint and Problem Solving Process



In 2023, the Group received **1,050** appeals from patients, with a response rate of **97.6%**, and a timely handling rate of **100%**.

Communication with Patients

Being responsible for and bringing benefits to patients, Aier Eye Hospital is seeking more patient communication channels. The existing channels include the websites of the Group and the provincial and regional subsidiary hospitals, our official we-media platforms, the customer service on local life platforms, and our applet. On these platforms, we share ophthalmic knowledge with patients, provide them with professional eye health advice, and help them better understand and protect their eye health. We have also launched our intelligent customer service robot to provide patients with 24/7 online advice. By the end of 2023, the intelligent customer service had been put into use in 238 of our hospitals, having served 54,166 patients.

We welcome public scrutiny and have set up a Supervision Department for service quality supervision. The department conducts patient satisfaction surveys through online questionnaires, phone calls, and face-to-face interviews. It also takes corrective actions based on the survey results to effectively protect patients' rights and interests. In 2023, we further optimized the patient satisfaction survey tools by developing push ads for our Internet hospitals. Based on patients' feedback and comments, early warnings will be triggered and work orders will be generated automatically, helping the hospitals to promptly understand patients' opinions, analyze their service weaknesses, and take follow-up measures, thereby achieving closed-loop management for patient satisfaction. The Group and provincial hospitals have applied the satisfaction survey management system to measure and report quantitative indicators related to service quality performance or customer rights and interests protection. This year, the Group's patient satisfaction survey covered a total of 1.378 million people, with patient satisfaction reaching 99.3% and patient net recommendation value of 91.9%.



This year, the Group's patient satisfaction survey covered a total of **1.378** million people, with patient satisfaction reaching **99.3%** and patient net recommendation value of **91.9%**.

Compliance publicity - Health Education for Patients

Aier Eye Hospital abides by laws and regulations including the *Advertising Law of the People's Republic of China*, the *Medical Advertising Management Measures*, the *Guidelines for Enforcement of Absolutist Terms in Advertising*, and the *Measures for the Administration of Internet Advertising*. We have developed and implemented the *Brand Image and Art Display Standards of Aier Eye Hospital*, which stipulates that the relevant content involved in the Group's activities must be accurate, truthful and clear. Meanwhile, the policy prohibits false and misleading statements about the Group's products, services, performance and performance records. The aim is to build a positive image of our hospitals and to enhance the reputation of our brand.

CEO of each hospital is the first to be held accountable for compliant publicity. The persons in charge of hospital health education manage the publicity and promotion related matters. And the publicity channel personnel are responsible for the implementation of specific tasks. During the year, the Group issued the *Notice of Aier Eye Hospital to Regulate Advertising and Publication*, had established an advertising review, publication and archiving mechanism. We required the Health Education Team to further study applicable laws and regulations, and conducted self-inspection at the hospitals, so as to earnestly meet the publicity requirements. In addition, supported by information technologies, we have set up an advertising monitoring system to identify illegal online advertisements published by all hospitals. The system will provide an early warning for abnormalities in a timely manner, and assign specialized personnel to follow up and rectify the violations. The Group has established a unified design material library, aiming to control material compliance from the source and prevent any infringement and violations.

We continue to improve the compliance publicity audit process. Our audit and risk control departments regularly lead a review on our publicity activities and conduct routine compliance audits for the distribution of promotional materials. A compliance publicity audit is conducted at least once a year at the Group level and at least once every 2 to 3 years at the hospital level. By doing this, we have achieved the entire-process control covering up-front prevention, process monitoring and post-implementation audits and eliminated adverse publicity. By the end of 2023, the Group's audits for compliance publicity basically covered all hospitals. All hospitals had been audited.

Information Security and Privacy Protection

Aier Eye Hospital focuses on the data security and privacy protection of itself and its patients by constantly consolidating the Group's digital infrastructure, establishing sound information security management systems, and complying with basic information security standards. In doing so, we effectively protect the data rights and interests of all stakeholders.

Information Security and Privacy Protection Management System

The Group strictly abides by laws, regulations and industry codes such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the*

People's Republic of China. We have formulated the *Network and Information Security Management System Guide*. We have also set up the Process and Standards Committee to develop business processes, policies and standards for the information systems of the Group and the hospitals, and to regularly review our information security policies and the progress of specific tasks. The committee timely adjusts and updates data security strategies based on the actual situation and works with the Audit & Risk Control Center, the Information Center, the Legal Supervision Center and other departments to advance the effective management for information systems and ensure the standard and regulated operation of our information systems.



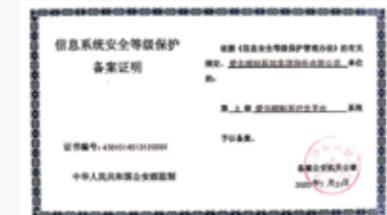
Awarded "Third Prize in the Cybersecurity Skills Competition for the Health Industry"



In 2023, our exceptional performance in information security won us several honors such as the **"Third Prize in the Cybersecurity Skills Competition for the Health Industry"** and the **"Excellent Leader"** award both hosted by the National Health Commission in 2023, and also the **"First Prize in the Cybersecurity Skills Competition for the Health Industry"** hosted by the Hunan Provincial Health Commission.

To further clarify management responsibilities for privacy and data protection, we have established the Information Security Working Group headed by the president of the Group as the decision-making body on privacy and data security matters and responsible for formulating our information security strategies. It leads the formulation of information security management policies, particularly hospital emergency plans, medical data management policies, and information security incident reporting policies. It also includes the information security management performance in the performance evaluation of managers to ensure that they take their responsibilities seriously and earnestly carry out the specific protection tasks. The Group's Audit & Risk Control Center organizes the annual grading of information security protection tasks and assesses and reviews information security risks, to timely identify potential threats, take countermeasures, and effectively prevent and control related risks.

The Audit & Risk Control Center organizes the annual internal information security audit of the Group to review our physical security, network security, system security, data security and the like. During the year, this internal audit covered 251 Aier Eye hospitals. All our hospitals had been audited for information security. Issues identified in the audit had been addressed immediately. In 2023, the Group engaged a third-party auditor for a special information security audit and carefully followed the auditor's professional information security advice, further ensuring the effectiveness of its information security policies and systems. In addition, following the national standard specified in the *Baseline for Classified Protection of Cybersecurity (GB/T 22239-2019)*, we hired a third-party testing institution for the annual classified protection evaluation. Comprehensive external evaluations on our information business systems were carried out, making the systems more secure.



Level 3 Classified Protection Certification of Network Security

Measures for Information Security and Privacy Protection

Resolutely safeguarding the privacy and data rights of all users, the Group has published the *Privacy Policy* on the official website, which is applicable to all the hospitals and business lines of Aier Eye Hospital. The *Privacy Policy* clearly states that users have the right to access, amend and delete their personal data. Aier Eye Hospital is committed to protecting users' control over their personal information to the greatest extent and promises not to use users' data for secondary purposes other than the conduct of our business. This year, the Group had set up a special review team consisting of professionals from the audit and risk control, legal, information, and operating departments for an internal review on the *Privacy Policy* in terms of its policy terms, implementation, and the degree to which the terms are consistent with our business developments. Meanwhile, the team conducted a comprehensive and professional review on the effectiveness of the *Privacy Policy* based on user feedback and complaints, in order to identify and correct problems in a timely manner.

Summary of the Main Contents of the *Privacy Policy*

- 1 Aier Eye Hospital promises that users can operate on their own or request the Company to obtain, modify, and delete information.
- 2 To ensure the information security of users, Aier Eye Hospital has established corresponding rules and regulations and adopted security technologies such as encryption and desensitization to prevent unauthorized access, use and modification of user information.
- 3 Aier Eye Hospital undertakes to retain user information to the extent permitted by the *Privacy Policy* and laws and regulations, to minimize data collection and retention. In compliance with laws and regulations, Aier Eye Hospital also undertakes to follow the principle of collecting and using the minimum personal data that are necessary for business operations, and will not collect such data through third parties.
- 4 Aier Eye Hospital promises not to rent, sell, or provide users' personal data to third parties for purposes other than completing the transactions/ services. Aier Eye Hospital only shares user information with third parties when necessary and with the express consent of the user.

Details of the *Privacy Policy* can be found in the policy: <https://www.aierchina.com/yinsizhengce/>

The Group uses a variety of approaches to protect users' information security and privacy, leveraging technology and management. We continually optimize our data and privacy security protection technologies to ensure that no one can access, alter, use or disclose our user information without authorization. Furthermore, we work with the Chinese Academy of Sciences to research the technical protection with medical big data and introduce the "Zero Trust" framework to build a four-in-one security protection platform for eye health big data characterized by "security, efficiency, integration and sharing".

Information Security and Privacy Protection Technology

- | | |
|--|---|
| Access control | <ul style="list-style-type: none"> • Develop security management policies and data security processes to protect the security of users' personal information, and adopt strict data use and access policies to ensure that the information is accessible only to authorized personnel. |
| Encryption/De-identification technology | <ul style="list-style-type: none"> • Employ encryption technology, anonymization and other reasonable and practical means to prevent unauthorized access, use and alteration of user information; • Adopt security protection mechanisms to protect users' personal information from malicious attacks; • Carry out multi-factor authentication to accurately identify users' identities; adopt access control strategy to restrict unauthorized access and tampering; and retain plaintext watermark at the system interface to limit dissemination. |
| Embedding data protection measures in product and service development | <ul style="list-style-type: none"> • Prompt for data security and privacy protection when users log into our apps, websites and other online service platforms; • Automatically detect the strength of passwords set by users for our apps, websites and other online service platforms, and prompt them to set complex passwords to improve account security; • Regularly remind users to change their passwords and warn them if they have not changed their passwords for a long time, in order to reduce the risk of passwords being guessed or cracked. |



In order to minimize information leakage, damage and loss, the Group has formulated the *Information System Failure Emergency Plan* and developed scientific and prompt emergency mechanisms to respond to information security incidents. In such incidents, we will promptly inform users of the basic information and possible impacts, the measures we have taken or will take, our suggestions to prevent and reduce risks, and remedial measures. We will also report the results of our handling of the incidents as required by relevant regulatory authorities.

Early warning mechanism:

Establish an early warning system for information leakage by monitoring network traffic, user behaviors and other key indicators in real time and reporting anomalies in a timely manner.

Response process:

Develop a detailed emergency response process for information leakage and define the responsibilities of and methods of collaboration between departments to facilitate a rapid and effective response to information leakage.

Emergency treatment:

Take necessary technical measures, such as isolating affected systems and encrypting sensitive data, to prevent further compromise.

Post-event recovery:

Develop data recovery plans to recover affected systems and data as quickly as possible to reduce the impact of information leakage on our business.

Emergency Response Mechanism for Information Security Incidents

We also take the initiative to prevent information security incidents. Specifically, we conduct regular penetration tests, testing the security of our systems and networks by simulating hacker attacks, in order to identify and remediate potential vulnerabilities and security risks in a timely manner, prevent potential security threats, and improve the security of our information systems. Meanwhile, we guide staff at all levels of hospitals to conduct regular emergency drills and improve their ability to handle information system emergencies. In this way, we are preventing information system security failures from affecting the Group's normal operations.

We provide users with training, promotional materials, and tips on information security and privacy protection, and develop user-focused online information security training. We also regularly send users emails and text messages to remind them about information security and privacy protection. This is to help our customers better recognize and protect their information security and data privacy.

Information Security Culture

The Group continuously improves the information security and privacy protection awareness of all employees by formulating the *Measures for Security Education and Training* and conducting promotional activities about information security and privacy protection in various forms from time to time. We organize at least one training session per year for all employees (including temporary and outsourced employees), focusing on basic information security knowledge, our information security policies, as well as users' privacy protection measures, security awareness and code of conduct. We also organize the provincial and regional subsidiary hospitals to participate in the offensive and defensive exercises conducted by the regulatory authorities. By simulating real attacks, we test the response capabilities and cooperation mechanisms of our security teams, consolidate employees' emergency response skills and reduce information security incidents.

In addition, we include information and network security performance in employee performance appraisals, and test employees' responses to information security incidents by observing them at work and assessing their security knowledge. The Group will take disciplinary actions against employees who violate information and network security regulations, such as warning, fine, demotion, and dismissal, depending on the severity of the circumstances.

Information Security Management of Partners

We have signed the *Data Confidentiality Commitment* or contracts containing confidentiality clauses with all suppliers and business partners, requiring them to comply with our information security and customer privacy policies. These documents specify the responsibilities and obligations of both parties in the processing, storage and transfer of user data. We also require suppliers and partners to comply with relevant laws and regulations and our information security and privacy policies, and not to use or disclose without authorization any sensitive information to which they have access. By the end of the reporting period, 100% of our suppliers and partners had signed confidentiality agreements.

In addition, we provide information security and privacy training for all our suppliers and regularly assess their performance on information security and privacy measures, including the formulation of privacy policies and the protection for users' data rights. We also conduct compliance reviews on their privacy policies in accordance with laws and regulations. Any supplier or business partner found to be in breach of this requirement will be required to take corrective action and we reserve the right to terminate the cooperation with them.

Cooperating with Trustworthy Partners

Adhering to the philosophy of mutual benefit and cooperation with suppliers for win-win results, we are building a robust supplier management system and leveraging our strength to promote the high-quality development of the supply chain. We work with our suppliers to create transparent and efficient communication channels and develop a stable, healthy and sustainable supply chain.

Supplier Management System

Our suppliers fall into three categories: medical equipment, consumable and pharmaceutical suppliers. We strictly abide by laws and regulations such as the *Pharmaceutical Administration Law of the People's Republic of China*, the *Good Supply Practice*, and the *Regulations for the Supervision and Administration of Medical Devices*. We have formulated the *Aier Eye Hospital Medical Devices Procurement Management Policy*, the *Aier Eye Hospital Review and Approval Policy for New Medical Devices*, the *Supplier Approval, Assessment, and Removal Management Policy* and the *Management Rules on Procurement Guide* to further optimize our supplier management policy system. The Group gives full play to the advantages of large-scale procurement by establishing a three-level procurement management system, i.e., centralized procurement by the Group, centralized procurement by province-specific branches and procurement by hospitals. This facilitates the stable, efficient and high-quality development of the supply chain.

• Supplier Approval

Aier Eye Hospital has established strict supplier approval, assessment, and removal processes and standards, and implemented the life-cycle control over all suppliers. Aier Eye Hospital signs the *Quality Assurance Agreement for Pharmaceuticals and Medical Devices* with suppliers to review, evaluate, inspect and check their qualifications from five dimensions including cost, supply, quality, products and services. Based on the assessment results, we will ask suppliers to take corrective actions and those failing to meet the Group's requirements within the specified timeframe will be removed from the supplier list.

We have integrated ESG factors into our supplier selection process. The process focuses on assessing suppliers' performance on product quality and safety, privacy protection, business ethics, health and safety, human rights and environmental protection, as well as product-specific risks. The aim is to keep ESG risks in the supply chain at a controllable level.

• Supplier Quality Management and Control

We are strengthening supplier quality management as the foundation for delivering quality services and products. We strictly abide by relevant laws and regulations and the *Good Supply Practice (GSP)*¹, and have had the *Procurement Quality Review Management Policy* and other internal policies in place to select the right upstream suppliers with appropriate qualifications and qualified products. We conduct at least one internal audit for the centralized-purchasing/regional suppliers per year from the aspects of access, supply capacity, product quality, etc., and require the suppliers to act on the audit results. In 2023, our supplier audits covered more than 690 centralized-purchasing/regional suppliers. All our suppliers had been audited.

The Group reviews the product quality and safety of indirect suppliers/sub-suppliers annually, and requires their suppliers to submit their qualifications, including business authorizations, business licenses and product quality inspection reports. We file the documents after verifying their authenticity to effectively monitor the product quality and safety of indirect suppliers/sub-suppliers.

In addition, we regularly inspect the raw materials of the products supplied by our suppliers and implement a full-process tracing mechanism for adverse events related to supplier product quality. We require suppliers to record the supply steps based on the actual situation. We also check the product traceability information during the acceptance process to ensure that the products provided by suppliers are fully traceable to the manufacturer. Aier Eye Hospital has set up a quality database for optometry products to standardize and manage quality data by brand and category based on different quality dimensions. Moreover, Aier Eye Hospital requires relevant departments to make regular internal report on quality data every month to further improve the management efficiency of raw material quality. The Group has established a new laboratory for the inspection and analysis for optometric products, which is responsible for conducting periodic sample inspection and analysis for raw materials of products. Once raw materials that do not meet the quality and safety requirements are found, we will hold the relevant suppliers accountable.

¹ *The Good Supply Practice (GSP)* refers to the product supply specification. The current GSP is a mandatory administrative regulation issued by National Medical Products Administration, which is a set of management procedures to control all factors that may cause quality accidents in the circulation of pharmaceutical commodities, thus preventing quality accidents.

Sustainable Supply Chain

We monitor our suppliers' environmental, social and governance performance and require all of them to sign the *Integrity Agreement*. We have developed and published the *Code of Conduct for Business Partners*, which sets out requirements for product quality and service, business ethics, labor rights, compliance, etc., for all our business partners including suppliers. This has encouraged all players in the supply chain to practice the concept of sustainable development and created a transparent and fair cooperation environment.

Business ethics

- Anti-corruption: All business partners shall ensure that they do not, through their employees, subcontractors or agents, offer, promise or give undue benefits to employees of Aier Eye Hospital in order to obtain orders or other preferential treatment in the course of their business dealings with Aier Eye Hospital;
- Data protection and data security: Business partners shall ensure the right to self-determination of information, the protection for personal data and the security of all business information and personal data in all business processes.

Product service and quality

- All business partners are expected to establish sound quality control standards and regularly conduct quality reviews and apply for quality certifications to ensure that the products and services provided meet quality requirements;
- Any changes in product specifications, service plans, indirect suppliers, raw materials, component manufacturers or place of origin provided by business partners shall be notified to the relevant business leaders of Aier Eye Hospital in advance and the potential impact shall be explained.

All business partners are expected to respect and actively protect labor rights and interests at all times, including but not limited to:

Labor rights

- Ensure the right of employees to fair working conditions;
- Eliminate all forms of forced labor;
- No person shall be discriminated against or harassed on the basis of his or her identity, such as race, color, age, religion, gender, pregnancy, disability or sexual orientation.

Occupational health and safety

- Business partners shall, at a minimum, comply with national standards for safety and hygiene at the workplace and take appropriate measures to meet occupational health and safety requirements, to ensure healthy working conditions.

Environmental protection

- Adopt efficient operation mode as far as possible to reduce the risks of their own business behavior to people and the environment;
- Production processes, sites and raw materials shall comply with applicable legal requirements and environmental protection standards.

Details of the Code of Conduct for Business Partners can be found in the policy: https://www.aierchina.com/uploadfile/spr/2023ccbp_cn.pdf

We have an internal management mechanism in place to ensure that suppliers take effective ESG management measures. We regularly assess suppliers' ESG responsibility performance in terms of product quality and safety, integrity and anti-corruption practices, environmental protection, etc. We consider quality, environmental and safety management system certifications as an important part of supplier evaluation.

Supplier Communication

Aier Eye Hospital has established an equal, transparent and efficient cooperation mode with suppliers. We communicate with suppliers quarterly and monthly on their cooperation performance, share with them new trends and technologies in the industry, and sign memoranda of cooperation with them on academic, education, training, management experience and so on. We also hold forums, lectures and other exchange activities from time to time to review and summarize experiences and achievements with suppliers and to explore new opportunities for development in the industry. In addition, we share environmental, social and governance information with our suppliers to support their sustainable development through our concrete actions.

During the year, we organized 951 supplier training sessions and 204 exchanges with suppliers.



Promoting the Nurturing of Global Ophthalmic Talents with Strategic Partners

On September 8, 2023, Aier Eye Hospital International Clinical Training Center (AICTC) was officially put into operation. Aier Eye Hospital has established in-depth strategic cooperation with upstream and downstream supply chain partners such as Alcon, Carl Zeiss, Johnson & Johnson Vision, Staar Surgical, Gaush, Bausch & Lomb, Topcon, and DMK, to jointly build the center into a world-class clinical training platform. Supported by the rich resources of Aier Eye Hospital Global Ophthalmology Research Center, the center will help to nurture global ophthalmic talents and is expected to provide more than 5,000 ophthalmologists per year.



Strategic Cooperation Between Aier Eye Hospital and Upstream and Downstream Supply Chain Partners

02

Love Leads the Way in Sharing Global Achievements

Insisting on the strategy of "driven by innovation and excel with technology", Aier Eye Hospital forges its core competitiveness relying on science, technology and innovation. Meanwhile, in line with the strategy of strong alliance, we join forces with industry partners to leverage synergies and make progress. Following the national initiatives of "Healthy China" and "Preventing and Controlling Childhood Myopia", we provide high-quality and accessible ophthalmic medical services to patients, contributing to the creation of a healthy China.

Contributions to SDGs



Building a Technological Aier

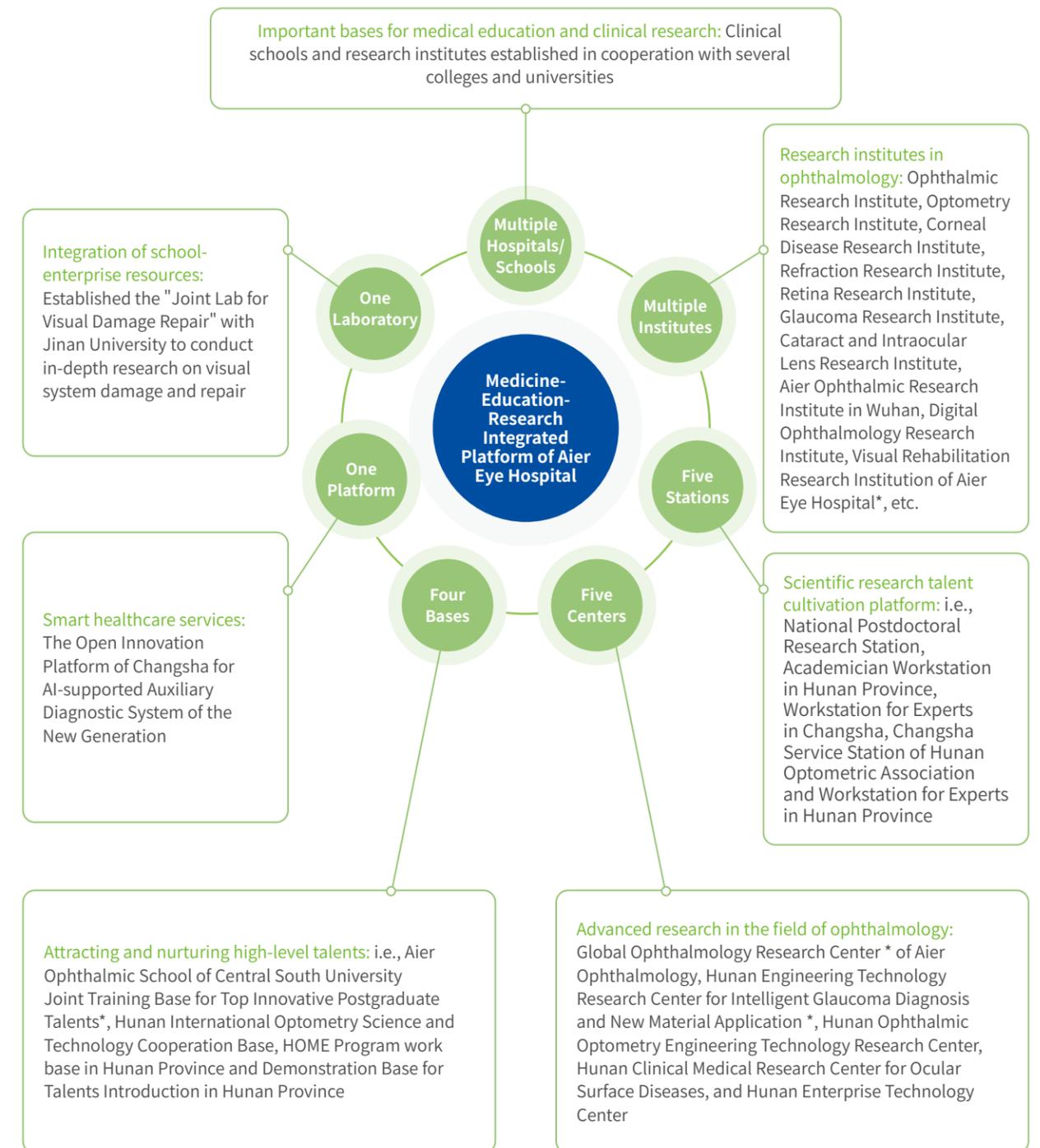
Advancing with the times, Aier Eye Hospital is committed to improving clinical capabilities, enhancing the quality and expanding the scope of services by applying big data, cloud computing, AI and other advanced technologies. In doing so, we aim to promote innovation in the eye health industry.

Scientific Research and Innovation System

Relying on the "platform + project + talent" model, Aier Eye Hospital has built a scientific research and innovation ecosystem that integrates medicine, education and research. Ophthalmic research institutes and talent training bases have also been established in close cooperation with universities, which enable further integration of medicine, education and research. Refined management is in place to build a strong scientific research team. Capital investment and incentives for achievements in scientific research drive innovation and accelerate the industrial application of scientific results and the development of talents. All of this demonstrates the foresight of our scientific research strategy and our leadership in the industry.

Building Scientific Research Platform

With a profound understanding in the importance of coordination between medicine, education and research, Aier Eye Hospital strives to achieve a deep integration of the three. By making full use of clinical resources, we have made breakthroughs in academic research and applied these innovations in clinical practice, translating them into practical treatment approaches and teaching cases. As a result, medical services become more professional and medical education is reinvigorated, thus promoting the sustainable development of medical science and talent cultivation. In 2023, we made continuous efforts to develop our scientific research capabilities by establishing an innovative platform for medicine, education and research that integrates "multiple hospitals/schools", "multiple institutes", "5 stations", "5 centers", "4 bases", "1 platform" and "1 laboratory". In the same year, Aier Eye Hospital's Academician Workstation in Hunan Province, Workstation for Experts in Hunan Province, Changsha Service Station of Hunan Optometric Association, Hunan Ocular Surface Disease Clinical Medicine Research Center and other scientific innovation platforms under construction passed the annual assessment and were recognized as model workstations for experts in Hunan Province.



(*: Newly added in 2023)

In addition, we make constant efforts to refine our scientific research platform, so as to support and provide rich resources for basic research, clinical translational medicine and healthcare industrialization. We also established the Hunan Experimental Animal Center of Aier Ophthalmic Research Institute in 2023 and built the Aier Eye Hospital biobank.



Aier Eye Institute Experimental Center

The center has passed the expert assessment and obtained the administrative licence for experimental animals, and is equipped with SPF (specific pathogen-free) level experimental animal breeding facilities up to national standards. The center also features advanced IVC cages and an intelligent control management system that provides fully automated control of temperature, humidity, differential pressure and other experimental conditions to ensure animal welfare and accuracy of experimental data.



Biobank

By integrating rich ophthalmic sample resources and clinical big data, we have built a professional platform, the biobank, for data exchange and resource sharing. The platform provides solid support for basic research, clinical translational medicine and healthcare industrialization in ophthalmology.

The establishment of the biobank and its operations are in strict compliance with relevant laws, regulations and rules in China, including the *Regulation of the People's Republic of China on the Administration of Human Genetic Resources* and the *Measures for the Ethical Review of Biomedical Research Involving Humans*.

Strict privacy measures are in place to ensure that the personal information of sample providers is properly protected.

In 2023, we made efforts to further optimize the scientific research management system, and achieved comprehensive closed-loop management of key aspects such as project approval, research process management, intellectual property maintenance, fund management, results evaluation and project conclusion. We also issued a series of newly revised scientific research management policies, which are more scientific and rational, to clarify the responsibilities and rights of researchers, standardize the process and criteria of research, and promote the effective implementation and sustainable development of the technological innovation system. We have prepared the following policies to manage our scientific research:

Measures for the Management of Research Projects of Aier Ophthalmic Research Institute

Measures for the Management of Research Funds of Aier Ophthalmic Research Institute

Proposal for Project Application of Aier Ophthalmic Research Institute

Measures for the Management of Intellectual Property Rights of Aier Ophthalmic Research Institute

Policies on the Use of Biohazard Labels of Aier Ophthalmic Research Institute

Measures for the Management of Fixed Assets of Aier Ophthalmic Research Institute

Waste Management Policies

Regulations on the Management of Laboratory Personnel of Aier Ophthalmic Research Institute

Laboratory Technical Manual of Aier Ophthalmic Research Institute

Laboratory Inspection Policy of Aier Ophthalmic Research Institute

Emergency Plan

Policies and SOPs for Biobank

Laboratory Biosafety Manual of Aier Ophthalmic Research Institute

Policies and SOPs for Experimental Animal Center

Measures for the Management of Research Topics of the "Digital Ophthalmology Joint Lab" Project

Construction of Scientific Research Team

With the mission of nurturing talents, Aier Eye Hospital makes full use of its core resources and advantages to achieve this goal. We have developed comprehensive education and training systems through a variety of modes, such as independent school operation, school-enterprise cooperation, and establishment or co-establishment of training centers. We strive to cultivate high-quality talents with innovative spirit and research capability by organizing researchers to participate in industry academic exchanges.

In addition, by driving the development of professional teams for eye diseases, we have created a research and innovation team involving multiple disciplines. Also, the promotion of the standardization, systematization and professionalism of scientific research has laid a solid foundation for the Group's innovation in scientific research. By the end of 2023, we had set up 14 professional teams. The Group's scientific research has been steadily promoted under the guidance of the team leaders and experts.

Refractive Surgery Team	Cornea and Ocular Surface Team
Fundus Diseases Team	Functional Imaging Team
Orbital and Oculoplastic Surgery Team	Cataract Team
Ophthalmic Pharmacy Team	Strabismus and Pediatric Ophthalmology Team
Orbital Disease and Ocular Tumor Team	Lacrimal Duct Team
Optometry Team	Laboratory Testing Team
Glaucoma Team	Anesthesiology Team*

(*: Newly added in 2023)

The Group is committed to comprehensively improving the academic proficiency and professional competence of the scientific research team through diversified academic exchanges and professional skills training. In 2023, we organized a number of special training sessions and academic exchanges:

Special Training

To support the application and management of research projects, we regularly organize a series of professional training sessions, including intellectual property rights, research fund application and laboratory management, to ensure that researchers have the professionalism and meet the standards in the process of project application and implementation. The training covers a wide range of aspects, such as laboratory safety education, cell culture techniques, procedures of information management system, chemical management regulations, equipment use standards, management of animal experiment facilities, and operation skills for animal experiments. It aims to provide researchers with comprehensive and systematic support in knowledge and skills, and to promote the high-quality development of scientific research.

Academic Conference

We organized researchers to attend more than 10 major academic conferences such as the "20th National Strabismus and Pediatric Ophthalmology Academic Conference", the "Academic Annual Meeting of Hunan Optometric Association" and the "38th Asia-Pacific Academy of Ophthalmology Congress", to broaden horizons and improve their academic proficiency.



Stimulation of Research Dynamism

Aier Eye Hospital is committed to stimulating the innovation potential of researchers, and providing sufficient funding for scientific research and innovation projects. The Group also initiates a series of incentives to promote the vigorous development of scientific research and innovation.

With regard to the funding of research projects, the Group provides sufficient capital for the sustainable development of the research institutes and their research output. In 2023, Aier Ophthalmic Research Institute of the Group established the "Scientific Research Funding Program of Aier Ophthalmic Research Institute". Under the program, 14 ongoing research projects were launched after approval, and the total project funding is about 4.7 million RMB. The "Public Expenditure on Scientific Research of the Ophthalmic Research Institute" was also set up, with an annual expenditure of 1.3 million dollars, to support the platform construction and the advancement of scientific research.

In terms of rewarding achievements in scientific research and innovation, the Group continues to implement the *Incentive Rules of Aier Ophthalmic Research Institute for Achievements in Scientific Research*, which provides a fair, just and open incentive mechanism. These efforts greatly raised the scientific research team's enthusiasm for research and development. We provide generous rewards for technological innovation platforms, research projects, major academic papers, monographs, patents and other achievements, which was paid on a quarterly basis.

At the same time, we focus on improving the service awareness and competence of the research management department. We provide a full range of logistics services to help researchers focus on innovative research. In addition, we optimize interdepartmental coordination to ensure that talent, resources, materials and working environments are efficiently aligned to evoke researchers' initiative and creativity. In doing so, we create a motivative and supportive working environment for our researchers, fostering continued progress in scientific research and innovation.

Major Scientific Research Achievements

Aier Eye Hospital relies on its "multi-location" scientific research and innovation system to develop and apply cutting-edge technologies, common industry technologies and clinical practical techniques. The system helps to facilitate the implementation of scientific research achievements and improve the quality of medical services. In 2023, Aier Eye Hospital made significant research achievements, highlighting our strategic impact and innovation in the global ophthalmic research arena.

Application of Scientific Research Achievements

Aier Eye Hospital proactively uses its scientific research strengths to solve problems, develop new technologies, and put into use the achievements of basic research. Focusing on innovation, practicality and social benefit, we conduct research for the benefit of patients with eye diseases.



[Highlight Project 1] Development and Application of Ultra Wide-Angle and High-Speed Defocus Detection Equipment for Peripheral Retina

In 2023, the "Development of Ultra Wide-Angle and High-Speed Defocus Detection Equipment for Peripheral Retina" project, led by Professor Lan Weizhong, Vice Director of the Optometry Research Institute of the Group, secured funding under the National Key Research and Development Program of China. Through partnership with VOPTICA S.L., a Spanish company, the project successfully developed a VPR optometry unit, which passed the "Innovative Medical Device" examination. The VPR optometry unit adopts advanced wide-field retinal defocus detection technology, marking the entry of clinical myopia control into the 3.0 era of precision fitting. The device features a wide scanning range, fast speed and high precision, and can scan more than 50 loci in 1 second with minimal error. It takes only 5 seconds to process and visualize the data, greatly improving the efficiency of myopia prevention and control.



[Highlight Project 2] Building of Intelligent Unmanned Mobile Medical Treatment System and Big Data Platform for Eye Health Management

In April 2023, with the support of the Science and Technology Service Network Program (STS) of the Chinese Academy of Sciences, Aier Eye Hospital successfully completed the "Building of Intelligent Unmanned Mobile Medical Treatment System and Big Data Platform for Eye Health Management", which was awarded as an excellent project. Focusing on the prevention, control and treatment of common eye diseases and childhood myopia, the project has developed an intelligent eye health system based on big data. The system integrates an intelligent examination device and a fundus image auxiliary diagnostic system, which significantly improves eye health for all. The AI-supported auxiliary diagnostic system for ophthalmic images has an accuracy rate of over 95% in identifying three types of eye diseases. In addition, the project team developed three intelligent examination devices and created an eye health knowledge map covering a wide range of common eye diseases and myopia. It also established a big data platform that realized multi-node management and served several healthcare sites, cumulatively collecting eye health data from more than 7.08 million cases.



[Highlight Project 3] Development and Launch of the Federal Collaboration Platform (FEDEYE) for Digital Ophthalmology

In May 2023, the "Federal Collaboration Platform (FEDEYE) for Digital Ophthalmology", co-developed by Aier Eye Hospital, was officially launched and presented at the main venue of the National Science and Technology Week. The platform combines the federal mechanism¹ with AI to ensure data privacy and security, and to promote the innovative integration of AI into eye care. FEDEYE uses easy-to-use federal learning algorithms that enable ophthalmic doctors to quickly build an intelligent diagnostic model. The model assists in the diagnosis of several diseases, such as senile macular degeneration and glaucoma, with an accuracy rate of over 94%. The launch of this platform marks an important step in Aier Eye Hospital's digital transformation, bringing new opportunities for ophthalmic scientific research and its clinical application.



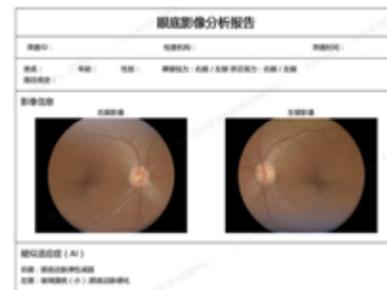
¹ The federal mechanism is a distributed system architecture that allows several independent entities to collaborate on a common task or service while maintaining data privacy and ownership. This mechanism works well to eliminate information silos. It also improves the resource efficiency by enabling data collaboration across organizations, while protecting data privacy and security. Federated learning is an application of this mechanism in the field of machine learning, allowing different devices or organizations to train and improve models together without sharing original data.

Development of Digital Ophthalmology

Aier Eye Hospital initiates the "Digital Ophthalmology" model to explore the digital and intelligent development of ophthalmic treatment. In other words, we use AI and other technologies to improve the quality and accessibility of ophthalmic medical services and promote the development of ophthalmic medical technology.

[Highlight Project 1] Launch of Fundus AI Management System

In 2023, in response to the urgent need for large-scale screening and management of chronic fundus diseases, Aier Eye Hospital launched the eye health record (fundus AI) management system, which uses AI to diagnose diseases by analyzing fundus color images. The AI model is capable of diagnosing 11 common fundus diseases, including diabetic retinopathy, senile macular degeneration, and retinal vein occlusion. It has been used in fundus screening and significantly improved the efficiency and accuracy of fundus disease diagnosis.



[Highlight Project 2] Development of a Smart Screening Tool for Eyelid Tumors

In June 2023, based on AI technology, Aier Eye Hospital developed a model that can identify eyelid tumors by taking a photo with a mobile phone. By the end of the reporting period, the model was launched on WeChat Mini Program and Aier Internet Hospital, providing services to 16,482 people. This innovative application enables patients to receive a preliminary diagnosis of eyelid tumors as soon as possible with a single photograph. It improves the efficiency of eyelid tumor screening in a comprehensive way, contributing to the early detection of malignant eyelid tumors, saving time for subsequent diagnosis and treatment, and improving the accessibility of medical services.



Exploration of Frontiers

In 2023, following the strategy of "driven by innovation and excel with technology", the Aier Ophthalmic Research Institute focused on several key directions in ophthalmology, such as basic ophthalmic research and clinical translation, and ocular stem cell and regeneration research. With Aier Ophthalmic Research Institute or Aier Ophthalmic School as the first author, a total of 8 scientific research papers were published in academic journals, of which 6 had an impact factor of more than 5 and 3 had an impact factor of more than 10, with a total cumulative impact factor of 63.521. This reflects the strength and international impact of the Group in ophthalmic research. Some of the major academic achievements include:

Achievement 1:

Development of injectable hydrogels with antioxidant activity for the treatment of neovascularization

The team of Tang Shibo, President of Aier Eye Hospital Group, the team of Chen Zhongping, Vice President of Changsha Aier Eye Hospital, and the team of Wang Yubing, Director of Engineering Research Center in Biomaterials, Sichuan University jointly published a paper on the development of injectable hydrogels with antioxidant activity for the treatment of neovascularization in the world-renowned *Chemical Engineering Journal*. The journal has a high impact factor of 15.1. According to the paper, they developed a novel injectable antioxidant hydrogel using hyaluronic acid and tannic acid, providing an effective new approach to the treatment of corneal neovascularization.

Achievement 2:

Development of new technologies and platforms for retinal organoid culture and differentiation

The teams of Professor Chen Jiansu and Professor Tang Shibo at Aier Ophthalmic Research Institute also developed new technologies and established new platforms for retinal organoid culture and differentiation. They designed a PDMS microporous platform¹ for retinal organoid culture using 3D printing technology, which lays a solid foundation for ocular stem cell and organoid research. Their research results were published in the journal *Biofabrication* (Impact Factor 11.061).

¹ PDMS (Polydimethylsiloxane) microporous platform is a polymeric material commonly used in microfluidic chip fabrication and molding, which has excellent light transmittance, high chemical inertness, and low Young's modulus, and is widely used in biomedical engineering and microfluidic technology.

Academic Guarantee Mechanism

Aier Eye Hospital focuses on strict intellectual property management, creates an honest environment for scientific research, and explores information technology to improve research efficiency. We are committed to promoting the innovation vitality and output of our scientific research teams, so as to create a standardized and honest environment for scientific research.

Intellectual Property Management

We respect and protect the intellectual property rights of all, and act in strict accordance with the *Copyright Law of the People's Republic of China*, the *Patent Law of the People's Republic of China* and other relevant laws and regulations. We have established an intellectual property management organization and formulated a series of internal policies, such as the *Aier Eye Hospital Patent and Copyright Management System* and the *Measures for the Management of Intellectual Property Rights of Aier Ophthalmic Research Institute*, to regulate patent application, examination, industrialization of research results and other important processes. All these efforts are made to ensure the standardized and efficient management of intellectual property rights, and to comprehensively enhance the protection of intellectual property rights of patents, trademarks and copyrights.

At the same time, we strive to create a corporate culture that values knowledge and creativity, and encourage researchers to apply for patents. We conduct training on intellectual property rights to raise awareness of intellectual property protection among all employees and to create a culture that respects intellectual property. This year, we organized learning activities on the *Measures for the Management of Patent and Copyright of Aier Eye Hospital*. In addition, we launched intellectual property courses and invited intellectual property experts to give lectures on the brief introduction of intellectual property rights and its importance in corporate development, the patent application process, the fast track for patent pre-examination, and patent invention and application in scientific research. Through these activities, we aim to deepen the researchers' understanding of the patent process and improve their skills in patent invention and application writing.



In 2023, upholding the philosophy of open innovation, the Group explored new models, technologies and services concerning eye health management and treatment, achieving remarkable results.

The Group's scientific research and innovation achievements in 2023 are as follows:



143 patents authorized in 2023

41 patents applied in 2023

646 patents authorized in total

3 computer software copyright acquired in 2023



Monographs

8 monographs published (editing) in 2023

6 monographs published (participating in editing) in 2023



Examples of Monographs by Our Experts



Patents

107 papers published in SCI/ Medline journals in 2023

42 papers published in China Core Journals and Chinese Scientific and Source Journals for Chinese Scientific and Technical Papers in 2023

Creating a Culture of Integrity

Aier Eye Hospital attaches great importance to the construction of research integrity and academic ethics, and adopts a variety of approaches to ensure the integrity and compliance in scientific research. We take a number of measures to ensure the integrity and compliance of scientific research activities and the traceability and authenticity of achievements in scientific research, including increased promotion, the formulation of strict rules and regulations, and increased monitoring and inspection. We have developed internal policies, such as the *Management Measures for Academic Papers of Aier Ophthalmic Research Institute* and the *Specification on Original Data of Aier Ophthalmic Research Institute*, to ensure integrity from the early stages of scientific research and to rigorously check the research results.

In 2023, we continued our efforts in education and training. All researchers were required to study the *Aier Initiative for the Promotion of the Spirit of Scientists and Research Integrity*. We held special training sessions and invited experts to explain the importance of research integrity, the procedures to investigate and deal with research misconducts, and the identification and prevention of academic misconducts. These actions helped guide young researchers in establishing scientific ethics and raise their awareness of academic norms, thereby standardizing experimental recording and results management, and encouraging them to become practitioners of research integrity and advocates of academic ethics.

In addition, the Group gives full play to the supervisory role of the Academic Ethics Committee at all levels, and adopts a "zero tolerance" policy towards academic misconducts. We have also developed a file policy for researcher integrity, under which, we record and give warnings to dishonest behaviors and, where appropriate, investigate relevant responsibilities. By the end of 2023, there had been no cases of academic misconduct at Aier Eye Hospital, laying a solid foundation for the construction of research integrity and academic ethics in the Group.

Empowering Scientific Research with Information Technology

We are committed to improving the efficiency of the scientific research system through information and digital technologies. In 2022, we had launched the information management system for Aier Ophthalmic Research Institute and put it into operation. The system was designed to ensure the accuracy and security of data submitted by researchers, and to reduce the workload in data recording, collation and statistics. At present, the system has integrated six key functional modules, including user management, training and assessment, project management, equipment reservation, consumables management and environmental monitoring, which greatly enhance the work efficiency of researchers and provide strong support for the efficient implementation of research activities.



Advancing with the Wider Industry

Aier Eye Hospital continues to expand global vision and promotes academic exchanges at home and abroad. In this regard, we build an academic exchange platform covering the world to deepen the integration of medical research and medical services. The Group engages in the formulation of industry standards and strengthens cooperation with colleges and universities to cultivate ophthalmic talents. These efforts push forward the closer integration of scientific research and education and facilitate the development and innovation of ophthalmic medicine.

Facilitating Academic Exchange

Aier Eye Hospital is devoted to academic exchanges in the industry at home and abroad by building an academic exchange platform covering the world. To this end, we promote the integration of medical research and medical services by organizing and participating in academic forums, conferences and other events. Moreover, we work with global ophthalmic experts to explore cutting-edge technologies and address pain points and academic difficulties in pursuit of industrial development.

In 2023, the Group attended several national and international academic conferences:



International academic conferences

40+ participants

15+ spokesmen

20+ conference papers accepted



National academic conferences

600+ participants

120+ spokesmen

200+ conference papers accepted



Aier Eye Hospital Obtaining the Hosting Right to the 18th World Association of Eye Hospitals

In May 2023, Aier Eye Hospital obtained the hosting right to the 18th World Association of Eye Hospitals (WAEH) in 2024, demonstrating our international influence in the field of ophthalmology. As a platform for the exchange and cooperation among ophthalmic hospitals worldwide, WAEH is of huge significance in building up ophthalmic diagnosis and treatment. Aier Eye Hospital has been engaged in international ophthalmic events by sharing hospital management experience since becoming a member of WAEH in 2018. In 2021, we became a board member of WAEH along with other 10 renowned ophthalmic institutions around the world. Since then, we have been actively involved in various international research projects to promote ophthalmic clinical research with ophthalmologists across the globe.

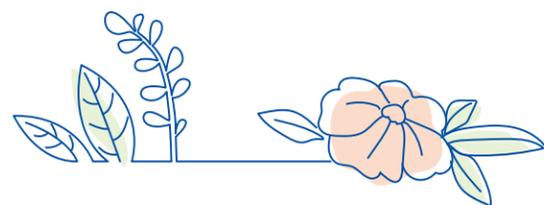
The Group plans to host the 18th annual conference of WAEH In Changsha, China In 2024, the second WAEH conference to be held in China after the one in 2017. By then, we will invite hundreds of medical professionals and management experts around the world to share their experience in ophthalmic management, nursing and clinical practices to enhance global ophthalmic services.



Aier Eye Hospital as the Host of the 19th International Myopia Conference

At the closing ceremony of the 18th International Myopia Conference (IMC) in September 2023, it was announced that Aier Eye Hospital was selected as the host of the 19th IMC session in 2024. As the IMC is among world-class academic conferences in the field of myopia research, the selection of Aier Eye Hospital as the host marked China's crucial role in this field globally. The Group illustrated new achievements in myopia research at the 18th conference with presentations of 4 speeches and 10 poster walls. Among them, the myopia prevention and control strategy of "Natural Classroom" proposed by Professor Lan Weizhong was well recognized by international experts. According to the strategy, changing the environment of classrooms helps to prevent myopia.

Aier Eye Hospital will host the 19th IMC in China in 2024, during which global myopia experts will be brought together to discuss and promote myopia prevention and control strategies. Beneficial to the 600 million-plus myopic population in China, especially to Chinese teenagers, the conference will facilitate the implementation of national myopia prevention and control strategies and improve the eye health of children and teenagers.



Showcasing Strength in Scientific Research at the ARVO 2023 Annual Meeting

In May 2023, Aier Ophthalmic Research Institute was actively engaged in the ARVO 2023 Annual Meeting, the world's largest gathering for eye and vision research. The Institute illustrated both fundamental and clinical findings in the field of ophthalmology to international peers with 19 well-prepared presentations, including 5 speeches and 14 wall posters. Thanks to the above effort, we not only enhanced our global reputation, but also advanced scientific exchanges and cooperation with ophthalmic experts worldwide. Moreover, we promoted the development of ophthalmology in China, demonstrated domestic academic strength to the international community, and contributed to the research in ophthalmology-related fields across the world.



International Retina Summit 2023: Promoting Fundus Health with a Global Vision

In November 2023, the International Retina Summit 2023 (IRS-2023) was held in the Aier Eye Hospital Building in Changsha City of Hunan Province, attracting more than 60 specialists in retinal diseases from all over the world. The summit served as an academic exchange platform to share diversified, advanced and pragmatic medical findings via online and offline channels. Three academicians from the Chinese Academy of Sciences participated in the summit and delivered academic lectures. Besides, the live streaming of the summit attracted more than 5 million viewers, further intensifying the global influence.



Formulating Industry Standards

Aier Eye Hospital plays a leading role in the eye health field. We take an active part in industry exchanges and activities by jointly setting up industry standards and international platforms for industrial communication. We make tireless efforts to promote high-quality development of the eye health industry by communicating with and learning from fellow companies and outstanding ophthalmic experts at home and abroad. Since acting as a standing member of the Chinese Non-Government Medical Institutions Association (CNMIA) and the vice-chairman of Special Commission of Ophthalmology of CNMIA in 2016, Aier Eye Hospital has been keen to promote the synergy development among medical institutions for industrial prosperity. As at the end of the reporting period, the Group had participated in the formulation of 9 standards, 49 expert consensus and 1 diagnosis and treatment standard.



Drawing upon our leading research capabilities, we have garnered invitations for several experienced experts to preside over or participate in the formulation of research reports, standards, guidelines and clinical plans at international, national and industrial levels. These documents cover areas of lacrimal passage, orbit, fundus, refraction, glaucoma, keratopathy and optometry, making distinctive contributions of Aier Eye Hospital to the ophthalmology industry. By the end of 2023, some of our representative achievements were as follows:

Subspecialties of Ophthalmology	Name of Research Reports, Standards, Guidelines and Clinical Plans
Lacrimal Passage	<i>Clinic Plan for Double-Canalicular Catheterization in Lacrimal Duct Obstruction</i>
	<i>Guidelines for Diagnosis and Treatment of Thyroid-associated Ophthalmopathy</i>
Orbit	<i>Guidelines for Filling Materials in Cranio-Orbital Repair</i>
	<i>Guidelines for the Diagnosis and Treatment of Retinoblastoma in China*</i>
	<i>CACA Guidelines for Holistic Integrative Management of Cancer</i>
Refraction	<i>International Big Data Report on Refractive Surgery in 2022 – Europe</i>
	<i>International Big Data Report on Refractive Surgery in 2022 – China</i>
	<i>Expert Consensus on the Treatment of Ectatic Corneal Diseases with Corneal Cross-linking in China*</i>
	<i>Expert Consensus on Preoperative Refraction and Monovision Simulation in Laser Corneal Refractive Surgery in China*</i>
Cataract	<i>China & Europe Big Data Report on Refractive Cataract Surgery</i>
	<i>China & Europe Big Data Report on Refractive Cataract Surgery in 2023*</i>
	<i>Quality Control Standards for Refractive Cataract Surgery of Aier Eye Hospital (2023)*</i>
	<i>Expert Consensus on the Measurement and Application of Ocular Biometric Parameters before Cataract Surgery in China</i>
Cornea and Ocular Surface	<i>Study on Impact Factors and Forecasts of Keratoconus Treatment Efficacy</i>
	<i>Study on the Effect of Chitosan on Corneal Collagen Cross-Linking</i>
	<i>Expert Consensus on the Application of Artificial Intelligence in Clinical Diagnosis of Dry Eye*</i>
Fundus	<i>Expert Consensus on the Diagnosis and Treatment of Acanthamoeba Keratitis*</i>
	<i>Application of “Two-Step Anesthesia for Vitrectomy”</i>
	<i>Application of “Combined Surgery of Micro-Invasive Vitrectomy, Cataract and Intraocular Lens Implantation”</i>
	<i>Expert Consensus on the Clinical Diagnosis and Treatment Pathway of Retinal Vein Occlusion in China*</i>
Optometry	<i>WAEH Medical Outcome set of Primary Retinal Detachment Codebook</i>
	<i>White Paper on the Big Data of Myopia Prevention and Control in Children and Teenagers</i>
	<i>Chinese expert consensus on infant vision assessment *</i>
	<i>Expert consensus on prevention and control of high myopia *</i>

*: Newly added in 2023



Two Fundus Medical Techniques Selected into the Technique Library for the Promotion of National Healthcare Technologies

According to the *Notice on the Selected Techniques in the Alternative Technique Library* issued on the National Information Service Platform for the Promotion and Application of Healthcare Technologies, two of our medical techniques were selected. This highlights our contributions to and influence in standardizing the development of ophthalmic medical techniques.

The two technique-based programs of "Combined Surgery of Micro-Invasive Vitrectomy, Cataract and Intraocular Lens Implantation" and "Convenient Medical Techniques Combined with Two-Step Anesthesia" were selected, accounting for 40% of all selected ophthalmic programs. As for the first technique, combined surgery is adopted to reduce operative times and risks and enhance patients' vision and life quality after the surgery. By optimizing traditional topical anaesthesia, the second technique helps to reduce complications and adverse effects of general anesthesia. It is also able to reduce medical costs and speed up patients' recovery.



Promoting Academia-Enterprise Cooperation

Adhering to the principle of "creating mechanisms for resources integration, complementing advantages for sustainable development", Aier Eye Hospital continues to promote academia-enterprise cooperation. In this regard, we work with Central South University, Wuhan University, Jinan University, Northwest University and other universities to integrate their high-quality educational resources with our rich clinical resources and jointly promote the construction of an integrated platform combining medicine, education, research and industry. We also launch cooperative research projects and academic exchanges to cultivate highly skilled ophthalmic talents with solid knowledge reserve and strong clinical strength.

By the end of 2023:



We had established strategic cooperative partnership with **15** universities, in which **11** were aimed at cultivating master's students and doctoral students in ophthalmology and **4** aimed at training technical talents in optometry;



We trained a total of **416** full-time postgraduates, including **115** doctoral students and **301** master's students;



We fostered **170** students with master's degree or doctoral degree, including **97** with doctoral degree in ophthalmology, **53** with professional master's degrees, **10** with academic master's degree and **10** with academic master's degree in nursing;



Postgraduate students under training published a total of **250** academic papers, including **146** SCI papers and **104** papers in core journals of China.

Aier Eye Hospital and Shanxi Medical University Entered into a Strategic Partnership

In March 2023, Aier Eye Hospital and Shanxi Medical University reached a strategic cooperation agreement. Both parties will jointly establish the "Shanxi Medical University Aier School of Ophthalmology and Optometry" and the "Shanxi Medical University Aier Eye Research Institute". Both parties will deepen their strategic cooperation in talent cultivation, scientific research, talent exchange, and social services. By fully leveraging the university's advantages in science and technology and talent, as well as Aier Eye's industrial and global advantages, both parties will work together to create a model of integration between industry and education.



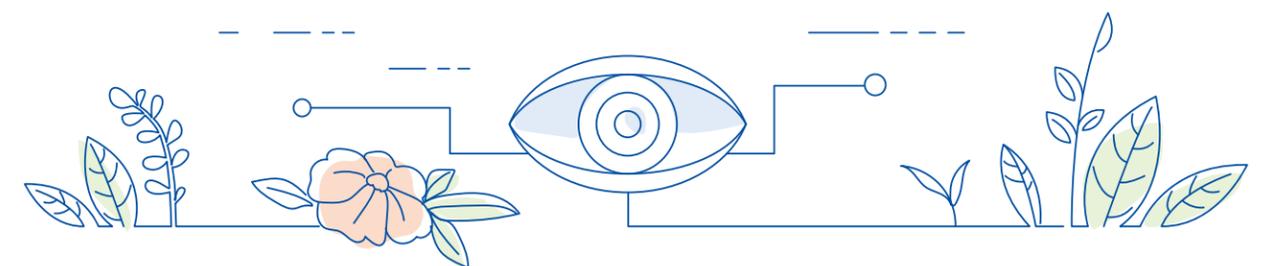
Aier Eye Hospital and Dalian Medical University Reached a Strategic Cooperation Agreement

In June 2023, Aier Eye Hospital and Dalian Medical University have established a strategic partnership, striving to build a high-level ophthalmology medical talent training system and jointly explore new platforms, models, and experiences for the introduction and cultivation of ophthalmology talents. Both parties are committed to effectively implementing interdisciplinary integrated development projects in the field of ophthalmology.



Aier Eye Hospital and Northeastern University Reached a Strategic Cooperation Agreement

In July 2023, Aier Eye Hospital and Northeastern University officially established a strategic partnership to jointly build the "Northeastern University Affiliated Aier Eye Hospital" and the "Northeastern University Aier Eye Research Institute." In the future, the two parties will further leverage strengths to establish a comprehensive strategic cooperative relationship in areas such as medical care, teaching, scientific research, talent cultivation, and achievement transformation. Both parties will work together to build a first-class platform for medical education and research in ophthalmology and to create a new engine for the development of ophthalmology medical technology.



Improving Accessibility of Medical Care

There has been a growing demand for ophthalmic medical care across the country, while the availability of medical resources predominantly concentrates in provincial capitals and top-tier cities. This has resulted in a serious imbalance between the demand for ophthalmic healthcare and the limited availability of medical resources. To narrow the supply-demand gap, Aier Eye Hospital continues to increase the accessibility to medical services to community level. We gradually broaden the stretch of inclusive eye health services, continuously optimize specialist outpatient services, and fully leverage on digital technology to improve service quality. Therefore, an increasing number of community-level citizens possess a fair access to high-quality, inclusive and convenient eye health services.

Accessibility of Medical Services

Upholding the patient-oriented concept, Aier Eye Hospital takes "strengthening primary-level departments, setting targets, and promoting integration" as the guidelines to better allocate regional medical resources. We build compact medical treatment alliances, arrange mobile medical services by eye specialists, and train primary doctors. By doing so, we are able to complete the network of community-level medical services and provide expert diagnosis and treatment to patients with intractable eye diseases.

By the end of 2023:



We launched **196** training sessions on eye health for **10,954** doctors at community-based hospitals.



We organized **854** activities to promote Party building and eye health awareness, attracting a total of **32,321** citizens.



47 hospitals joined the compact medical treatment alliances, covering **166** medical sites, serving **36,177** people and identifying **11,085** patients with eye diseases.



25 hospitals participated in the training for community-level doctors organized by the Chinese Medical Doctor Association. A total of **56** training events were organized, including **6** provincial and regional kick-off sessions, **25** training sessions for hospital directors, and 25 sessions for primary-level doctors. These training activities involved nearly **1,200** participants from more than **600** primary healthcare institutions.

In 2023, some of the highlights of our specialist teams in improving accessibility to medical care were as follows:



From October to December 2023, 18 province-specific branches of Aier Eye Hospital collaboratively engaged glaucoma specialists to provide mobile medical services with designated personnel for patient-doctor communication. These medical events served more than 1,700 patients and facilitated diagnosis and treatment for glaucoma patients in prefectures and counties.

We established the "Regional Base for Glaucoma Diagnosis and Treatment" in 10 province-specific branches of Hunan, Hubei, Zhejiang, Shanxi, Liaoning, Jilin, Gansu, Qinghai, Ningxia Hui autonomous region, Guangxi, Tianjin and Chongqing. Drawing upon the nationwide medical network and outpatient services by renowned experts, these regional bases provide patients with glaucoma solutions at full range.



The second phase of National Diabetic Retinopathy (DR) Training Program for Primary Healthcare Agencies was carried out. We organized a total of 56 training sessions in 25 cities of 6 provinces. During the program, we coordinated nearly 500 visits of fundus specialists to lecture on the prevention and treatment of diabetic retinopathy. As a result, 12 hospitals have been included in the program for chronic and noncommunicable disease control and prevention.

We additionally employed 42 vitrectomy surgeons, newly built 21 hospitals qualified for independent vitrectomy and 81 hospitals qualified for independent injection/laser for fundus diseases, thus extending the scope of fundus medical services.



We established another 11 hospitals capable of corneal transplantation, bringing the total to 43.

We established another 14 hospitals capable of collagen cross-linking surgery, bringing the total to 34.



We hosted the 9th International Training Class on Cataract Prevention and Treatment Techniques, providing 20-day training on professional techniques for cataract phacoemulsification surgery to 19 ophthalmologists from 11 countries.



Improving the Accessibility of Premium Medical Resources with Mobile Services by Experts

To drive the medical resource integration among hospitals, the Ophthalmology Expert Group of the Greater Bay Area of Aier Eye Hospital provided mobile medical services at hospitals of the Guangxi province-specific branch in December 2023. The Expert Group provided high-level medical consultation to local patients with intractable eye diseases. As a result, premium medical resources were available to patients without making a journey to other regions.



In response to the requirement of building a telemedicine network stated in the National Eye Health Plan under the "14th Five-Year Plan" (2021-2025), we plan to set up a telemedicine center with six remote service modules for outpatient healthcare, diagnosis, image reading, medical consultation, treatment and surgery with such IT-based technologies as Internet-supported diagnosis and treatment as well as telemedicine. This initiative aims to deliver quality ophthalmic resources to communities and enhance the accessibility of ophthalmic medical services.

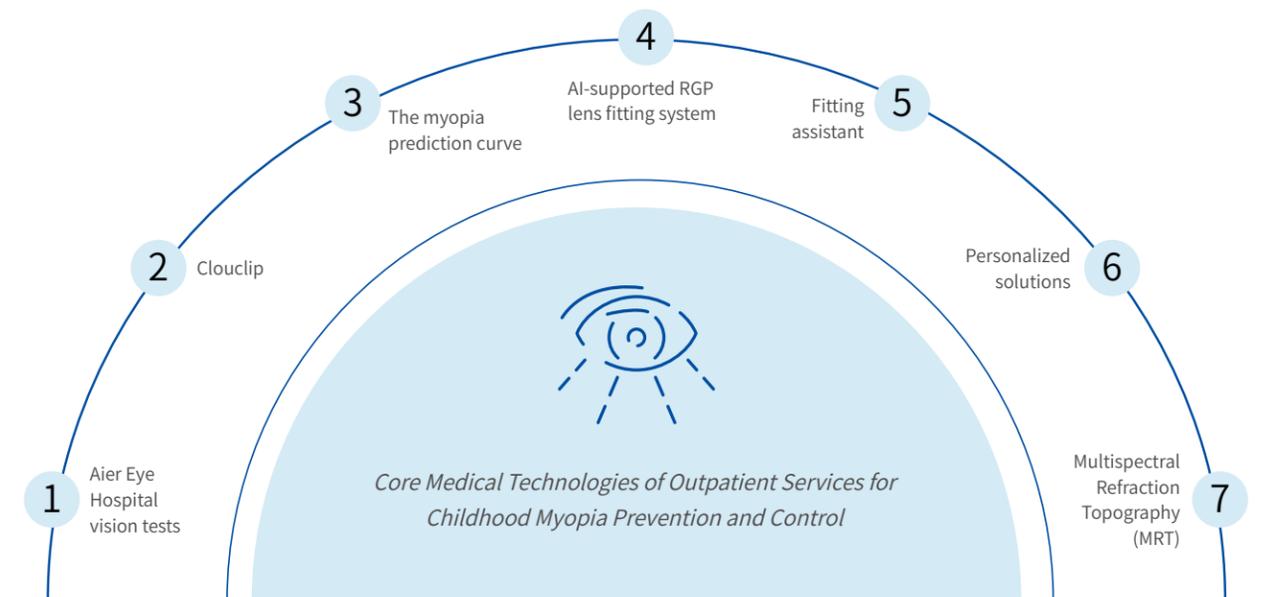
As for complicated eye diseases, we promptly transfer patients to higher-level hospitals by virtue of the Patient Express Service, so that patients can receive professional treatment in a timely and effective manner. By the end of 2023, 63 hospitals of the Group had provided outpatient services and 25 hospitals had started the Patient Express Service, serving a total of 19,966 patients.

Strengthening Precise Medical Services

To guarantee accurate medical treatment for patients and accurate diagnosis and treatment by doctors, Aier Eye Hospital has been tapping into special clinics for five diseases. We provide accurate diagnosis and treatment for patients of all ages and throughout their life span, realizing specialized diagnosis and treatment for different diseases. We have set up the first special clinic for thyroid-related eye diseases in Aier Eye Hospital (Changsha). In addition, we have established a clinic for complicated eye diseases in the eastern region of Guangdong Province, thus benefiting more patients with enriched outpatient services for different eye diseases.

Outpatient Services for Childhood Myopia Prevention and Control

In 2023, the Ministry of Education issued the *2023 Work Plan for Comprehensive Prevention and Control of Myopia Among Children and Teenagers*. According to the Plan, government performance assessment is required to incorporate indicators of the prevention and control of myopia among children and teenagers, the overall rate of myopia, and their physical health. Adhering to the national policy, Aier Eye Hospital has established an expert group for myopia prevention and control to deepen the "5P model for myopia prevention and control". We generate personalized myopia prevention and control plans for teenagers and emphasize on parents' supervision and eye behavior monitoring, thus protecting teenagers' eyesight with multi-dimensional measures.



Release of the Big Data Report on Clinic Application of Orthokeratology Lenses of Aier Eye Hospital

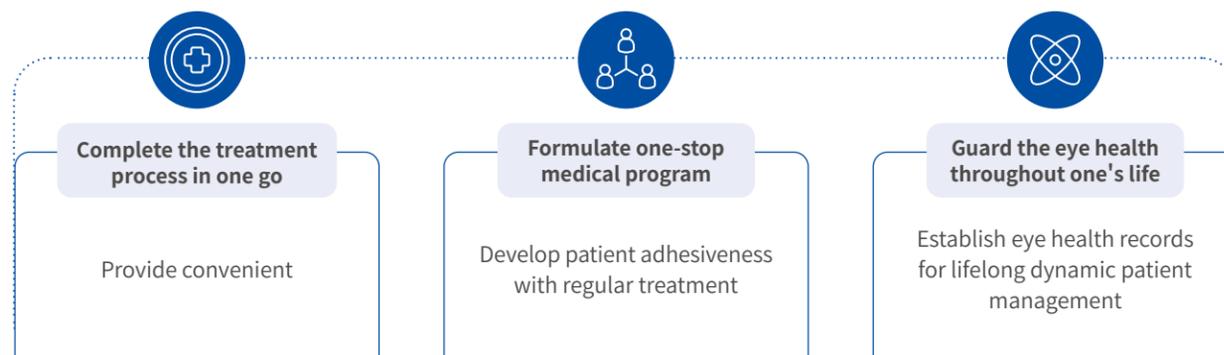
In June 2023 approaching the Sight Day, Aier Eye Hospital led the release of the *Big Data Report on Clinic Application of Orthokeratology Lenses of Aier Eye Hospital*. Analyzing the uncorrected visual acuity from multiple dimensions of age, gender, characteristics and visual acuity, the report delved into the development and application of orthokeratology lenses in China. Moreover, this report is expected to provide reference for the optometry industry and parents, so as to satisfy personalized demands for myopia prevention and control among children and teenagers.



Outpatient Services for Diabetic Eye Diseases

Aier Eye Hospital has developed a distinctive system of comprehensive prevention and control for diabetic eye diseases. The system is featured with four lines of defense and four layers of guarantees, namely, early prevention, early detection, early diagnosis and early treatment. With the system, we provide lifelong management and dynamic services such as fundus examination, diabetic retinopathy (DR) screening, surgery, eye health recording and tailored long-term re-testing for diabetic patients. By the end of the reporting period, clinics for diabetic eye diseases had covered 148 Aier Eye Hospitals across the country. We had provided medical services for more than three hundred thousand patients throughout the year.

To enhance the quality of diagnosis and treatment for diabetic eye diseases, Aier Eye Hospital provides patients with the "Three Ones" medical services. Besides, we strive to create an integrated chain for patient management and guard patients' health with benevolent minds and exquisite skills.



"Three Ones" Medical Services

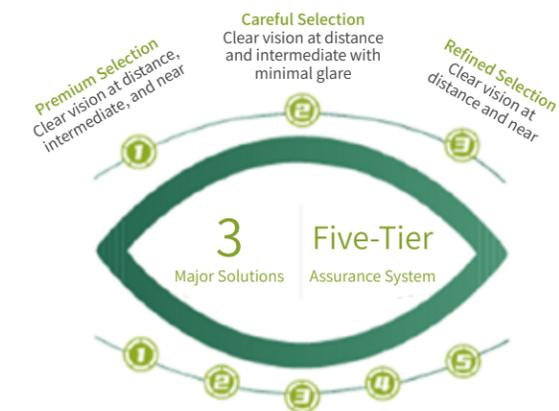
Activity of "Care Month of Diabetic Eye Diseases"

To raise the awareness of diabetic patients, the general public and community-level doctors about fundus diseases, Aier Eye Hospital launched the 4th "Care Month of Diabetic Eye Diseases" in November 2023. During the event, hundreds of ophthalmologists across the country diagnosed diabetic patients and provided interactive services. Meanwhile, the Group's hospitals all over the country conducted fundus screening for patients with the AI intelligent fundus camera¹. The tool helped to detect diabetic patients more accurately, so that they can receive earlier treatment.



Outpatient Services for Presbyopia and Cataract

Relying on the "3 Solutions and 5 Guarantees", Aier Eye Hospital gives full consideration to different adaptive conditions and personalized healthcare demands of patients in treating presbyopia and cataract. We tailor surgical and treatment plans to deliver quality and convenient medical services to senior patients and to bring them a bright and healthy life.



An experienced cataract surgery team, advanced inspection technology in line with international standards, advanced surgical techniques in line with international standards, a variety of intraocular lens options to meet different patient needs, and exclusive value-added services for aging cataracts.

3 Solutions and 5 Guarantees

¹ Relying on massive fundus photo big data, AI intelligent fundus camera has multiple core advantages such as testing without dilating pupils and high-definition imaging by integrating artificial intelligence technology, which can effectively improve the diagnosis rate of fundus diseases and reduce the occurrence of missed diagnoses. Meanwhile, it greatly shortens the fundus photography process and expands the coverage of fundus photography.

Release of the China & Europe Big Data Report on Refractive Cataract Surgery in 2023

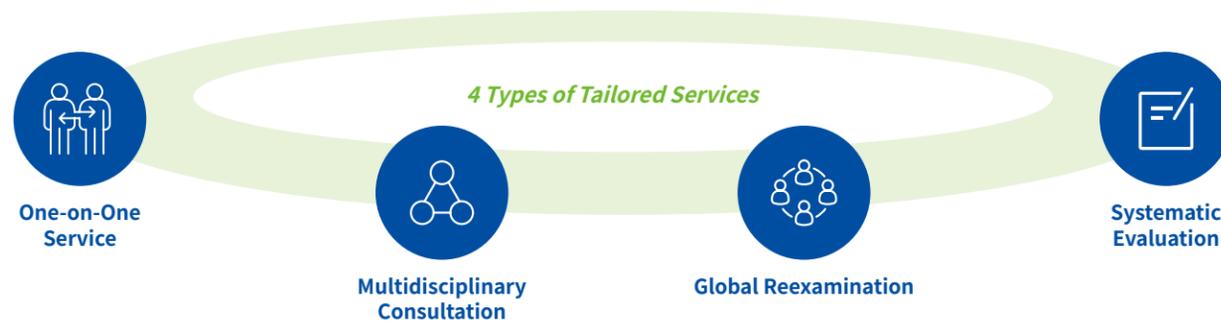
In December 2023, Aier Eye Hospital led the release of the *China & Europe Big Data Report on Refractive Cataract Surgery in 2023* for the second consecutive year. The report analyzed the current situation of global cataract surgery as well as China-Europe gaps in cataract education, diagnosis and treatment by selecting nearly 50,000 eye samples from 142 ophthalmic medical institutions worldwide. In this regard, it enriches references and ideas to improve the quality of cataract surgery.



Outpatient Services for High Myopia

Relying on the treatments for high myopia that synchronize with international solutions, Aier Eye Hospital has set up a joint consultation mechanism that combines various disciplines including refraction, fundus, glaucoma and cataract for people with over 600 degrees of vision. The Group also provides an overall solution for high myopia by integrating inspection, treatment and correction.

In 2023, we treated high myopia for patients with an auxiliary solution of the implantable contact lens (ICL) surgery. We included the latest ICL V5 product into treatment options and successfully performed the first batch of ICL V5 surgeries in many places.



The 3rd Aier EVO-ICL International Summit

In November 2023, the 3rd Aier EVO-ICL International Summit was successfully concluded in Hong Kong, China. The summit convened more than 100 recognized experts and scholars in the field of refractive surgery and cross-disciplinary research from China, Argentina, the Netherlands, Italy, Spain, South Korea and other countries. They carried out in-depth exchanges on ICL history and prospect, trends in clinical application, multi-disciplinary & all-round safety protection and other topics, thereby jointly promoting the high-quality development of ICL scientific research and clinical practices. In this summit, Aier Eye Hospital was awarded the title of "Global No.1 Provider of ICL Surgeries" by STAAR for the 9th consecutive year. This achievement showcased our excellence in academic research, quality standardization, talent cultivation and patient services.



Outpatient Services for Dry Eyes

Relying on the technologies that synchronize with international leading hospitals, Aier Eye Hospital has set up a prevention and control system for dry eye chronic diseases featured by "Six Ones". This system enables us to provide patients with one-stop assessment and analysis of dry eye diseases as well as personalized treatments.

In 2023, the Group launched the program of establishing "1+8" medical centers for complicated dry eye diseases. We set the headquarters of Changsha Aier Eye Hospital as the core base of the program that providing world-class services, and developed national or regional centers in 8 cities of Beijing, Shanghai, Guangzhou, Shenzhen, Chengdu, Chongqing, Wuhan and Shenyang. In the same year, we constantly set up medical centers specializing in intense pulsed light and outpatient platforms for dry eye treatment. This plan aims to integrate online and offline medical processes and services throughout diagnosis and treatment.



The "1010 Dry Eye Care Day"

In October 2023, Aier Eye Hospital hosted the 4th "1010 Dry Eye Care Day" concurrently across the country. We worked to enhance public understanding on dry eye and care for patients' eye health by means of eye blinking exercises, expert lectures and public welfare eye examinations.



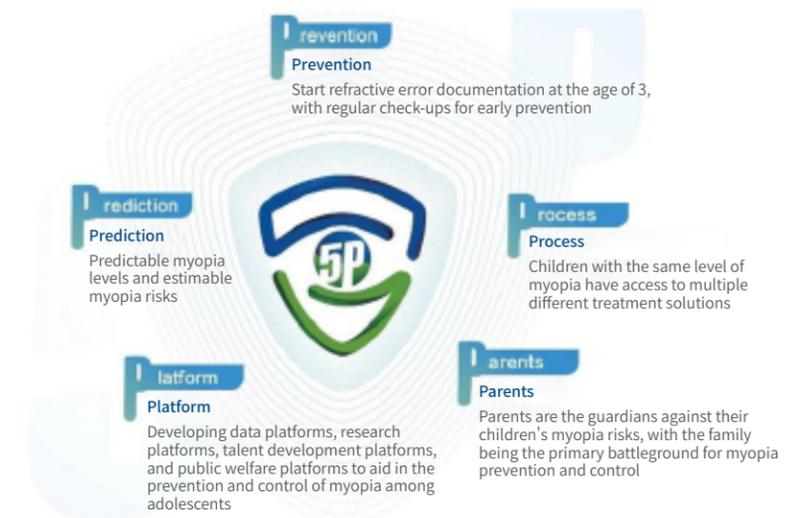
Highlighting Myopia Prevention and Control

Myopia Prevention and Control System

In active response to national strategies for myopia prevention and control, Aier Eye Hospital makes all-out efforts to implement the *National Eye Health Plan under the "14th Five-Year Plan" (2021-2025)*, the *2023 Work Plan for Comprehensive Prevention and Control of Myopia Among Children and Teenagers* and other national strategic planning. By doing so, we speed up to build the "Five-in-one" system¹ for comprehensive myopia prevention and control. By virtue of the "5P model

¹The "Five-in-one" system includes prevention, inspection, diagnosis, protection and management.

for myopia prevention and control", we continue to upgrade comprehensive myopia management solutions for children and teenagers in China. To this end, we have built an integrated and all-rounded system to deliver services from myopia screening, prevention and prediction to personalized treatments and effect tracking.



The 5P Model of Aier Eye Hospital for Myopia Prevention and Control

The Group has guided the development of "Cloudclip", an intelligent wearable device for myopia prevention and control. The device can accurately monitor the 5 major influencing factors² affecting the occurrence and development of myopia in children, and record eye behaviors around the clock. As a result, we can analyze causes of myopia and predict relevant eye risks. In 2023, we upgraded "Cloudclip" to the 3.0 version, which combines the external device with the frame. The developed intelligent frame enables us to offer smarter and more convenient services for myopia prevention and control. Besides, the upgraded version won the award of "Product Innovative in Science Technology of the Year" at the 2023 Conference on Innovation in Science Technology held by Southern Weekend.



Intelligent Spectacle Frame of "Cloudclip" 3.0

To meet the national requirements for the visual health records of children and teenagers, we have developed our own control system for the prevention and control of myopia for children and teenagers. The system has functions of automatic upload of inspection results, data collection, processing and analysis, and automatic generation of screening reports. By the end of the reporting period, the system had served nearly 40 million children and teenagers across the country.



Award of "Product Innovative in Science Technology of the Year"

²The 5 major influencing factors include duration, distance, angle, ambient light of reading, as well as outdoor time.

Education on Myopia Prevention and Control

We actively shoulder the responsibility in knowledge popularization on myopia prevention and control in children and teenagers, and join hands with parents, schools and society to safeguard the bright future of children and teenagers. In 2023, we carried out over 30,000 diversified activities for health education, such as vision testing in schools and popularization lectures. These activities benefited more than 20,000 kindergartens and primary and secondary schools. At the same time, we built 135 bases for myopia prevention and control and established more than 27 million student vision records. Our educational activities on myopia prevention and control for children and teenagers spanned the whole country, so as to ensure the vision health of more children.



Vision China 2023 - the 9th China Master Conference on Prevention and Control of Myopia in Children and Teenagers

In May 2023, the Aier School of Ophthalmology of Central South University, in collaboration with the Eye Hospital of Wenzhou Medical University, organized Vision China 2023 - the 9th China Master Conference on Prevention and Control of Myopia in Children and Teenagers. Ten-plus domestically leading experts in the field of optometry gathered together to interpret four hot topics of parents' concern, jointly creating a grand event of optometry popularization.



The Charity Event for Student Myopia Prevention and Control in Shazhou

During the 6th National Scientific Education Month for Myopia Prevention and Control in March 2023, the "Doctoral Advocacy Group for Prevention and Control of Myopia in Children and Teenagers" of the Group made a journey to Shazhou Furong School in Rucheng County of Chenzhou City. At the school, the advocacy group popularized eye health knowledge to students, conducted eye health examinations and tailored myopia management services for students. We also donated products and popular books regarding myopia prevention and control, so as to build a brighter world for students and empower them with clearer vision.



Promoting Eye Health Education

A "Healthy China" lies in public awareness of health. In response to national calls, the Group takes earnest measures to promote public awareness of eye health. By advancing knowledge publicity, we prevent eye diseases at earlier stages and reduce the occurrence of eye diseases from the source. In 2023, we optimized the education content on myopia prevention and control in teenagers, and the prevention and treatment of eye diseases in adults and blinding eye diseases in the elderly. We innovated for digital forms of science education, so as to make our efforts more targeted and effective and consolidate the line of defense for public eye health.

Honors of Science Education

Awarder

Eye Health Science Base of Hunan Province

Department of Science and Technology of Hunan Province and Hunan Association for Science and Technology

Teenager Eye Health Education and Practice Base of Changsha

Changsha Science and Technology Bureau

Member Unit of the Tianxin Science Union

Science and Technology Association of Tianxin District of Changsha



We organized **3,472** activities at the base, attracting more than **1.75** million participants and establishing eye health records for more than **410** thousand people.



We published over **11,015** science articles with over **3.84** million views.

We empower medical services with digital achievements. Specifically, we have constructed the Eye Health Science Museum. With this platform, we integrate innovative resources and popularize scientific research, educational and cultural resources. Furthermore, we have independently developed popular products to raise public awareness, such as videos, original books and mini programs. These endeavors aim to protect people's vision with high-quality public awareness campaigns. To enrich the content and forms of eye health popularization, we have introduced the digital human in eye health education scenarios. We adopt new technologies to generate content for eye health education in a more effective manner and utilize new education models to make the content more interesting, thereby raising public awareness and understanding of eye health.

Eye Health Science Museum



Located on the ground floor of Aier Eye Hospital Building in Hunan Province, the Eye Health Science Museum covers an area of nearly 1,800 m². As one of the largest museums across the province and even the country, it provides extensive eye health education that covers the wide range of topics and knowledge.

The museum is home to 7 distinctive science halls that focus on knowledge explanation, eyeball health, myopia prevention and control, common eye diseases, cutting-edge technology, profession experience and vision health. The museum is designed to raise the awareness of people of all ages of lifetime eye health. Through lectures from doctors, profession experience, research-based learning and other activities that mix education and entertainment, the museum combines eye health knowledge for people of all ages and digital interactive technologies, thus bringing immersive education experience to museum visitors.



Eye Health Science Documentary - "The Story of Eyes"

In August 2023, The Story of the Eyes, China's first scientific documentary on eye health co-produced by Aier Eye is on Hunan Satellite TV, Mango TV, People's Daily APP and official Weibo account. The documentary systematically popularizes the knowledge about eye care and myopia prevention and control for the whole society. With more than 300 million views, it contributes to the initiative of "Healthy China" in the new era. The documentary explores the structure of eyes and causes of eye diseases in four video chapters. It not only explains eye health theories, but also proves such theories with specific cases and experimental data. This model of science education drives more children and teenagers and their families to learn about eye health, to understand myopia prevention and control, and to take corresponding scientific measures. In addition, various interesting science activities themed on "The Story of Eyes" were carried out across the country, including promotion shows, lectures, dramas, Q&A challenges and painting exhibitions. These activities advocated and motivated families and the wider society to create a visually friendly environment, thus jointly caring for children's eye health.



03

Growing with Love and Improving Employee Well-being

Upholding the concept of "people-oriented, striking a balance between human needs and natural rules", Aier Eye Hospital believes that employees are the key to our sustainable development. The Group attaches importance to the protection of employees' rights and interests and is committed to the synchronized development of talents and Aier Eye Hospital. Specifically, we continuously improve the talent introduction mechanism and salary and incentive system, care about employees' development, cultivation, health and safety, and provide them with various benefits.

Contributions to SDGs



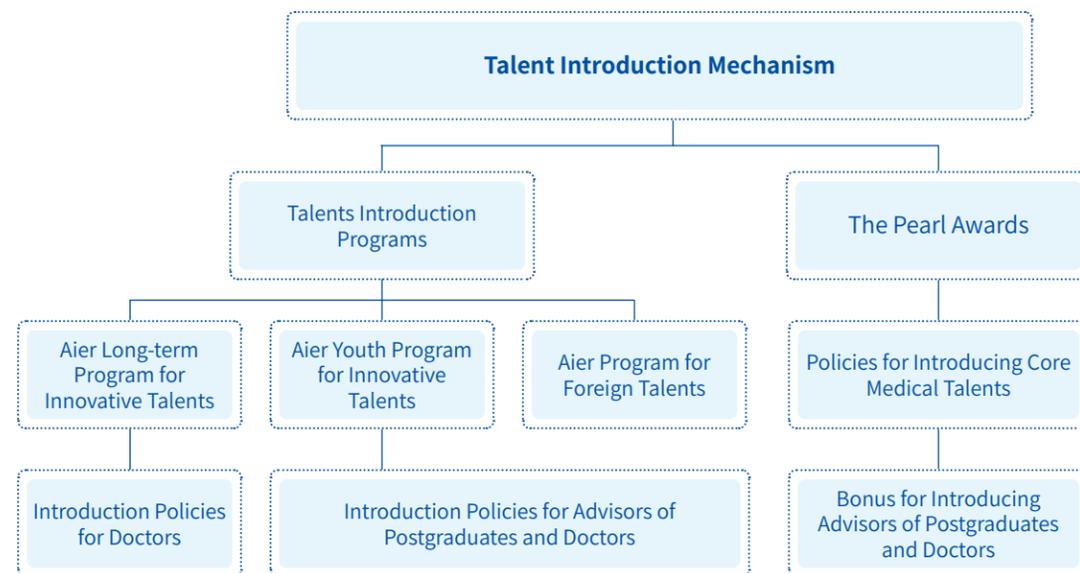
Creating a People-oriented Workplace

We strictly abide by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Employment Promotion Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China* and other laws and regulations. On this basis, Aier Eye Hospital has formulated and implemented the *Hospital Human Resources Management Manual*, the *Group Employee Handbook*, the *Social Security Management Measures for Hospital Employees* and the *Transfer Management Measure of the Hospital* and other internal systems. These help us standardize the management of recruitment, salary and welfare, and optimize the talent introduction and salary management mechanisms, so as to safeguard the legitimate rights and interests of employees.

Compliant Employment

Recruitment

Aier Eye Hospital has developed the *Hospital Recruitment Management Rules*, the *Hospital Management Measures for Employee Re-employment* and other employee management policies to standardize the recruitment and dismissal procedures. In addition, we are expanding our recruitment channels. Every year, we select appropriate talents through campus recruitment, social recruitment and internal recommendation. By doing so, we attract talents to empower the Group's long-term development and help employees to give full play to their personal potential.



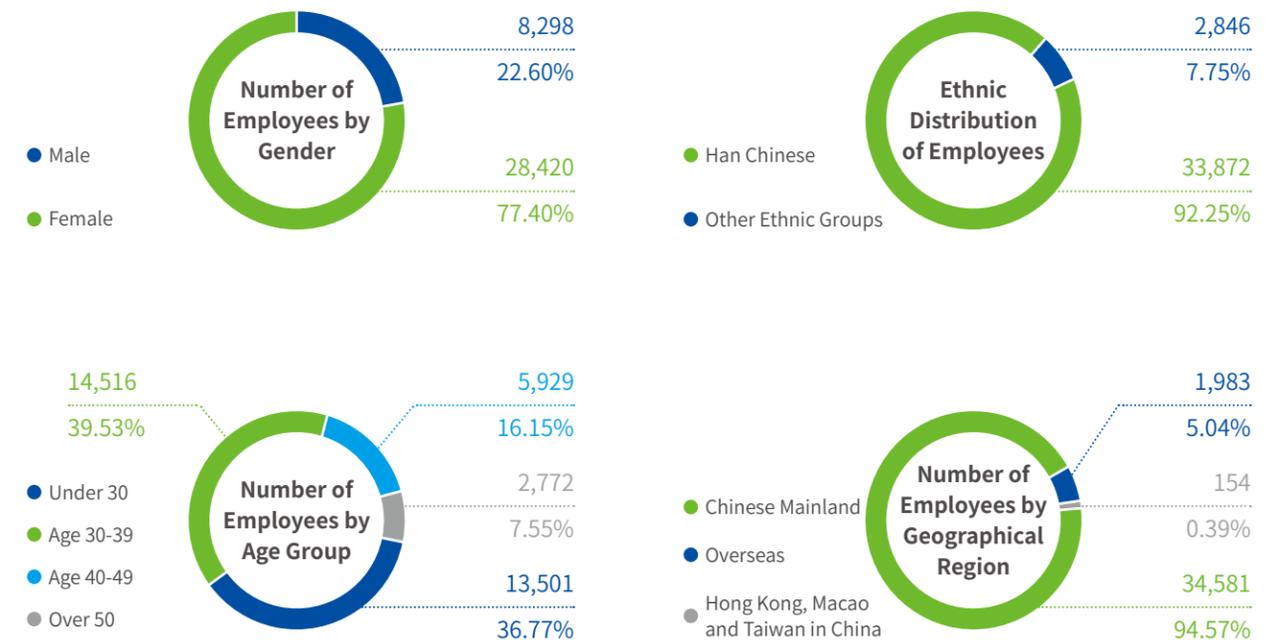
The Talent Introduction Mechanism of Aier Eye Hospital

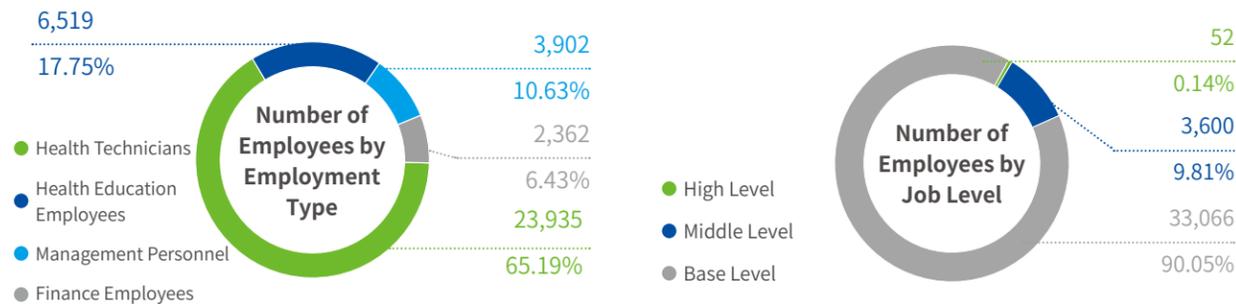
We resist unethical practices such as child labor, forced labor, and human trafficking and prohibit any form of forced labor and human trafficking. Aier Eye Hospital strictly abides by the *Provisions on Prohibition of Child Labor*, the *Regulations of the People's Republic of China on Special Protection for Underage Labors*, and relevant overseas laws and regulations. For compliant employment, we have established the following labor policies:

- In the *Management Measures for Employment Contracts of Aier Eye Hospital*, it is stipulated that all branches shall not enter into employment contracts with minors under the age of 16. Besides, we do not advocate overtime or forced extended working hours.
- In the *Code of Ethics and Business Conduct*, we explicitly recognize and adhere to the basic principles under the 7 ratified conventions of International Labor Organization, the *International Human Rights Law*, the *International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work*, the *Ten Principles of the UN Global Compact*, and the *UN Guiding Principles for Business and Human Rights*. We also expect our business partners to respect and actively protect the interests and rights of workers.

By the end of 2023, the Group had a total of 36,718 employees, broken down by gender, age, employee type, region and employee ethnicity as follows:

Year	2023	2022	2021
Total number of employees	36,718	32,326	26,970
Labor contract signing rate of regular employees	100%	100%	100%
Percentage of employees covered by social insurances and housing fund	100%	100%	100%





Workplace Equality

Aier Eye Hospital follows the value of "respecting employees" by insisting on equal employment and actively creating a diverse workplace. We have zero tolerance for any form of discrimination based on race, religion, gender, age, sexual orientation, marital status, gender identity and expression, ethnic minority, physical or mental disability, veteran status, nationality, and any other protected factors. All Aier employees are expected to treat colleagues with fairness, courtesy, and respect. Moreover, we take on our corporate social responsibilities by supporting veterans' transferring to civilian work, and providing them with employment opportunities and corresponding benefits based on our job vacancies.

By developing relevant policies and norms on the investigation and handling of discrimination and harassment, we have established a process that covers communication and complaint, incident investigation, issuance of handling results, and appeal against the results. We will take disciplinary actions against employees who verbally attack or insult colleagues in terms of ethnicity, gender, religion, region, educational background, etc., and who sexually harass colleagues, patients or their families. The actions include, but are not limited to, written warnings, distribution of a letter of reprimand, termination of employment, or referral to the judiciary, to ensure that such incidents are handled appropriately. At the same time, in order to create a harmonious and respectful workplace atmosphere, we regularly conduct training and awareness for all employees on workplace discrimination and harassment, emphasizing the importance of a fair and friendly environment.

We are highly concerned about the rights and interests of female employees as stipulated in the *Constitution of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Rights and Interests of Women*, and the *Special Regulations on Women Labor Protection*. We insist on equal pay for equal work and ensure that all employees enjoy fair labor conditions. To maintain workplace equity for female employees, we insist on equal opportunities for men and women in recruitment, training, and promotion. By the end of 2023, the percentage of female employees within Aier Eye Hospital was 77.4%. We also attached importance to female role in senior management, with 36.5% of female executives at Deputy Director level or above in the Group.

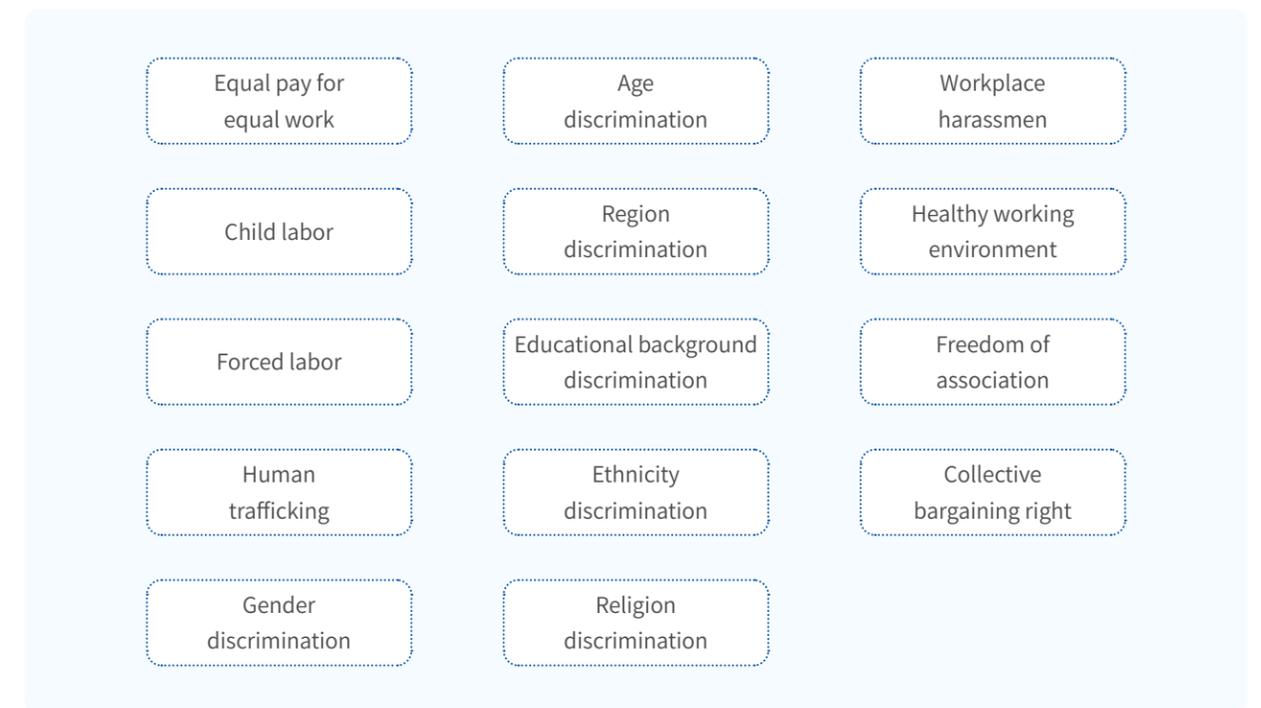
Proportion of female employees: **77.40%**

Proportion of female executives at Deputy Director level or above in the Group: **36.5%**

Employees' Rights and Interests

We respect and protect the labor rights of every employee, with a focus on their human rights. To comprehensively prevent and mitigate human rights risks and create a healthy workplace, we formulate relevant policies, improve the reporting and complaint mechanism, organize training and education activities, and conduct regular risk assessments and follow up on corrections.

The Group has formulated human rights due diligence systems and procedures applicable to all hospitals and business lines within the Group. These serve as the basis for identifying and addressing human rights risks, and the HR Department and the affiliated labor union are responsible for protecting the human rights of all employees. Over the past three years, we have assessed 14 human rights issues across all of our hospitals and business lines. As a result, 5 human rights risks were identified, including gender discrimination, age discrimination, educational background discrimination, workplace harassment, and healthy working environment. Such risks mainly involved outsourced employees, female employees, employees over 40 years of age, employees without a high level of education and non-local employees. To address and mitigate these risks, we have taken various corrective measures, such as job adjustments, internal penalties, apologies, and rectification commitments.



Human Rights Risks Assessed by Aier Eye Hospital

We also respect our employees' right to freedom of association. In 2005, we established a labor union in strict accordance with the *Trade Union Law of the People's Republic of China, the Collective Contract Regulations* and other laws and regulations. All employees of the group automatically become members of the trade union, and the trade union covers 100% of employees. Meanwhile, we hold the Workers' Congress on an annual basis to carry out collective bargaining, including discussion of the distribution rule, distribution form and level of employee salaries in the Salary Collective Agreement. We sign the *Salary Collective Agreement* with 100% of employees on the basis of consensus. Aier Eye Hospital actively carries out democratic management and supervision, and was honored the "2023 Typical Model Enterprise of Tianxin District on Workers' Congress and Collective Salary Consultation".



The Workers' Congress and Collective Consultation Meeting was Held on September 1, 2023

Reducing employee turnover

During the reporting period, the Group did not experience any major layoffs. The employee turnover rate was 12.4% (mainly the voluntary turnover of employees in the first year of employment) in 2023, and there were no major layoff or collective strikes in the past three years, showing employees' recognition of our management and confidence in the future development. We have analyzed and summarized the reasons for employee departures and developed corresponding measures to increase the retention rate. Based on the analysis results of this year, we offered assistance to employees in balancing life and work, planning career development, developing work capabilities, and ensuring health and well-being. All these enable us to stabilize our talent workforce.

Employer Honors

Aier Eye Hospital actively builds harmonious labor relations and protects the legitimate rights and interests of employees, for which, we have received various honors and recognitions from industry associations, media and organizations.

Honors for the past three years:



2021 "Model Mechanism Award" for talent management in China



2022 Annual Case of Employment Promotion



2022 "New" Good Employers - Growth Brand



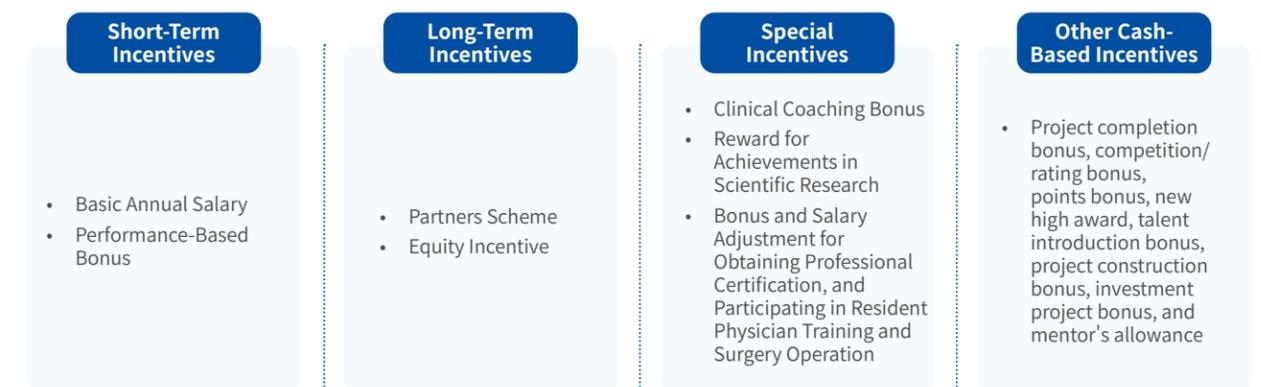
2023 National Advanced Private Enterprise for Employment and Social Security

Salary and Welfare

Supported by policies such as the *Salary and Welfare Management System of Aier Eye Hospital and the Management System for Human Resource Salary Budgets of Aier Eye Hospital*, the Group has established a sound, competitive, fair and reasonable salary and benefit system that matches the value of our employees and drives their motivation. To make every employee who contributes to Aier Eye Hospital get spiritual recognition along with rich material rewards, we have set up an honor-based incentive mechanism.

For salary and performance, we continuously optimize the salary plan to reflect internal fairness and external competitiveness. We determine fair and competitive salaries and bonuses for employees by considering the market wage level and factors such as employees' abilities, skills, position value, regional differences, contributions, and workload. Meanwhile, we manage the performance of all employees based on a multi-dimensional and comprehensive assessment system. Through means such as setting KPIs and post coefficients, workload scoring, rating, target management, and 3600 evaluation, we conduct objective and fair assessments of all employees' performance on an annual, quarterly, and monthly basis. The assessment results are linked to their salaries and are regularly reviewed and analyzed to ensure the fairness and effectiveness of the salary mechanism.

In terms of employee incentives, we provide short-term, long-term, special and other incentives for employees of different positions and ranks, among which special incentives and other incentives are cash incentives for employees, and implement the salary and talent appointment evaluation system to continuously improve the Group's cadre talent pool. For the long-term equity incentive plan, during the reporting period, the company unlocked listed restricted shares on schedule, continued to promote the implementation of the partnership plan and partially cashing it, and repeatedly repurchased shares from the secondary market for the equity incentive plan. We fully practice the development concept of "create, share and win-win" to enhance the cohesion of employees. At the same time, we attach importance to the recognition of the spiritual value of employees, set up a series of awards such as "Team Contribution Award", "Excellent staff Award", "Touching Aier people", and set up a hospital development fund to reward excellent staff, in order to commend the excellent performance and hard work of the team and individuals.



Aier Eye Hospital Employee Incentive

We provide employees with comprehensive welfare and are committed to creating a harmonious workplace atmosphere. Besides the five statutory social insurances and housing provident fund, we also provide all employees with other benefits such as paid leaves, job subsidies and allowances to support employees in work and life. All our employees have enjoyed the statutory welfare and the Company's welfare. At the same time, we provide employees with the choice of part-time, employees can work in educational institutions, professional groups, professional associations, public welfare organizations, CPPCC, people's congresses and other institutions part-time. At the same time, we provide employees with the choice of part-time, employees can work in educational institutions, professional groups, professional associations, public welfare organizations, CPPCC, people's congresses and other institutions part-time.



- Pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance
- Housing provident fund
- Statutory holidays and paid leaves

Statutory Welfare



- Subsidies for meals, high and low temperatures, communication, etc.
- Allowances for traditional festivals, Women's Day, Doctor's Day, Nurses's Day, hospital anniversary hospitalization, etc.
- Family benefits such as childcare facilities, breastfeeding/lactation facilities, etc.
- Characteristic recreational and sports activities such as reading parties, internal competitions, sports activities, salons, and social gatherings

Corporate Welfare

Aier Eye Hospital Employee Welfare



Caring for Employee Development

The Group has always been employee-centric, and has formulated an all-round talent training and development plan as guided by the corporate concept of "co-creation, sharing benefits and win-win development". To support the growth and sustainable career development of employees, we have invested resources to improve our talent team, developed clear career sequences, provided smooth promotion paths, and established a sound talent training system.

Promotion Mechanism

The Group attaches great importance to the career development of employees. With a scientific and reasonable promotion management process and fair and transparent promotion paths, we have been exploring the potential of our employees and promoting their career growth. We have set up seven major posts and formed a dual-path promotion model for management talents and professionals. Under this model, each employee can choose a development path as appropriate based on his or her own specialties and career development plans.



Training and Cultivation

We firmly believe that talents are the core driving force for our growth, and that systematic training systems and sound talent development plans can add impetus to employee growth. We have built up a sound employee education and training system, and continue to revise the *Training Management System of Aier Eye Hospital Group* from time to time. All these efforts have led to talent training plans covering management capabilities, professional skills and industry knowledge, enhancing the overall talent level of Aier Eye Hospital. During the reporting period, the total training duration of all employees was 624, 206 hours, with the average training duration of 17 hours.



In 2023, we offered leadership, expertise and other training sessions for all employees at different levels (including part-time and outsourced employees), with a **100%** coverage rate. This enables employees to acquire diverse skills and capabilities and have the opportunity to transfer to other positions.

We continue to expand our own lecturer team to enhance the Group's internal talent training capabilities. To this end, we have formulated the *Management System for Human Resource Internal Lecturers*, which specifies the requirements for the selection, certification, training, and motivation of internal lecturers. Through regular TTT (Training the Trainer to Train) training adopting the approach of "on-site learning + classroom exercises + after-class guidance", we aim to improve the teaching skills of internal lecturers. We also actively develop internal courses that are tailored to the development needs of the Group and our employees. By the end of 2023, we had trained 389 internal lecturers in total, of which, 73 were cultivated in 2023.

We are also innovative in our training approach and have adopted an "online + offline" training mode. Efforts have been made to build an Internet-based training platform to shift from one-way lecturing to participatory and interactive learning. We continue to iterate the distance education platform of Aier Management Institute as well as a cloud live class platform. These platforms offer courses covering clinical medicine, nursing, management, and operations, allowing employees to access learning resources anytime, anywhere, and on demand.

The training performance on the remote education platform of Aier Management Institute in 2023:



58 online virtual colleges



1,592 new courses



33,773 participants



621,192 learning hours



375 online examinations

The training performance on the livestreaming platform for cloud classroom of Aier Management Institute in 2023:



93 livestreaming programs



112 teaching hours



1,168,611 viewing minutes



12,011 views

Degree Promotion Training

Aier Eye Hospital encourages all employees to advance academic degrees and obtain professional certificates through learning. We have formulated the *Management Measures for Degree Promotion Expenses for Medical Talents of Aier Eye Hospital*, specifying tuition reimbursement and living allowances for employees with different degree promotion goals. By doing so, we aim to enhance comprehensive quality and competitiveness of employees. In 2023, the degree promotion program covered 67 employees, and supported 1,686 employees to obtain certificates. Meanwhile, relying on the academic education platform jointly built by Aier Eye Hospital and universities, we promote the on-the-job postgraduate education. In particular, we organize preliminary English examinations for medical doctors, ophthalmology re-examinations, and the final comprehensive ability examinations. By doing so, we select outstanding physicians with solid English skills and profound professional knowledge to pursue advanced studies at universities such as Jinan University, Anhui Medical University and Wuhan University. By the end of 2023, a total of 170 medical personnel had been admitted by the cooperative institutions for advanced study and training.

Strategic Talent Cultivation

Aier Eye Hospital attaches great importance to improving personal value of employees. For this purpose, we have built a multi-level talent training system covering business management training, medical management training and core medical talent training. This helps to improve the management and professional skills of employees, explore their potential, and inject new driving force for the Group's sustainable development. In 2023, 20 strategic training programs were conducted, which covered 1,054 participants, of whom there were 569 core medical talents and 485 core management talents.



Business Management Training

	Participants	Contents	Achievements
Yuelu Program	Business management talents	With each session planned to last 2 years, Yuelu Program adopts learning methods like "course teaching + case study + investigation & communication + project practice", and requires participants to complete the themed study of 6 modules.	By the end of 2023, we had organized 4 training sessions for 92 participants, and all the participants in "Yuelu I" had successfully completed the training.
Program E	CEO of hospitals	Program E relies on an independently developed sandbox course "Matching People with Jobs to Empower Management" on the operation of hospital management committee to improve the CEO's capacities to plan, lead and make decisions in management.	In 2023, we organized 2 training sessions for 112 participants.
Xiangjiang Program	Future leaders in ophthalmology management	Each session is designed to last between 3 and 6 months. Through online self-study, centralized training and study visits to model hospitals, participants are required to complete basic specification for beginners, elevation in speciality with practices, project operation and completion reporting.	By the end of 2023, 193 participants have been trained to become CEOs, with a 39% take-up rate. In 2023, we organized 5 sessions for 87 participants.
Kunpeng Program	Senior elites in health education service	To improve trainees' leadership and professionalism, we adopt 4 training means in this program: online course learning, offline intensive training, apprenticeship rotation in departments, and on-the-job practice.	In 2023, we organized 2 training sessions for 21 participants.
Juguang Program	Middle management from provincial branches and district hospitals	The training required for each business line is conducted in an "online + offline" manner to help middle management master basic management skills and transition to the role of manager.	In 2023, we organized 3 training sessions for 89 participants.



"Yuelu Program Sessions III & IV" Training in Taiyuan



"Program E" Sand Table Course



"Xiangjiang Program" Future Leaders Training



"Kunpeng Program" Sessions II

Medical Management Training

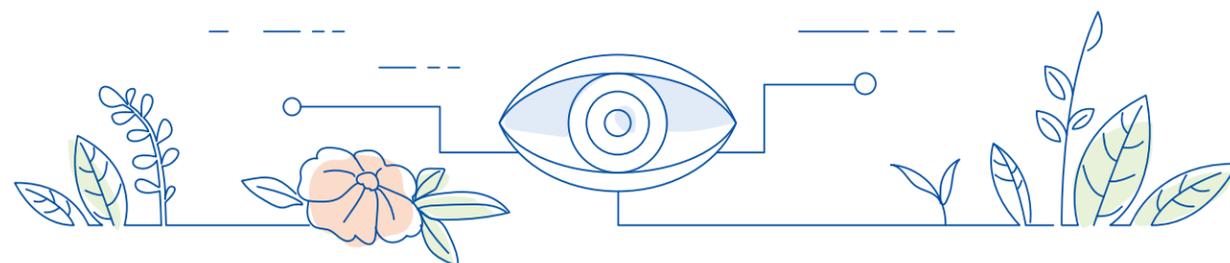
	Participants	Contents	Achievements
Training Class for Provincial Chief Hospital Directors	Chief directors experienced in senior medical management	The program focuses on leadership development to enhance chief director's strategic commitment and overall management awareness and their capacities of introducing talents and building regional talent teams.	In 2023, 1 class was offered for 20 participants.
Hospital Director Training Class	Directors with rich management experience	The program focuses on management capacity improvement to enhance their abilities of teaching and team building.	In 2023, 2 classes were offered for 56 participants.
Senior Management Study Visits	Senior management of the Group and core management of the "1+8" hospitals	The program covers interpretation of medical industry policies, sharing of exemplary cases in non-public medical institutions, visits to top universities and public hospitals in China, healthcare quality management, discipline construction, etc.	Participants were inspired to think deeply and discuss the challenges and improvement directions for the development of Aier Eye Hospital. The experience of high-performing hospitals and the suggestions of scholars provide reference for hospital rating, intelligent healthcare services, construction of key disciplines and whole-process patient service system, helping develop the "1+8" strategic hospitals.



The President's Training Class and the Provincial President's Training Class Visited the Second Training Camp



Training Class for New Directors of District Hospitals



Training Class for New Chief Directors and New Directors of Provincial Hospitals



Senior Management Study Visit in Tsinghua University

Core Medical Talent Training

	Participants	Contents	Achievements
Program for the Excellence	Professional young talents in optometry and pediatric ophthalmology	The program lasts 3 years and covers a series of domestic and overseas courses on advanced technologies, new progresses, multiculturalism and international vision. It is designed to improve the participants' professional and teaching ability.	By the end of 2023, the first session had been successfully completed. The second, third and fourth sessions were in progress. The fifth session was due to start soon.



Medical Skills Training

We continue to improve the professional level of medical services through continuous and targeted skills training. During the year, the Group conducted training in cataract surgery, refractive surgery, optometry and pediatric ophthalmology, fundus disease, cornea, etc., aiming to enhance the personal medical competence of medical staff, further improve the quality of medical services, and ensure the provision of safe and effective treatment for patients.

	Contents	Achievements
Cataract Surgery Training	We keep digging into cataract phacoemulsification surgery training, and develop standardized refractive cataract surgery training courses and trainers.	In 2023, we conducted 32 sessions of cataract phacoemulsification surgery training and 55 sessions of refractive cataract surgery training.
Refractive Surgery Training	We provide refractive surgery training in an all-around manner, covering theory study, simulation practices, case study, and teaching guidance.	In 2023, we trained 263 surgeons and launched 111 training sessions, covering 3,209 participants.
Optometry and Pediatric Ophthalmology Training	Centering on the "30+1" optometry talent system, we aim to cultivate diversified talents including optometry doctors, optometrists, dispensing opticians, opticians, QA specialists and base instructors.	In 2023, we delivered 175 training sessions, covering nearly 35,673 participants.
Fundus Diseases Training	Relying on the existing ophthalmic medical talents, we adopt an integrated training model of "theory + practice + assessment + competition".	In 2023, we engaged over 80 internal and external experts to deliver a total of 31 training sessions, covering more than 3,800 participants.
Corneal Diseases Training	We carry out 10 types of training and assessments with the support of four teaching and research groups, including dry eye, pterygium, corneal transplantation, and common corneal diseases groups.	In 2023, we trained 598 participants and assessed 257 participants.



Aier Eye Hospital Ophthalmology International Clinical Training Center is Officially Open

In September 2023, Aier Eye Hospital Ophthalmology International Clinical Training Center, which covers an area of about 5,000 square meters and will train 5,000+ doctors per year, was open. The center aims to cultivate applied ophthalmic medical talents, covering 9 ophthalmic sub-specialties such as refractive surgery, cataract, fundus disease, etc. Aier Eye Hospital is committed to building an international first-class clinical training platform, and helping to incubate global ophthalmic medical talents.



Ensuring Health and Safety

Aier Eye Hospital strictly abides by national and international standards, laws and regulations relating to occupational health and safety, including the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Regulation on Work-Related Injury Insurances*, and the *Fire Protection Law of the People's Republic of China*. On this basis, we continue to invest resources to enhance safety management to provide a safe and healthy workplace for employees.

Occupational Health and Safety

To ensure compliance with requirements on operation safety and the use of protective equipment so as to safeguard the health and safety of our employees, we have developed various policies. These policies include, but are not limited to, the *Personnel Health Management Policy*, the *Personal Protection Policy*, the *Work Safety Management Policy*, the *Pressure Vessel Safety Management Policy*, the *Radiological Diagnosis and Treatment Safety Management Policy*, the *Hazardous Substances Management Policy*, and the *Occupational Exposure Prevention and Control Policy*. In addition, to ensure the effectiveness of the said policies, employees can make suggestions through the labor union, personal feedback or other channels.

Safeguards for Employee Health and Safety

- Provide standard protective articles for medical personnel, such as medical masks, uniforms and goggles, and install sanitary facilities such as ventilators, air purifiers and sterilizers.
- Regularly disinfect the contaminated or potentially contaminated areas at hospitals.
- Collect, classify and properly handle hazardous medical wastes, and standardize the storage and label management of chemicals, sanitizers and sterilant.
- Regularly inspect water and electricity utilization at hospitals, dormitories and canteens to rectify potential safety risks in a timely manner.
- Organize lectures to disseminate occupational health knowledge.
- Implement health management and physical examination plans by providing regular physical examinations for employees exposed to occupational risks to timely detect and resolve health issues.
- Equipped with a staff canteen to ensure a clean and tidy environment, fresh and high-quality ingredients, and provide employees with balanced nutrition, healthy and safe diversified meals choose.



The Group has established and continuously improved the occupational health and safety management system to promote safety risk monitoring, assessment, and management. To deal with potential occupational hazard incidents, we have prepared emergency response plans, facilities, equipment and first aid supplies as necessary. Moreover, we have established an occupational health and safety risk library and conduct regular risk assessments. This allows us to assess the severity, urgency, available resources and other factors of the risks. For risks identified as urgent issues, we promptly implement appropriate emergency plans, formulate corresponding long-term and long-term rectification actions, and regularly track the rectification progress.

Safety Training and Drills

The Group attaches importance to safety education and is committed to raising the safety awareness of all employees and enhancing their safety skills. We organize regular safety training on medical equipment safety, handling of medical waste spills and other topics. This ensures that the employees are able to deal with various safety issues in the medical environment. In addition, we hold regular emergency drills, such as fire-fighting drills, to improve employees' ability to respond to safety emergencies.



Fire-Fighting Knowledge Training

In November 2023, Changsha Aier Eye Hospital organized a fire-fighting knowledge training. The training explained basic fire-fighting knowledge such as the types, consequences, and causes of fire incidents, demonstrated response and first aid measures, and analyzed relevant laws and regulations, aiming to raise employees' fire safety awareness and enhance their self-protection and disaster response capabilities.



Fire Evacuation Drill and Fire Extinguisher Operation Training

To enhance employees' self-protection ability in fire emergencies, in December 2023, Changsha Aier Eye Hospital organized a fire evacuation drill and the fire extinguisher operation training. The activity was carried out in the form of a simulated fire escape. After the fire alarm sounded, the evacuation conductor at each floor guided all staff to evacuate from the wards quickly and in an orderly manner. During the training, we also shared the basic knowledge on the inspection and use of portable dry powder fire extinguishers, and employees were given hands-on experience as how to use the extinguisher. The drill improved employees' ability to identify and escape from fires and helped them respond quickly and calmly to protect themselves and patients in emergencies.



Delivering Warm Care for Employees

To address the needs of employees in a timely manner, Aier Eye Hospital has set up multiple communication channels for employees and enriched the content of communication. We also provide various practical benefits to employees and conduct diverse cultural and sports activities to create a harmonious workplace.

Sincere and Democratic Communication

We listen to employees' voices, advocate open and sincere communication, and respond to their needs in a timely manner. The Company has gradually optimized the communication channels and mechanisms for employees. They can express their opinions to the management through WeChat, Enterprise WeChat, telephone, email and Director's Opinion Box.

For communication through employee meetings, we have elected employee representatives in accordance with the *Constitution of the All-China Federation of Trade Unions* and the *Trade Union Law of the People's Republic of China* and other relevant regulations. The representatives regularly hold democratic communication meetings and Workers' Congresses to protect employees' rights to know, participate, express and supervise.

For whistleblowing management, the Group has set up several reporting channels such as telephone and e-mail, and a separate channel for complaints related to employees' rights and interests. This enables employees to report any misconduct in a timely manner. Once a complaint is received, it is recorded in detail and classified as medical management, business management, and employee relationship management issues. The complaint is then promptly forwarded to relevant functional departments such as the Medical Management Center, the Human Resource Center, and the Financial Center for rigorous and effective investigation. The departments are required to give feedback at the earliest possible time.

In 2023, for the seventh year in a row, the Group conducted a combined survey on employee satisfaction and engagement, aiming to gain a comprehensive understanding of employees' ideas and needs. We adopted a combination of online and offline methods to carry out anonymous online questionnaire survey and on-site satisfaction and engagement survey, achieving 100% coverage of online survey, and further improving the setting and scoring mechanism of all dimensions of survey content. At the same time, we carry out targeted rectification based on the feedback and suggestions obtained from the survey to continuously optimize the workplace environment. During the year, the employee Satisfaction and Engagement survey score was 83.5 points, which remained at a high level.

Work-Life Balance

The Group advocates work-life balance and cares for employees through diverse festival celebrations and thanksgiving activities. To meet the diversified needs of our employees in balancing family and work, we have set up study rooms for employees' children and nursing rooms for lactating employees. In 2023, four birthday celebrations were held at the Group's headquarters. Among them, the celebrations in the form of urban camping and outdoor activities were well received by employees. Besides, we organize diverse activities such as photography competitions and badminton matches. By doing so, we aim to create a relaxed and pleasant atmosphere and to enhance team cohesion and employees' sense of belonging.



Employee Birthday Celebration

We take good care of the employees by optimizing the Employee Caring in Critical Illness Assistance Plan and the Employee Caring in Employees' Children Assistance Plan. We have also set up the Employee Caring Fund to help those with heavy financial burdens due to illness or accidents, making Aier Eye Hospital a strong support for each member. In 2023, the Employee Caring Fund subsidized 7 employees with a total amount of RMB 170 thousand. Also, we care about the mental health of our employees. In 2023, we optimized the employee mental health caring project to provide professional mental health consultation services and disseminate psychological knowledge to all employees.



Employee Caring in Critical Illness Assistance Plan

- In addition to basic medical insurance, we provide supplementary medical insurance for regular employees aged between 18 and 70 who have been with us for three years or more. The insurance provides coverage of up to RMB 4 million per person per year for 100 critical illnesses, and a hospitalization allowance of RMB 200 per person per day. These benefits effectively alleviate the financial pressure of employees suffering from critical illnesses;
- In 2023, 68 claims were submitted, with total amount of RMB 1,579.7 thousand.



Employee Caring in Employees' Children Assistance Plan

- Qualified employees who died of accidents or illnesses can be included in the plan after the application is approved, and the tuition fees and living expenses of their children will be borne by the Group until their children graduate from universities or reach the age of 23;
- In 2023, 1 employee family was newly included in the plan. By the end of 2023, 8 employee families had been subsidized by the plan.



Employee Mental Health Caring Project

- The project provides free services, such as mental health lectures, psychological counselling, assessment and training, caring activities, and crisis intervention;
- In 2023, we provided psychological counselling services to 149 persons, conducted 9 psychological caring activities and 14 psychological caring publicity campaigns.

Employee Caring Plan

04

Cherishing Lucid Waters and Lush Mountains with Heartfelt Devotion

As a steadfast practitioner of the concept of "Lucid waters and lush mountains are invaluable assets", Aier Eye Hospital is resolutely committed to a path of green, low-carbon, circular, and sustainable development. Through green management, green construction, green operation, and climate action, we actively support the building of an ecological civilization, making low-carbon green practices and eco-friendliness a significant hallmark of our brand image, quality, and sense of responsibility.

Contributions to SDGs



Optimizing Environmental Management

Aier Eye Hospital upholds the philosophy of green development and low-carbon operation. We abide by laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and the *Energy Conservation Law of the People's Republic of China*. We are dedicated to refining our environmental management system and improving environmental management, implementing environmental management with high standards and strict requirements.

Establishing comprehensive environmental policies:

We have formulated a number of environmental policies, including the *Regulations on Energy Conservation and Consumption Reduction of Aier Eye Hospital Group*, the *Emergency Response Management Policy for Logistics Service of Aier Eye Hospital Group*. These policies apply to the group headquarters, provincial regions, and all medical institutions under the Group, covering 100% of medical and non-medical operations.

Enhancing management structure:

We have established a Social Responsibility Management Committee, which is the highest decision-making body, responsible for coordinating and planning environmental management affairs. We have also set up a leading group and organizational structure for energy conservation and consumption reduction to strengthen energy management, thereby better guiding and supervising the implementation of energy-saving and consumption reduction efforts.

Conducting environmental audits:

We have carried out internal audits on environmental management and energy consumption every year, referencing the ISO 14001 environmental management system certification, focusing on four key areas: medical waste treatment, wastewater discharge, electricity consumption management, and fuel consumption management. The audit scope covers 251 medical institutions under Aier Brand.



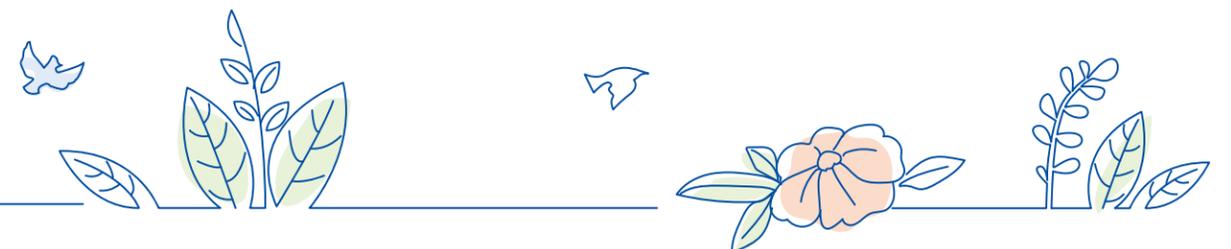
Building Green Hospitals

Aier Eye Hospital adheres to the construction concept of green hospitals under the principle of "compliance and safe construction and green operation". We comply with the *Construction Law of the People's Republic of China*, the *Regulation on the Administration of Medical Institutions*, the *Technical Code for Engineering Security and Protection System* and other laws and regulations, and formulate internal rules such as the *Standard Manual for Green and Civilized Construction*. Special funds are also provided for green and civilized construction. With these policies and funds, we aim to ensure the safety, energy saving and environment protection in the construction of green hospitals as well as to create a green and civilized construction site.

We strictly follow local laws and regulations to carry out green construction by fulfilling all construction application procedures and conducting environmental impact assessment, structural safety appraisal, construction drawings review, construction license application, etc. We also focus on safety management, noise and dust reduction and garbage sorting to minimize the impact on surrounding environment during construction.

Measures for Green and Civilized Construction

- Applying for temporary road occupation as required, setting up fences and purchasing and presetting safety protection facilities to ensure workers' safety and minimize the environmental impact on the surrounding area of the construction site;
- Adopting machines and devices with good performance and low noise and vibration, restricting the speed of operating vehicles to be under 5 km/h in the construction and residential areas, and prohibiting whistling and stepping on the accelerator;
- Taking measures such as sprinkling and covering the surfaces to control the height of dust in the construction area within 1.5 meters, washing down operating vehicles before leaving the construction area, and sealing powder materials to ensure that the dust and soil are not spread outside;
- Sorting and bagging household waste and construction waste at the construction site, separately processing toxic, harmful and polluting substances, so as not to pollute the land or endanger the health of others after being transported out.



The Group maximizes natural elements incorporated in building hospitals. The Group also considers the process integration, site selection and transportation, sustainable site, water saving, energy and atmosphere, materials and resources, indoor environmental quality, innovation and regional priority when building new hospitals, endeavoring to provide patients with an environmentally friendly, healthy, warm and healing medical environment. Changsha Aier Eye Hospital adopts green equipment such as central air-conditioning that features energy-saving and low noise, and the hospital has gained the LEED HC Gold certification.



Changsha Aier Eye Hospital Gained the LEED HC Gold Certification

Green Operation

Aier Eye Hospital adheres to the concept of green operation and puts it into practice. To create a healthy, comfortable, and environmentally friendly hospital, we actively enhance our awareness and capabilities in green operation through pollution prevention, energy and water conservation management, and green office practices. Additionally, we proactively employ smart technologies to empower our operational management. In this regard, we have established an efficient and intelligent digital platform and explicitly mandated that all affiliated medical institutions report environmental data such as energy consumption, wastewater treatment, and waste management on a quarterly basis. This enables us to gain a comprehensive understanding of energy consumption, the wastewater treatment effectiveness, and waste management practices across our institutions, thereby enhancing the overall efficiency of our environmental management efforts.

Emission Management

Aier Eye Hospital ascribes great importance to the management and control of pollutant emissions in the course of operations. Adhering to the principles and goals of "Reduction, Recycling, and Harmlessness" for waste disposal, we strictly comply with the *Regulations on the Management of Medical Waste and the Management Measures for Medical Waste in Medical and Health Institutions*, and have formulated the *Medical Waste and Sewage Management Policy* to ensure the legitimate and compliant emissions.

In terms of sewage treatment, all hospitals are required to establish medical sewage and waste management teams, build sewage treatment tanks in line with national standards, and regularly maintain the tanks. All hospitals strictly abide by the requirements of local environmental protection departments and the *Medical Waste and Sewage Management Policy* of the Group in their business operations. Dedicated persons are responsible for the medical sewage treatment. Qualified third-party companies are entrusted to test the water quality on a regular basis and submit sewage monitoring reports to ensure the compliant discharge of medical wastewater. This year, sewage discharge by the Group's branches was 100% in compliance with standards.

In terms of medical waste treatment, all hospitals collect, store, deliver the medical waste generated by departments by categories, and appoint dedicated persons to manage it. In particular, a "medical waste recycler and transporter" is put in charge of the collection and delivery of internal medical waste, and the handover to qualified third-party companies within 48 hours for harmless centralized treatment, to minimize the negative impacts of hazardous waste discharge on ecology. During the year, the Group had no environmental pollution incidents such as loss, leakage and spread of medical waste.

In terms of garbage sorting management, the Group actively explores the new 6S management mode, while upgrading hospital logistics management. We employ scientific management methods and policies to ensure effective management of hospital sanitation and household waste. It is required that garbage sorting management to be in line with local environmental policies. We appoint a responsible person for garbage sorting in each area, improve inspection and assessment mechanism. Moreover, 6S management mode is adopted to ensure effective management and monitoring of sanitary environment in the hospitals, thereby putting garbage sorting into practice.



Green and Eco-friendly Building Materials

- We build the wall mainly with the mineral wool board because it will not produce needle-shaped dust and it can muffle sound, insulate the heat, and prevent fires.
- We construct the floor largely with renewable plastic floors since they are durable, oil-proof, dilute acid-proof, and alkali-proof.
- We reduce use of paint and coating. In addition, we adopt double-layer tempered insulated glass as facade materials to effectively reduce sound transmission and energy consumption of air conditioning.



Prefab Construction Techniques

- Our anodized aluminum plates are factory fabricated and on-site assembled to reduce dust and noise generated during on-site installation. Compared to traditional wood veneers, anodized aluminum plates reduce the use of wood, paint and adhesives, thereby reducing the emission of harmful substances such as benzene and formaldehyde.
- A paint-free customization technique is used for hospital furniture to minimize on-site paint pollution. Furthermore, pre-fabricated, integrated bathroom units are installed to increase construction efficiency and reduce construction waste.

Environmental Materials and Techniques Used to Build a Green Hospital

Garbage Sorting Management Measures

- Strengthen public education by conducting monthly garbage sorting training sessions and regular volunteer activities, implementing the "double hundred" action plan for household waste.
- Set four-category and two-category rubbish bins of different colors and garbage bags with corresponding signs in public areas, and arrange for bin-side instructors to provide guidance.
- Establish a system for collecting recyclable waste.
- Conduct self-examination of household waste sorting practices.
- Establish a garbage sorting ledger.



Household Waste Sorting Training



Two-category Rubbish Bins

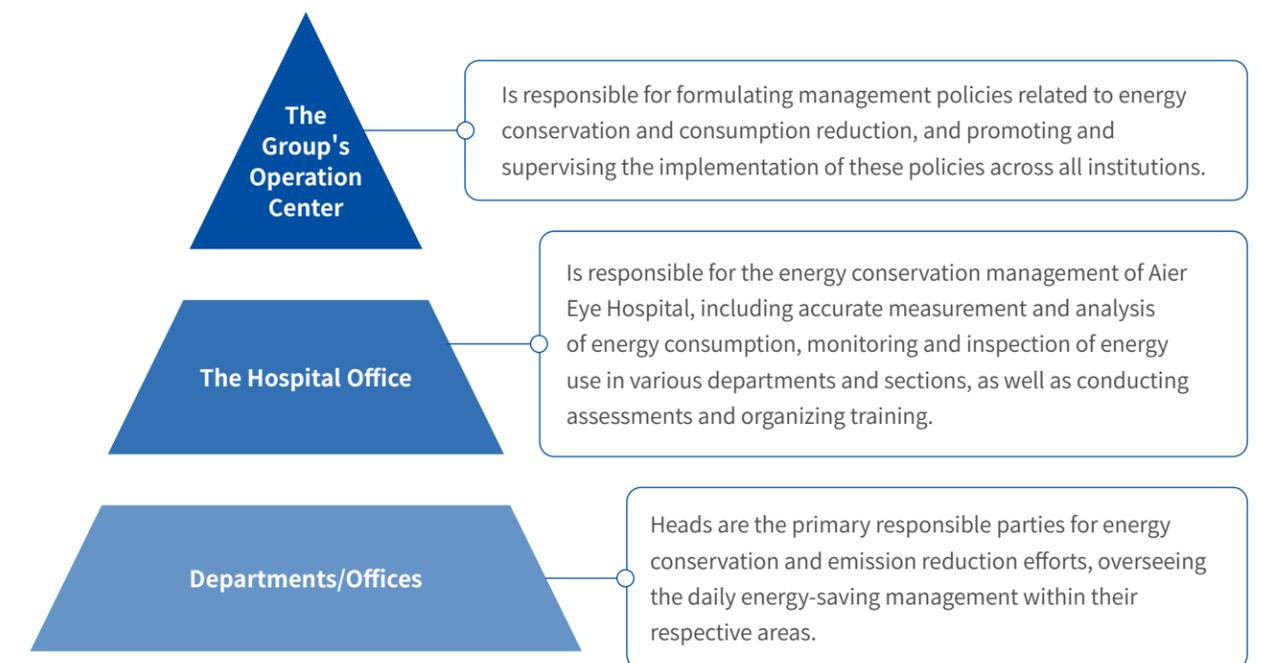
Due to industry characteristics, no exhaust gas is generated by Aier Eye Hospital in its daily operation.

1. Hazardous waste produced mainly refers to medical waste.
2. The total amount of non-hazardous waste discharged mainly refers to office, household and kitchen waste, which is regularly removed and transported by third-party professional organizations.

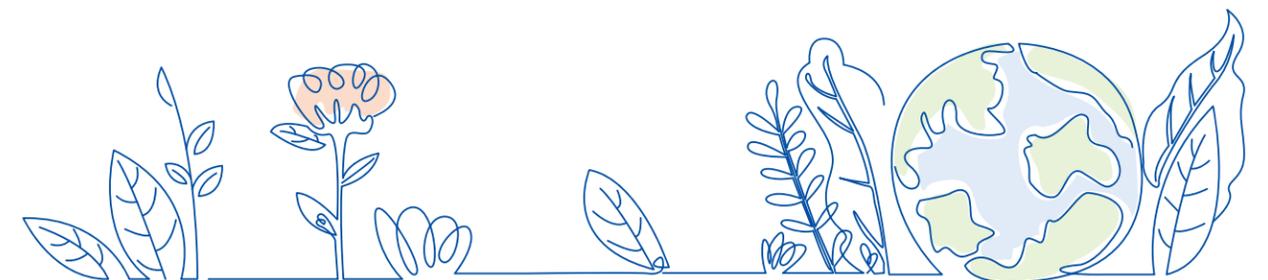
Energy Management

Promoting Energy Conservation and Consumption Reduction

Aier Eye Hospital actively explores low-carbon development paths, with the goal of "continuously improving energy efficiency and reducing carbon emissions". We have established a leading group for energy conservation and consumption reduction, formulated energy management systems such as the Regulations on Energy Conservation and Consumption Reduction of Aier Eye Hospital Group and the Energy-saving Management Handbook of Facilities and Equipment in Aier Eye Hospital Building. These policies clarify specific standards and requirements for energy consumption management, and we have improved the organizational structure for energy conservation and consumption reduction. We are committed to enhancing energy efficiency and building environmentally friendly hospitals.



Organizational Structure of Energy Conservation and Consumption Reduction



We take a multi-faceted approach to energy conservation, which includes various initiatives and technological innovations, to achieve efficient energy management. We are dedicated to improving energy efficiency of all business through both management and technological measures.



Energy Conservation and Emission Reduction Measures



Innovative Energy-saving Designs

Exploration of Clean Energy



In 2023, the consumption of renewable energy was **44,598 kWh**

Renewable energy, known for its cleanliness, renewability, availability, and sustainability, represents an important trend in modern energy utilization. In our operations and management, we adhere to a green, low-carbon development approach, prioritizing the use of renewable energy. We champion the development of distributed photovoltaic power systems tailored to local conditions, which not only reduce electricity costs for hospitals but also effectively reduce carbon emissions, yielding both economic and social benefits.

Water Resource Management

Aier Eye Hospital closely follows the *Water Law of the People's Republic of China*, and aims to improve water use efficiency and reduce water consumption. We emphasize the efficient use of water resources during operations. We prohibit water waste and promptly address any instances of water squandering. We have formulated various water conservation measures and explored ways to recycle water, aiming to maximize water resource utilization without compromising the quality of medical services. Our efforts are aimed at contributing to the development of a water-saving society.

Water-saving Measures

- Post water-saving signs in toilets, reminding employees to turn off taps promptly.
- Install water-saving faucets, which effectively reduce water waste by limiting water flow, shortening the operation time of faucets, and optimizing the water delivery method.
- Regularly check and repair water pipes, water tanks, faucets and other water facilities; strengthen daily management and maintenance of water equipment to prevent leakage;
- Water and power workers are allowed to adjust water valves to save water;
- It is forbidden to wash hands, water plants, sweep the floor and wash tea sets with direct drinking water.
- Avoid excessive water use, prevent continuous water flow, and promote wastewater recycling.

Green Workplace

Aier Eye Hospital is dedicated to promoting the philosophy of green office. We have formulated internal policies including the *Office Supplies Management Policy of Aier Eye Hospital Group* and the *Regulations on Energy Conservation and Consumption Reduction of Aier Eye Hospital Group*, which offer comprehensive and standardized directives for green office operations. These policies are designed to increase employees' awareness of energy conservation and their sense of responsibility, encouraging them to actively adopt energy-saving and emission-reduction practices in their daily work.



Water-saving Measures

- Turn off office electric equipment such as computers, printers, photocopiers, or others if they are not in use, and pull the plugs;
- Make full use of day light, and turn on and off lamps as necessary. To reduce electricity consumption, the lights in the office area should be turned off when employees leave the office for a long time or get off work;
- Use air conditioners and electrical equipment reasonably with the indoor temperature not lower than 24-26°C in summer, and not higher than 20-22°C in winter; minimize the frequency of opening doors and windows if air conditioner is on; enable instant-on mode on air conditioners in conference rooms. All electrical appliances should be turned off when not in use;
- Minimize elevator use and encourage the staff to take the stairs whenever possible and use elevators only under certain conditions.



Management of Office Supplies

- Use low energy-consuming, environmental-friendly, and premium office equipment;
- Advocate for the repair and reuse of old items, as well as the exploration of potential efficiency improvements, to promote the circular utilization and sharing of office equipment;
- Promote paperless office, reduce printing of paper documents, and fully adopt office automation system. It is recommended to draft, modify, circulate, and approve documents through electronic media. Double-sided printing is also suggested;
- Reasonably plan and control presswork production, requiring advance application and approval to avoid waste;
- Reuse office supplies such as file folders and document envelopes to save on office consumables;
- Establish an annual budget for office supplies and purchase them in reasonable quantities based on actual consumption.



Management of Official Vehicles

- Strengthen vehicle management, enforce strict dispatch registration, and prohibit the personal use and lending of company vehicles;
- Try carpooling, if possible, for business travels and advocate green travel for short trips to reduce the use of vehicles;
- Drive in a scientific and standardized way to reduce abnormal wear and tear of official vehicle parts;
- Regularly repair, insure and maintain official vehicles with appointed service providers; scientifically set the fuel consumption quota to reduce fuel consumption.

We place great importance on energy-saving publicity and education. Along with motivated employees, leadership spearheads the actions towards our green and energy-saving goals. We also issue energy-saving and consumption-reduction initiative letters to all employees, urging everyone to conserve electricity and water. All hospitals are encouraged to set green office assessment indicators for department managers and employees, adopt a point-based assessment system, and select green office models or share positive and negative examples among employees, to achieve full participation.

Climate Actions

Climate change poses an increasing severe threat and challenge to human production and development in both the current and future periods. Taking active measures to address climate change has become a global consensus. As a committed advocate of green and low-carbon development, the Group has identified the management of climate change risks as a key component of its daily operations. We actively identify, assess, and respond to climate change-related risks, seize opportunities related to climate change, and promote low-carbon transformation. This year, the Group continued to refer to the climate-related financial disclosure framework, starting from the four core elements of governance, strategy, risk management, indicators, and targets, to further disclose key climate change-related work and promote sustainable development.

Governance: The Company's Governance around Climate-Related Risks and Opportunities

The Group has established a Social Responsibility Management Committee as the highest decision-making body for climate change response, and has appointed a vice president-level executive to oversee climate-related matters. The Group integrates climate-related issues into the Board of Directors' agenda, with the Board discussing climate-related risks and opportunities at least once a year. They also review the implementation of key annual social responsibility topics, including climate governance, and plan for the following year. The Group's Social Responsibility Management Committee is responsible for formulating and reviewing policies related to climate change, identifying and managing climate risks that are closely related to and have a material impact on the Group's business, and supervising the formulation and implementation of internal management procedures on energy saving and green office, so as to strengthen the Group's resilience to climate risks.

Strategy: The Actual and Potential Impacts of Climate-Related Risks and Opportunities on the Company's Businesses, Strategy, and Financial Planning where Such Information is Material

We identify, assess, and analyze climate-related risks and opportunities over short-term (up to 3 years), medium-term (3-10 years), and long-term (10 years and beyond) time horizons that are aligned with our business characteristics. This allows us to comprehend their potential financial impact and to undertake both mitigation and adaptation efforts to actively confront climate change risks and seize developmental opportunities.



Climate-related Risks

Risk type	Risk	Description	Potential financial impact	Time horizon
Physical risks	Frequent extreme weather	Extreme weather may cause impairment of assets and casualties, and the secondary disasters may result in travel inconvenience for patients and unstable business operation.	<ul style="list-style-type: none"> Increased operational costs Asset value depreciation Revenue decline 	Short to medium-term
	Rising temperature	High temperature in summer will result in great increase in electricity consumption as well as operating costs of the Group. Employees' health will also be affected by sustained high temperature.	<ul style="list-style-type: none"> Increased operational costs Increases employee health expenditure 	Medium to long-term
Transition risks	Policy and legal risks	Laws and regulations related to carbon emissions will be released, which will set higher standards for environmental management.	<ul style="list-style-type: none"> Compliance-related expenses Increased fines for violations 	Medium to long-term
	Technology risk	Production costs will be increased due to the implementation of various technology transformation measures, including developing and using low-carbon technologies and optimizing energy-consuming devices.	<ul style="list-style-type: none"> Increased investment in low-carbon technology Increased cost for new technology training 	Medium to long-term
	Reputation risks	Negative coverage related to the environment and climate can potentially damage brand value and reputation, influencing public consumption choices	<ul style="list-style-type: none"> Reputation damage Revenue decline 	Short-term
	Market risk	With the launch of national carbon emission trading market, the Group's operating expenses may be affected by relevant trading and pricing policies.	<ul style="list-style-type: none"> Increased operational costs 	Medium to long-term

Climate-related opportunities

Opportunity	Description	Potential financial impact	Time horizon
Resource efficiency	Optimizing resource management will continuously enhance resource utilization efficiency. This, in turn, will reduce resource consumption expenses.	<ul style="list-style-type: none"> Decreased operational costs 	Short-term
Energy Management	Low-carbon technologies will enhance energy utilization efficiency, and the promotion and use of renewable energy can reduce energy costs.	<ul style="list-style-type: none"> Decreased operational costs Reduced risk caused by fluctuations in fossil fuel prices 	Short to medium-term
Market opportunities	The transition to a green economy will enhance the Group's green brand value, making it more attractive to the capital market and consumers.	<ul style="list-style-type: none"> Reputation enhancement Revenue increase Increased financing opportunities 	Short to medium-term
Adaptability	Integrating energy conservation, environmental protection, and resilience to extreme weather into the design and construction of hospitals can make them more adaptable to climate change.	<ul style="list-style-type: none"> Decreased operational costs 	Long-term

Adaptation

In order to respond to risks related to extreme weather, each department should establish a leading team for logistics service emergency response (hereinafter referred to as the "leading team") in line with the principle of "unified leadership and specified responsibility". The leading team is chaired by the director of the Hospital Office, who is responsible for overseeing the entire process of emergency response. As members of the leading team, department heads and persons in charge are responsible for the daily prevention and management of emergency incidents within their respective areas. We also integrate emergency management responsibilities into the performance evaluations of the members of the leading team, establishing a dual mechanism of incentives and constraints to ensure their diligent performance of duties.

We have formulated the *Emergency Response Management Policy for Logistics Service of Aier Eye Hospital Group* to take corresponding measures against extreme weather. In addition, we have developed a special emergency response plan for extreme weather. We conduct annual reviews of its content and promptly revise it to ensure the timeliness and applicability of our preventive measures. Guided by the emergency response plan, we conduct quarterly safety inspections and emergency drills to prevent risks before they occur. This enhances our decision-making and operational capacity in response to extreme weather, ensuring a faster, better organized, and more efficient emergency response.



Before extreme weather

- We issue notification to all departments through various forms, assign personnel to conduct frequent inspections, and prepare for fire prevention, flood control, and power outages to ensure the safety of personnel and facilities.



During extreme weather

- In the event of flooding caused by a storm, power should be cut off in the affected areas, and water should be pumped out using pumps and other equipment. Drainage systems should be cleared, and the real-time operation of the municipal drainage facilities should be monitored to prevent water from entering or overflowing in toilets and causing water pollution. All institutions should organize personnel to move to a safe location in an orderly manner, avoiding pushing and crowding, and ensuring that passages are not blocked. Facilities and equipment should be checked for operability, and in the event of significant waterlogging, the head of the emergency response plan, which should then be implemented for security and duty arrangements.
- In the event of a power outage caused by extreme weather, all wards should be notified immediately to activate emergency lighting. The general watchkeeper should coordinate with each ward to increase patrols of patients rooms, comfort patients, and promptly notify electricians for urgent repair.

Measures Against Extreme Weather

In addition, we consider the natural terrain when building or relocating the hospital. It is required that the elevation of the hospital should be higher than the highest point of the surrounding road. Ramp barriers are set in the basement and garage entrances while drainage pumps and waterproof thresholds are set in underground machine rooms to prevent rainwater flowing and ensure equipment safety.

Mitigation

Aier actively explores innovative energy-saving technologies and utilizes clean energy to mitigate transition risks related to carbon emissions and turn risks into opportunities for green development. We will continue to improve energy management and strive to obtain energy management system certification in the future. For detailed information on energy management initiatives, please refer to the "Energy Management" section of this report under the subheading "Green Operation".

Risk Management: How the Company Identifies, Assesses, and Manages Climate-Related Risks

The Group employs a comprehensive range of methods including interviews, questionnaire surveys, and expert consultations to conduct a climate risk assessment annually. This assessment analyzes the potential impacts of climate risks on the Group and evaluates the current risk status as well as future trends. Based on the identification and analysis of risks, the Group actively formulates and implements climate change response measures, and monitors the implementation of these measures. We integrate climate risk management and response into our ESG daily work to ensure that the Group remains forward-looking and proactive in addressing climate change challenges. For detailed risk management processes, please refer to the "Building Lines of Defense for Risk Control" section of the report.

Metrics and Targets: The Metrics and Targets Used to Assess and Manage Relevant Climate-Related Risks and Opportunities

Following the energy management goal of "improving energy efficiency and reducing carbon emissions", the Group has formulated the *Regulations on Energy Conservation and Consumption Reduction of Aier Eye Hospital Group*. To meet this goal, we take multiple measures including energy conservation, green office, and utilization of clean energy, and incorporate energy management in performance appraisal of employees.

In addition, the Group continues to disclose environment-related information to public to protect stakeholders' right to know, and pay close attention to the refined management of scope 3 GHG emissions data. In promoting green travel, the Group actively encourages employees to prioritize public transportation during business travel, and at the same time, vigorously promotes the teleconference system, aiming to reduce indirect GHG emissions from business travel.

05

Creating a Better Life for All with Commitment to Public Welfare

Aier Eye Hospital is committed to the mission of "enabling everyone, no matter rich or poor, to enjoy the right to eye health". With "love" as the essence of the corporate culture, and "kindness" as the cornerstone of the corporate development, the Group actively assumes social responsibilities in pursuit of the balance between social responsibilities and business development by giving full play to its advantages in capital, technology, talent, mechanism and other areas. We insist on promoting rural revitalization, caring the vulnerable groups, and facilitating the universal healthcare and education, in a bid to fulfill the social responsibilities and public welfare undertakings as a private enterprise.

Contributions to SDGs



Our Public Welfare Undertakings

Public Welfare Strategy

We make contributions to public welfare with the heart of benevolence. We continue to implement the public welfare strategy. We support the building of a sustainable public welfare ecosystem for eye health of more people, which will be guided by the government, funded by corporations, collaborated by foundations, engaged by a wide range of social organizations, and executed by institutions with both domestic and international forces. We strive to develop systematic solutions to eye health problems, so that everyone can enjoy high-quality and accessible eye health services. To advance our public welfare undertakings in a strategic, systematic and professional direction, we have set up the Public Welfare Strategy Advisory Committee comprising of several senior experts in this field. In addition, we have won the China Charity Award, the highest government award in the field of charity issued by the Ministry of Civil Affairs of the People's Republic of China, for three consecutive years. This highlights our outstanding contributions and extensive influence in charity events.

-  We have implemented the "cross subsidy" public welfare mode, under which, profit from high-end medical services would be used as subsidy for impoverished patients to provide them with long-term eye medical assistance.
-  We have arranged professional medical volunteers and advanced equipment to support public welfare programs such as "Free Treatment to Impoverished Cataract Patients", "Red Cross Eye Care Project", "Fraternity - Brightness Campaign", and "You are My Eyes' Assistance to Corneal Blindness". These programs, as a useful supplement to the multi-layered medical security system, provide guarantee for eye health of the needy and help them regain their sight.
-  We have built an three-level (county, township and village) public eye health service system featured with coordination among levels and shared resources. With the advantage of the "Hierarchical Chain" model, under the strong support of the higher-level system, many county-level Aier eye hospitals have further made eye health services accessible to the township and village health clinics.
-  Every year, we select and dispatch business backbones who are good at medical treatment, personnel management and talent cultivation. By mentoring, clinical training, special training, remote diagnosis and treatment, and management assistance, we implement the "mentorship" mechanism in various forms, means, and dimensions, aiming to build a local pool of ophthalmic medical talents that can be retained.

Public Welfare Strategy of Aier Eye Hospital



Honors and Recognitions

Honors and Awards in 2023 (partially)



China Charity Award



2023 Best Practice Cases for Rural Revitalization of Listed Companies



China Public Welfare Enterprise Award



Annual Special Attention Award



Best CSR Practice of Listed Companies

Rural Revitalization and Common Development

Aier Eye Hospital always makes concrete efforts in response to the call of the State. By giving full play to our professional strengths, we continue to offer high-quality ophthalmic medical resources and services in support of rural revitalization. Through "cross subsidy" mechanism, income from high-end medical services would be used as subsidy for impoverished patients. This is conducive to providing regular eye health support for low-income rural populations and people in underdeveloped areas, building healthy village, and reducing and preventing returning to poverty due to eye diseases.

By the end of the reporting period:

 In 2023, we had donated RMB**386** million, cumulative support for more than **700** public welfare projects, covering more than **300** areas in **31** provinces/municipalities/autonomous regions;

 We had helped more than **1.5** million patients with eye diseases to regain their sight. Our free clinic and knowledge popularization and education activities for eye health had benefited nearly **200** million people. We had equipped over **100** township and village health clinics with ophthalmic diagnosis and treatment equipment, and trained over **6,000** rural doctors. We take actions to provide health assistance and support rural revitalization.



"Protecting Brightness" - Public Welfare Program for the Treatment of Ocular Tumors and Orbital Diseases



- The program was first launched in December 2022 in Chengdu, Sichuan, and has been further conducted in other areas such as Sichuan, Guizhou, Fujian, Wuhan, Shandong, and Shanxi. The program has helped a total of 57 patients, saving their lives, eyeballs, and eyesight. A total of 51 households have benefited directly from the program.

"You are My Eyes" - Corneal Transplantation Program in China



- Aier Eye Hospital pools well-known experts in corneal transplantation and provides corneal materials for patients with corneal blindness to help them receive corneal transplantation. In 2023, the program treated 363 impoverished patients with corneal blindness in Anhui, Guangxi, Shanxi, Yunnan and other regions. By the end of 2023, we had performed a total of 1,463 cases of surgery.

"ACFROC Charity Program - Bringing Warmth and Brightness"



- The program accurately helps registered poor households with high-quality medical services. Free and appropriate ophthalmic medical services are provided for poor patients with blinding cataract and pterygium ophthalmopathy, benefiting people in need after poverty alleviation. The program has benefited a total of 56,538 people in 68 remote mountainous areas in China, with a cumulative investment of nearly RMB 70 million.

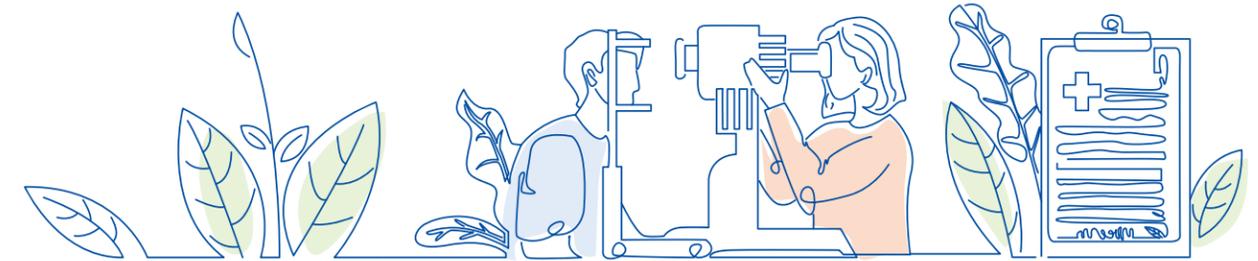
"Fraternity - Brightness Campaign"

In October 2023, the Aier Eye Hospital Group, together with the Sun Yat-Sen Fraternity Foundation and the Eye Care Foundation, launched the "Fraternity - Brightness Campaign" public welfare program. We plan to invest RMB 100 million over five years to carry out free clinic, knowledge popularization and education, eye disease relief and training on ophthalmic diagnosis and treatment for grass-roots doctors. With these efforts, we aim to improve the people's eye health in an all-round and systematic manner, thus contributing to rural revitalization. The program has helped more than 1,000 patients suffering from six eye diseases, namely cataract, pterygium, fundus disease, lacrimal duct disease, strabismus and amblyopia. Under this program, about 1,600 grass-roots doctors from township and village health clinics received training to enhance their diagnosis and treatment abilities.



Joint Efforts for Protecting Eye Health

Aier Eye Hospital takes the public's eye health as its own responsibility. With support from medical institutions nationwide and guided by the principle of "focus on prevention, integrating prevention with control", we join hands with all sectors of society to bring advanced ophthalmic medical treatment and high-quality medical services to remote areas and grass-roots communities.



"Caring for Veterans - Safeguarding Their Eye Health" Program

We planned to invest RMB 100 million over five years starting from 2023 to support cataract surgeries for 60 thousand low-income elderly veterans nationwide in batches.



"You are My Eyes" Corneal Transplantation Program in China

RMB 10 million will be invested under the program and public fund raising campaign will be launched to further expand the assistance coverage to more patients in need with corneal blindness.



"Caring for the Eye Health of Servicemen" Program

More than 8,000 conscription publicity activities and vision checkups were held. Over RMB 71 million of "military allowance" was distributed. Surgical and medical fund support was provided for 50 thousand young conscripts.



"Science and Technology Tour in Hunan" Program

We provided eye health consultation, slit lamp examination, AI fundus photography and other eye health examinations for visitors, and gave targeted recommendations for local patients to help them with early detection, treatment and prevention of eye diseases.



Red Cross Eye Care Project

To effectively prevent and control myopia among adolescents, we have carried out knowledge popularization and education, examination and documentation, free eyeglasses, and surgical assistance, and established an information platform for dynamic monitoring of dioptric development. In total, the project has established eye health records for 832.2 thousand primary and secondary school students, held 4,409 lectures, and provided 10,841 pairs of free eyeglasses.



The Ministry of Veterans Affairs, China Aging Development Foundation, Eye Care Foundation and Aier Eye Hospital Group Signed a Cooperation Agreement on Public Welfare Activities



"Uniting Social Forces for Protecting Children's Eyesight" - The Publicity and Education Month of Myopia Prevention and Control and the Doctor Lecture Tour of Myopia Prevention and Control for Children and Teenagers were Launched in Shazhou



Launching Ceremony of 2023 Hunan Science and Technology Week and "Science and Technology Tour in Hunan (Yizhang)"

Engagement in Global Philanthropy

Led by China Public Diplomacy Association, China Charity Alliance, and All-China Federation of Returned Overseas Chinese, the International Medical Volunteer Team of Aier Eye Hospital Group has visited Laos, Myanmar, Cambodia, Vietnam, Nepal and African countries eight times to implement the "Safeguard Bright Eyes along the Mekong", "Safeguard Bright Eyes Along the Belt and Road" and other ophthalmic aid projects with professional strengths and humanitarian spirit. The team extensively provided surgical assistance for cataract, free clinic and popularization of eye health, benefiting more than 10 thousand local people in total. The team has contributed to improving people's livelihood and building a community of health for mankind.

CLINICA BAVIERA, an overseas subsidiary of Aier Eye Hospital, has set up a special charity organization, Responsible Baviera Foundation. The Foundation carries out various public welfare activities, such as free clinics and disaster relief assistance, in Europe and Africa in the four areas of international eye health cooperation, humanitarian relief and welfare, environmental protection and energy saving, and employee care. The charity services have been provided in 13 countries on 4 continents, covering more than 3,500 people in need.



Free Clinic in Ethiopia



Free Clinic in Senegal



Earthquake Relief Assistance in Türkiye



Earnest Contributions to Public Welfare

Adhering to the original aspiration and mission of "enabling everyone, no matter rich or poor, to enjoy the right to eye health", the Group proactively organizes and participates in eye care volunteer activities. We have established volunteer teams of Aier Eye Hospital. By strengthening the awareness of "eye care for all starts from self-care" in volunteer activities, we promote to foster an atmosphere of eye care for and by everyone. With consistent endeavors, we strive to realize the goal of eye care for all.



Red Cross Volunteer Team of Loudi Aier Eye Hospital

Since its establishment on July 20, 2017, the Red Cross Volunteer Team of Loudi Aier Eye Hospital has pooled more than 100 medical staff and many science volunteers. In 2023, responding to the call of Loudi Red Cross to make eye health services accessible in communities, the team organized 98 free clinics that served 6,120 people, and held 76 eye health lectures for primary and secondary school students, reaching 108 thousand audience. The team was awarded the title of "Excellent Red Cross Volunteer Unit" in 2023.



Science and Technology Volunteer Team of Wuxi Aier Eye Hospital

The Science and Technology Volunteer Team of Wuxi Aier Eye Hospital spreads knowledge by launching public welfare programs for the elderly, students and impoverished people. These programs include "Brightness Action for Eye Health", "Eye Health Assistance from Aier for Myopic Youngsters Enrolled for Military Service", "Prevention and Control of Youth Myopia", and "Care for Eye Health of Special Children, Caregivers and Professional Workers". The team was honored as "2023 Yangtze River Delta Outstanding Science and Technology Volunteer Organization".



Aier Eye Hospital Volunteer Team in Jiangxi

10 Aier Eye hospitals at the prefecture level in Jiangxi, together with local Red Cross, held organ donation activities, with over 300 employees of Aier Eye hospitals in the province participating as volunteers.



Chongqing Volunteer Team to Support Xizang

The volunteer team consisting of members from Chongqing Nanping Aier Eye Hospital, Chongqing Aier Children's Eye Hospital, and Chongqing Youth Federation went to Chamdo at an average altitude of 3,500 meters, sending love to the local youths. The volunteers donated 395 pairs of glasses to schools mainly for children from farmers and herdsmen families, held lectures on eye health knowledge, and trained school physicians and head teachers on myopia prevention and control.



06

Consolidating Corporate Governance under Aier Principles

We believe that sound corporate governance is the cornerstone of sustainable development. To ensure stable and sustainable development, we have built a sound governance system, strengthened internal compliance risk control, strictly abided by business ethics, and earnestly practiced a culture of integrity. We strive to consolidate the foundation of high-quality development with high standards and strict regulations.

Contributions to SDGs

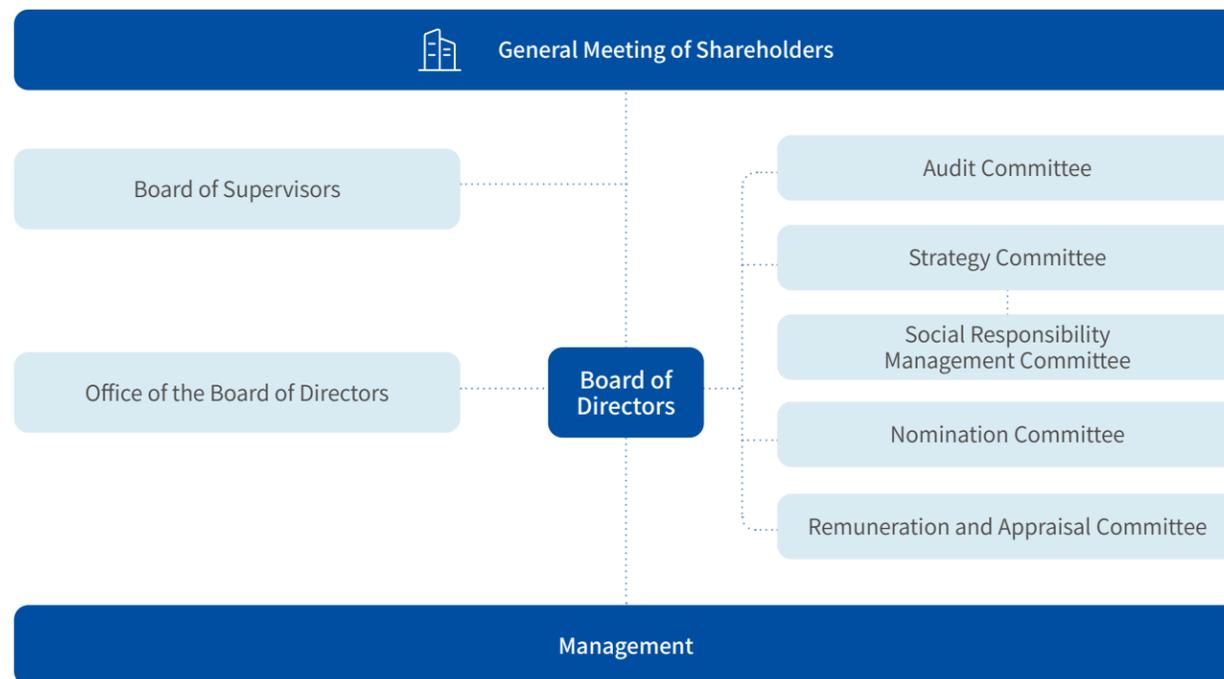


Compliant Operation

Aier Eye Hospital strictly regulates its operation by continuously improving the corporate governance structure. We respect and protect the rights and interests of all shareholders, and improve the risk management and internal control system to facilitate sound business operation.

Corporate Governance

Aier Eye Hospital regulates its operation in strict compliance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Stock Listing Rules of Shenzhen Stock Exchange*, and other relevant laws and regulations, as well as the Group's Articles of Association. The General Meeting of Shareholders, the Board of Directors and the Board of Supervisors are the highest governing body, the executive body and the supervisory body respectively. Together with the management, they have constructed an operation mechanism with clear rights and obligations, collaboration, and mutual checks and balances. We continue to strengthen compliance management, to ensure the smooth development of Aier Eye Hospital with compliant operation.



Aier Eye Hospital's Governance Structure

Governance Structure

Shareholders and General Meeting of Shareholders

The Group standardizes the convening, holding and voting procedures of the General Meeting of Shareholders according to relevant requirements of the *Articles of Association* and the *Discussion Rules of General Meeting of Shareholders*. The remuneration of members of the Board of Directors and the Board of Supervisors and the payment method thereof are to be deliberated on by way of an ordinary resolution at the shareholders' meeting. We fully protect the rights and interests of our shareholders. We ensure that all shareholders enjoy equal rights, and facilitate their participation in shareholders' meetings as much as possible.

Aier Eye Hospital convened the 2023 Annual General Meeting of Shareholders

On May 30, 2023, Aier Eye Hospital held the 2022 annual general meeting of shareholders at headquarters. The Company organized a visit to the Changsha Aier Eye Hospital and Aier Eye Institute for the attendees before the meeting and a special presentation by our senior executives, which fully demonstrated to the shareholders our commitment to sustainable high-quality development. Nearly 300 people attended the meeting, and on-site Q&A session lasted for nearly 3 hours. Adhering to the principle of "answering all questions", we discussed development, strategy, and the future together with the attendees.



General Meeting of Shareholders

Directors and Board of Directors

The Group strictly regulates the election, convening, and voting procedures of the Board of Directors according to the *Discussion Rules of Board of Directors*, and holds elections every 3 years via Directors Election Mechanism. The Board members are elected or replaced at the General Meeting of Shareholders.

The Group has set up five special committees, namely Audit Committee, Strategy Committee, Social Responsibility Management Committee, Nomination Committee, Remuneration and Appraisal Committee under the Board of Directors. By the end of the reporting period, the Board of Directors consisted of 7 directors, including 1 female director, accounting for 14% of the total. There were 3 independent directors with professional backgrounds in finance, law and other fields.

During the year, all the directors of the Audit, Nomination, Remuneration and Appraisal Committees were reappointed as independent directors. Each independent director is required to perform their duties independently and impartially in strict compliance with the Work Policy for Independent Directors. The Board of Directors is responsible for deliberating on the remuneration of senior management in accordance with the *Remuneration Management Policy for Directors, Supervisors and Senior Management*.

Supervisors and Board of Supervisors

The Group's Board of Supervisors strictly follows *the Rules of Procedure of Board of Supervisors*, and consists of 3 supervisors and 1 chairman. The chairman is elected by Workers' Congresses, and the term of office of each supervisor is 3 years. The Board of Supervisors has 2 female supervisors, accounting for 66% of the total. Responsible to shareholders, the Board of Supervisors oversees the documents for securities issuance and periodical reports compiled by the Board of Directors, and performance of duties by directors and senior management.



In 2023, the Group in total held **2** General Meetings of Shareholders;



16 meetings of the Board of Directors were held, with an attendance rate of **100%**;



9 meetings of the Board of Supervisors were held, with an attendance rate of **100%**.

Information Disclosure

According to relevant laws and regulations, such as the *Measures for the Administration of Information Disclosure by Listed Companies*, the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange* and the *Guidelines for Standardized Operation of Listed Companies on ChiNext in Shenzhen Stock Exchange*, Aier Eye Hospital has formulated the *Information Disclosure Affairs Management Policy* to manage information disclosure behaviors and provide guidance for compliant operation. Aier Eye Hospital actively fulfills its information disclosure obligations. We disclose information in a true, accurate, complete, timely and fair manner via the designated business platform of the Shenzhen Stock Exchange and diversified channels such as *China Securities Journal*, *Shanghai Securities Journal*, *Securities Times*, *Securities Daily* and www.cninfo.com.cn.

The Board of Directors is the body responsible for information disclosure. The Chairman of the Board of Directors is the first person responsible for information disclosure, and the Secretary of the Board of Directors is the person directly responsible for coordinating and organizing specific information disclosure matters.



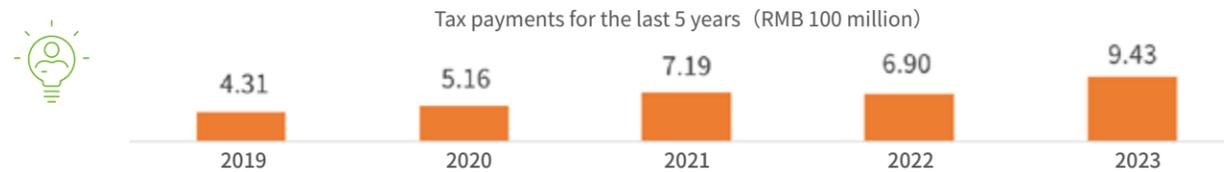
In 2023, a total of **164** documents such as periodic reports and interim announcements were disclosed via designated media. All the announcements were compliant, accurate and error-free, presenting our operation and development results in high quality. We were rated as **"A"** by Shenzhen Stock Exchange in the 2023 information disclosure evaluation.

Ratepaying in Accordance with Laws

Upholding integrity in business operation, we consciously fulfill our tax obligations and pay taxes on time. These are our practical actions to fully practice social responsibilities as a responsible enterprise. As evidenced by our good tax records, we have maintained high-quality development and made great contributions to national and local tax revenue. In addition, as a professional ophthalmology medical group, Aier Eye Hospital acts upon the national call, making contributions in building "Healthy China", which is well recognized and supported by all levels of government.

Aier Eye Hospital has been rated as class-A taxpayer by the State Taxation Administration for many consecutive years.

Below are our tax payments for the last 5 years, with a general upward trend:



A delegation led by the Vice Chairman of the Standing Committee of the 13th National People's Congress, and the President of the Red Cross Society of China visited Aier Eye Hospital

On March 30, 2023, a delegation led by the Vice Chairman of the Standing Committee of the 13th National People's Congress, and the President of the Red Cross Society of China visited Aier Eye Hospital Group and Changsha Aier Eye Hospital. The delegation was showed around Aier Ophthalmic Research Institute, Corporate Culture Exhibition Hall, etc., and learned about the hospital environment, outpatient visits, industry development, scientific research and innovation and social responsibility performance. They highly praised and recognized Aier Eye Hospital's achievements, active fulfilment of social responsibility, and efforts made in promoting the high-quality development of China's eye health public welfare undertakings.



On-site Visit

Aier Eye Hospital Group earned acknowledgment from the Secretary of the Hunan Provincial Party Committee through research inspection

On September 12, 2023, Shen Xiaoming, the Secretary of the Hunan Provincial Party Committee, conducted a research visit to the Aier Eye Hospital Group to understand the aspects of medical services, scientific research innovation, and talent training. Secretary Shen Xiaoming gave high praise to the accomplishments of Aier Eye Hospital during the visit, and encouraged the group to continue deep cultivation in the field of eye health, consistently improve capabilities in technology research and development, creative design, management innovation, and brand construction, play the role of leading enterprises, and promote the high-quality development of the industry.

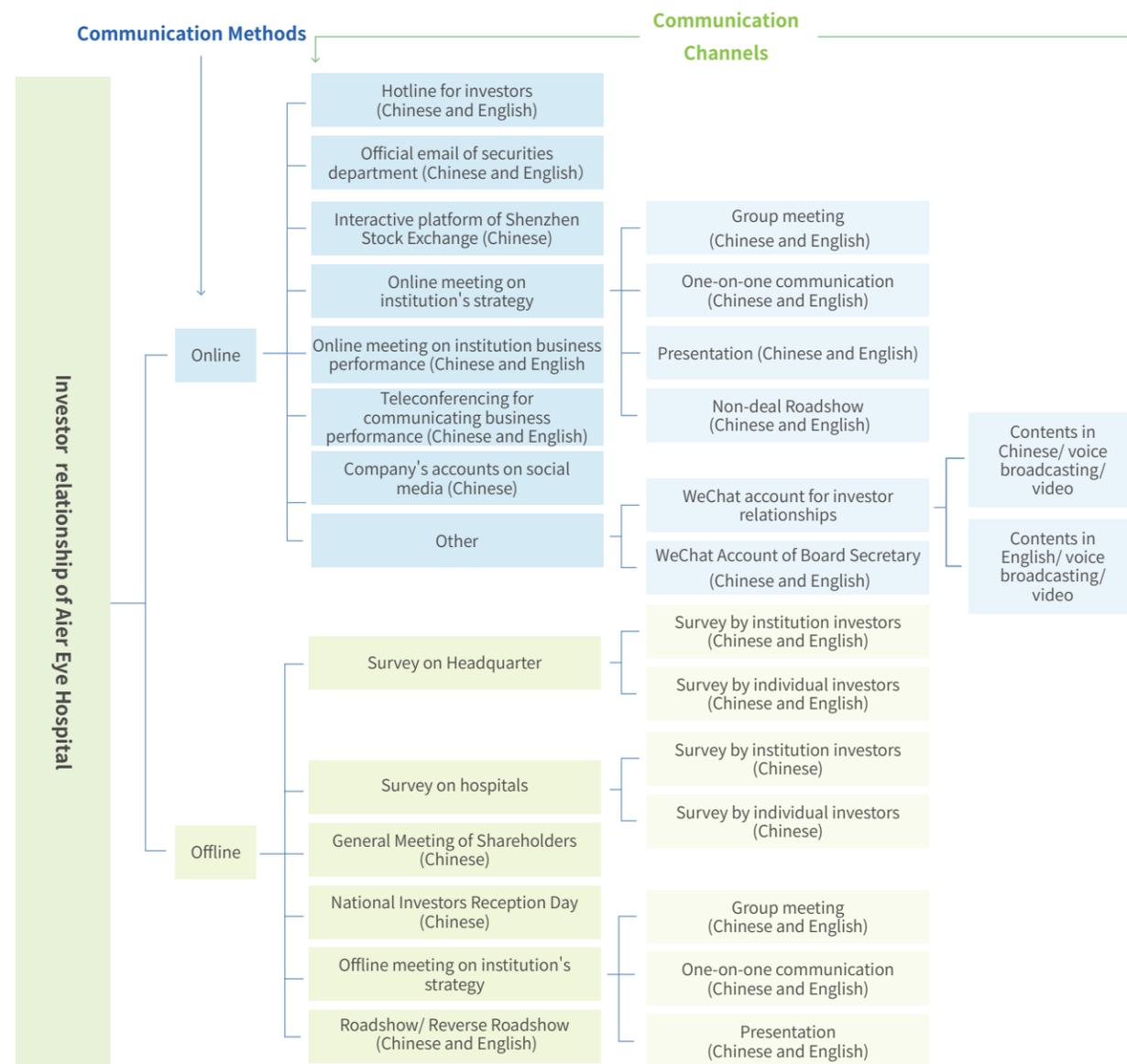


On-site Visit

Investor Relations Management

Upholding the principle of long-termism, Aier Eye Hospital is committed to building a harmonious shareholder ecosystem, to realize the healthy and mutual development with investors. We also strive to earn recognition of our long-term value from investors at home and abroad through our robust operating performance. Abiding by relevant regulations such as the *Guidelines on Investor Relations Management of Listed Companies* issued by the China Securities Regulatory Commission, we continue to innovate and optimize the mode and methodology of managing investor relations.

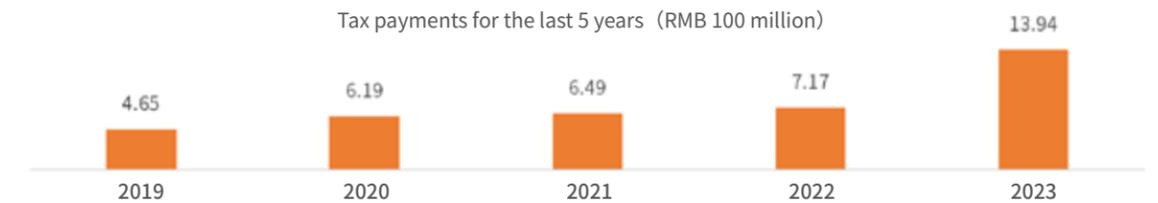
On the premise of ensuring compliant information disclosure, we open up a wealth of communication channels to institutional and individual investors. We organize performance exchange meetings, investor surveys and other investor interaction activities, to give truthful and accurate responses to investor concerns about our operations, business layout and strategic planning. In this way, we enable investors to have comprehensive and timely access to company information, so that they can make reasonable investment decisions. Moreover, we extensively and earnestly solicit investors' opinions and understand their expectations, and fully protect the legitimate rights and interests of investors, especially small and medium investors. We preserve in fulfilling our commitment and responsibility in the capital market. Communication with investors can be done via online and offline channels as follows:



Communication Methods and Channels for Investors



Aier Eye Hospital is committed to consistently increasing investor cash dividends in return for investors, as shown below for the last 5 years:



In 2023, Aier Eye Hospital participated in **60+** strategy meetings of securities companies at home and abroad, **200+** teleconferences, and 2 online presentations for business performance;



In 2023, Aier Eye Hospital received **300+** investor visits and exchanges and **70** investor surveys, answered **400+** consulting calls from small and medium shareholders, and responded to **300+** questions from investors online, with a response rate of more than **99%**.



The 5th "Investors Reception Day in Aier Eye Hospitals"

On October 30, 2023, Aier Eye Hospital successfully held the 5th "Investors Reception Day in Aier Eye Hospitals", with the theme of "high-quality medical care, high-quality development". During the event, we presented the development of Aier Eye hospitals across China to the public in an open, fair and multi-dimensional manner, and further deepened investors' understanding of the ophthalmic industry and our strengths. Therefore, we have expanded the influence of our brand in the capital market.

The hospital management received investors, answered all questions and listened to their opinions and suggestions. In this event, nearly 200 investors visited Aier Eye hospitals nationwide to learn about the new strategy of high-quality hospital development and experience the new high-level medical services.

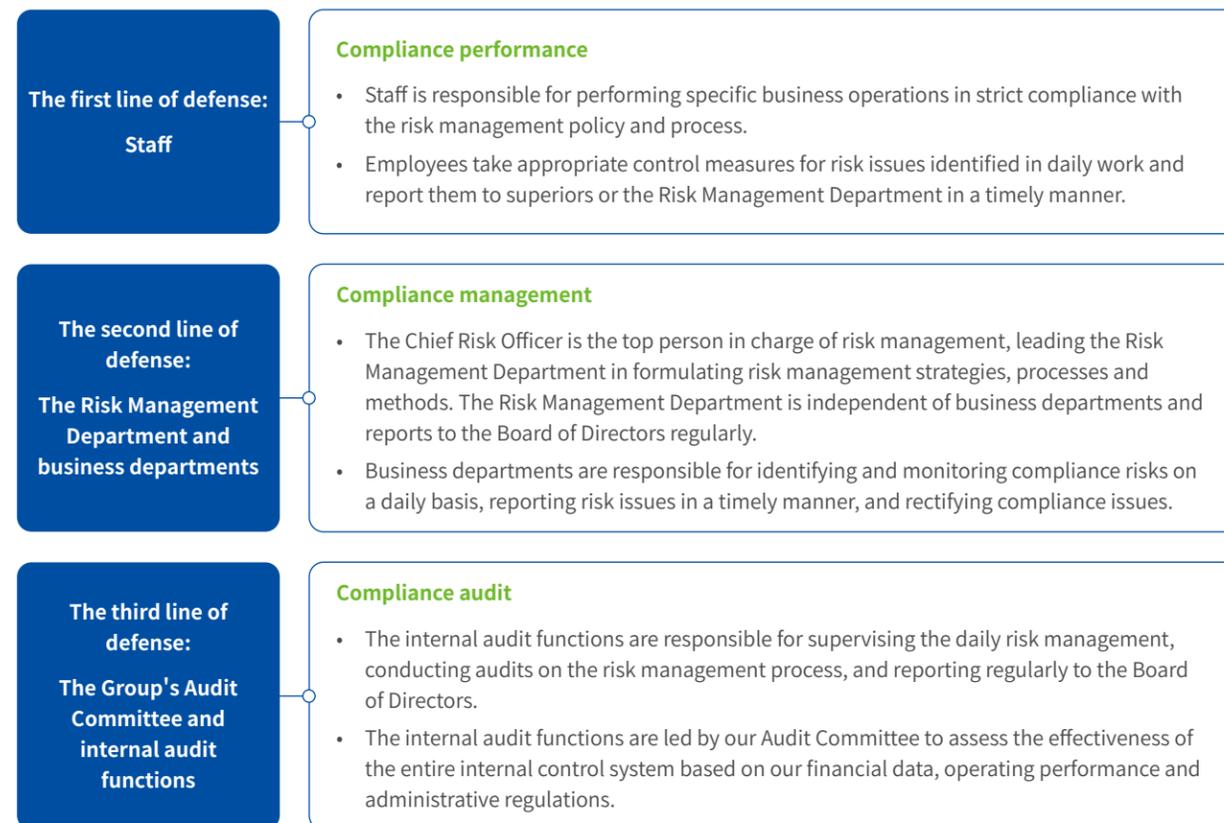


Building Lines of Defense for Risk Control

We firmly believe that a sound risk management and internal control system underpins our robust governance and compliant operation. We have taken multiple measures to safeguard our healthy and long-lasting operation, such as improving the internal control structure, enhancing the business risk management, and continuously strengthening the compliance awareness of all employees.

Improving Risk Control System

Aier Eye Hospital attaches great importance to internal control. We continuously improve the compliance management system by building three lines of defense that involve all staff, the Risk Management Department and business departments, and internal audit functions. All relevant departments cooperate with each other, and check at each level to ensure the effective operation of the compliance management system. In addition, we report to the Board of Directors quarterly on the implementation of risk management work, such as domestic and international risk management theories, the management practices, work achievements and plans. This ensures that the Board of Directors understands the implementation of our risk management work in a timely manner.

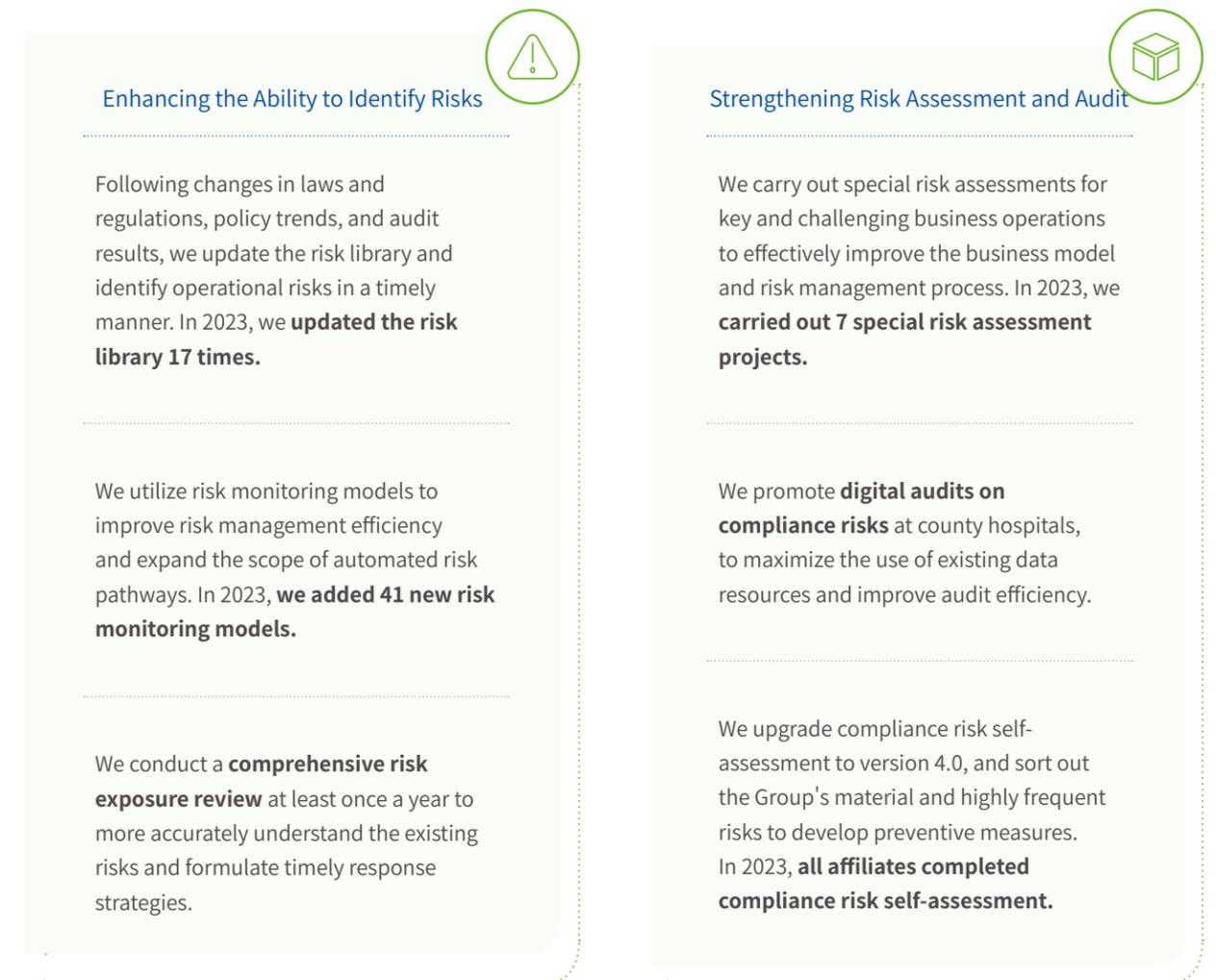


Three Lines of Defense for Compliance Management

Three Lines of Defense for Compliance Management

To better guide the implementation of risk management work, we issued the *Risk Management Policy* during the year to specify the risk owners at different business levels and their responsibilities. Moreover, we continue to optimize the digital risk management platform to achieve synergy and integration of data flow and business flow. We strive to improve the efficiency of risk management in the whole business process by digital means.

In 2023, we continued to update our risk library and risk monitoring models, and actively carried out various risk assessment projects to enhance our ability to prevent business risks on all fronts and promote the standardized business operation.



Emerging risks

Emerging risks	Causes	Measures
Medical Risk	<ul style="list-style-type: none"> Eye surgery carries certain risks considering the complexity of medicine and the patient's knowledge level; Medical accidents and errors cannot be fully eliminated as the eye has delicate structure and fragile tissues, and the ophthalmic surgery is affected by many factors, such as expertise of physicians, individual differences in physical and mental conditions, diagnostic and treatment equipment, and quality control; Generally, patients have limited knowledge of surgery, and their perception and evaluation of postoperative effects may be subjective, which may lead to medical disputes. 	<ul style="list-style-type: none"> Strictly implement national and industry guidelines for diagnosis and treatment, operation norms and nursing norms, and continuously improve the medical quality control system; Provide enhancement training for physicians to optimize medical staff's diagnosis and treatment and nursing care practices, implement strict preoperative screening and improve doctor-patient communication; Adopt cutting-edge ophthalmic diagnostic and treatment equipment to ensure accurate diagnosis and effective treatment.
Human Resource Risks	<ul style="list-style-type: none"> As we are experiencing rapid expansion, our organizational structure and management system tend to be more complex. This puts forward higher requirements for talent quality in relation to diagnosis and treatment, management and control, and service quality. A talent shortage will arise if we cannot continue to attract enough technical and management talents. 	<ul style="list-style-type: none"> Create an atmosphere where "talents are united by a shared principle, attracted by the platform and retained for career growth", and build a partner culture of "co-creation, sharing benefits and win-win development" to improve employees' sense of identity and belonging; Build a world-class medical education and research innovation platform and a high-level management institute, and implement talent training programs at all levels to cultivate high-quality talents; Improve and implement the medium- and long-term incentive mechanism, such as share option scheme, restricted stock incentive plan, partner scheme and provincial partner scheme, to enhance employees' sense of achievement.

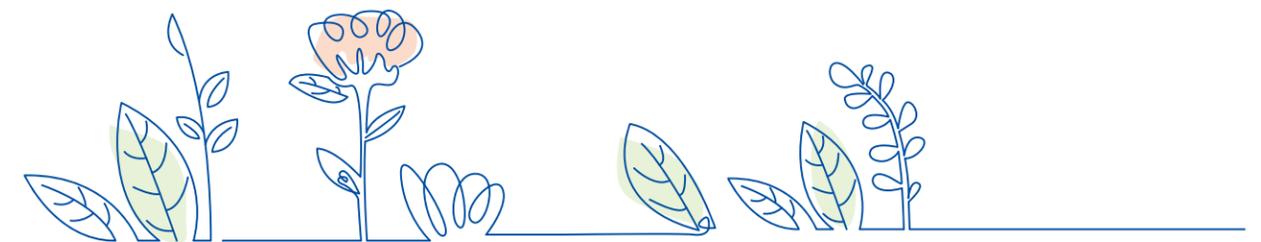
Cultivating a Compliance Culture

We have developed a compliance training system covering all directors and employees, and delivered lectures on the basic theories of risk management, key contents of risk control and the rectification of risk issues in each business line at various meetings of the Group, so as to strengthen all employees' consciousness of compliance practice. All business departments are required to include compliance content in daily training, and organize compliance training for middle and senior management of hospitals. Such training aims to publicize risk management principles, popularize risk management knowledge and enhance management's awareness of risk prevention. In 2023, the Group conducted more than 150 compliance training sessions covering all business segments for more than 2,000 employees.



Training on "Enhancing Hospitals' Compliance Awareness and Contributing to Prudent Operation"

In July 2023, auditors conducted a targeted training session on "Enhancing Hospitals' Compliance Awareness and Contributing to Prudent Operation" for the lack of compliance management in Harbin Aier Eye Hospital. The training was attended by more than 20 middle and senior managers of the hospital, including CEO, president, vice president, and other managers in medical treatment, nursing care, finance, health care education, human resources, hospital office, medical products and services. The training content covered the necessity of compliance work, the main compliance problems faced by the hospital, the arrangement of compliance work and key considerations. The training promoted the effective use of compliance management tools and the implementation of internal control measures by the hospital management, and further improved the management's abilities of risk identification, assessment and control.



Observing Business Ethics

As a responsible company, we respond positively to the government's anti-corruption policy in health care and always stick to high-standard business ethics in our operation and development. We have formulated considerate policies to manage the integrity behavior of our employees and suppliers, open up reporting channels, and conduct regular business ethics audits to check whether business ethics management requirements are implemented effectively. Moreover, we continuously strengthen integrity culture education, to enhance the awareness of business ethics among all employees, and build a clean and honest environment.

Constructing an Anti-Corruption System

Aier Eye Hospital upholds integrity and business ethics in operation. We have zero tolerance for any corruption and bribery. We strictly abide by the *Criminal Law of the People's Republic of China*, the *Company Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, and other anti-corruption and anti-bribery laws and regulations of the countries and regions in which we operate. We have also formulated the *Employee Handbook*, the *Supervision Management Policy*, the *Reporting Management Regulations* and the *Code of Ethics and Business Conduct*¹. These documents stipulate the code of conduct and ethical standards to be observed in conducting business from such aspects as anti-corruption and anti-bribery. We aim to ensure the clean and honest practice of all full-time, part-time, outsourced, and temporary employees as well as board members of Aier Eye Hospital and subsidiaries.

The Board of Directors of the Group performs the highest management responsibility for our business ethics and anti-corruption matters, and monitors and makes decisions on such issues. The Supervision Department of the Group's Legal Supervision Center rigorously investigates the risk points in business segments, and maintains integrity ledger records. The Department is also responsible for investigating business ethics and anti-corruption issues, and regularly reporting to the Director of the Legal Supervision Center, the Vice President in charge, and the Board of Directors.

In addition, Aier Eye Hospital actively participates in the activities of social organizations combating corruption and upholding integrity. Since joining the Enterprise Anti-Fraud Alliance in April 2021, we have continuously strengthened learning and communication with the Alliance and member companies, advancing the development of our own anti-corruption policies. In December 2023, we were elected as a director unit of the Enterprise Anti-Fraud Alliance. The manager of the Supervision Department of the Group's Legal Center was honored as the 2022-2023 "Excellent Lecturer".



Director Unit of Enterprise Anti-Fraud Alliance



Excellent Lecturer Award to the manager of the Supervision Department of the Legal Center

¹ Details of the *Code of Ethics and Business Conduct* can be found in: https://www.aierchina.com/uploadfile/spr/2023cbec_cn.pdf

Business Ethics Audit

The Audit & Risk Control Center of the Group conducts risk management-oriented audits on operation and internal control, and compliance and special audits for medical institutions at all levels every year. In this way, we expect to lower the operational risks of medical institutions at all levels and guarantee the Group's compliant and steady operation. The audit scope includes corporate culture, team building, policy formulation and improvement, and compliant operation. During the audits, we focus on the compliance of all employees (including part-time and outsourced employees) with business ethics, and anti-corruption and anti-bribery rules, to prevent and identify fraud in time.



In 2023, Aier Eye Hospital audited **251** medical institutions, including **40+** special audit projects, covering all business lines. The correction response rate was **100%** and the effective correction rate increased by **10%** over the last year.

Informant Protection

Aier Eye Hospital have various open and transparent reporting channels, such as reporting hotline, e-mail, and enterprise WeChat. The Supervision Department of the Legal Supervision Center is responsible for handling reporting matters. We assign persons for managing reporting materials, who handle reporting matters by categories, and evaluate and investigate the received reporting clues by process and authority. Violations of law and discipline shall be handled sternly.

According to the *Reporting Management Regulations*, we make every effort to safeguard the legitimate rights and interests of informants. Giving priority to information confidentiality and safety of informants, we keep the informant's personal information and the reporting content confidential. We would stringently deal with any breach of confidentiality and any retaliation against informants, and investigate and hold the actors legally accountable.

Reporting Channels

 **Tel:** 18975199961

 **Email:** jcjb@aierchina.com

 **WeChat:** Enterprise contacts - Aier Eye Hospital - Employee services - Supervision and report (anti-corruption)

 **Letter receiving address:** North Tower of Aier Eye Hospital Building, No. 188, Furong South Road, Changsha City, Hunan Province (postcode: 410015)

Integrity Education

Aier Eye Hospital makes efforts to create a culture of integrity. We carry out various training activities to continuously improve employees' awareness of integrity, aiming to create a clean and healthy workplace. To reinforce the construction of integrity culture, we have created an integrity publicity video - Lenses based on the elements of our main products, such as orthokeratology lenses, framed lenses and other lenses. On December 9, 2023, the International Anti-Corruption Day, we posted the video on the official WeChat account of Aier Eye Hospital, showing our determination to build an ideological line of defense and adhere to the bottom line of integrity. Xiangzhou Aier Eye Hospital's practice of building a "integrity-featured hospital" was honored as an excellent case of private enterprise integrity by Xiangyang Federation of Industry and Commerce in 2023.



In 2023, Aier Eye Hospital conducted **9** sessions of anti-corruption training, covering **100%** of employees (including part-time and outsourced employees), suppliers and partners.

Supplier Integrity Management

Aier Eye Hospital requires all business partners, including suppliers, to comply with applicable anti-corruption laws and regulations, abide by business ethics, and regulate their own business behaviors with high ethical standards. We have prepared the *Code of Conduct for Business Partners* to regulate behaviors of all suppliers and business partners conducting business with Aier Eye Hospital, as well as suppliers and other third parties selected by our business partners for the performance of contracts with us. The Code clarifies that the Group's business partners shall not, through their employees, subcontractors or agents, offer, promise or give undue benefits to employees of Aier Eye Hospital in order to obtain orders or receive other preferential treatment.

To ensure that all suppliers are clear about the Group's anti-corruption requirements and develop their own business ethics and anti-corruption policies, we have issued the *Notice on Regulating Supplier Management and Procurement Practices of Aier Eye Hospital* to all suppliers, and have signed the *Commitment to Lawful and Honest Business Conduct* with them. If any supplier is identified with violation of integrity principles or laws and regulations, they will be held accountable in accordance with the agreement.

Party Building

We insist on driving high-quality development with high-quality Party building. As a result, Party organizations have been set up according to the *Constitution of the Communist Party of China*. By giving full play to the role of our Party organizations as the political core of our workforce and as the political leadership in our development, we advance Party building in a sturdy and coordinated manner.

Improving Party Organization Building

By the end of the reporting period:

 Aier Eye Hospital Party Committee has **2** province-specific Party committees, **4** general Party branches, **307** Party branches and **2,860** Party members.

In 2023, under the guidelines of the 20th CPC National Congress on medical and health care and new economic and social organizations, the Group's Party Committee has developed a working concept of "making concrete efforts in Party building, serving the public, and empowering development". With a focus on "learning and implementing the guiding principles of the 20th CPC National Congress and the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era", we persist in "three empowerings" to conduct business based on Party building.



Empowering prominent brand effect

Some of honors & awards of the Party Committee of the Group in 2023 are as follows:

- The Party Committee of the Group shared its experience at the first "Seminar on Party Building of Private Listed Companies" jointly organized by China Association for Public Companies and the Party Committee and People's Government of Lankao County.
- The Party Committee of the Group made an speech in the province-wide education campaign. The All-China Federation of Industry and Commerce publicized the "National Excellent Case of Party Building" - *Aier Eye Hospital Strengthens Party Building to Promote Development on its official website*.
- The Party Committee of the Group participated in the Knowledge Contest on the Guiding Principles of the 20th CPC National Congress held in Tianxin District of Changsha City and won the second prize in the team competition.
- A total of 56 hospital Party organizations in the Group have been rated as "Excellent Grass-roots Party Organizations" and "Star Party Branches" by local government Party committees.
- Aier Eye Hospital's *Party Building Leads the Way to Brightness*, was successfully selected as a case study in the **Party Building Section of the Yearbook of Listed Companies in China (2022)**

Organizing Party Building Activities

Aier Eye Hospital actively carries out the Party's mass education and practice activities. All Party branches and Party members and cadres are encouraged to give full play to their pioneering and exemplary roles in promoting eye health. In 2023, the Group's Party Committee carried out the Party building campaign themed on "monthly Party lecture, educational film and social practice" and "moving forward to a brighter future with a clear direction by studying the report to the 20th CPC National Congress". The Committee focused the education campaign on "serving the people's eye health and bringing tangible benefits to the people". We constantly enhance the brand development featured with "Party building leading eye health".

By the end of the reporting period:

 Hospitals under the Aier Brand conducted **3,140** Party building and eye health activities, serving **122,005** people.

Aier Eye Hospital Showcased Good Results of Party Building Innovation on the Listed Company Party Building Exchange Meeting

On April 16, 2024, "Exchange Meeting on Party Building Work of Listed Companies" was held in Wuxi, Jiangsu Province, China, organized by China Association of Listed Companies. With the theme of "Promoting Innovation in Party Building Work of Listed Companies and Driving Red Governance Engine", Aier Eye Hospital, as the only private medical listed company among the 4 listed companies, shared the experience of party building work. Under the theme of "Party Building Leads Eye Health, Red Engine Promotes Development", the full-time deputy secretary of the Party Committee of Aier Eye Hospital shared the "Aier Experience" of the Company's Party building work. The sharing is a recognition of Aier Eye Hospital's party building work. The party committee of Aier Eye Hospital will continue to firmly grasp the work of "Party building promotes the Group's high-quality development" and strive to achieve the goal of "four in the forefront", and use the "red engine" to lead the work steadily and far-reaching, and promote the implementation of the "Healthy China" strategy.



Appendix

Key Performance Indicators

Environmental Key Performance Indicators¹

GHG Emissions

GHG Emissions	单位	2023	2022	2021	2020
Total GHG emissions ²	tonne CO ₂	86,035.38	73,130.48	53,266.47	65,469.80
GHG emissions intensity	tonne CO ₂ e/RMB ¹ 0000 revenue	0.037	0.045	0.036	0.055
Scope 1 GHG emissions ³	tonne CO ₂ e	8,046.03	7,214.54	6,737.50	5,575.50
Scope 2 GHG emissions based on location ⁴	tonne CO ₂ e	77,014.78	66,031.75	46,528.96	59,894.30
Scope 2 GHG emissions based on market ⁵	tonne CO ₂ e	76,989.35	65,915.94	0	0

Energy Consumption

Indicator	Unit	2023	2022	2021	2020
Comprehensive energy consumption ⁶	tce	20,531	16,610	14,212	11,041
Comprehensive Energy intensity	tce/RMB ¹ 0000 revenue	0.0089	0.0103	0.0095	0.0093
Purchased electricity	KWh	135,042,581	106,142,170	88,508,586	66,445,908
Gas	m ³	636,080	535,934	427,472	371,538
Gasoline	litre	1,561,944	1,495,633	1,621,191	1,261,033
Diesel	litre	1,183,647	1,010,741	851,857	757,942
Renewable energy consumption	KWh	44,598	203,069	0	0

Waste Generated

Indicator	Unit	2023	2022	2021	2020
Total waste water generated	tonne	1,349,815	1,236,577	1,000,777	-
Total hazardous waste generated ⁷	tonne	1,093	846	712	-
Intensity of hazardous waste	kg/RMB ¹ 0000 revenue	0.47	0.53	0.47	-
Total non-hazardous waste generated ⁸	tonne	7,447	9,109	142,210	-
Intensity of non-hazardous waste	kg/RMB ¹ 0000 revenue	3.23	5.65	0.095	-

Water Resources Consumption

Indicator	Unit	2023	2022	2021	2020
Municipal water supply	tonne	1,729,639	1,410,771	1,308,865	1,321,870
Water consumption intensity	tonne/RMB ¹ 0000 revenue	0.75	0.88	0.87	1.11

Description of environmental key performance indicators:

¹ The environmental KPIs cover Aier Eye Hospital Group Company Limited and Aier Eye Hospital's operating subsidiaries in the People's Republic of China.

² Total GHG emissions = Scope 1 GHG emissions + Scope 2 GHG emissions based on market. There is an adjustment to the total GHG emissions of 2022, which after taking into account the offset from self-initiated renewable energy is 73,130.48 tonnes of tonne CO₂e.

³ Scope 1 GHG emissions are calculated in accordance with the *Guidelines for Accounting and Reporting Greenhouse Gas Emissions for Other Industrial Enterprises* and are converted from gasoline, diesel and natural gas consumption.

⁴ Scope 2 GHG emissions based on location are the GHG emissions from electricity purchased by the grid, converted with reference to the latest national grid average emission factors published by the Ministry of Ecology and Environment of China.

⁵ Total Scope 2 GHG emissions = Scope 2 GHG emissions based on location - self-initiated renewable energy consumption

⁶ Comprehensive energy consumption is calculated in accordance with the *General Rules for Calculation of the Comprehensive Energy Consumption*.

⁷ The main hazardous waste generated is medical waste.

⁸ The total non-hazardous waste generated is mainly office and domestic waste and food waste, which is regularly removed by a third-party professional organisation.

Social Key Performance Indicators

Employment

Indicator	Unit	2023
Total number of employees	Person	36,718
By Gender		
Male	Person	8,298
Female	Person	28,420
By Position Level		
Senior management	Person	52
Middle management	Person	3,600
General employees	Person	33,066
By Age		
Aged 30 or below	Person	13,501
Aged 30 to 39	Person	14,516
Aged 40 to 49	Person	5,929
Aged 50 or above	Person	2,772
By Geographical Region		
Chinese Mainland	Person	34,581
Hong Kong, Macao and Taiwan areas	Person	154
Overseas	Person	1,983
By Ethnic Group		
Han	%	92.2
Zhuang	%	1.2
Tujia	%	1.2
Manchu	%	1.1
Hui	%	0.9
Uygur	%	0.8
Miao		0.5
Yi	%	0.4
Mongolian	%	0.3
Bai	%	0.2
Tibetan	%	0.2
Yao	%	0.2

Indicator	Unit	2023
By Ethnic Group		
Dong	%	0.1
Korean	%	0.1
Hani	%	0.1
Tu	%	0.1
Buyi	%	0.1
Dai	%	0.1
Other ethnic groups	%	0.2
By Employee Category		
Health educator	Person	6,519
Medical treatment personnel	Person	23,935
Financial personnel	Person	2,362
Managerial personnel	Person	3,902

New Employees

Indicator	Unit	2023	2022	2021	2020
Total number of new employees	Person	8,899	8,720	9,746	6,820
By Gender					
Male	Person	2,264	2,162	2,413	1,802
Female	Person	6,635	6,558	7,333	5,018
By Age					
Aged 30 or below	Person	5,704	4,759	4,687	2,691
Aged 30 to 39	Person	1,978	2,413	3,020	2,409
Aged 40 to 49	Person	704	975	1,347	1,146
Aged 50 or above	Person	513	573	692	574
By Position Level					
Senior management	Person	1	0	1	1
Middle management	Person	31	61	74	70
General employees	Person	8,867	8,659	9,671	6,749
By Nationality					
Chinese Mainland	Person	8,506	8,306	9,396	6,470
Hong Kong, Macao and Taiwan areas	Person	40	90	70	60
Overseas	Person	353	324	280	290
Proportion of vacant posts filled by internal candidates	%	43.8	-	-	-

Employee Turnover

Indicator	Unit	2023	2022	2021
Employee turnover rate	%	12.4	12.3	12.8
By Gender				
Male	%	13.7	12.9	13.3
Female	%	12.1	12.1	12.8
By Age				
Aged 30 or below	%	16.5	16.5	17.2
Aged 30 to 39	%	10.8	10.5	10.8
Aged 40 to 49	%	7.6	6.9	7.7
Aged 50 or above	%	21.1	8.2	8.9
By Position Level				
Senior management	%	0	0	0
Middle management	%	5.1	5.3	5.5
General employees	%	13.4	13.5	13.8
By Nationality				
Chinese Mainland	%	12.3	12.3	12.9
Hong Kong, Macao and Taiwan areas	%	13.1	13.6	14.1
	%	10.1	10.3	11.1

Diversity, Equality and Inclusion

Indicator	Unit	2023
Proportion of female employees	%	77.4
Proportion of female employees in managerial positions	%	62.7
Proportion of female employees in junior management positions	%	59.6
Proportion of female employees in senior management positions at the level of deputy director and above	%	36.5
Female employees in managerial positions in revenue-generating functions as a proportion of all such managerial positions	%	53.5
Female employees in STEM-related positions as a proportion of total STEM positions	%	73.7

Training and Development

Indicator	Unit	2023
Total training hours for employees	Hour	624,206
Average training hours per employee	Hour/Person	17
Total number of employees receiving training	Person	36,718
By Gender		
Male	Person	8,298
Female	Person	28,420

Training and Development

Indicator	Unit	2023
By Position Level		
Senior Management	Person	52
Middle Management	Person	3,600
General employees	Person	33,066
By Age		
Aged 30 or below	Person	13,501
Aged 30 to 39	Person	14,516
Aged 40 to 49	Person	5,929
Aged 50 or above	Person	2,772
By Nationality		
Chinese Mainland	Person	34,581
Hong Kong, Macao and Taiwan areas	Person	154
Overseas	Person	1,983
Person-times of receiving training	Person-times	692,493
By Training Category		
Medical treatment	Person-times	260,815
Nursing	Person-times	193,297
Functional specialities	Person-times	117,903
Medical technology	Person-times	32,487
Operation	Person-times	7,809
Management	Person-times	3,096
Comprehensive quality	Person-times	67,188
Others	Person-times	9,898

Employee Satisfaction

Indicator	Unit	2023	2022	2021	2020
Employee satisfaction and engagement score	Score	83.5	83	86	82
Employee satisfaction and engagement survey	%	100	100	100	100

GRI Reference

Disclosure number	Disclosure title	Chapter
General disclosure		
GRI 2: The Organization and its Reporting Practices		
GRI 2-1	Organizational details	About the Report
GRI 2-2	Entities included in the organization's sustainability reporting	About the Report
GRI 2-3	Reporting period, frequency and contact point	About the Report
GRI 2-4	Restatements of information	About the Report
GRI 2-5	External assurance	About the Report
GRI 2: Activities and Workers		
GRI 2-6	Activities, value chain, and other business relationships	Company Profile
GRI 2-7	Employees	Creating a People-oriented Workplace
GRI 2-8	Workers who are not employees	Creating a People-oriented Workplace
GRI 2: Governance		
GRI 2-9	Governance structure and composition	Compliant Operation
GRI 2-10	Nomination and selection of the highest governance body	Compliant Operation
GRI 2-11	Chair of the highest governance body	Compliant Operation
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	Compliant Operation
GRI 2-13	Delegation of responsibility for managing impacts	Compliant Operation
GRI 2-14	Role of the highest governance body in sustainability reporting	Social Responsibility Governance Structure
GRI 2-15	Conflicts of interest	Stakeholder Engagement
GRI 2-16	Communication of critical concerns	Stakeholder Engagement
GRI 2-17	Collective knowledge of the highest governance body	Compliant Operation
GRI 2-18	Evaluation of the performance of the highest governance body	Compliant Operation

Disclosure number	Disclosure title	Chapter
GRI 2: The Organization and its Reporting Practices		
GRI 2-19	Remuneration policies	Creating a People-oriented Workplace
GRI 2-20	Process to determine remuneration	Creating a People-oriented Workplace
GRI 2-21	Annual total compensation ration	Creating a People-oriented Workplace
GRI 2: Strategy, Policies and Practices		
GRI 2-22	Statement on sustainable development strategy	Aier's Sustainable Development Goals
GRI 2-23	Policy commitments	Aier's Sustainable Development Goals
GRI 2-24	Embedding policy commitments	Aier's Sustainable Development Goals
GRI 2-25	Process to remediate negative impacts	Stakeholder Engagement
GRI 2-26	Mechanisms for seeking advice and raising concerns	Stakeholder Engagement
GRI 2-27	Compliance with laws and regulations	Compliant Operation
GRI 2-28	Membership associations	Advancing with the Wider Industry
GRI 2: Stakeholder Engagement		
GRI 2-29	Approach to stakeholder engagement	Stakeholder Engagement
GRI 2-30	Collective bargaining agreements	Creating a People-oriented Workplace
GRI 3: Material Topics 2023		
GRI 3-1	Process to determine material topics	Materiality Assessment
GRI 3-2	List of material topics	Materiality Assessment
GRI 3-3	Management of material topics	Materiality Assessment

Disclosure number	Disclosure title	Chapter
Economy		
GRI 201: Economic Performance		
Management approach disclosures		Consolidating Corporate Governance under Aier Principles
GRI 201-1	Direct economic value generated and distributed	Consolidating Corporate Governance under Aier Principles
GRI 201-2	Financial implications and other risks and opportunities due to climate change	Climate Actions
GRI 201-3	Defined benefit plan obligations and other retirement plans	Creating a People-oriented Workplace
GRI 203: Indirect Economic Impacts		
Management approach disclosures		Our Public Welfare Undertakings
GRI 203-1	Infrastructure investments and services supported	Rural Revitalization and Common Development Joint Efforts for Protecting Eye Health Engagement in Global Philanthropy Earnest Contributions to Public Welfare
GRI 203-2	Significant indirect economic impacts	Rural Revitalization and Common Development Joint Efforts for Protecting Eye Health Engagement in Global Philanthropy Earnest Contributions to Public Welfare
GRI 205: Anti-corruption		
Management approach disclosures		Observing Business Ethics
GRI 205-1	Operations assessed for risks related to corruption	Observing Business Ethics
GRI 205-2	Communication and training about anti-corruption policies and procedures	Observing Business Ethics
GRI 206: Anti-competitive Behavior		
Management approach disclosures		Observing Business Ethics
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Observing Business Ethics
Environment		
GRI 301: Materials		
Management approach disclosures		Green Operation
GRI 301-2	Recycled input materials used	Green Operation
GRI 301-3	Reclaimed products and their packaging materials	During the year, Aier Eye Hospital had no recycled products and packaging materials

Disclosure number	Disclosure title	Chapter
GRI 302: Energy		
Management approach disclosures		Green Operation
GRI 302-1	Energy consumption within the organization	Green Operation
GRI 302-3	Energy intensity	Green Operation
GRI 302-4	Reduction of energy consumption	Green Operation
GRI 302-5	Reductions in energy requirements of products and services	Green Operation
GRI 303: Water and Effluents		
GRI 303-1	Interactions with water	Green Operation
GRI 303-2	Management of water discharge-related impacts	Green Operation
GRI 303-3	Water withdrawal	Green Operation
GRI 303-4	Water discharge	Green Operation
GRI 303-5	Water consumption	Green Operation
GRI 305: Emissions		
Management approach disclosures		Climate Actions
GRI 305-1	Direct (Scope 1) GHG emissions	Climate Actions
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Climate Actions
GRI 305-4	GHG emissions intensity	Climate Actions
GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	During the year, Aier Eye Hospital had no exhaust emissions
GRI 306: Waste		
GRI 306-1	Waste generation and significant waste-related impacts	Green Operation
GRI 306-2	Management of significant waste-related impacts	Green Operation
GRI 306-3	Waste generated	Green Operation
GRI 306-4	Waste diverted from disposal	Green Operation
GRI 306-5	Waste diverted to disposal	Green Operation
GRI 308: Supplier Environmental Assessment		
Management approach disclosures		Cooperating with Trustworthy Partners
GRI 308-1	New suppliers that were screened using environmental criteria	Cooperating with Trustworthy Partners
GRI 308-2	Negative environmental impacts in the supply chain and actions	Cooperating with Trustworthy Partners

Disclosure number	Disclosure title	Chapter
Society		
GRI 401: Employment		
Management approach disclosures		Creating a People-oriented Workplace
GRI 401-1	New employee hires and employee turnover	Creating a People-oriented Workplace
GRI 401-2	Benefits provided to full-time employees	Creating a People-oriented Workplace
GRI 402: Labor/Management Relations		
Management approach disclosures		Creating a People-oriented Workplace
GRI 403: Occupation health and safety		
Management approach disclosures		Ensuring Health and Safety
GRI 403-1	Occupational health and safety management system	Ensuring Health and Safety
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Ensuring Health and Safety
GRI 403-3	Occupational health services	Ensuring Health and Safety
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Ensuring Health and Safety
GRI 403-5	Worker training on occupational health and safety	Ensuring Health and Safety
GRI 403-6	Promotion of worker health	Ensuring Health and Safety
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Ensuring Health and Safety
GRI 403-8	Workers covered by an occupational health and safety management system	Ensuring Health and Safety
GRI 403-9	Work-related injuries	Ensuring Health and Safety
GRI 403-10	Work-related ill health	Ensuring Health and Safety
GRI 404: Training and Education		
Management approach disclosures		Caring for Employee Development
GRI 404-1	Average hours of training per year per employee	Caring for Employee Development
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Caring for Employee Development
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Caring for Employee Development
GRI 405: Diversity and Equal Opportunity		
Management approach disclosures		Creating a People-oriented Workplace
GRI 405-1	Diversity of governance bodies and employees	Creating a People-oriented Workplace
GRI 405-2	Ratio of basic salary and remuneration of women to men	Creating a People-oriented Workplace

Disclosure number	Disclosure title	Chapter
GRI 406: Non-discrimination		
Management approach disclosures		Creating a People-oriented Workplace
GRI 406-1	Incidents of discrimination and corrective actions taken	Creating a People-oriented Workplace
GRI 407: Freedom of Association and Collective Bargaining		
Management approach disclosures		Creating a People-oriented Workplace
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	During the year, Aier Eye Hospital had no operations and suppliers in which the right to freedom of association and collective bargaining may be at risk
GRI 408: Child Labor		
Management approach disclosures		Creating a People-oriented Workplace
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	During the year, Aier Eye Hospital had no operations and suppliers at significant risk for incidents of child labor
GRI 409: Forced or Compulsory Labor		
Management approach disclosures		Creating a People-oriented Workplace
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	During the year, Aier Eye Hospital had no operations and suppliers at significant risk for incidents of forced or compulsory labor
GRI 413: Local Communities		
Management approach disclosures		Caring for a Better Life for All with Commitment to Public Welfare
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	Rural Revitalization and Common Development Joint Efforts for Protecting Eye Health Engagement in Global Philanthropy Earnest Contributions to Public Welfare
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	During the year, Aier Eye Hospital had no operations with significant actual and potential negative impacts on local communities
GRI 414: Supplier Social Assessment		
Management approach disclosures		Cooperating with Trustworthy Partners
GRI 414-1	New suppliers that were screened using social criteria	Cooperating with Trustworthy Partners
GRI 414-2	Negative social impacts in the supply chain and actions taken	Cooperating with Trustworthy Partners

Disclosure number	Disclosure title	Chapter
GRI 416: Customer Health and Safety		
Management approach disclosures		Developing Quality Services with Love and Care
GRI 416-1	Assessment of the health and safety impacts of product and service categories	Safety and Quality Management Providing Quality Service
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	During the year, Aier Eye Hospital had no incidents of non-compliance concerning the health and safety impacts of products and services
GRI 417: Marketing and Labeling		
Management approach disclosures		Cooperating with Trustworthy Partners
GRI 417-1	Requirements for product and service information and labeling	Cooperating with Trustworthy Partners

Disclosure number	Disclosure title	Chapter
GRI 417: Marketing and Labeling		
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	During the year, Aier Eye Hospital had no incidents of non-compliance concerning product and service information and labeling
GRI 417-3	Incidents of non-compliance concerning marketing	During the year, Aier Eye Hospital had no incidents of non-compliance concerning marketing
GRI 418: Customer Privacy		
Management approach disclosures		Providing Quality Service
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the year, Aier Eye Hospital had no substantiated complaints concerning breaches of customer privacy and losses of customer data



Changsha, Hunan, China

2023 Social Responsibility Report



Aier Eye WeChat
Official Account



Aier Eye Investor Relations
WeChat Account