Genertec Universal Medical Group Company Limited

2024 Climate-related Disclosure Summary Report

（Ⅰ）Climate Governance

- **Climate Governance**

The Board of Directors of the Group, as the highest decision-making and oversight body responsible for governing climate-related risks and opportunities, has incorporated climate issues into its agenda. It annually conducts a comprehensive review of the ESG report, which includes materiality assessments and disclosures on "Climate Change," deliberating and approving content related to climate change governance, the identification and analysis of climate risks and opportunities, and climate change response measures. The Board guides relevant departments in advancing climate change initiatives to ensure the effective implementation of various measures.

The Safety, Environmental Protection and Quality Management Committee, as the management-level committee responsible for climate-specific issues, fully considers climate change factors in the Group's energy conservation and environmental protection work layout. It assesses the financial impact of climate change on Universal Medical and formulates a series of response measures to avoid potential risks and minimize the negative impact of climate change on the company's financial condition.

Led by the Safety, Environmental Protection and Quality Management Committee and the ESG Working Group, various relevant departments prioritize climate change mitigation and adaptation as a key aspect of daily operations. Plans are in place to set targets related to climate risks and opportunities, and to establish performance assessment mechanisms for relevant organizational structures concerning climate risk and opportunity management, aligned with climate change management objectives.

- **Relevant Systems for Identifying and Addressing Significant Climate-Related Issues**

Against the backdrop of global warming, addressing climate change has become an urgent mission and task for all humanity. Extreme weather events such as strong winds, cyclones, floods, and torrential rains are increasingly frequent, posing numerous risks and challenges to the company's normal operations through resulting issues like power and water supply interruptions and urban waterlogging. In active response to the Paris Agreement and contributing to the goal of limiting global warming to 1.5° C, Universal Medical embraces its corporate social responsibility by regularly reviewing and assessing significant climate change-related issues and integrating climate change risks into the Group's internal risk management mechanisms and development strategy.

As one of the first domestic "Partnership for Early Awareness of Sustainability-Disclosure Together (P4EAST)", Universal Medical conducts greenhouse gas management, such as carbon inventories, and explores climate change strategies and measures based on the International Financial Reporting Sustainability Disclosure Standards No. 2 - Climate-related Disclosures (IFRS S2) and the climate change disclosure framework of the Task Force on Climate-related Financial

Disclosures (TCFD). During the reporting period, the Board members optimized and upgraded relevant guidelines for climate disclosure and formulated forward-looking strategic plans and adjustments accordingly, supporting the Group's green transition and sustainable development.

We closely monitor potential risks arising from climate change, such as policy reforms and fluctuations in energy and raw material prices. Strategies include building a comprehensive climate change management system, actively promoting low-carbon construction, and deeply exploring the application potential of green and low-carbon technologies. These efforts aim to enhance the company's overall resilience to climate change and contribute more significantly to global climate governance.

- **Enhancement of Professional Skills within Climate Risk and Opportunity Governance Bodies**

The Group's Board of Directors, Strategy and ESG Committee, Safety, Environmental Protection and Quality Management Committee, and ESG Working Group, as the bodies responsible for governing and executing climate risk and opportunity management, continuously enhance their management capabilities regarding climate-related risks and opportunities by reading and learning from internal and external public climate standards and educational resources. Additionally, the company will regularly invite domestic and international external experts to conduct professional skill enhancement training, such as "Climate Workshops," for the climate risk and opportunity governance bodies and relevant personnel.

Table: Climate-Related Training Information for All Directors of Genertec Universal Medical Group Company Limited in 2024

Date	Trainees	Training Type	Training Content
May 8	All Directors	Continuous Training	Forwarded Hong Kong Exchange's April 2024 "Listing Rules Enforcement Bulletin" and "Implementation Guidance on Climate Disclosure under the ESG Framework"

Table: Governance Bodies Overseeing Climate-Related Risks and Opportunities at Genertec Universal Medical Group Company Limited in 2024

No.	Governance Body	Scope of Authority & Description of Responsibilities	Oversight Responsibility Policy	Method and Frequency of Access to Climate Risks/Opportunities	Decision-Making Process
1	Strategy and ESG Committee	Participates in formulating policies, guidelines, strategies, and targets related to climate change; discusses and reviews them regularly (annually); monitors progress and performance; and makes recommendations to the Board as appropriate.	"Working Rules of the Strategy and ESG Committee"	Method: Strategy and ESG Committee Meetings Frequency: Once a year	Integrating climate issues into the medium-to-long term corporate strategy (including ESG strategic planning).
2	Safety, Env. Protection & Quality Mgmt. Committee	Fully considers climate change factors in the company's energy conservation and environmental protection work layout, assessing its financial impact on Universal Medical.	/	Method: Regular Meetings Frequency: Once a year	Formulating a series of response measures to avoid potential risks and minimize the negative financial impact of climate change.
3	ESG Working Group	Carries out work related to the identification and management of climate risks and opportunities, develops work plans, and makes recommendations to the Strategy and ESG Committee.	"Terms of Reference for the ESG Working Group."	Method: Reporting Frequency: Adjusted based on actual circumstances	Providing planning suggestions for climate strategy formulation, climate risk and opportunity management, etc.

（Ⅱ）Strategy

- **Low-Carbon Development Strategy**

To contribute to the national "Dual Carbon" goals (Peak Carbon & Carbon Neutrality) and fully promote the building of a Beautiful China, the Group thoroughly implements guiding documents such as the "Opinions of the CPC Central Committee and the State Council on Completely, Accurately, and Comprehensively Implementing the New Development Concept to Achieve Carbon Peak and Carbon Neutrality" and the "State Council's Notice on Issuing the Carbon Peak Action Plan Before 2030." It has released the "Energy Conservation and Environmental Protection Deepening Year Plan" and actively implements plans including the "Genertec Group Carbon Peak Action Plan," "Genertec Group Implementation Plan for Promoting the Building of a Beautiful China," and the "Genertec Group 2024-2025 Energy Conservation and Carbon Reduction Action Plan." Starting from its own low-carbon operations, the strategy extends to all links of the entire value chain. Through initiatives like supplier carbon management programs, carbon data and target management, and promotion of carbon reduction projects, the low-carbon development strategy guides the construction of a new pattern of green, low-carbon, and high-quality development for the Group. According to the "Carbon Peak Action Plan" and the "Energy Conservation and Environmental Protection Deepening Year Plan," during the "14th Five-Year Plan" period, Universal Medical focuses on four key deepening tasks: "Deepening the construction of energy conservation and environmental protection management foundations, Deepening pollution prevention and control, Deepening industrial green and low-carbon transformation, and Deepening the improvement of management personnel quality and capabilities." It continuously improves the green and low-carbon development management system, strengthens emissions supervision and governance, efficiently enhances energy utilization efficiency, and actively conducts professional training on energy conservation and environmental protection.

- **Identification, Response, and Financial Impact Assessment of Climate Risks and Opportunities**

We continuously monitor the potential financial impacts of climate-related risks and opportunities, preparing promptly to mitigate and address climate-related risks while further promoting the positive impact of climate change opportunities on the Group.

Table: Climate Risk Identification, Response and Financial Impact Assessment of Genertec Universal Medical Group Company Limited

Climate Change Risk Type		Description of Climate Change Risk and Its Impact on Universal Medical's Business Model, Value Chain, Strategy and Decision-Making	Time Horizon	Potential Financial Impact	Response Measures of Universal Medical
Trans-ition risk	Policy and Legal Risks	As the country tightens environmental regulatory requirements and continuously introduces climate change disclosure policies, the operating costs of clients/investment targets in carbon-intensive industries may increase. This could lead to higher credit risks or lower valuations for these entities, thereby affecting the Group. Meanwhile, if clients/investment targets/industrial entities under the Group fail to meet regulatory requirements in environmental management, they may face risks such as litigation, fines, and credit defaults, which will also have an impact on the Group.	Medium to Long-term	Increased Operating Costs	• Actively respond to and fully support the country's plans related to climate change, and formulate dual-carbon development strategies and action plans in advance; • Hospitals under Universal Medical actively carry out energy transition projects to build green and low-carbon hospitals; • CULC, a subsidiary of Universal Medical, persists in focusing on green fields such as sewage treatment, photovoltaic new energy, and green transportation. During the reporting
	Techn-ology Risks	Against the backdrop of climate change, carbon-intensive technologies/products will be phased out. The Group needs to invest more research costs to develop low-carbon technologies to meet the requirements of policies and stakeholders. There may be risks of investment failure in new low-carbon technologies and increased costs of low-carbon technology transformation.	Medium to Long-term	Increased Operating Costs	
	Market Risks	In the context of green and low-carbon development, the popularity of green consumption behavior is rising. Changes in customer behavior resulting from this trend will expose the Group	Short, Medium and Long-term	Decreased Operating Income	

		to market risks			period, it has successively issued green loans and domestic and foreign ESG loans.
	Reputational Risks	With the introduction of the "dual-carbon" policy, stakeholders such as investors and clients are paying increasing attention to green products and green finance. If the Group invests insufficiently in this area, it will fail to meet the expectations of investors and clients.	Short, Medium and Long-term	Reduced Value of Investment Portfolio Decreased Operating Income	

Climate Change Risk Type		Description of Climate Change Risk and Its Impact on Universal Medical's Business Model, Value Chain, Strategy and Decision-Making	Time Horizon	Potential Financial Impact	Response Measures of Universal Medical
Physical Risks	Acute Risks	Extreme weather caused by climate change will lead to various natural disasters and emergencies, which may bring instability to the logistics distribution and personnel transportation of hospitals.	Short, Medium and Long-term	Increased Operating Costs Increased Infrastructure Construction Costs	• Formulate the Emergency Management Measures for Unexpected Events and the Overall Emergency Plan for EHS Accidents to eliminate or minimize the adverse impacts caused by extreme weather.
	Chronic Risks	The gradual rise in average temperature under the long-term effect of climate change may affect the storage of medical supplies. At the same time, it is necessary to increase the procurement of cooling facilities such as air conditioners and control the operation costs to maintain a comfortable temperature for patients and staff.	Medium to Long-term	Increased Operating Costs	

Table: Identification, Response and Financial Impact Assessment of Climate Opportunities for Genertec Universal Medical Group Company Limited

Type of Climate Opportu-nity	Description of Climate Opportunity	Time Horizon	Potential Financial Impact	Specific Practices of Universal Medical
Resource Use Efficiency	Improve energy use efficiency by adopting low-energy-consuming equipment and carrying out smart energy projects.	Short, Medium and Long-term	Reduced Operating Costs	• Carry out green, low-carbon and smart energy projects in XD Hospital and Pangang Xichang Hospital under the Group; • Issue green Asset-Backed Securities (ABS) and use all raised funds for green industry projects such as clean energy to promote the development and application of clean energy projects; • Successfully launch the first overseas syndicated loan and bilateral loan in line with the Green Loan Principles, which are used for green photovoltaic new energy sale-and-leaseback projects; • The Group actively builds a green supply chain, including encouraging suppliers to adopt renewable energy and resources.
Energy Source	Promote the use of clean energy, such as increasing photovoltaic power generation, wind power generation or hydropower generation to meet energy demand and reduce greenhouse gas emissions.		Increased Value of Investment Portfolio	
Market	Under the favorable environment of carbon neutrality policies, the financing demand of small and medium-sized energy-saving and environmental protection service enterprises will increase, and green finance business will be more favored by the market.		Increased Operating Income Increased Value of Investment Portfolio	
Resilience /Adaptab-ility	Actively participate in renewable energy projects, adopt various energy-saving measures, and select environmentally friendly suppliers to enhance its own climate resilience.		Reduced Operating Costs	

Table: Innovative Measures and Effects of Genertec Universal Medical Group Company Limited for Mitigating and Adapting to Climate Change

Serial Number	Innovative Measure	Effect	Cost Incurred
1	CULC, a subsidiary of Universal Medical, successfully launched 1 overseas ESG syndicated loan, 2 overseas ESG bilateral loans, achieving a "zero breakthrough" in the Group's overseas ESG loans; launched 1 domestic ESG-linked syndicated loan to support the development of smart technology in primary medical care; successfully issued the first ESG-linked corporate bond and the first ESG-linked	In the fiscal year 2024, the Group issued a total of RMB 2.477 billion in sustainable and green bonds, RMB 1.477 billion in ESG-linked derivatives, and the scale of green credit reached RMB 7.053	The total cost of agency fees, certification fees, underwriting fees, etc. exceeded RMB 20 million.

	ABS. It improved environmental management benefits through investment in green projects.	billion.	
2	The energy station of MCC 17 Hospital under Universal Medical adopts a ground-source heat pump system, which can effectively utilize shallow geothermal energy (a type of renewable energy) to provide cold and heat sources for the building's air conditioning and hot water systems; at the same time, through the integration of renewable energy and load-side demand by the smart energy management and control system, a low-carbon hospital energy system is built to further reduce the hospital's carbon emissions and energy consumption.	It is estimated that after the energy station is completed, compared with the conventional energy system, the ground-source heat pump system can effectively reduce electricity consumption by 615,500 kWh and natural gas consumption by 48,600 m^3 per year, and reduce carbon dioxide emissions by 543 tons per year.	The project adopts the mode of entrusting a third party for investment and construction, with an initial investment of approximately RMB 20.99 million.

- **Analysis of Climate-Related Physical Risks**

- **Types of Climate-Related Physical Risks**

Universal Medical conducted climate scenario analysis for acute and chronic physical risks, performing risk screening to assess the financial impact of climate-related physical risks. The Group selected its top 12 significant assets, using macro-geographic risk measurement data to assess the absolute physical risk (estimated asset loss) and relative physical risk (proportion of asset loss) for each asset based on its geographical characteristics. Based on the material impact of physical risks on the company, the physical risk types covered in this climate scenario analysis include: extreme heat, extreme cold, extreme rainfall, and extreme wind.

- **Asset Selection for Climate-Related Physical Risk Assessment**

To assess the potential financial impact of climate change, we enhanced the climate scenario analysis by selecting 12 asset locations with relatively high current asset value and importance, totaling RMB 3.809 billion, to evaluate the financial impact of physical risks. The 12 sample assets selected by the Group are all hospitals and are investment and operation assets of Universal Medical. As core venues providing healthcare services, the normal operation of hospitals is directly related to public health and social public health security. They also feature complex asset structures, equipment intensity, high operational requirements, and strong dependence on the physical environment. Once exposed to acute physical risks (such as natural disasters, accidents, infrastructure failures), not only direct losses to the assets themselves may occur, but also a series of indirect financial impacts such as reduced

medical service income, patient loss, and increased emergency repair costs may be triggered.

Table: Universal Medical Physical (Climate) Risk Assessment Asset Sample

Asset Name	Asset Value (million yuan)	Province	City/Town	Coastal
Yantai Harbour Hospital	565.95	Shandong	Yantai, Shandong	Y
XD Hospital	692.17	Shaanxi	Xi'an, Shaanxi	F
MCC Shanghai Hospital	488.37	Shanghai	Baoshan District	Y
Ansteel Group General Hospital	406.75	Liaoning	Anshan, Liaoning	F
Yangmei General Hospital	405.88	Shanxi	Yangquan, Shanxi	F
Xianyang Caihong Hospital	304.99	Shaanxi	Xianyang, Shaanxi	F
XI'an Aero Hospital	254.37	Shaanxi	Xi'an, Shaanxi	F
Pangang Group Hospital	246.33	Sichuan	Chengdu, Sichuan	F
MCC 17 Hospital	187.08	Anhui	Maanshan, Anhui	F
Yangmei Occupational Disease Prevention Hospital	94.08	Shanxi	Yangquan, Shanxi	F
Taiyuan 7th People's Hospital	82.68	Shanxi	Taiyuan, Shanxi	F
Pangang Xichang Hospital	80.01	Sichuan	Xichang, Sichuan	F

Table: Top Five Assets by Asset Value

Asset Name	Asset Value (million yuan)	Province		City/Town
XD Hospital	692.17	Shaanxi	W	Xi'an, Shaanxi
Yantai Harbour Hospital	565.95	Shandong	E	Yantai, Shandong
MCC Shanghai Hospital	488.37	Shanghai	E	Baoshan District
Ansteel Group General Hospital	406.75	Liaoning	E	Anshan, Liaoning
Yangmei General Hospital	405.88	Shanxi	M	Yangquan, Shanxi

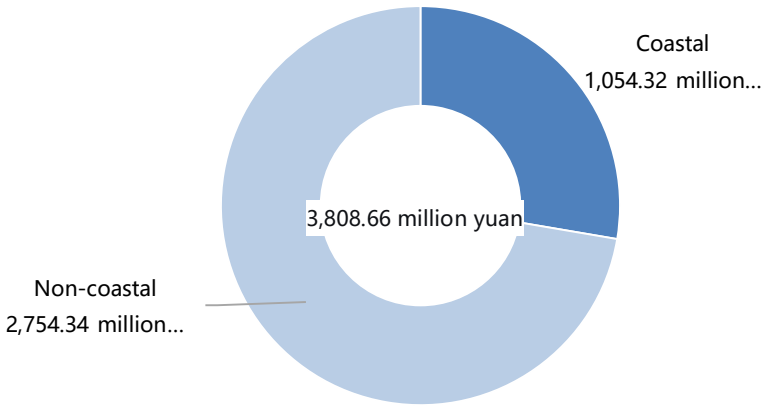

Chart: Proportion of Coastal vs. Non-Coastal Assets

Geographically, among the 12 selected hospitals, Yantai Harbour Hospital and MCC Shanghai Hospital are located in coastal cities, while the others are inland hospitals. Coastal hospital assets account for 28% of the total sample asset value, representing a relatively high proportion.

- **Selection of Climate-Related Physical Scenarios**

The Group selected the Shared Socioeconomic Pathways (SSPs) introduced by the Intergovernmental Panel on Climate Change (IPCC) in 2010, which describe global socioeconomic development scenarios. They are used to quantitatively describe the relationship between climate change and socioeconomic development pathways, reflecting the future challenges of climate change adaptation and mitigation faced by society. We selected three different pathways – SSP1-2.6 (Sustainability Pathway), SSP2-4.5 (Middle of the Road Pathway), and SSP5-8.5 (Fossil-Fueled Development Pathway) – to estimate asset impairment losses due to physical risks.

Table: Climate Scenario Analysis Scenario Definitions for Genertec Universal Medical Group Company Limited

Scenario	Scenario Description	
SSP1-2.6： Sustainability Pathway	Global temperatures stabilize at ~1.8℃ above pre-industrial levels by end of century.	Population growth is low, characterized by low fertility and mortality rates (demographic transition), high education levels, and high, stabilized urbanization. Long-term economic growth slows, shifting towards a green, low-carbon model. Global CO_2 emissions follow strict reduction standards, gradually declining, but at a relatively moderate pace, achieving net-zero emissions around/after 2050.

Scenario	Scenario Description	
SSP2-4.5： Middle of the Road Pathway	Temperature rise of 2.7℃ by end of century.	Development indicators across population, economy, and society are at median levels or evolve steadily along current trends, without significant transformation or breakthrough. Coordination between economic growth, social development, and ecological protection is moderate, neither highly synergistic nor significantly imbalanced. Global CO_2 emissions remain roughly stable until mid-century, then begin to decline, but net-zero is not achieved by end-century, with emissions remaining at a certain level.
SSP5-8.5： Fossil-Fueled Development Pathway	Global average temperature rise of 4.4℃ by 2100.	A high climate forcing scenario characterized by strong technological progress but limited global focus and response to climate warming. The energy system relies heavily on traditional fossil fuels, resulting in high GHG emission intensity and volume, facing significant socioeconomic constraints and challenges in climate change mitigation actions. Global CO_2 emission levels are projected to roughly double by mid-century compared to current levels.

- **Climate-Related Physical Risk Analysis Process and Key Assumptions**

Universal Medical actively addresses the challenges of physical risks from climate change. By introducing a physical risk impact function model, the company analyzes the impact pathways of different climate hazards on its assets and quantifies the potential financial losses to asset value from various physical risks.

Table: Climate-Related Physical Risk Analysis Process and Key Assumptions

	Analysis conducted across three dimensions: Hazard, Vulnerability, and Exposure: ● Hazard primarily considers factors like the asset location and the severity of specific physical hazards under the selected scenario. ● Vulnerability primarily considers factors like asset type characteristics and corresponding loss functions. ● Exposure primarily considers factors like total asset value.
K	● Asset locations remain unchanged during the time horizon of this scenario analysis. ● Insurance or any climate-related physical risk response measures are not considered.

- **Key Outputs of Climate-Related Physical Risk Analysis**

Universal Medical categorizes risk into three levels based on the estimated asset loss as a proportion of total asset value: High Risk (asset impact >5%), Medium Risk (asset impact 1%~5%), and Low Risk (asset impact <1%). High risk indicates a significant impact on asset value, medium risk indicates a clear material impact, and low risk indicates a minor impact.

Through data model analysis, the group concluded that under SSP1-2.6 (sustainable development pathway), SSP2 (intermediate pathway), and SSP5 (traditional fossil fuel-dominated pathway), all assets are in a low climate risk zone, and the company's assets will only be slightly affected by climate risk.

Table: Risk Classification of Assets Affected by Climate Hazards in 2050

No.	Asset Name	SSP1-2.6 Risk Exposure Classification	SSP2-4.5 Risk Exposure Classification	SSP5-8.5 Risk Exposure Classification
1	Yantai Harbour Hospital	Low	Low	Low
2	Xidian Group Hospital	Low	Low	Low
3	MCC Shanghai Hospital	Low	Low	Low
4	Ansteel Group General Hospital	Low	Low	Low
5	Yangmei General Hospital	Low	Low	Low
6	Xianyang Caihong Hospital	Low	Low	Low
7	XI'an Aero Hospital	Low	Low	Low
8	Pangang Group Hospital	Low	Low	Low
9	MCC 17 Hospital	Low	Low	Low
10	Yangmei Occupational Disease Prevention Hospital	Low	Low	Low
11	Taiyuan 7th People's Hospital	Low	Low	Low
12	Pangang Xichang Hospital	Low	Low	Low

Data Source: IPCC

Thresholds: High Risk (>5%), Medium Risk (1%~5%), Low Risk (<1%)

By 2050, under the SSP1-2.6 emissions scenario, all assets of Universal Medical fall within the low-risk range. Under the SSP2-4.5 scenario, 41.7% of assets are in the medium-risk range, subject to the material impact of climate physical risks. Under the SSP5-8.5 scenario, half of the assets fall within the medium-risk range, significantly affecting the company's asset value. Given the limited possibility of achieving net-zero carbon emissions by 2050, the Group will strengthen prevention against potential physical climate risks to reduce the risk of damage.

Table: Comprehensive Comparison of Absolute Losses Under Three Scenarios

Asset Name	SSP1-2.6 Absolute Loss (RMB million)	SSP2-4.5 Absolute Loss (RMB million)	SSP5-8.5 Absolute Loss (RMB million)
Ansteel Group General Hospital	2.98	4.05	4.09
MCC Shanghai Hospital	3.00	3.45	3.30
Yantai Harbour Hospital	2.72	3.20	3.57
XD Hospital	1.36	2.55	3.18
Xianyang Caihong Hospital	1.36	2.55	3.18
XI'an Aero Hospital	1.36	2.55	3.18
MCC 17 Hospital	0.82	2.21	3.13
Yangmei General Hospital	0.73	1.85	2.47
Yangmei Occupational Disease Prevention Hospital	0.73	1.85	2.47
Taiyuan 7th People's Hospital	0.73	1.85	2.47
Pangang Group Hospital	0.68	0.68	0.68
Pangang Xichang Hospital	0.48	0.68	0.74
Total	**16.95**	**27.47**	**32.46**

The absolute risk loss (simulated average annual loss in absolute RMB terms) is RMB 16.95 million, RMB 27.47 million, and RMB 32.46 million under SSP1-2.6, SSP2-4.5, and SSP5-8.5 respectively, increasing as the emission scenario worsens.

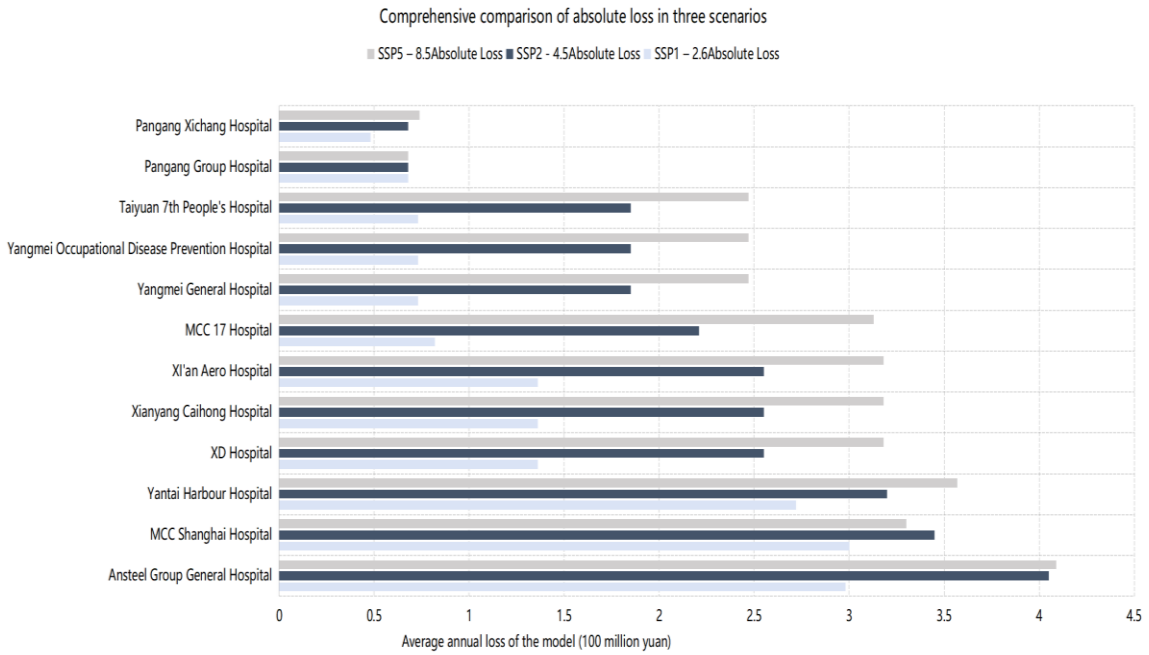

Chart: Comprehensive Comparison of Absolute Losses per Asset Under Three Scenarios

Combining the three scenarios, the top three assets by absolute loss amount are Ansteel Group General Hospital, MCC Shanghai Hospital, and Yantai Harbour Hospital. These three hospitals rank 2nd, 3rd, and 4th in the sample by asset value, indicating larger relative asset values and higher absolute figures. Furthermore, all three are located in eastern monsoon and subtropical monsoon coastal regions, making them susceptible to extreme heat, extreme rainfall, and extreme wind.

Table: Comprehensive Comparison of Relative Losses Under Three Scenarios

Asset Name	SSP1-2.6 Relative Loss	SSP2-4.5 Relative Loss	SSP5-8.5 Relative Loss
Ansteel Group General Hospital	0.08%	0.11%	0.11%
MCC Shanghai Hospital	0.08%	0.09%	0.09%
Yantai Harbour Hospital	0.07%	0.08%	0.09%
XD Hospital	0.04%	0.07%	0.08%
Xianyang Caihong Hospital	0.04%	0.07%	0.08%
XI'an Aero Hospital	0.04%	0.07%	0.08%
MCC 17 Hospital	0.02%	0.06%	0.08%
Yangmei General Hospital	0.02%	0.05%	0.06%
Yangmei Occupational Disease Prevention Hospital	0.02%	0.05%	0.06%

Asset Name	SSP1-2.6 Relative Loss	SSP2-4.5 Relative Loss	SSP5-8.5 Relative Loss
Taiyuan 7th People's Hospital	0.02%	0.05%	0.06%
Pangang Group Hospital	0.02%	0.02%	0.02%
Pangang Xichang Hospital	0.01%	0.02%	0.02%
Total	**0.45%**	**0.72%**	**0.85%**

The relative risk loss (i.e., the share of lost assets to current total assets) under SSP1-2.6, SSP2-4.5, and SSP5-8.5 is 0.45%, 0.72%, and 0.85% respectively. In aggregate, the amount is significant and shows an upward trend as the emission scenario worsens. However, the share for each individual asset is less than 1%, placing them in the low-risk range, indicating that climate risk does not pose a substantive threat to the Group's assets.

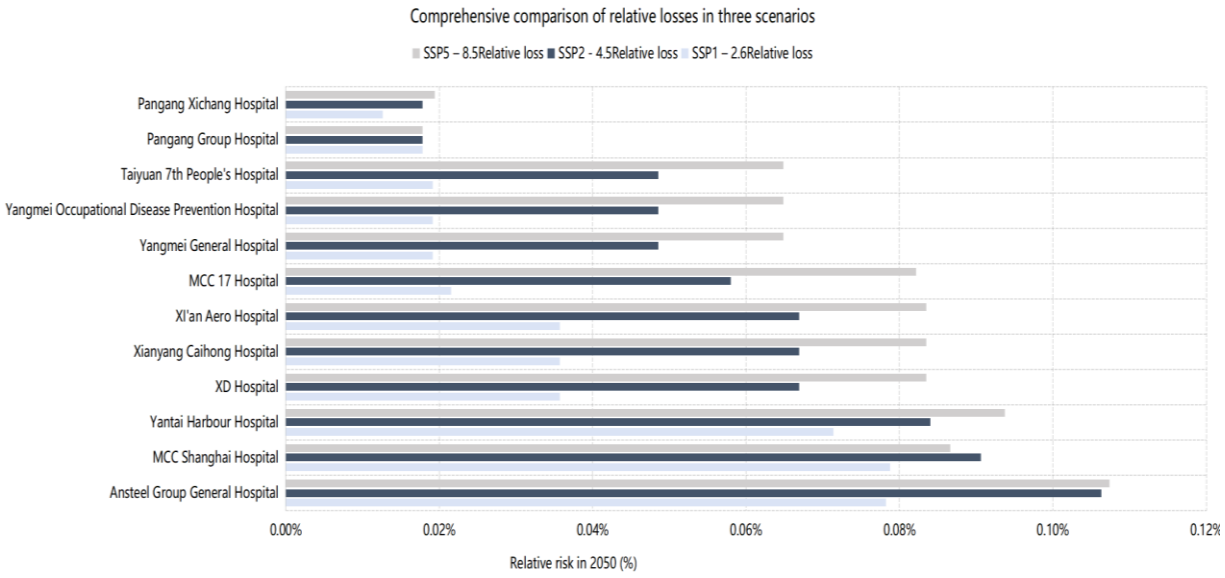

Chart: Comprehensive Comparison of Relative Losses per Asset Under Three Scenarios

Combining the three scenarios, the top three assets by relative asset loss are still Ansteel Group General Hospital, MCC Shanghai Hospital, and Yantai Harbour Hospital. Their higher ranking compared to other assets is due to their larger intrinsic asset value and location in coastal monsoon climate zones, making them susceptible to extreme heat, extreme rainfall, and extreme wind. The reasons for this analysis result are the same as those causing the larger absolute asset loss amounts mentioned above.

(Ⅲ)Risk and Opportunity Management

Universal Medical actively engages in the management of climate-related risks and opportunities, and has integrated climate risk management into the company's

overall risk management processes. Specialized documentation has been established to record the Group's cross-functional climate risk management procedures.

Table: Management Process for Climate Risks and Opportunities of Genertec Universal Medical Group Company Limited

Risk/Opportunity Category	Identification Method	Assessment Method	Ranking Method	Monitoring and Management Method	Integration into the Overall Risk Management Process
Risk - Chronic Physical Risks	Analyze long-term climate data (such as average temperature change trends) and combine with the characteristics of the medical industry to identify potential risks of temperature rise on the storage of medical supplies and energy consumption of cooling facilities.	Take the long-term probability of risk occurrence (such as the possibility of temperature rise trends in the next 10-30 years) and the cumulative impact on operating costs (such as increased energy consumption of air conditioners, loss costs of medical supplies) as evaluation dimensions.	Set a critical value for the increase in long-term operating costs, and give priority to addressing risks whose cumulative financial impact may exceed the critical value.	Analyze the correlation between temperature change data and cooling-related expenses in operating costs as well as the loss rate of medical supplies on a quarterly basis, and track risk trends.	Incorporate into the enterprise's long-term operating cost risk management system, and consider the response measures for chronic physical risks in the annual budget preparation and facility maintenance plans.

Risk/Opportunity Category	Identification Method	Assessment Method	Ranking Method	Monitoring and Management Method	Integration into the Overall Risk Management Process
Risk - Acute Physical Risks	Establish a natural disaster model, identify risks such as extreme weather (strong winds, floods, etc.) and the resulting power and water supply interruptions, waterlogging based on factors such as geographical location, and assess the impact on hospital logistics and personnel transportation.	Take the probability of risk occurrence and the degree of impact (such as infrastructure costs, operational interruption losses) as dimensions.	Set an upper limit for the impact on asset value, and give priority to addressing risks that exceed the upper limit.	Regularly issue extreme weather forecast reports and monitor the risks that may be caused by extreme weather in the next cycle.	Incorporate into the overall operational risk management system, and respond through plans such as the Emergenc-y Management Measures for Unexpected Events.
Risk - Transition Risks (Policy and Legal Risks)	Track policy developments such as national and local environmental regulatory policies and climate change disclosure requirements, and judge the compliance pressure that policy changes may bring in combination with its own business (such as green finance, hospital operation).	Take the possibility of policy introduction and the impact on customer credit risks and its own operating costs (such as fines, renovation costs) as evaluation dimensions.	Set an upper limit for losses that may be caused by policy non-compliance (such as credit default losses, fine amounts), and give priority to addressing risks with potential losses exceeding the upper limit.	Regularly collect policy update information and assess the matching degree between existing businesses and policy requirements.	Incorporate into the enterprise's compliance risk management system, and add policy compliance review links in customer credit approval and project investment decisions.

Risk/Opportunity Category	Identification Method	Assessment Method	Ranking Method	Monitoring and Management Method	Integration into the Overall Risk Management Process
Risk - Transition Risks (Technology Risks)	Pay attention to the development trends of low-carbon technologies (such as new energy equipment, hospital energy-saving technologies), and assess the possibility of existing technologies being phased out and the difficulty of new technology research and development/application.	Take the speed of new technologies replacing existing technologies (possibility) and the investment costs required for technology transformation and the risk of R&D failure (degree of impact) as evaluation dimensions.	Set a threshold for the return on investment of technology transform-ation, and give priority to addressing risks where the return on investment may be lower than the threshold due to backward technologies.	Track industry technology progress on a quarterly basis, assess the competitiveness of existing technologies and transformati-on needs annually, and update the technology risk list.	Incorporate into the enterprise's technology innovation risk management system, and reserve funds for technology transformatio-n in R&D budget allocation and equipment renewal plans.
Risk - Transition Risks (Market Risks)	Investigate changes in customer demand for green medical services and green financial products, and analyze the potential impact of market preference changes on business income.	Take the popularization speed of customers' green consumption behavior (possibility) and the degree of impact on traditional business income (such as the decline in market share) as evaluation dimensions.	Set an early warning line for the decline in traditional business income, and give priority to addressing risks where the income decline may break through the early warning line.	Conduct customer demand surveys on a quarterly basis, analyze the changes in the income ratio between green businesses and traditional businesses, and monitor the impact of market risks on performance.	Incorporate into the enterprise's market strategy risk management system, add targets for the proportion of green businesses in business planning, and balance the layout of traditional businesses and emerging businesses.

Risk/Opportunity Category	Identification Method	Assessment Method	Ranking Method	Monitoring and Management Method	Integration into the Overall Risk Management Process
Risk - Transition Risks (Reputation Risks)	Identify the risk of brand image damage caused by insufficient investment in green transformation through investor feedback, social public opinion monitoring, and ESG rating results.	Take the possibility of reputational events (such as the frequency of negative public opinions) and the degree of impact on investor confidence (such as stock price fluctuations) and customer cooperation willingness as evaluation dimensions.	Set an upper limit for the customer churn rate or stock price decline that may be caused by brand reputation damage, and give priority to addressing risks that exceed the upper limit.	Monitor public opinion dynamics in real time, conduct stakeholder satisfaction surveys every six months, and track changes in ESG ratings.	Incorporate into the enterprise's brand risk management system, and add reputation risk response measures in ESG strategy implementation and public relations crisis plans.
Opportunity - Resource Use Efficiency	Combine the characteristics of hospital operation and financial business to analyze the potential of improving resource efficiency by adopting low-energy-consuming equipment and smart energy projects, such as the potential for reducing energy consumption by energy-saving equipment.	Take the implementation feasibility (probability) of resource efficiency improvement measures and the amount of operating cost reduction (degree of impact) as evaluation dimensions.	Set a minimum threshold for cost reduction, and give priority to seizing opportunities where the cost reduction after implementation may exceed the threshold.	Count the utilization rate of low-energy-consuming equipment and the energy-saving data of smart energy projects on a monthly basis, and compare the difference between actual cost savings and expected targets.	Incorporate into the enterprise's cost control management system, clarify quantitative indicators for resource efficiency improvement in the annual cost optimization targets, and link them with the performance evaluation of departments.

Risk/Opportunity Category	Identification Method	Assessment Method	Ranking Method	Monitoring and Management Method	Integration into the Overall Risk Management Process
Opportunity - Market	Analyze the growth potential of market demand for green financial businesses (such as green credit, ESG-linked bonds) and green medical services under the carbon neutrality policy, and assess the matching degree of its own business.	Take the growth speed of market demand (probability) and the amount of income growth that may be brought by business expansion (degree of impact) as evaluation dimensions.	Set a target value for business income growth, and give priority to seizing opportunities where the income growth may exceed the target value.	Analyze the market share and customer growth rate of green businesses on a quarterly basis, and track the stimulating effect of policies on market demand.	Incorporate into the enterprise's market expansion management system, and give priority to allocating resources (such as marketing budgets, team allocation) to green businesses in the business development plan.
Opportunity - Resilience/ Adaptability	Assess the role of selecting environmentally friendly suppliers and participating in renewable energy projects in enhancing the enterprise's ability to respond to climate fluctuations, such as the improvement potential of supply chain stability and energy supply continuity.	Take the feasibility of suppliers' green transformation, the stability of renewable energy projects (probability) and the degree of reduction in operational interruption risks (such as the amount of reduction in supply chain interruption losses) as evaluation dimensions.	Set a lower limit for the reduction in operational interruption losses that may be brought by resilience improvement, and give priority to seizing opportunities where the loss reduction exceeds the lower limit.	Evaluate the environmental performance of suppliers and the power supply stability of renewable energy projects every six months, and analyze their actual improvement effect on operational continuity.	Incorporate into the enterprise's supply chain risk management and energy security management system, and add resilience indicators in supplier selection standards and energy procurement strategies.

（Ⅳ）Metrics and Targets

➢ Climate-Related Metrics

The group has systematically conducted accounting of its total greenhouse gas (GHG) emissions for multiple consecutive years, with the accounting scope comprehensively covering both Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased energy). Building on this, the company conducts in-depth reviews and evaluations of the annual trends in GHG emission metrics. By analyzing the drivers behind fluctuations in emission data and assessing the effectiveness of existing emission reduction measures, Universal Medical strengthens its data foundation and decision-making basis for further optimizing reduction strategies and setting science-based emission reduction targets, continuously advancing its low-carbon transition.

Table: Climate-Related Metrics Performance for 2024 of Genertec Universal Medical Group Company Limited

Metric	Unit	2024 Value
Scope 1 GHG Emissions	tCO_2e	6,172.50
Scope 2 GHG Emissions	tCO_2e	49,551.67
Total GHG Emissions (Scope 1+2)	tCO_2e	55,724.17
GHG Emission Intensity	tCO_2e/person	2.43

Note 1: [Statistical Scope] Includes the Group's headquarters, all subsidiaries, and affiliated hospitals. **[Accounting Basis]** The accounting for Scope 1 and Scope 2 greenhouse gas emissions follows the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

Note 2: [Accounting Method] Scope 1 greenhouse gas emissions include direct emissions from fossil fuel combustion and fugitive emissions from production processes. The emission factors for fossil fuels refer to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the General Principles for Calculation of Total Production Energy Consumption (GB/T 2589-2020).

Note 3: [Accounting Method] Scope 2 greenhouse gas emissions include indirect emissions from electricity consumption. The electricity emission factor is sourced from the Announcement on the Release of the 2022 CO_2 Emission Factors for Electricity jointly published by the Ministry of Ecology and Environment of the People's Republic of China and the National Bureau of Statistics.

➢ Climate-Related Targets

The group is further advancing the Group's green and low-carbon development, with its carbon peak action plan having achieved phased objectives. To reduce carbon emissions from core operations, the Group has implemented emission reduction projects across all relevant operational areas and undertaken proactive efforts, including adopting low-carbon alternatives for energy needs and improving energy use efficiency.

Table: Climate-Related Targets, Action Plans, Annual Progress, and Effectiveness for Genertec Universal Medical Group Company Limited

Energy Conservation and Carbon Reduction Targets, Action Plans, Annual Progress and Results	
Medium-term Target: Green Operation	• Strengthen the management of official vehicles. Through the implementation of internal vehicle management practices and plans, count the energy consumption of vehicles on a quarterly basis, practice scientific energy conservation verification, conduct regular-inspections of vehicle conditions to ensure that vehicle emissions meet national standards, reasonably arrange vehicle travel routes and the allocation of personnel using vehicles, and minimize the empty driving mileage of vehicles. • Expand the use of online systems for document submission/approval to reduce overall paper usage, promote non-official double-sided printing and other green office practices. • Change the enterprise's energy consumption habits, adopt low and appropriate lighting for the hospital environment in terms of hardware configuration; conduct regular energy statistics and analysis; identify high-energy-consuming equipment and replace them gradually; purchase high-efficiency and energy-saving medical equipment when permitted, and carry out research on energy-saving paths.
	Progress Check: √ In progress as planned Result Verification: We have replaced a batch of high-energy-consuming lamps with LED lamps; conduct statistics and analysis on energy sources such as electricity, oil, and gas on a quarterly basis; at the same time, we have identified high-energy-consuming equipment; carried out the transformation of water and electricity systems to realize the intelligent monitoring of energy consumption systems; and carried out power-saving upgrades for equipment.
Medium-term Target: Strengthen the Management of Official Vehicles	• Through the implementation of internal vehicle management practices and plans, count the energy consumption of vehicles on a quarterly basis, and practice scientific energy conservation verification. • Conduct regular inspections of vehicle conditions to ensure that vehicle emissions meet national standards. • Reasonably arrange vehicle travel routes and the allocation of personnel using vehicles to minimize the empty driving mileage of vehicles.

Energy Conservation and Carbon Reduction Targets, Action Plans, Annual Progress and Results	
	Progress Check: √ In progress as planned Result Verification: We have built an intelligent official vehicle management system to improve the efficiency of vehicle use; give priority to new energy vehicles when purchasing vehicles to reduce carbon emissions; strictly implement the regular maintenance system for vehicles to ensure that vehicles are always in the best operating condition.
Medium-term Target: Reduce Hospital Carbon Footprint	• Guide functional departments to review the transportation arrangements for hospital personnel and logistics, and advocate green travel for employees.
	Progress Check: √ In progress as planned Result Verification: Hospitals under the Group have carried out smart energy projects and implemented refined management of energy consumption.
Long-term Target: Promote the Use of Renewable Energy	• Actively promote the use of clean energy, give priority to the adoption of green electricity generated by solar energy and wind energy, and gradually increase the utilization rate of green electricity.
	Progress Check: √ In progress as planned Result Verification: A number of green finance projects have been launched, investing in the clean energy field.
Long-term Target: Reduction in Per Capita Carbon Dioxide Emissions	• Formulate a carbon emission management system and internal management policies. • Formulate the target for carbon dioxide emission intensity per 10,000 yuan of output value (revenue): the emission intensity in 2024 shall not exceed 2.5 tonnes of carbon dioxide equivalent per person.
	Progress Check: √ In progress as planned Result Verification: The target for carbon dioxide emission intensity has been formulated, and the Group relies on the dual drivers of low-carbon medical care and green finance to achieve the final target.

Universal Medical establishes short-term greenhouse gas (GHG) emission reduction targets on an annual cycle. The target set for 2024 is to maintain GHG emission intensity at no higher than 2.5 tonnes of carbon dioxide equivalent per person (tCO_2e/person).

Table: Genertec Universal Medical Group Company Limited's 2024 Greenhouse Gas Intensity Target

Target Indicator	Greenhouse Gas Emission Intensity (Scope 1 + Scope 2)
Purpose of Target Setting	Improve energy efficiency, reduce per capita GHG emission intensity, and contribute to climate change mitigation
Applicable Organizational Scope	The Group and its subsidiaries, including affiliated hospitals
Target Timeframe	Calendar year 2024
Target Type and Content	Absolute target: GHG emission intensity ≤ 2.5 tCO_2e per person
Reference International Climate Agreement	Science Based Targets initiative (SBTi)
Reference Methodology	Given industry and business characteristics, the economic intensity contraction method was adopted, aligning with the need to set intensity targets using per capita metrics. Detailed implementation plans were developed, and responsibility agreements were signed with various departments and subordinate units to promote energy conservation and emission reduction measures in offices and medical facilities to ensure target achievement.
Derived from Sectoral Decarbonization Approach	No
Progress Toward Target Achievement in 2024	Target achieved
Target Setting and Review Methodology	Led by the ESG Working Group, discussed and determined by relevant department heads, and approved by the Strategy and ESG Committee under the Board of Directors
Metrics for Monitoring Progress	Scope 1 GHG emission-related metrics (e.g., natural gas consumption), Scope 2 GHG emission-related metrics (e.g., electricity consumption)
Third-Party Verification of Target and Methodology	Yes, the 2024 ESG report including this target received third-party certification
Analysis of Performance Trends/Changes	Universal Medical's per capita GHG emission intensity has increased year-over-year, but the rate of increase has gradually slowed