HC SURGICAL SPECIALISTS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201533429G)

FY2026 Sustainability Report

This Sustainability Report has been reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this Sustainability Report, including the correctness of any of the statements or opinions made, or reports contained in this Sustainability Report.

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #04-02 Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.

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BOARD STATEMENT

Dear Stakeholders,

On behalf of the Board of Directors and Management of HC Surgical Specialists Limited ("**HCSS**"), I am pleased to present our annual Sustainability Report (the “**Report**”) for the financial year ended 31 May 2026 ("**FY2026**"). This report reinforces our unwavering dedication to embedding environmental, social, and governance ("**ESG**") principles across all facets of our operations.

Our Board of Directors places sustainability at the core of our business strategy, recognising it as a key driver of long-term value creation for our stakeholders. Through robust governance, environmental responsibility, and social accountability, the Board ensures that sustainability considerations are integrated into the Group’s business operations and strategic decision-making. The Board ensures active oversight of sustainability-related issues through evaluating and incorporating sustainability-related risks when shaping the Group’s business strategy, identifying and prioritising material ESG factors and monitoring their effective management.

Throughout the year, we have continued to make meaningful progress in strengthening our sustainability practices and embedding ESG considerations across our operations. As sustainability challenges and stakeholder expectations continue to evolve, we remain committed to enhancing our sustainability initiatives and improving transparency and accountability. These efforts support our ambition to build a resilient and responsible business that is well-positioned for long-term growth and value creation.

Looking ahead, we will continue to monitor and improve our sustainability practices and integrate initiatives into our core business operations, promoting environmental stewardship, workplace inclusivity, and responsible governance. These endeavours drive our efforts to enhance patient care and positively impact our community and the environment.

We extend our sincere gratitude for the continued support of our stakeholders. Through our collective efforts, we are committed to building a sustainable future, enhancing lives, and creating a thriving environment for generations to come.

Mr. Chan Pengee, Adrian

Non-Executive Chairman and Independent Director

ABOUT THIS REPORT

Reporting Framework

This Sustainability Report outlines the Group's policies, practices, and performance concerning each material ESG factor for the financial year from 1 June 2025 to 31 May 2026. The report has also been prepared in compliance with Rules 711A and 711B of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Catalist Rules**"), as well as Practice Note 7F, involving the timely publication of the sustainability report as well as the inclusion of the six primary components of a sustainability report.

In line with the enhanced sustainability reporting requirements under the SGX-ST Listing Rules 711A and 711B, the Group will progressively incorporate climate-related disclosures to align with the International Financial Reporting Standards ("**IFRS**") S2 Climate-related disclosures ("**IFRS S2**") set by the International Sustainability Standards Board ("**ISSB**") by FY2031. This Report has been prepared with reference to the Global Reporting Initiative ("**GRI**") Standards 2021, selected due to its international recognition, wide adoption, and alignment with our business model. We have applied all GRI reporting principles, including accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability in the preparation of this Report.

External Assurance

While external assurance was not obtained for FY2026, we remain open to pursuing external independent assurance in the future as part of our ongoing efforts to strengthen transparency and credibility of our sustainability reporting.

Hardcopies of the Sustainability Report will be mailed to shareholders upon request. Electronic version of the report can also be found on our website at https://www.hcsurgicalspecialists.com/ as well as SGX-ST's website, at www.sgx.com.

Feedback

We value the input of our stakeholders and invite you to share your feedback and suggestions regarding the contents of this Report at contact@hcsurgicalspecialists.com.

ABOUT THE GROUP

HC Surgical Specialists Limited ("**HCSS**" and its subsidiaries, collectively the "**Group**") is a medical services group providing comprehensive specialist care – primarily in endoscopy and general surgery with a focus on colorectal procedures, gastroenterology, hepatopancreatobiliary ("**HPB**") surgery and orthopaedic surgery, through our network of 19 clinics across Singapore.

Since its establishment a decade ago, HCSS has remained committed to providing accessible private healthcare to a broad patient base. The Group's clinics offer a comprehensive range of services, including endoscopy clinics accredited by MediSave and MediShield Life. The successful integration of orthopaedics services and the expansion of our clinic locations have enabled us to serve the local community and extend our physical presence to enhance our healthcare footprint. We remain dedicated to maintaining and further expanding our network of clinics to meet evolving needs of our patients.

In FY2026, HCSS also acquired a 51% stake in Chirurgia Pte Ltd, led by Dr. Lee Lip Seng, who is an experienced HPB surgeon and specialises in minimally invasive surgery (laparoscopic and robotic surgery) to treat liver, pancreatic and biliary, gallbladder diseases and cancers.

Our Group's medical clinics and facilities are as follows:

1. **HEAH COLORECTAL ENDOSCOPY & PILES CENTRE**
3 Mount Elizabeth
#12-06 Mount Elizabeth
Medical Centre
Singapore 228510
Tel: +65 6737 5335

2. **ENDOSCOPY, VEINS & PILES CENTRE**
1 Farrer Park Station Road #13-13
Connexion
Singapore 217562
Tel: +65 6443 6240

3. **HEAH ENDOSCOPY & PILES CENTRE (BUKIT BATOK)**
Blk 644 Bukit Batok Central
#01-70 (2nd storey)
Singapore 650644
Tel: +65 6665 1355

4. **HC ENDOSCOPY & PILES CENTRE (GM)**
21 Ghim Moh Road
#01-141 Ghim Moh Gardens
Singapore 270021
Tel: +65 6265 4058

5. **HC ENDOSCOPY & PILES CENTRE (HILLFORD)**
182 Jalan Jurong Kechil #01-66
The Hillford
Singapore 596152
Tel: +65 6463 4506

6. **HC ENDOSCOPY & PILES CENTRE (TPY)**
Blk 190
Toa Payoh Lorong 6
#01-572
Singapore 310190
Tel: +65 6686 6542

7. **TAMPINES ENDOSCOPY & SURGERY CENTRE**
Blk 801
Tampines Avenue 4
#01-273
Singapore 520801
Tel: +65 6786 0080

8. **HC MING ENDOSCOPY & PILES CENTRE**
1 Orchard Boulevard
#04-01/02
Camden Centre
Singapore 248649
Tel: +65 8870 0863

9. **HC ENDOSCOPY & PILES CENTRE (AMK)**
Blk 710A
Ang Mo Kio Ave 8
#01-2629
Singapore 561710
Tel: +65 6337 0449

10. **JASON LIM ENDOSCOPY & PILES CENTRE**
10 Sinaran Drive
#09-12 Novena Medical Center
Singapore 307506
Tel: +65 6553 0115

11. **HC ENDOSCOPY & PILES CENTRE (SIGLAP)**
697 East Coast Road,
Singapore 459060
Tel: +65 6797 1020

12. **LAI ENDOSCOPY & COLORECTAL SURGERY**
3 Mount Elizabeth
#05-06 Mount Elizabeth
Medical Centre
Singapore 228510
Tel: +65 6737 0027

13. **GOH MINGHUI ENDOSCOPY & SURGERY**
10 Sinaran Drive
#11-11,
Novena Medical Center
Singapore 307506
Tel: +65 6261 9008

14. **LS LEE SURGERY**
38 Irrawaddy Road
#10-45/46/47
Mount Elizabeth Novena Specialist Centre
Singapore 329563
Tel: +65 6550 2317

15. **HC ORTHOPAEDICS & SURGICAL CENTRE (TAMPINES)**
Blk 801
Tampines Avenue 4,
#01-273,
Singapore 520801
Tel: +65 6374 1040

16. **TOTAL ORTHOPAEDIC CARE & SURGERY**
10 Sinaran Drive
#09-24,
Novena Medical Center
Singapore 307506
Tel: +65 6371 0640

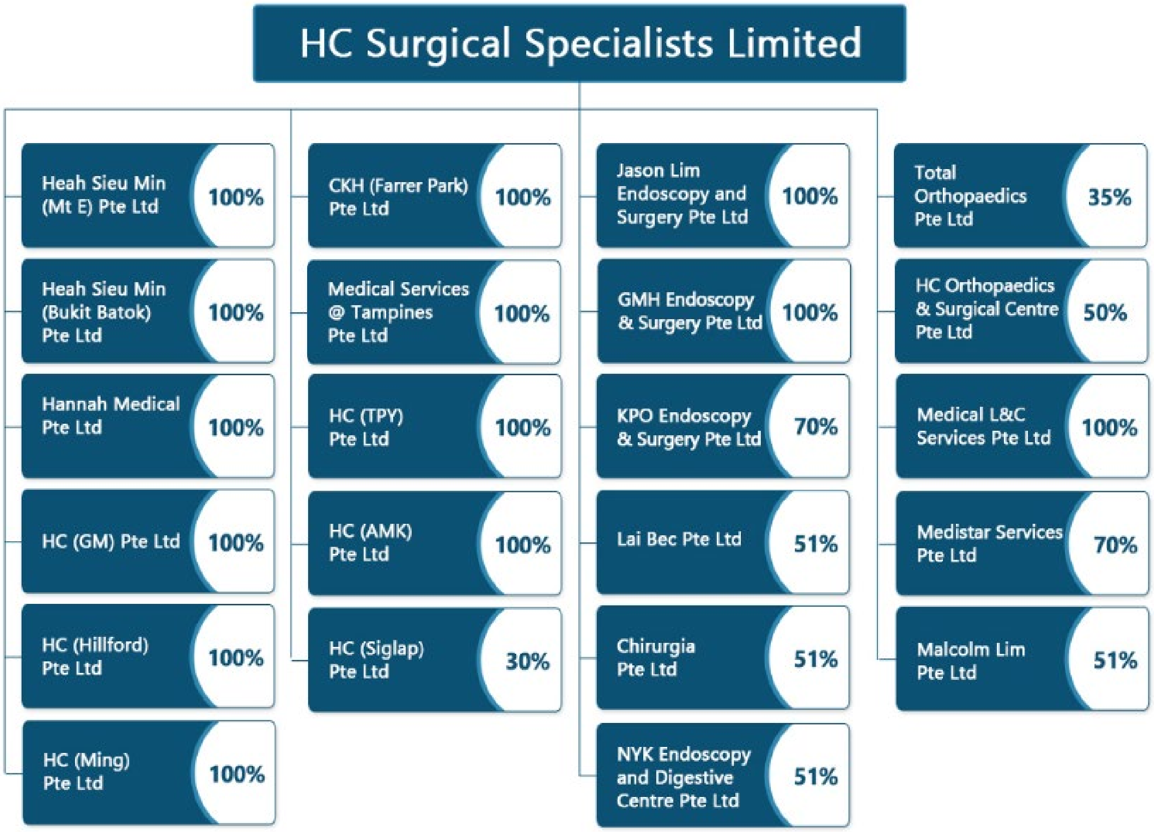
17. **TOTAL ORTHOPAEDIC CARE & SURGERY (ORCHARD)**
350 Orchard Road
#10-01
Shaw House
Singapore 238868
Tel: +65 6654 9800

18. **ACMS MEDICAL CLINIC**
1 Grange Road
#06-06
Orchard Building
Singapore 239693
Tel: +65 6262 5052

19. **THE MING CLINIC**
1 Orchard Boulevard
#04-01/02
Camden Centre
Singapore 248649
Tel: +65 6235 8166

We are a public company limited by shares, and our registered office is located at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619.

As of 31 May 2026, our Group Structure is as follows:



Our supply chains include pharmaceutical and consumable suppliers, medical device companies, and laboratories. We also maintain business relationships with hospitals, insurance providers, and government agencies.

OUR SUSTAINABILITY APPROACH

Our Board and senior management work closely together on all sustainability matters, leveraging their collective expertise to support informed decision-making. The Board and its sub-committees, comprising the individuals listed below, play an active role in overseeing ESG-related initiatives and performance. All members have completed the mandatory SGX sustainability training, strengthening their ability to provide effective governance and oversight in sustainability-related matters.

Board of Directors

Name	Designation	Audit & Risk Management Committee	Nominating Committee	Remuneration Committee
Mr. Chan Pengee, Adrian	Non-Executive Chairman and Independent Director	Member	Chairman	Chairman
Dr. Heah Sieu Min	Executive Director and Chief Executive Officer	-	-	-
Dr. Chia Kok Hoong	Executive Director and Medical Director	-	-	-
Mr. Lim Jun Xiong Steven	Independent Non-Executive Director	Chairman	Member	Member
Mr. Chong Weng Hoe	Non-Independent Non-Executive Director	Member	Member	Member

The Board's primary responsibilities and goals for advancing sustainability include:

- Establishing the strategic direction for the management of the Group's sustainability-related risks, opportunities, and impacts;
- Monitoring the Group's ESG performance and participating in discussions concerning the acquisition of new clinics or hiring of new doctors; and
- Reviewing the adequacy and effectiveness of the Group's internal controls and risk management systems.

Under the Board's oversight, senior management is responsible for implementing sustainability initiatives and practices, as well as monitoring the Group's sustainability performance throughout the year. They also provide regular updates to the Board, ensuring that sustainability efforts remain relevant and align with our overarching business objectives. The senior management team of HCSS includes the following members:

Senior Management

Name	Designation
Ms. Sophia Ong	Chief Financial Officer
Ms. Melissa Susantio	Chief Operating Officer
Ms. Lee Hui Theng	Chief Nursing Officer

OUR STAKEHOLDERS

To deliver enduring value, we adopt a holistic approach to sustainability. We build transparent communication with stakeholders to align our initiatives with their expectations. Our stakeholder engagement activities, designed to foster stronger relationships, are outlined below.

Stakeholder Groups	Engagement Activities	Our Commitments
Employees	▪ Training programmes ▪ Annual appraisals ▪ Staff meetings ▪ Yearly staff retreat	We are committed to maintaining a safe and equitable working environment for our employees, while also providing opportunities for career growth and self-development.
Patients	▪ Direct feedback during consultations	We strive to make quality healthcare services convenient and accessible for our patients.
Suppliers	▪ WhatsApp feedback ▪ Email feedback ▪ Visits by sales representatives	We maintain a strong partnership with our suppliers to ensure the quality and timely, efficient delivery of our procured goods.
Shareholders & Investors	▪ Annual and extraordinary general meetings ▪ Corporate announcements ▪ Emails	We aim to grow our business and deliver sustainable returns to our shareholders and investors.
Government & Regulators	▪ Discussions ▪ Conferences ▪ Feedback sessions	We strive to support national health objectives by understanding how government initiatives affect us and adapting our business practices.
Community	▪ Corporate website	We support the community through corporate social responsibility initiatives.

MATERIALITY ASSESSMENT

The Group recognises that insights from both internal and external stakeholders are essential in strengthening our sustainability initiatives, as well as supporting effective risk management and opportunity identification. Based on stakeholder feedback, we have evaluated and prioritised key ESG topics that are material to our organisation and its stakeholders. These material topics are reviewed annually to ensure they remain aligned with our business objectives and evolving stakeholder expectations.

In FY2024, we administered a stakeholder engagement survey to reassess the material topics relevant to our business operations. The Board re-assessed the following material topics and confirmed that they remained pertinent to the Group for FY2026:

List of Material Topics for FY2026	
	**Patients' Privacy**
	**Employment**
	**Economic Performance**

PATIENTS' PRIVACY

HCSS prioritises patient privacy as a cornerstone of trust and ethical conduct. We uphold strict confidentiality standards to ensure patient safety and foster open communication. Compliance with data protection regulations helps mitigate legal and reputational risks thereby supporting our long-term sustainability. In response to evolving technologies and increasing data security threats, we proactively enhance our digital security to protect patient confidentiality and prevent data breaches.

Management Approach

HCSS manages patient personal data with the highest level of care, ensuring it is used strictly for defined purposes and with explicit consent. Our Personal Data Protection Policy adheres to the Singapore Personal Data Protection Act ("**PDPA**") and the Private Hospitals and Medical Clinics Act ("**PHMCA**"), and we have appointed two Data Protection Officers ("**DPOs**") to ensure adherence to these standards. To strengthen our data security framework, we conduct annual audits, provide staff training on PDPA and cyber security, and conduct consistent Vulnerability Assessment and Penetration Testing ("**VAPT**") to assess our computer systems' security. Beyond preventative measures aimed at minimising data breach risks, we maintain stringent enforcement of data protection protocols across all our clinic locations. This includes:

- Securing patient information in locked cabinets with restricted access,
- Providing each staff member with unique user IDs and requiring two-factor authentication ("**2FA**") for IT applications,
- Employing a comprehensive cybersecurity system, including firewalls, antivirus software, encryption, and cloud security, to safeguard all computers and ensure the confidentiality and privacy of patient data.

We have also obtained the Data Protection Trustmark ("**DTPM**") Certification (5 Jan 2024 - 4 Jan 2027) for the Group, reflecting our strong commitment to data protection and assures patients and business partners that their personal and medical information is managed securely. In addition, we engage external parties to conduct annual reviews of our DPTM compliance practices, ensuring continuous improvement and adherence to the highest data protection standards. As a result of our security measures, we have seen a significant decrease in the risk of data breaches involving patient information.

Performance & Targets

We are pleased to report that we achieved our FY2026 target of zero incidents of theft, leakage, or loss of patient data. Additionally, no privacy-related complaint has been received from patients or regulatory bodies.

In the coming FY2027, we strive to uphold our commitment to the highest standards of data protection by targeting a zero-privacy complaint and maintaining full compliance with the PDPA and PHMCA. For more details on our commitment to safeguarding patient data, please refer to our Privacy Notice at: https://www.hcsurgicalspecialists.com/en/privacy-notice.

EMPLOYMENT

At HCSS, we recognise that our employees are our most valuable assets. We understand that employee motivation and expertise are key drivers of our continued growth in the healthcare sector. Therefore, we prioritise fostering an environment that supports professional development and personal growth, empowering our employees to contribute meaningfully to our shared success.

Management Approach

To attract and retain exceptional talent who are critical in delivering high-quality patient care, HCSS offers comprehensive human resource policies. These include flexible work options, competitive benefits, and fair grievance procedures. Our employee benefits package encompasses medical and dental coverage, parental leave and hospital insurance entitlements. Part-time staff receive these benefits on a prorated basis. In FY2026, HCSS continued to offer employees the option to encash unused annual leave as a gesture of appreciation for their dedication. We also regularly review our benefits to ensure that our compensation packages remain competitive and meet the evolving needs of our employees.

We remain committed to upholding fair employment practices, adhering to the Tripartite Guidelines on Fair Employment Practices and continue to adopt the Progressive Wage ("**PW**") scheme to further support fair and equitable employment standards.

We strive to create a work environment that embodies respect, inclusivity, and innovation, all essential to our healthcare mission. Employee feedback is actively solicited through regular reviews and established mechanisms, allowing us to continuously improve support and address their needs.

The table below shows our workforce gender distribution as of the end of FY2026. Due to the nature of the healthcare industry, female employees represent a larger portion of our workforce. The Group employs a total of 77 employees, comprising 74 full-time staff and 3 part-time staff, all of whom are based in Singapore. According to the Ministry of Manpower ("**MOM**") definition, part-time employees work fewer than 35 hours per week, while full-time employees work 35 hours or more per week.

Employee Type	FY2025		FY2026	
	Male	Female	Male	Female
Full-time employees	10	60	11	63
Part-time employees	1	3	2	1
Total for each gender	11	63	13	64
Total	**74**		**77**	

Employee Breakdown by Age	FY2025	FY2026
18-20 years old	2	0
21-30 years old	22	27
31-45 years old	38	37
Above 45 years old	12	13
Total	**74**	**77**

Performance & Targets

In FY2026, the Group recorded a lower employee turnover as compared to FY2025. Conversely, the hiring rate declined slightly from FY2025 to FY2026. Together, these trends reflect improved employee retention and a more stable workforce, indicating the effectiveness of the Group's efforts to implement initiatives and build a positive workplace to enhance retention.

In FY2026, the turnover and new hire rate among both male and female remained relatively stable, with no male employees leaving and the addition of two new male employees, which will support the diversity in the healthcare sector predominantly made up of females.

Out of the 17 individuals who left the company during the year, 8 had both joined and left within the same financial year. This group comprised all voluntary resignations. Given the short tenure of these individuals, this segment is considered to have minimal operational impact.

Among the remaining 9 departures, 2 had their employment contracts converted to contract for services. Of the final 7 resignees (9.1%), 3 had more than three years of service with the Group, indicating that overall attrition among long-tenured staff remains relatively low. This meets our stated target of sustaining a stable employment trend of low overall attrition among long-tenured staff in FY2026. In FY2027, we target to maintain similar or lower attrition rate.

New Employee Hires and Employee Turnover by Gender	FY2025[1]			FY2026		
	Female	Male	Total	Female	Male	Total
No. of New Hires	26	0	26	18	2	20
Hiring rate[2]	40.6%	0.0%	32.9%	28.6%	18.2%	27.0%
No. of Resignees	24	1	25	17	0	17
Turnover Rate[3]	37.5%	6.7%	31.6%	27.0%	0.0%	23.0%

New Employee Hires and Employee Turnover by Age Group	FY2025[1]				FY2026			
	18 - 20 years old	21 - 30 years old	31 - 45 years old	Above 45 years old	18 - 20 years old	21 - 30 years old	31 - 45 years old	Above 45 years old
Total employees in the last	2	23	36	18	2	22	38	12

[1] FY2025 figures have been restated due to update in calculation formula.

[2] Hiring rate = number of category new hires during the year/number of category employees at the end of the previous reporting year. Category refers to gender, age group and total.

[3] Turnover rate = number of category resignees during the year/number of category employees at the end of the previous reporting year. Category refers to gender, age group and total.

New Employee Hires and Employee Turnover by Age Group	FY2025[1]				FY2026			
	18 - 20 years old	21 - 30 years old	31 - 45 years old	Above 45 years old	18 - 20 years old	21 - 30 years old	31 - 45 years old	Above 45 years old
reporting year								
No. of New Hires	3	15	8	0	1	13	5	1
Hiring rate[2]	150.0%	65.2%	22.2%	0.0%	50.0%	59.1%	13.2%	8.3%
No. of Resignees	2	8	12	3	1	9	6	1
Turnover Rate[3]	100.0%	34.8%	33.3%	16.7%	50.0%	40.9%	15.8%	8.3%

Parental Leave

HCSS provides parental leave to working parents as part of our employee benefits package, in accordance with local laws and regulations.

Parental Leave during the reporting period	FY2025			FY2026		
	Female	Male	Total	Female	Male	Total
Number of employees entitled to parental leave	3	-	3	2	-	2
Number of employees who took parental leave	3	-	3	2	-	2
Number of employees that returned to work after parental leave ended	3	-	3	2	-	2
Total number of employees due to return to work after taking parental leave	3	-	3	2	-	2
Number of team members who returned to work and were still employed 12 months later	3	-	3	2	-	2
Return to work rate[4] (%)	100%	-	100%	100%	-	100%
Retention rate[5] (%)	100%	-	100%	100%	-	100%

In FY2026, two employees took parental leave and returned to work after their leave ended, maintaining our return-to-work and retention rates at 100%.

[4] Return to work rate is based on Number of team members who returned to work in the reporting period over Total number of employees due to return to work after taking parental leave

[5] Retention rate is based on current year number of team members who returned to work and were still employed 12 months later over the previous year over number of employees that returned to work after parental leave ended in the prior reporting period

HCSS aims to maintain a workplace characterised by zero discrimination incidents. We are pleased to report that no such incidents were reported during FY2026.

ECONOMIC PERFORMANCE

We strive for long-term economic success while addressing stakeholder expectations. This involves distributing the economic benefits of our operations as dividends, wages, and taxes.

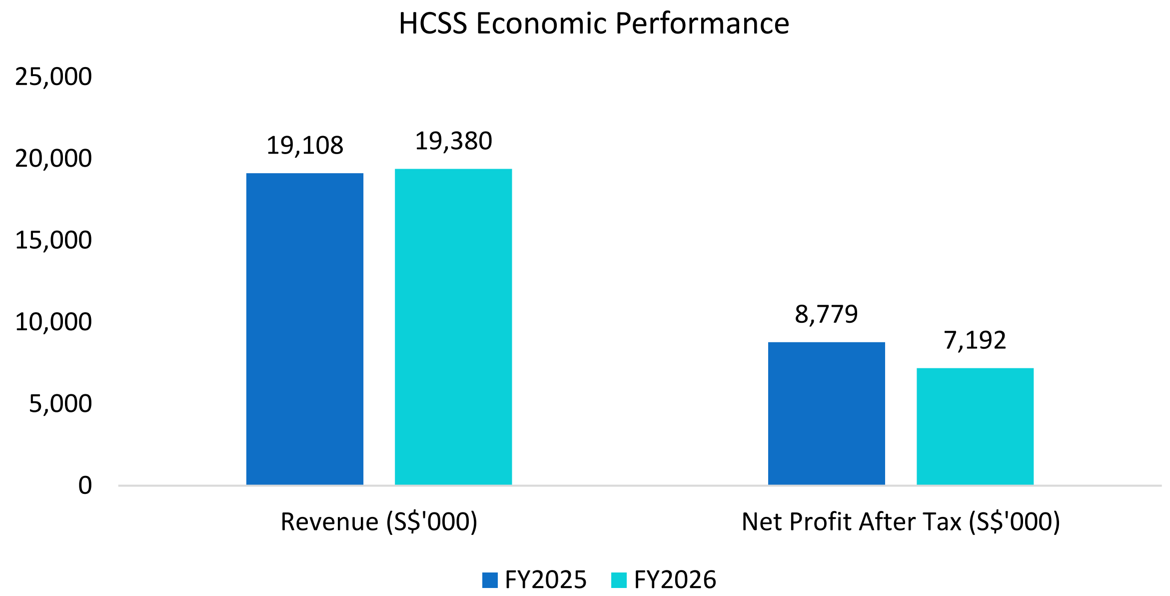
Management Approach

To address the challenges posed by rising operational costs and inflationary pressures, the Group has proactively refined its operational strategy. Measures taken include cost-cutting to enhance overall operational efficiencies and reviewing our price structure appropriately. These initiatives are aimed at mitigating the adverse impacts of prevailing economic challenges, thereby ensuring the Group's long-term financial stability and resilience.

In FY2026, the Group acquired a 51% stake in Chirurgia Pte. Ltd., a specialist surgical practice led by Dr. Lee Lip Seng, an experienced HPB surgeon. This strategic acquisition expanded the Group's service offerings to include the treatment of liver, pancreatic, biliary, and gallbladder diseases, as well as related cancers, further strengthening and diversifying our healthcare capabilities.

We are pleased to report that we achieved our strategic objective of enhancing Group profitability and generating sustainable economic value for our stakeholders in FY2026. This achievement was supported by the successful execution of strategic growth initiatives and partnerships, which strengthened our service portfolio, expanded our market presence, and contributed positively to the Group's overall financial performance.

Performance & Targets



In FY2026, the Group is pleased to have recorded S$19.4 million in revenue, which represents an increase from FY2025; and S$7.2 million in net profit after tax. A detailed analysis of our financial statements can be found in our Annual Report 2026.

The following tables detail the breakdown of our direct economic value generated and distributed for FY2025 and FY2026.

Direct Economic Value Generated (S$' 000)	FY2025	FY2026
Revenue	19,108	19,380

Direct Economic Value Distributed (S$' 000)		FY2025	FY2026
Operating costs	Inventory expense	2,996	3,044
	Rental expenses	1,596	1,749
	Employee wages and benefits	7,282	8,046
	Others	1,651	1,594
Payments to providers of capital	Dividends	2,307	3,190
	To NCI	441	333
	Interest payments	14	0
Taxes to government		640	561
Total		**16,927**	**18,517**

Our total direct economic value retained for FY2026 is $863,000, a decrease from FY2025 (FY2025: $2,181,000) despite the increase in economic value generated, due to higher economic value distributions through increased employee wages and benefits. These distributions reflect the Group's continued investment in its workforce and operational growth.

In addition, the Group also received the following grants to support improvements in our business processes and operations.

Financial Assistance received from the Government (S$)	FY2025	FY2026
Wage Credit Scheme	45,000	21,000
Data Protection Trustmark Certification Grant	127,000	0
Tax rebate	654,000	297,000

Our FY2027 targets are to expand our business, maintain steady revenue and profit growth, and we intend to achieve this by increasing our patient base, growing our orthopaedics segment, and broadening our medical services.

Climate-related Disclosures

Governance

The Board's oversight of Climate-related Risks and Opportunities

HCSS integrates climate-related risks and opportunities into its core governance, and the Board is responsible for the oversight of climate-related matters and initiatives. The Board ensures strategic alignment and monitors the progress of implemented initiatives supported by annual updates from the Enterprise Risk Management ("**ERM**") framework, which include climate performance metrics and evolving regulatory requirements. Climate-related issues are discussed annually or as needed to ensure that the Board and its committees remain informed. All Board members have completed the mandatory SGX training.

To support effective climate leadership, HCSS utilises a skills matrix for Board members that incorporates climate-related competencies, which guides our ongoing Board development program to provide continuous education and training on climate-related topics. This initiative reinforces our commitment to robust governance practices that support our sustainability objectives.

	Mr. Chan Pengee, Adrian	Mr. Lim Jun Xiong Steven	Mr. Chong Weng Hoe	Dr. Heah Sieu Min	Dr. Chia Kok Hoong
Accounting, Banking & Finance		X	X		
Corporate Governance	X	X	X	X	X
Risk Management	X	X	X	X	X
Industry Knowledge			X	X	X
Entrepreneurial and Management	X			X	X
Information Technology and Cybersecurity		X	X		
Marketing		X			
Climate Change	X	X	X	X	X
Legal and Regulatory	X				

Management's role in assessing and managing Climate-related Risks and Opportunities

Climate-related risks and opportunities form an integral part of our broader environmental and sustainability strategy. These responsibilities are delegated to specific management roles and committees that are accountable to the Board, with clearly defined climate-related duties assigned to relevant positions and committees. This structure ensures effective governance and alignment of climate-related efforts with the Group's strategic objectives.

To strengthen management capabilities, the Chief Financial Officer ("**CFO**") has participated in webinars on climate-related issues and reporting requirements, while the Executive Directors, CFO, and Chief Operating Officer ("**COO**") have received regular updates from the Internal Auditors on evolving regulatory expectations.

Given the nature of our healthcare operations and reliance on leased clinic premises, our primary climate-related focus is on electricity consumption, which is monitored and reported annually through the ERM process. Electricity usage is reviewed on a biannual basis and analysed to identify any significant fluctuations. To improve energy efficiency, our clinics implemented measures such as the use of Light-emitting Diode ("**LED**") light bulbs, maintaining air conditioning at a temperature of 24 degrees Celsius or higher, and ensuring that lights, air-conditioning and other electrical appliances in treatment and consultation rooms are switched off when not in use.

Strategy

Recognising the significant impact of climate-related risks on our operational stability, HCSS has adopted a proactive and structured approach to address these challenges. We have established clear timeframes for our strategic targets, delineating short-term goals by 2026, medium-term objectives by 2030, and long-term aspirations extending to 2050.

The Group considers climate-related risks, such as the potential for flash floods and the consistent increase in ambient temperatures, which may disrupt our operational flow and elevate our operating costs. Although flash floods may affect patient accessibility to certain clinic locations, our extensive clinic network around Singapore, coupled with ongoing government flood prevention efforts, serves to effectively mitigate these potential disruptions. Gradual increase in temperatures may also lead to higher electricity consumption, impacting operating costs. To address this, we have implemented energy-efficient measures such as high-efficiency air-conditioning systems and LED lighting to better manage energy usage.

Furthermore, the transition to utilising energy-efficient medical equipment presents both immediate challenges and long-term opportunities. While the initial capital investment to upgrade our equipment may be substantial, we expect long-term benefits in the form of cost savings and enhanced operational efficiency. By staying informed of technological advancements and strategically integrating climate considerations into our long-term planning, the Group remains committed to enhancing operational resilience, advancing sustainability efforts, and supporting long-term growth.

This table shows the key climate-related risks and opportunities, ranked by their significance to our core business operations.

Climate-related Risks

Categories	Description of Risk	Scope of Risk	Potential Financial Impacts	Time frame	Management Approach
Physical Risk (Acute) - Increased rainfall resulting in flash floods	Increased rainfall resulting in flash floods which may lead to road closures, hindering patient access to certain clinics.	Past incidents (2010, 2011, 2018) included flash floods in Orchard Road area, near our clinics in Mount Elizabeth Orchard.	This may reduce revenue as patients may not want to postpone their appointments or may seek other doctors instead. Likelihood: Low due to the diverse location of clinics around Singapore.	Long-term	The Group comprises of 11 endoscopy centres, 3 orthopaedic centres, 3 specialist consultation centres, 2 General Practitioners clinics in Singapore. Hence, we are able to divert our patients to other clinics easily.
Physical Risk (Chronic) - Heat waves	Global warming escalated electricity rates and has encourage efforts to reduce carbon footprints. The rising temperatures also resulted in increased cooling costs for our clinics.	Clinics have to lower their aircon temperature further to ensure patient comfort, driving up electricity costs.	The Group experienced increased electricity costs, resulting in lower profits. Likelihood: More likely	Long-term	The clinics switch off lights and air conditioning in unused consultation and treatment rooms where possible. With the exception of units under centralised air conditioning, the majority of our installed air conditioners have a 3-tick energy efficiency rating and are maintained at an average temperature of 24 degrees. Additionally, most refrigerators in the clinics have a 2-tick rating, and LED light bulbs are employed throughout all clinic locations.

Transition Risk (Technology) - New technology in medical equipment that is more energy efficient.	Adopting more energy-efficient medical technology.	Market-available medical equipment, including what we use, may not be energy efficient.	Rising electricity costs are eroding profits Likelihood: Low	Long-term	The Group proactively seeks advancements in medical equipment to meet its operational needs.
Transition Risk (Market, Reputation) - Lack of energy efficiency in our business operations.	Insufficient energy efficiency in our business operations may make it challenging to secure operational loans, as financial markets increasingly favour sustainable practices. Additionally, this could damage our reputation, impacting stakeholder trust and our competitive position in the market.	Banks are offering 'Green Loans' to incentivise companies to reduce carbon footprints.	Challenges in securing loans could impact the Group's acquisition plans and cash flow. Likelihood: Low, as the Group does not own any property.	Long-term	The Group conducts regular monitoring of its cash flow requirements, and certain acquisitions are structured with payment schedules extending over multiple years.

Climate-related Opportunities

Categories	Description of Opportunity	Scope of Opportunity	Potential Financial Impacts	Timeframe	Management Approach
Resource Efficiency	Improving energy efficiency and reducing operating electricity costs.	Relates to our daily operations	The capital expenditure associated with the replacement of medical equipment represents a one-time impact on cash flow. However, the long-term benefits derived from cost savings and enhanced efficiency in patient procedures will ultimately contribute to increased revenue generation and profitability.	Long-term	The Group is consistently looking out for any new developments in medical equipment for its operational needs. Should there be any, the Group will do a cost-benefit analysis prior to any purchasing decisions.

Risk Management

Identifying and assessing Climate-related Risks

Climate-related risks are identified and evaluated through our ERM Framework, with significance compared to other risks. We analyse the financial implications of these risks and opportunities based on probability and impact. Climate-related risk data is subject to the same rigorous internal controls and assurance as financial risk.

Managing Climate-related Risks

HCSS addresses climate-related risks by tracking electricity consumption both in absolute terms and relative to the revenue generated by each location. Based on the materiality of these risks and the probability of their occurrence, we determine the appropriate response, which may include mitigation, transfer, acceptance, or control.

Metrics and Targets

We conduct a thorough analysis of key risk drivers to identify the most relevant climate-related metrics for our business. Electricity consumption remains the principal metric used to measure and manage climate-related risks and opportunities and is monitored in both absolute terms and as an intensity metric relative to revenue.

To facilitate meaningful trend analysis and enable comparability over time, we disclose comprehensive historical data related to our electricity usage. As of the reporting date, climate-related performance metrics have not been integrated into the Company's remuneration framework.

Scope 1 and Scope 2 Greenhouse Gas ("GHG") Emissions

We demonstrate our commitment to sustainability through a transparent Scope 2 emissions inventory, based on electricity bills. Since we lack direct emissions (Scope 1) from owned premises or vehicles, our focus is on refining carbon accounting to cover all HCSS operations.

Greenhouse gas emissions are vital for climate risk management and opportunity identification. Although we have not yet set specific reduction targets, we are focused on improving our disclosure practices and plan to introduce targets that align with the IFRS S2 requirements in the coming reporting cycles.

Electricity usage (kWh)	FY2025	FY2026[6]
Headquarters ("HQ")	9,429	9,697
Specialist Clinics ("SP")	63,690	78,206
General Practitioners Clinics ("GP")	7,266	8,424
GP (Associated Companies) ("GP (Assoc)")	2,281	-
Orthopaedics Clinics ("Ortho")	3,635	3,653
Total Electricity Use (kWh)	86,301	99,981
Total emissions[7] (kg CO_2e)	35,556	40,192
Emissions Intensity (kg CO_2e/$ '000 revenue)	**1.86**	**2.07**

[6] Electricity consumption and emissions from Chirurgia Pte Ltd is not included as it utilises centralised air-conditioning system.
[7] FY2025 grid emission factor (GEF) of 0.412 kg CO_2/kWh and FY2026 GEF of 0.402 kg CO_2/kWh is obtained from https://www.ema.gov.sg/resources/singapore-energy-statistics/chapter2

In FY2026, the Group's total electricity consumption increased, leading to the increase in emissions. This overall trend was influenced by varied performance across individual entities. Specifically, SP's electricity usage increased as a full-time clinic staff was employed for a clinic for the full 12 months, and the Camden centre was enlarged after renovation in second half of the previous financial year. GP experienced a substantial rise due to a reclassification of GP (Assoc) to GP after the Group acquired additional stake in the clinic in the previous financial year. Accordingly, GP (Assoc) was nil in FY2026. Total GP and GP (Assoc) recorded a reduction in electricity consumption. HQ's electricity usage increased slightly due to additional headcount. Ortho recorded a stable electricity usage as most of its procedures are done in hospital settings.

As the Group does not currently utilise solar energy or procure renewable energy certificates ("**RECs**"), there is no difference between its market-based and location-based Scope 2 emissions.

The Group will continue to closely monitor its energy consumption and remain committed to identifying and implementing opportunities to improve energy efficiency, reduce resource consumption, and lower greenhouse gas emissions across its operations. Through continuous improvement and responsible energy management practices, we aim to minimise our environmental footprint and support our long-term sustainability objectives.

GRI CONTENT INDEX

Statement of Use	HC Surgical Specialists Ltd. has reported the information cited in this GRI content index for the period 1 June 2025 to 31 May 2026 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

GRI Standards	Disclosure Title	Location
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organisational details	4 – 6
	2-2 Entities included in the organisation's sustainability reporting	6
	2-3 Reporting period, frequency and contact point	3
	2-4 Restatements of information	12,13
	2-5 External assurance	3
	2-6 Activities, value chain and other business relationships	4 – 6
	2-7 Employees	11 – 14
	2-9 Governance structure and composition	7
	2-12 Role of the highest governance body in overseeing the management of impacts	7
	2-13 Delegation of responsibility for managing impacts	7
	2-14 Role of the highest governance body in sustainability reporting	7
	2-17 Collective knowledge of the highest governance body	7
	2-22 Statement on sustainable development strategy	2
	2-27 Compliance with laws and regulations	3
	2-29 Approach to stakeholder engagement	8
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	9
	3-2 List of material topics	9
Economic Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	15
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	15-16
	201-4 Financial assistance received from government	16
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	11
GRI 401: Employment 2016	401-1 New employees hires and employee turnover	12 – 14
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	11

GRI Standards	Disclosure Title	Location
	401-3 Parental leave	13-14
Patient’s Privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	10
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of patients’ privacy and losses of patients’ data	10