



HC SURGICAL SPECIALISTS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 201533429G)

FY2025 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.

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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 eighth annual Sustainability Report for the financial year ended 31 May 2025 ("FY2025"). This report reinforces our unwavering dedication to embedding environmental, social, and governance ("ESG") principles across all facets of our operations.

Our Board of Directors prioritises sustainability as a fundamental component of our business strategy, ensuring long-term value creation for our stakeholders through robust governance, environmental responsibility, and social accountability. The Board actively considered sustainability issues in shaping our business strategy, identifying material ESG factors, and monitoring their effective management.

In FY2025, we focused on aligning our business practices with long-term strategic goals and stakeholder expectations, maintaining a strong emphasis on sustainability. The Board collaborated closely with senior management to identify and manage key ESG factors that could significantly impact our business. We achieved notable progress in our sustainability practices, particularly in the protection of patients' privacy.

Looking ahead, we will continue to integrate sustainability 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. Chong Weng Hoe

Non-Executive Chairman and Independent Director

ABOUT THIS REPORT

This Sustainability Report, covering the financial year starting 1 June 2024 and ended 31 May 2025, provides a detailed account of our progress on key sustainability initiatives. It is prepared in accordance with Rules 711A and 711B of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") and also adheres to Practice Note 7F Sustainability Reporting Guide of the Catalist Rules.

Reporting Framework

This Report has been prepared with reference to the Global Reporting Initiative ("**GRI**") Standards 2021, which we have selected as our preferred framework 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. Going forward, we will also incorporate the climate-related requirements in International Sustainability Standards Board's ("**ISSB**") IFRS Sustainability Disclosure Standards ("**IFRS SDS**") for climate-related financial information on a phased approach.

External Assurance

To ensure the accuracy of the data and information presented, we have relied on internal verification and engaged internal auditors to review our sustainability reporting processes. We may, in the future, seek external independent assurance to further strengthen our sustainability reporting practices.

Hardcopies of the Sustainability Report will be mailed to shareholders upon request. The electronic version of the report can be found on our website at <https://www.hcsurgicalspecialists.com/> as well as SGXNet, at www.sgx.com/securities/company-announcements.

Feedback

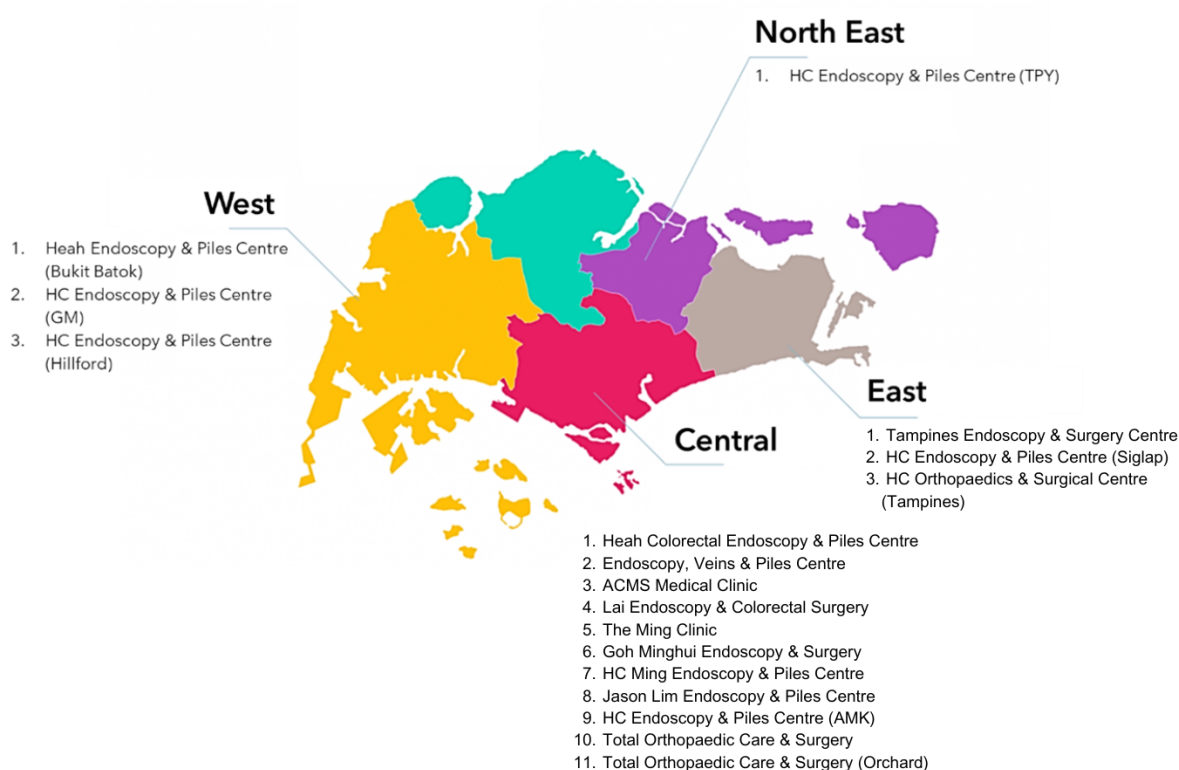
We value the input of our stakeholders and invite you to share your feedback and suggestions regarding the contents of this Report at contact@hcsurgicalspecialists.com.

ABOUT THE GROUP

HC Surgical Specialists Limited (“**HCSS**” and its subsidiaries, collectively the “**Group**”), is a medical services group that offers a range of endoscopic procedures, including gastroscopies and colonoscopies, alongside general surgery services. The Group specialises particularly in colorectal procedures and operates a network of 18 clinics strategically located throughout Singapore.

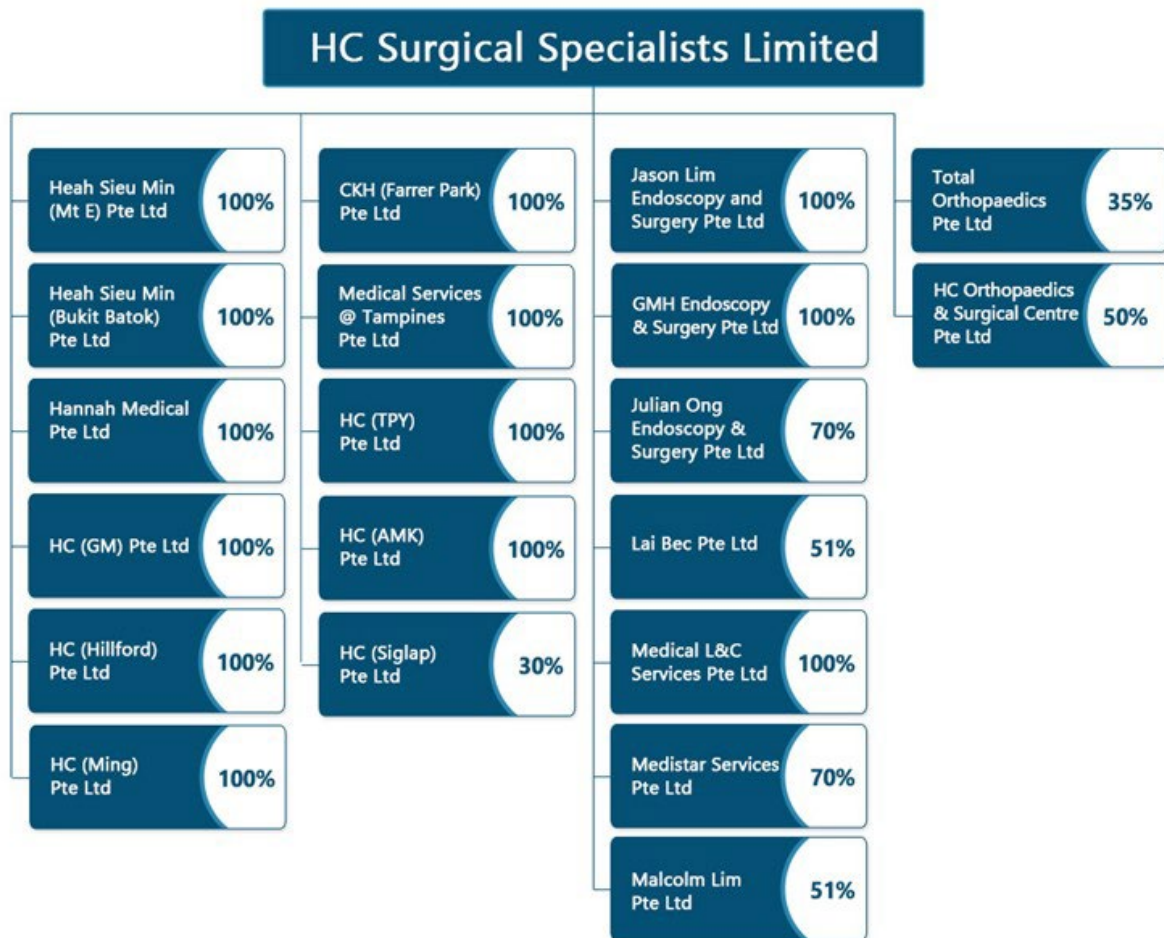
Since its inception nearly a decade ago, HCSS has been committed to providing accessible private healthcare to a broad patient base. The Group's clinics, conveniently situated near public transportation, offer a spectrum of services, including endoscopy clinics accredited by MediSave and MediShield Life. The successful integration of orthopaedics services and the expansion of our clinic locations have enabled us to better serve the local community and extend our physical presence. We remain dedicated to maintaining and further expanding our network of clinics to more effectively serve our patients.

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



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

As of 31 May 2025, our Group Structure is as follows:



Our supply chain includes 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 members and senior management engage in close collaboration on all sustainability matters, contributing their extensive expertise and experience to our discussions and decision-making processes. The Board and its sub-committees, comprising the individuals listed below, play an active role in overseeing ESG-related matters. All members completed the mandatory SGX sustainability training in FY2023.

Board of Directors					
Name	Designation	Audit & Risk Management Committee	Nominating Committee	Remuneration Committee	
Mr. Chong Weng Hoe	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 Chye Lai, Gjan	Non-Independent Non-Executive Director	Member	Member	Member	
Mr. Ooi Seng Soon	Independent Non-Executive Director	Chairman	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 guidance, senior management assumes responsibility for overseeing our sustainability performance throughout the year, implementing new policies and practices, and providing regular updates to the Board. This direct communication channel between senior management and the Board ensures that our sustainability initiatives are strategically aligned 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	<ul style="list-style-type: none">▪ 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	<ul style="list-style-type: none">▪ Direct feedback during consultations	We strive to make quality healthcare services convenient and accessible for our patients.
Suppliers	<ul style="list-style-type: none">▪ 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	<ul style="list-style-type: none">▪ 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	<ul style="list-style-type: none">▪ Discussions▪ Conferences▪ Feedback sessions	We strive to support national health objectives by understanding how government initiatives affect us and adapting our business practices.
Community	<ul style="list-style-type: none">▪ Corporate website	We support the community through corporate social responsibility initiatives.

MATERIALITY ASSESSMENT

Leveraging feedback from both internal and external stakeholders, we have evaluated and prioritised several ESG topics that are crucial to our organisation and its stakeholders. To ensure these topics remain aligned with our business objectives and meet stakeholder expectations, we conduct an annual review.

In FY2024, we administered a stakeholder engagement survey to reassess the material topics relevant to our business operations. Following a thorough deliberation of the survey results, the Board confirmed the following material topics as remaining pertinent to the Group for FY2025:

List of Material Topics for FY2025	
	Patients' Privacy
	Employment
	Economic Performance

PATIENTS' PRIVACY

HCSS prioritises patient privacy as a foundation for trust and ethical conduct. To ensure patient safety and open communication, we uphold stringent confidentiality standards. We mitigate legal and reputational risks through data regulation compliance, supporting our long-term sustainability. Responding to growing digital data concerns, we proactively enhance our digital security to protect patient confidentiality and prevent data breaches.

Management Approach

HCSS manages patient personal data with strict care, utilising it solely for defined purposes and with explicit consent. Our Personal Data Protection Policy, which adheres to the Singapore Personal Data Protection Act ("**PDPA**") and the Private Hospitals and Medical Clinics Act ("**PHMCA**"), dictates our data handling and compliance. Two appointed Data Protection Officers ("**DPOs**") ensure adherence to these standards. We bolster our data security through annual audits, comprehensive staff training on PDPA and cyber security, and 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 are proud to have achieved the Data Protection Trustmark ("**DPTM**") Certification (5 Jan 2024 - 4 Jan 2027) for the Group. This certification is testament to our strong data protection and assures patients and business partners that their personal and medical information is securely managed. As a result of our security measures, we have seen a significant decrease in the risk of data breaches involving patient information. We also engaged external parties to conduct an annual review of our DPTM compliance practices.

FY2025 Performance & Targets

We are pleased to report that we achieved our FY2025 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 FY2026, 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 their dedication, motivation, and expertise are pivotal to our continued growth in the healthcare sector. Therefore, we prioritise fostering an environment that supports professional development and personal growth, ensuring our most valuable assets are empowered to contribute to our shared success.

Management Approach

To attract and retain exceptional talent, crucial for delivering high-quality patient care, HCSS offers comprehensive human resource policies. These policies include flexible work options, competitive benefits, and fair grievance procedures. 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.

Our employee benefits package encompasses comprehensive medical and dental coverage, as well as hospital insurance entitlements. Part-time staff receive these benefits on a prorated basis. In FY2025, HCSS maintained the option for employees to encash unused annual leave, as a token 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. Furthermore, we renewed the Progressive Wage Mark certification, effective from April 2, 2025, to April 1, 2026, highlighting our unwavering dedication to upholding fair and equitable employment standards.

The table below shows our workforce gender distribution as of the end of FY2025. As is typical in the healthcare industry, female employees represent a larger portion of our workforce. The Group employs a total of 74 employees, comprising 70 full-time staff and 4 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	FY2024		FY2025	
	Male	Female	Male	Female
Full-time employees	14	61	10	60
Part-time employees	1	3	1	3
Total for each gender	15	64	11	63
Total	79		74	

FY2025 Performance & Targets

In FY2025, the Group recorded an increase in employee turnover, with the turnover rate rising by 9.7% compared to the previous financial year. The hiring rate decreased slightly from 36.7% in FY2024 to 35.1% in FY2025.

There were mixed turnover trends for male and female employees in FY2025. The turnover rate among female employees rose significantly from 26.6% to 38.1%, while the male

turnover rate declined slightly from 13.3% to 9.1%. This disparity will be further analysed to ensure appropriate support structures are in place to retain talent across all demographics.

Out of the 25 individuals who left the company during the year, 11 (14.9%) had both joined and left within the same financial year. This group included five terminations, four voluntary resignations, and two internship completions. Given the short tenure of these individuals, this segment is considered to have minimal operational impact.

Among the remaining 14 departures, 5 employees (6.8%) were retrenched as part of the organisational restructuring of a clinic. Of the final 9 resignees (12.2%), only one 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 FY2025. Our FY2026 target is to maintain these stable employment trends to ensure that our workforce remains effective and positively engaged.

New Employee Hires and Employee Turnover by Gender	Female	FY2024 Male	Total	Female	FY2025 Male	Total
No. of New Hires	23	6	29	26	0	26
Hiring rate ¹	35.9%	40.0%	36.7%	41.3%	0%	35.1%
No. of Resignees	17	2	19	24	1	25
Turnover Rate ²	26.6%	13.3%	24.1%	38.1%	9.1%	33.8%

New Employee Hires and Employee Turnover by Age Group	18 - 21 years old	FY2024 21 - 30 years old	31 - 45 years old	Above 45 years old	18 - 21 years old	FY2025 21 - 30 years old	31 - 45 years old	Above 45 years old
Total employees	2	23	36	18	2	22	38	12
No. of New Hires	2	14	11	2	3	15	8	0
Hiring rate	100.0%	60.9%	30.6%	11.1%	150.0%	68.2%	21.1%	-
No. of Resignees	0	12	4	3	2	8	12	3
Turnover Rate	-	52.2%	11.1%	16.7%	100.0%	36.4%	31.6%	25.0%

As shown in the table above, the majority of our hiring activity has occurred within the younger age groups, particularly the 21-30 years old and 31-45 years old categories, with 15

¹ The hiring rate is calculated by dividing the total number of new hires during the year by the total number of employees at the end of the year, and then expressed as a percentage.

² The turnover rate is calculated by dividing the total number of employees who resigned during the year by the total number of employees at the end of the year, and then expressed as a percentage.

and 8 new hires respectively. This reflects our ongoing efforts to attract and retain younger talent within our organisation.

Overall, the distribution of hires and turnover across the age groups reflects our balanced approach to workforce management, ensuring we continue to nurture talent across all age categories while maintaining organisational stability.

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	FY2024			FY2025		
	Female	Male	Total	Female	Male	Total
Number of employees entitled to parental leave	3	-	3	3	-	3
Number of employees who took parental leave	3	-	3	3	-	3
Number of employees that returned to work after parental leave ended	2	-	2	3	-	3
Total number of employees due to return to work after taking parental leave	2 ³	-	2	3	-	3
Number of team members who returned to work and were still employed 12 months later	4	-	4	3	-	3
Return to work rate⁴ (%)	100%	-	100%	100%	-	100%
Retention rate⁵ (%)	100%	-	100%	100%	-	100%

In FY2025, every employee eligible for parental leave took advantage of the benefit. Additionally, both our return-to-work and retention rates have maintained at 100%.

HCSS's commitment to fair employment practices, in alignment with the Tripartite Guidelines on Fair Employment Practices, aims to maintain a workplace characterised by zero discrimination incidents. We are pleased to report that no such incidents were reported during the period under review. Furthermore, we have implemented the Progressive Wage ("PW") scheme to further advance fair and equitable employment standards.

³ One staff elected to take 3 out of the 4 months available for maternity leave, and spread out the remaining 1 month of leave over subsequent months.

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

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.

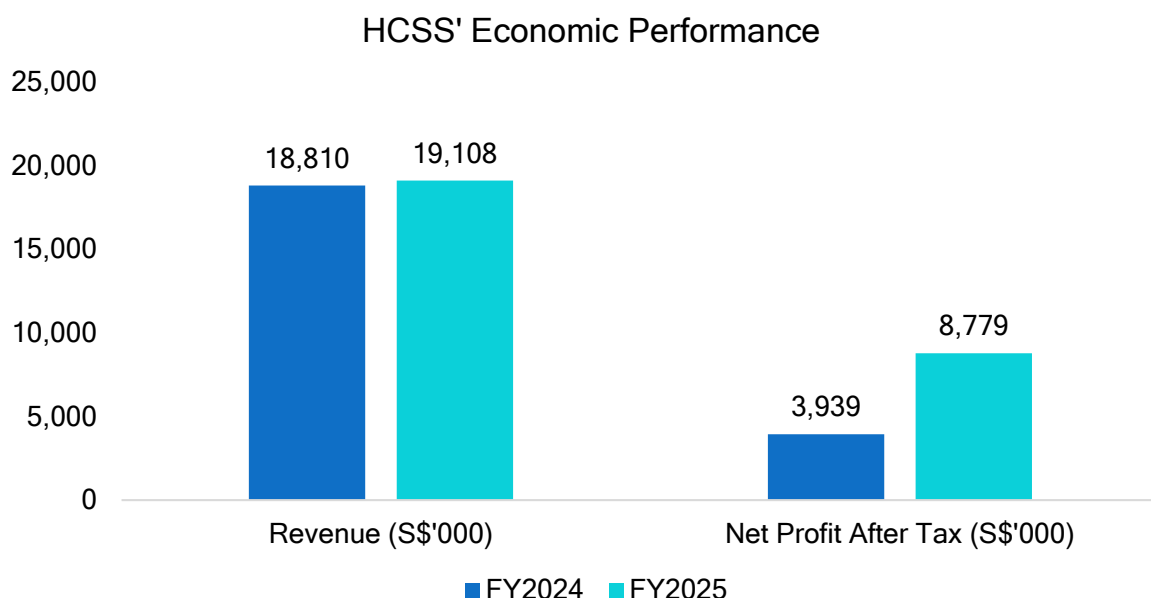
Management Approach

To navigate the challenges posed by disruptions to global supply chains, sluggish economic growth, and inflationary pressures, the Group has proactively maintained a revised operational strategy. This strategy is specifically designed to effectively manage the escalating costs associated with running our business operations. Key components include implementing comprehensive cost-cutting measures to enhance overall operational efficiencies and reviewing our charges appropriately. These deliberate actions are aimed at mitigating the adverse impacts of prevailing economic challenges, thereby ensuring the Group's long-term financial stability and resilience.

In response to inflationary pressures, the Group has re-strategised its operations to manage the rising cost of business. We have introduced cost-cutting measures aimed at improving operational efficiencies. These steps are part of our broader strategy to mitigate the impact of economic challenges and ensure our financial stability. In FY2025, we expanded our service offerings by opening a third orthopaedic centre in Shaw House.

We are pleased to report the successful attainment of our strategic objective to enhance Group profitability and generate sustainable economic value for our stakeholders in FY2025. This achievement was facilitated through the establishment and cultivation of strategic collaborations, which have proven to be instrumental in driving our economic performance.

FY2025 Performance & Targets



In FY2025, the Group is pleased to have recorded S\$19.1 million in revenue, which represents an increase from FY2024; and S\$8.8 million in net profit after tax, which is double that of

FY2024's S\$3.9 million. A detailed analysis of our financial statements can be found in our Annual Report 2025.

The following tables detail the breakdown of our direct economic value generated and distributed for FY2024 and FY2025.

Direct Economic Value Generated (S\$' 000)	FY2024	FY2025
Revenue	18,810	19,108

Direct Economic Value Distributed (S\$' 000)	FY2024	FY2025
Operating costs	Inventory expense	2,848
	Rental expenses	1,367
	Employee wages and benefits	6,951
	Others	1,703
Payments to providers of capital	Dividends	2,615
	To NCI	308
	Interest payments	39
Taxes to government	1,020	640
Total	16,851	16,927

Our total direct economic value retained for FY2025 is \$2,181,000, representing the difference between the economic value generated and distributed. In addition, the Group also received the following grants to support improvements in our business processes and operations.

Financial Assistance received from government (S\$)	FY2024	FY2025
Wage Credit Scheme	60,000	45,000
Data Protection Trustmark Certification Grant	NA	127,000
Tax rebate	NA	654,000

Our FY2026 targets are to expand our business, maintain steady revenue and profit growth. We intend to achieve this by increasing our patient base, growing our orthopaedics segment, and broadening our medical services.

TCFD REPORT

Governance

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

HCSS integrates climate-related risks and opportunities into its core governance, with Board oversight ensuring strategic alignment. The Board receives annual Enterprise Risk Management ("**ERM**") updates detailing climate performance metrics and regulatory requirements. Climate issues are discussed annually or as needed, keeping the Board and its committees informed. All Board members have completed the mandatory SGX training. Given the nature of our healthcare service operations and rented clinic premises, our climate focus centres on electricity usage, and is reported annually during ERM updates.

To ensure informed climate leadership, HCSS has incorporated climate change expertise in the skills matrix that is used to evaluate the diversity of the Board. Furthermore, this matrix guides our ongoing Board development program, highlighting areas which the Board member should receive continuous education and training on climate-related topics. To illustrate, as a result of this evaluation, the Board attended climate related training in FY2023. This initiative, aligned with TCFD recommendations, reinforces our commitment to robust governance practices that support our sustainability objectives.

	Mr. Chong Weng Hoe	Mr. Ooi Seng Soon	Mr. Lim Chye Lai, Gjan	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	X	X
Entrepreneurial and Management			X	X	X
Information Technology and Cybersecurity	X		X		
Marketing			X		
Climate Change	X	X	X	X	X

Management's role in assessing and managing Climate-related Risks and Opportunities
Climate-related risks and opportunities constitute essential components 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.

The Chief Financial Officer ("**CFO**") has participated in webinars on climate-related issues and reporting requirements, and the Executive Directors, CFO, and Chief Operating Officer ("**COO**") have received updates from the Internal Auditors regarding these requirements.

Electricity usage is reviewed on a biannual basis and analysed to identify any significant fluctuations. In order to conserve energy, our clinics predominantly use LED light bulbs, maintain air conditioning at a temperature of 24 degrees Celsius or higher, and ensure that lights and the air conditioning in treatment and consultation rooms are switched off when not in use.

Our progressive implementation of the TCFD recommendations is outlined in the timeline below:

TCFD Pillar	Implementation Year		
	FY2024	FY2025	FY2026
Governance	Described the Board oversight and management role in relation to climate reporting and managing climate risks and opportunities	-	-
Strategy	Described the climate risks, opportunities and impacts we have identified over varied time horizons	-	Describe the resilience of our strategy under different climate scenarios
Risk management	Described how processes for identifying, assessing, and managing climate risks and how these are integrated with our enterprise risk management	Monitored and manage the risks, opportunities and impacts assessed in the prior years	-
Metrics and Targets	Disclosed Scope 1 and 2 emissions	Enhanced our metrics and targets with quantitative data.	Consider the inclusion of Scope 3 emissions where appropriate and disclose metrics and targets used in relation to climate risk.

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 2025, medium-term objectives by 2030, and long-term aspirations extending to 2050.

The Group confronts climate-related risks such as the potential for flash floods and the consistent increase in ambient temperatures, both of which can disrupt our operational flow and elevate our operating costs. While flash floods may pose accessibility challenges for

patients attempting to reach specific clinic locations, our extensive network of medical facilities, coupled with ongoing government flood prevention initiatives, serves to effectively mitigate these potential disruptions. The steady rise in temperatures contributes to increased electricity consumption, which in turn impacts our profitability; however, we have implemented energy-efficient measures, including the installation of high-efficiency air conditioning systems and LED lighting, to manage and control these escalating costs.

Furthermore, the transition to utilising energy-efficient medical equipment presents both immediate challenges and long-term opportunities. While the initial capital expenditures required for upgrading our equipment may be substantial, we project that the long-term benefits will include significant cost savings and enhanced operational efficiency. By maintaining a vigilant awareness of technological advancements and strategically integrating climate considerations into our long-term planning, the Group remains steadfast in its commitment to maintaining operational resilience, advancing sustainability initiatives, and achieving sustained long-term success.

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 Impacts	Financial	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 13 endoscopy centres (out of which 11 centres are equipped with endoscopy facilities), 3 orthopaedic centres, 2 GP 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

To determine the most pertinent climate-related metrics for our business, we conduct a thorough analysis of key risk drivers. The primary metrics we utilise for measuring and managing climate-related risks and opportunities centre around electricity consumption, which is tracked both in absolute quantities and relative to revenue generated. To facilitate meaningful trend analysis and allow for effective comparative assessments over time, we disclose comprehensive historical data related to our electricity usage. It is important to note that, as of the present, climate-related performance metrics are not incorporated into the Company's remuneration policies.

Scope 1 and Scope 2 Greenhouse Gas 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 ISSB requirements in the coming reporting cycles. The Group is actively evaluating appropriate targets to strengthen our climate strategy and sustainability performance.

Electricity usage (kWh)	FY2025	FY2024 ⁶
Headquarters ("HQ")	9,429	9,680
Specialists clinics ("SP")	63,690	53,126
General Practitioners clinics ("GP")	7,266	4,711
GP (Associated company) ("GP (Assoc)")	2,281	9,718
Orthopaedics clinics ("Ortho")	3,635	1,853
Total Electricity Use	86,301	79,088
Total emissions ⁷ (kg CO ₂ e)	35,556.01	32,584.26
Emissions Intensity (kg CO ₂ e/\$ '000 revenue)	1.860791	1.732284

⁶ FY2024 emissions have been restated to reflect the updated emissions factor

⁷ The grid emission factor (GEF) of 0.412 kg CO₂/kWh is from <https://www.ema.gov.sg/resources/singapore-energy-statistics/chapter2>

In FY2025, the Group's total electricity consumption and emissions saw an increase of 9.1%. This overall trend was influenced by varied performance across individual entities. Specifically, SP's electricity usage increased by 19.9% as a full-time clinic staff was employed for a clinic, while GP experienced a substantial rise of 54.2% due to a reclassification of GP (Assoc) to GP after the Group acquired additional stake in the clinic. Accordingly, GP (Assoc) showed a substantial reduction in electricity consumption, declining by 76.5%. Total GP and GP (Assoc) recorded a reduction in electricity consumption by 33.8%. Ortho recorded the most significant increase in electricity usage at 96.2% as its revenue ramped up in the second year of operations with the addition of 2 specialists. Conversely, HQ demonstrated a slight reduction in electricity usage, decreasing by 2.6%.

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 2024 to 31 May 2025 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 – 5
	2-2 Entities included in the organisation's sustainability reporting	4
	2-3 Reporting period, frequency and contact point	3
	2-4 Restatements of information	21
	2-5 External assurance	3
	2-6 Activities, value chain and other business relationships	4 – 5
	2-7 Employees	10
	2-9 Governance structure and composition	6
	2-12 Role of the highest governance body in overseeing the management of impacts	6
	2-13 Delegation of responsibility for managing impacts	6
	2-14 Role of the highest governance body in sustainability reporting	6
	2-17 Collective knowledge of the highest governance body	2
	2-22 Statement on sustainable development strategy	2
	2-27 Compliance with laws and regulations	3
	2-29 Approach to stakeholder engagement	7
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	8
	3-2 List of material topics	8
Economic Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	13-14
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	14-15
	201-4 Financial assistance received from government	14
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	10-12
GRI 401: Employment 2016	401-1 New employees hires and employee turnover	11
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	10

GRI Standards	Disclosure Title	Location
	401-3 Parental leave	12
Patient's Privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	9
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of patients' privacy and losses of patients' data	9

TCFD CONTENT INDEX

TCFD Pillars	Recommended Disclosures	Location
Governance		
Disclose the organisation's governance around climate-related risks and opportunities	a) Describe the Board's oversight of climate-related risks and opportunities.	15
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	15-16
Strategy		
Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	16-20
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	16-20
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Will be included in future reporting.
Risk Management		
Disclose how the organisation identifies, assesses, and manages climate-related risks	a) Describe the organisation's processes for identifying and assessing climate-related risks.	21
	b) Describe the organisation's processes for managing climate-related risks.	21
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	21
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a) Disclose the metrics used the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	21
	b) Disclose Scope 1, Scope 2 and if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	21-22
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Will be included in future reporting.