翰森製藥
HANSOH PHARMA

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2025

翰森製藥集團有限公司 | Stock Code: 3692

Hansoh Pharmaceutical Group Company Limited (Incorporated in the Cayman Islands with limited liability)

CONTENTS

ABOUT THE REPORT

The Report is the seventh Environmental, Social and Governance ("ESG") Report of Hansoh Pharmaceutical Group Company Limited (the "Company") upon its listing. It systematically elaborates on ESG governance, strategies, risks, goals and performance of the Company and its subsidiaries (the "Group", "Hansoh Pharma", "We") in 2025 and focuses on addressing material issues of concern to stakeholders.

TIME OF THE REPORT

The information and data in the Report cover the period from January 1, 2025 to December 31, 2025 ("Reporting Period"), unless otherwise specified.

SCOPE OF THE REPORT

The disclosure scope of the substantive content of social and governance in the Report is consistent with that in the 2025 Annual Report. Given the subsidiaries of the Company, Jiangsu Hansoh Pharmaceutical Group Co., Ltd. (江蘇豪森藥業集團有限公司) ("Jiangsu Hansoh"), Changzhou Hansoh Pharmaceutical Group Co., Ltd. (常州恆邦藥業有限公司)("Changzhou Hansoh") and Shanghai Hansoh Biomedical Co., Ltd. (上海翰森生物醫藥科技有限公司) ("Shanghai Hansoh") accounted for over 90% of the Group's operating revenue in 2025, they are major operating entities of the Group, and also major environmental impact companies. On the principle of materiality, the substantive content of the environment section in the Report mainly focuses on these three subsidiaries mentioned above, unless there are special circumstances.

STANDARD OF REFERENCE

The Report is compiled based on the Environmental, Social and Governance Reporting Code (《環境、社會及管治報告守則》) (the "ESG Code") as set out in Appendix C2 to the Listing Rules of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Report refers to the Global Reporting Initiative (GRI)'s Standards for Sustainable Reporting (可持續報告標準) and the International Financial Reporting Standards' Sustainability Disclosure Standard (IFRS Sustainability Disclosure Standard). It is also in alignment with the United Nations Sustainable Development Goals (SDGs), and the concerned issues of the Morgan Stanley Capital International (MSCI) ESG rating and the S&P Global Corporate Sustainability Assessment (CSA).

REPORTING PRINCIPLE

The Report adheres to the four principles outlined in the ESG Code of the Stock Exchange, which are "Materiality", "Quantitative", "Balance" and "Consistency".

Materiality The Company conducted daily communication and specific surveys with stakeholders to collect and analyze ESG issues which are the most pressing issues of various parties, and the most important ones of the Company. We used this information to determine the focus of the Report. The process of identifying stakeholders, communication, and establishing these issues will be detailed in the Section 4.4 – Material Issues.

Quantitative To help stakeholders clearly and accurately understand the Company's ESG performance, we will disclose the standards, methods, assumptions, calculation tools, conversion factor sources, and other information used in the quantification of emissions, energy consumption, and other related data.

Consistency Any modifications made to the statistical scope, statistical methods, conversion factors, etc., during the Reporting Period and scope as boundaries stated above will be described with the basis in the corresponding sections of the Report. This approach will enable stakeholders to gain a comprehensive and unbiased understanding of the Company's advancements and contributions towards ESG aspects.

Balance The Report presents a complete and balanced picture of the Group's ESG information.

DATA SOURCES

The data and cases presented in the Report are obtained from the Group's production and operational records, documents available to the public, and public reports from governments and news media. There are no deliberately false records or misleading statements. The Company takes responsibility for ensuring that the information sources are authentic, accurate, and complete. The monetary unit used throughout the Report is RMB, unless otherwise specified.

ACCESS TO THE REPORT

The Report is prepared in Traditional Chinese and English, and will be published on the websites of the Company (www.hspharm.com) and the Stock Exchange (www.hkexnews.hk). For any suggestion and comment on the Report, please contact us at the email address: IR@hspharm.com

CONFIRMATION AND APPROVAL

The Report is confirmed by the management of the Company and independently verified by the China Quality Certification Center Co., LTD, and is approved by the Board of Directors of the Company on April 28th, 2026.

1. CHAIRLADY'S STATEMENT

The year 2025 marks the 30th anniversary of the founding of Hansoh Pharma. As we move forward steadily, we are constantly aware that today, as the global sustainable development agenda gains momentum, climate, ecology and health equity have increasingly become shared global concerns. Corporate mission has transcended the mere creation of economic value to embrace the advancement of social well-being, the protection of the ecological environment, and strict adherence to ethical governance. Hansoh Pharma firmly holds that only by deeply integrating ESG (Environmental, Social, and Governance) core elements into our corporate strategy and day-to-day operations can we build a sustainable and resilient foundation for development, thereby truly manifesting our core values of "Responsibility, Integrity, Diligence and Innovation".

Over the past year, we have continuously and deeply embedded ESG principles across the entire spectrum of corporate governance, R&D and innovation, production and operations, and commercial partnerships. At the Board level, we strengthen its oversight and governance role in guiding ESG strategic direction. The ESG Committee convened two meetings to review risks and approve policies, ensuring that ESG-related goals are fully aligned with the Company's long-term development plans. Through robust implementation and oversight, a continuously improving management system, and transparent information disclosure mechanisms, we proactively respond to the expectations of all stakeholders.

On the environmental front, we proactively align with China's national "Dual Carbon" goals and global climate initiatives, and strive to minimize the ecological footprint of our operations. Each year, we conduct environmental impact monitoring of soil, water and other factors around our main operation sites, alongside biodiversity assessments within a 10-kilometer radius, continuously tracking changes in the natural ecosystem. By researching and applicating green processes, optimizing our energy mix, and enhancing resource efficiency, we strive to strictly implement the principles of low-carbon, clean and efficient operations across all stages of R&D and manufacturing, safeguarding a future where humanity and nature coexist in harmony.

In the realm of innovation, we are always committed to addressing unmet clinical needs, continuously invest in innovative drug R&D, and enhance the accessibility and affordability of high-quality medicines.

In terms of talent, we strictly abide by laws and regulations and refer to the International Labour Organization and relevant conventions to effectively safeguard the legitimate rights and interests of our employees. We regard our employees as our most valuable asset, and are committed to building a diverse, inclusive, equitable and supportive workspace for career development. With zero tolerance for any form of discrimination and harassment, we safeguard every employee's professional dignity and career growth space. We also actively monitor employee satisfaction and engagement, constantly optimize the organizational structure, and continuously improve human resource management to empower technological innovation and operational management.

In terms of product excellence, we consider drug quality and patient safety as the cornerstones of our business and growth. We benchmark against world-leading quality access standards for pharmaceuticals and introduce the concept of lean management to reduce costs and increase operational efficiency. This strategy enables us to deliver high-quality medicines to patients at more affordable prices. As at the end of 2025, Hansoh Pharma's products have benefited over 80 countries and regions around the world, including 48 countries recognized as low - and middle-income by the United Nations.

Sustainable development cannot be achieved by enterprises alone. We take the initiative to collaborate with upstream and downstream partners across the value chain, share our green practices, elevate industry standards, and drive the synergistic growth and shared accountability.

For the past three decades, we have been working tirelessly and forging ahead on the path of contributing to human health and well-being. Guided by scientific rigor and humanistic care, Hansoh Pharma will translate our commitment to sustainable innovation into concrete actions. Together with our partners, employees and all sectors of society, we strive to create long-term value, bring hope of health to patients, build a stage for employee growth, and contribute to a sustainable climate and ecosystem.

Zhong Huijuan

Chairlady and Chief Executive Officer

2. ABOUT HANSOH PHARMA

Hansoh Pharma is a leading innovation-driven pharmaceutical company in China, with the mission of "Continuous innovation for better life". The Company focuses on major disease therapeutic areas including oncology, anti-infections, central nervous system, metabolism and autoimmunity. Consistently ranked among the Top 100 Global Pharmaceutical Enterprises and the Top 3 China's Best Industrial Enterprises in Pharmaceutical R&D Pipeline, we are recognized as a National Key High-Tech Enterprise and a National Technology Innovation Demonstration Enterprise. The Company was listed on the Hong Kong Stock Exchange in June 2019 (03692.HK).

Hansoh Pharma actively explores the cutting edge of global pharmaceutical technology, accelerating the R&D and commercialization of innovative products. Currently, the Company has established four R&D centers in Shanghai, Lianyungang, Changzhou, and Maryland (USA), with over 2,300 professional R&D personnel. The Company has built a comprehensive R&D system covering the entire process from frontier information collection, compound design and screening, pharmacological and toxicological research, to clinical medical research. The Company has founded multiple national-level R&D institutions, including the National Enterprise Technology Center, Post-doctoral Research Station, and Key National Laboratory. Through years of accumulation, the Company has developed high-efficiency innovative drug R&D capabilities, covering antibody-drug conjugates (ADC), synthetic peptides, siRNA, bispecific antibodies and small molecules. With over 70 clinical trials across more than 40 innovative drug candidates programs, the Company has cultivated a robust and highly competitive R&D pipeline.

In 2025, Hansoh Pharma recorded revenue of RMB 15.028 billion, representing a year-on-year increase of 22.6%. Revenue of innovative drugs and collaborative products reached RMB 12.354 billion, and the proportion of total revenue has increased to 82.2%. Innovative drugs have become the core driver of the Company's sustainable growth. As of the end of the Reporting Period, the Company has obtained marketing approval for seven innovative drugs, with 11 indications included in China's NRDL, providing more patients high-quality treatments while significantly reducing their medication costs.

Under its global strategy, Hansoh Pharma has accelerated business development (BD) collaborations, actively exploring novel targets, expanding new directions, and partnering on new technologies. Simultaneously, the Company is committed to promoting its self-developed results to the global market, having entered into out-licensing collaborations with leading international pharmaceutical companies such as GSK, MSD, Regeneron and Roche.

Hansoh Pharma has always maintained dynamic consistency with global advanced levels of creation by continuously designing and building production facilities and production lines in accordance with international advanced quality standards. The Company's production quality system has been officially certified by FDA in the United States, EMA of the European Union, and PMDA in Japan, and its key preparations and active pharmaceutical ingredients (APIs) have been approved for marketing in Europe, America, Japan, etc.

Innovation drives growth, and technology shapes the future. Hansoh Pharma will continue to deepen its dual-engine strategy of "Innovation and Globalization", with a view to meeting the clinical needs of patients in China and around the world, and contributing to exploring and developing more innovative and effective medicines to safeguard life and health.

3. 2025 PERFORMANCE HIGHLIGHTS

Remaining steadfast in its commitment to sustainable innovation, and backed by the continued support of its stakeholders, Hansoh Pharma has achieved some results across scientific research, industry empowerment, brand building and talent cultivation.

3.1 RESPONSIBILITY FOOTPRINT

Innovation Achievements

- Ameile® (Aumolertinib Mesilate Tablets) was approved for marketing for its third, fourth and fifth indications, leading the full-course treatment of non-small cell lung cancer.
- Aumolertinib Mesilate Tablets has been approved for marketing by the UK MHRA, becoming the first Chinese original EGFR-TKI to be marketed overseas.
- XINYUE® (Inebilizumab Injections) has been constantly helping patients with rare diseases and has made continuous breakthroughs in indications for NMOSD, IgG4-RD and gMG.
- During the reporting period, eight new candidate innovative drugs entered the clinical research stage, and seven new Phase 111 key registration clinical trials were added.
- HS-20093(a self-developed ADC targeting B7-H3) has been granted multiple regulatory designations in China, the United States and Europe, including breakthrough therapy, priority drug, and orphan drug, covering a wide range of high-clinical-demand solid tumor indications.
- HS-20089 for platinum-resistant ovarian cancer has been approved by the NMPA as a breakthrough therapy drug.
- We have reached three major out licensing agreements with Roche, Regeneron and Glenmark, with a total transaction value exceeding 4.5 billion US dollars.

Industry Recognition

- Jiangsu Hansoh has been ranked among the top three “Best Industrial Enterprises in China’s Pharmaceutical R&D Pipeline” for nine consecutive years.
- Hansoh Pharma has been ranked in the first echelon of the “Top 100 Innovative Pharmaceutical Enterprises in China” for seven consecutive years.
- Hansoh Pharma rose to the second place in the Competitiveness Ranking of China’s Listed Pharmaceutical Enterprises.
- Hansoh Pharma has been awarded the title of Leading Enterprise for Chinese innovative drugs going global.
- Hansoh Pharma has been awarded as one of the TOP 10 companies in China in terms of comprehensive strength in drug research and development.
- Forbes China's 50 Most Innovative Companies 2025.

Responsibility Practice

- Jiangsu Hansoh and Changzhou Hansoh were awarded the title of “Advanced Intelligent Factory of Jiangsu Province”.
- Hansoh Pharma donated HK$10 million to support disaster relief in Hong Kong.
- Hansoh Pharma was awarded the titles of “Green Leadership Enterprise” and “Sustainable Development Leadership Model” in Pudong New Area, Shanghai.
- Hansoh Pharma won the “Top Innovation Award – Award for Practice of AI Innovation Learning and Development” from SiQiQuan.

3.2 DATA PERFORMANCE

Financial Performance

15.028 billion
Revenue (RMB)

22.3%
R&D cost of the revenue

5.555 billion
Profit (RMB)

82.2%
Revenue of innovative drugs and collaborative products accounted for the revenue

Corporate Governance

2 meetings
The ESG Committee of the Board convened

99.8%
The proportion of directors and employees participating in anti-corruption and compliance training

42.9%
Percentage of female directors

44.6%
Percentage of female executive management

Environment Friendly

Progress of greenhouse gas emission reduction:

Compared to emissions of base year, the emissions of greenhouse gas per unit revenue (scope I and scope II) reduced **40.73%↓**

Progress on energy efficiency:

Compared to consumption of base year, the comprehensive energy consumption per unit revenue reduced **29.16%↓**

Progress of waste gas pollutant reduction:

Compared to emissions of base year, the total emissions of volatile organic compounds (VOCs) from waste gas per unit revenue reduced **8.51%↓**

Progress of emission reduction of wastewater:

Compared to Chemical Oxygen Demand (COD) of base year, the COD in wastewater per unit revenue reduced **36.48%↓**

Compared to ammonia nitrogen of base year, ammonia nitrogen in wastewater per unit revenue reduced **91.15%↓**

Product Quality

Customer satisfaction rate

88.89%(Jiangsu Hansoh)
89.35%(Changzhou Hansoh)

Approval rate for product certification checks and customer audits

100%

Quality training for a total of

244,404 person-times

Sustainable Supply Chain

228
Audited suppliers

100% of suppliers
Covered by the Supplier Code of Conduct

Talent Development

0
General or above production safety accidents

0
Identified cases of occupational diseases

99.8%
Training coverage rate

39.01 hours
Average training duration per employee

80%
Employee satisfaction

Access to Healthcare

9.109 million
Investment in charity and public welfare (RMB)

2
Long-term drug donation programs

48
Number of Hansoh Pharma products entering middle- and low-income countries and regions

26,724 person-times
Number of patients covered by rare disease patient education activities, collaborated with public welfare organizations

67,140 person-times
Number of patients covered by mental health awareness campaigns, collaborated with professional institutions

3.3 ESG-RELATED HONORS AND AWARDS

MSCI ESG Rating

AAA

S&P Global

2025 CSA
(Corporate Sustainability Assessment)
scored 74

S&P Global

2026 Sustainability Yearbook Member (Worldwide)

S&P Global

Top 1%
2025 Sustainability Yearbook Member (China edition)

CDP Climate Change Management
Level B

CDP Water Security Management
Level B

EcoVadis Bronze Medal
(Jiangsu Hansoh)

E Pharmaceutical Manager

2025 Sustainable Business Pioneer Award for Biopharmaceuticals

Forbes China 2025

ESG 50 List

Forbes China

Best Employer Award

Liepin

Extraordinary Employer Award

04

CORPORATE GOVERNANCE

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Hansoh Pharma has established a sound top-level framework for ESG governance. The Company has set up an ESG Committee at the Board level, which integrates the concept of sustainable development into the strategic planning system, coordinates the formulation of major ESG policies at the Group level, and guides the implementation of such policies by the business units. By regularly reporting to the Board of Directors on the progress of implementation of ESG policies and the completion of performance targets, each business unit has achieved a closed-loop management from concept to practice. The Company has established a risk monitoring mechanism independent of the business system, and maintains forward-looking forecasts of risks arising from policy changes, industry dynamics and environmental factors (especially climate change). Through a top-down collaborative deployment mechanism, we continuously strengthen risk management and control capabilities to provide guarantee for the sustainable development of the Company.

4.1 BOARD STATEMENT

The Board of Hansoh Pharma is ultimately responsible for the planning, implementation and supervision of the Company's ESG strategies. The ESG Committee under the Board is responsible for formulating the ESG vision, objectives and strategic framework, monitoring the implementation and progress of relevant work, assessing material ESG issues, risks and opportunities, and reviewing the communication methods with shareholders and the ESG-related disclosures.

The ESG Committee has been chaired by an Executive Director with three other Independent Non-executive Directors as members. The ESG Committee members have extensive experience in R&D and quality control in the pharmaceutical industry, expertise in financial compliance and risk management, and background in human resources and legal, respectively. They receive regular special training on ESG, are able to effectively supervise the Group's ESG affairs, and provide professional advice to the Board on the completeness of ESG reporting, the setting of strategic objectives, the optimization of structures and the enhancement of performance. Please refer to Terms of Reference of ESG Committee of the Board of Hansoh Pharmaceutical Group Company Limited for detailed responsibilities of ESG Committee.

During the Reporting Period, the ESG Committee held two meetings, focusing on reviewing the progress of the Company’s ESG targets, assessing ESG risks and opportunities such as climate change, and prioritizing material issues. The meetings also reviewed and approved relevant policies, promoting the deep integration of ESG targets with business strategies. By continuously reviewing past successes and failures and benchmarking against the latest authoritative domestic and international standards, the Committee submitted an ESG performance improvement plan to the Board and set up a working team for its implementation and progress monitoring.

Policy Development

We have adopted the Artificial Intelligence Policy and the Talent Development Policy. The former provides a clear guiding framework and ethical principles for the application of artificial intelligence technologies, while the latter aims to attract and nurture key talents in line with Hansoh Pharma's long-term strategic priorities, so as to enhance the Group's innovation capabilities and organizational resilience. These two mutually reinforcing policies focus on the two core pillars—technology and human capital—as key initiatives to respond to technological transformation and position ourselves for the future.

Risk Monitoring

Hansoh Pharma has established a systematic risk management and monitoring mechanism. The Board is responsible for overseeing the identification and assessment of key ESG-related risks, such as climate change, policies and regulations, and industry-specific compliance requirements. In parallel, an independent risk early warning system ensures the timely detection of risk signals. The ESG Committee and the management report regularly to the Board on risk rating results and response strategies, and promote the optimization of internal control processes accordingly. In addition, members of the Board continuously improve their ability to assess emerging risks through regular training, so as to support the risk-related decision-making of the Board in a precise manner.

Materiality Analysis

Under the supervision of the Board, the ESG Committee and its Working Group maintained good communication with internal and external stakeholders and identified and assessed material ESG issues through various channels. The ESG strategy was further adjusted and optimized in response to key issues of high concern to stakeholders. The Board, the management and the relevant business departments discussed and analysed the situation, and made appropriate adjustments to business strategies and management policies in light of international ESG development trends and best practices in the industry. For details on the process of material issue identification and the results of ESG materiality assessment, please refer to Section 4.4 – Material Issues of this Report.

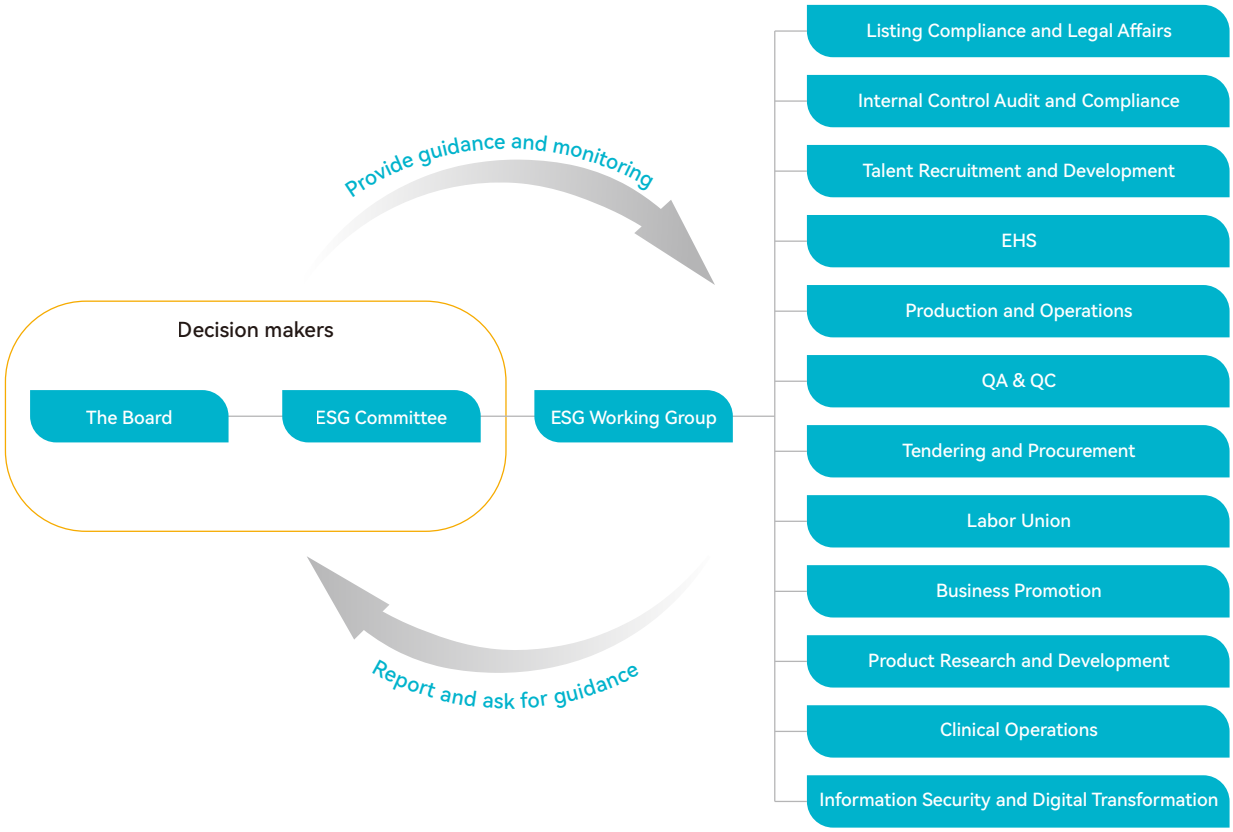
The ESG-related Monitoring and Implementation Priorities by the Board in 2025

4.2 ESG GOVERNANCE

4.2.1 ESG Governance Framework

The Board of the Company monitors ESG issues through its ESG Committee, reviews ESG-related strategies and objectives. The Board receives reports from the ESG Committee at least once a year, and actively studies the latest ESG disclosure requirements of the Stock Exchange, international social responsibility standards and information disclosure frameworks, closely focuses on the key issues of concern to mainstream rating agencies and related parties, follows up on the laws, regulations and industry policies in each operating region, integrates resources to support the implementation of various enhancement projects and assumes ultimate responsibility. During the Reporting Period, the Board received reports from the ESG Committee at two meetings and held in-depth discussions on ESG-related issues.

An ESG Working Group is set up under the ESG Committee, whose members include key personnel from relevant business and functional modules of the Group, with professional knowledge and extensive experience. Under the guidance of the ESG Committee, the Working Group efficiently promotes ESG-related work and implements risk control measures. The Working Group regularly reports to the ESG Committee on key ESG performance and target achievement, communicates the Company's ESG philosophy to internal and external stakeholders, conducts training and publicity activities, collaborates with all employees and industry partners to promote the implementation of the Company's ESG strategy.



To effectively enhance ESG performance and ensure target achievement, Hansoh Pharma deeply integrates ESG philosophy into its corporate development strategy and incorporates key ESG-related goals, including product quality, environmental protection and climate risk management, employee development, innovation and R&D, compliance and information security, into the performance appraisal system for the senior management team. We breaks down ESG targets into four dimensions, namely financial impact, the full value chain, internal processes, and knowledge & skills, and assigns them to various functional departments and employees, ensuring close alignment with management functions and performance at all levels and forming an indicator system that is vertically integrated and horizontally consistent. In routine reporting, the progress on ESG projects and target achievement are listed as mandatory review items. Moreover, the Company regularly conducts internal and external evaluations or audits in key risk areas such as responsible marketing, business ethics, supply management, human rights and diversity and inclusion, ecological impact, and cybersecurity to identify management weaknesses in key business processes and develop improvement plans, thereby forming a closed loop of Plan-Do-Check-Act (PDCA) for ESG performance management.

4.2.2 ESG Philosophy

With corporate governance, corporate conduct, product safety, access to healthcare, talent development, environmental protection, and community enhancement as the focus and the basis of ESG management, the Group integrate ESG philosophy into the corporate values of "Responsibility, Integrity, Diligence and Innovation" to continuously enrich its connotation. Through production and operation practices and corporate culture activities, we have embedded ESG philosophies deeply in the hearts and minds of our employees, forming a corporate culture with the characteristics of Hansoh.

Corporate Governance | Safeguarding the interests of shareholders and stakeholders

We have been continuously paying attention to the interests of stakeholders, optimizing the governance structure, and broadening information communication channels to enhance the transparency for shareholders and stakeholders. Meanwhile, we have strengthened compliance management and system construction to protect the legitimate rights and interests of shareholders and stakeholders, thereby promoting the stable and sustainable development of the Company.

Corporate Behavior | Upholding high standards of business ethics and code of conduct

We strictly comply with the relevant laws and regulations in each operating region, make globally recognized ethical standards our benchmarks, continuously improve our business behavior and code of conduct, and put them into practice through the entire process of research and development, production and operation. We continuously improve our ethical standards in key areas such as business integrity, R&D ethics, business compliance, information security, and anti-corruption.

Product Safety | Being innovation-driven to create maximum value for patients

We always adhere to the guiding principle of innovation, regard the clinical benefit of patients as the greatest value the enterprise can create, and take the quality and safety of drugs as our non-negotiable red line. In our production and operation practices, we strictly follow pharmaceutical quality management regulations, formulate strict quality risk warning systems and product quality inspection procedures, realize quality control throughout the supply chain, all elements and life cycle, and protect the rights of subjects in clinical trials and the safety of patients' lives.

Access to Healthcare | Improving the accessibility and affordability of medicines

Adhering to the strategy of "precise academic services, professional promotion, and access to healthcare", we have been committed to the R&D of drugs with safety, efficacy and economy by virtue of scientific and technological innovation. Capitalizing on lean management, we strive to reduce production costs to increase drug affordability. Enhance the accessibility of innovative achievements through professional academic promotion and precise patient education in collaboration with public welfare organizations. Furthermore, we are concerned about the R&D of drugs for rare diseases and the medical needs of underdeveloped areas, and improve the health welfare of the disadvantaged groups through measures such as patent licensing, technical cooperation and fair pricing.

Talent Development | Building an innovative talent pipeline and helping our employees achieve their personal goals in tandem with our corporate vision

We uphold the people-oriented development concept, regarding talent as the primary productive force and the most valuable strategic resources for the Company's development. We constantly improve the talent pipeline by taking measures such as talent review, leadership development and technical competency assessment, and retain and attract the best talents with competitive salaries and welfare in the industry and a safe, healthy, inclusive and happy working environment. Moreover, we have established a fair and reasonable promotion mechanism and a multi-level vocational training system to support employee growth.

Environmental Friendliness and Community Enhancement | Harmonious development with climate, ecology and the community

The Company adheres to the green development philosophy, strictly complies with local laws and regulations related to environmental protection while pursuing product value and economic benefits. We are concerned about and actively respond to global climate change, raise the employees' awareness of environmental protection and low-carbon practices, conserve energy and natural resources, and promote the harmonious development of the Company and nature. We are also attentive to community development and benefit requirements, and promote the community labor employment, industrial support and infrastructure construction, becoming a participant, contributor and beneficiary of community development.

4.2.3 Global Corporate Citizenship

A sound and stable internal and external environment is essential for the Company's normal operations and for achieving solid economic returns. Hansoh Pharma actively responds to the United Nations Sustainable Development Goals (SDGs). While pursuing economic benefits, it attaches great importance to the needs of society, the environment, and stakeholders, and deeply integrates the concept of sustainable development into the Company's overall strategy. Through its strategic management mechanism, the Company has achieved a high degree of synergy between the core business and the UN Sustainable Development Goals. Hansoh Pharma has specifically incorporated a global corporate citizenship strategy, which includes 15 specific targets related to the SDGs. The Company has set Key Performance Indicators (KPIs) for these targets, developed detailed action plans, and conducts regular assessments and adjustments. The achievement of these targets will be presented in detail in the corresponding sections of the Report.

Corporate citizenship strategy, Priorities and KPIs table

Corporate citizenship strategic objectives	Priorities	Corresponding SDGs	Relevant KPIs
Corporate governance and ethical value objectives	Compliance with laws and regulations, current business rules and international standards, anticorruption and anticommercial corruption regulations, etc.		• Scale of anti-corruption training conducted • Number of confirmed violations and non-compliance cases
Employee responsibility objectives	Occupational health and safety, equal employment opportunities, communication and care, organization and talent development, antidiscrimination, salary and benefits, etc.		• Number of influential events and safety accidents at or above the ordinary level • Average training hours per employee • Proportion of employees receiving diversity training • Number of operating sites covered by health and safety risk assessment
Environment responsibility objectives	Maintain environmental quality, use clean energy, save resources and energy, combat climate change, etc.		• Emissions of VOCs in exhaust pollutants • COD and ammonia nitrogen emissions in wastewater • GHG emissions (scope I , II and III) • Comprehensive energy consumption • Municipal water intake • Disposal quantity of hazardous waste and compliant disposal proportion of non-hazardous waste
Social responsibility objectives	Access to healthcare, responsible business conduct, product, patient and subject safety, coordinated development of industry, etc.		• Revenue from innovative drugs and co-developed products as a percentage of total revenue • Number of innovative drugs approved for marketing and included in the National Reimbursement Drug List • Number of products entering low- and middle-income countries • Number of patients with rare diseases benefited by innovative drugs

4.3 COMMUNICATION WITH STAKEHOLDERS

Hansoh Pharma attaches great importance to the concerns of its stakeholders, actively responds to their expectations and adopts their suggestions. It collects opinions from internal and external stakeholders extensively through efficient and transparent communication channels and continues to improve the Company's sustainable development management. During the Reporting Period, we identified seven categories of core stakeholders by considering the characteristics of the industry and the actual business operations and referring to the best practices of outstanding peers globally. We have also established a systematic communication mechanism for their concerns.

Example table of stakeholder communication methods

Stakeholders	Type of Stakeholder	Issues Concerned	Communication Methods
Directors 	Members of the Board of Directors of the Company	• Corporate governance • Product safety and quality • Business ethics and anti-corruption • Risk and crisis management • Climate risk identification, assessment and response	• ESG Report • Meetings of the Board of Directors and the ESG Committee • Regular reporting • Director training
Shareholders 	Investors Shareholders	• Waste • Safety of clinical trial participants • Product safety and quality • Product R&D and innovation • Pharmacovigilance • Compliance with laws and regulations	• Annual and interim results briefings • General Meetings of Shareholders • Listed company exchange events • Announcements and disclosures on the official website • Daily communication and questionnaires
Employees 	Senior management Middle management Junior management General staff	• Product safety and quality • Employee benefits and remuneration • Safety of clinical trial participants • Compliance with laws and regulations • Pharmacovigilance • Business ethics and anti-corruption	• HR business partner communication • Employee training • Cultural & sports clubs and team building activities • Employee satisfaction surveys • Information release and grievance channels • Trade Union and Workers' Representative Congress

Stakeholders	Type of Stakeholder	Issues Concerned	Communication Methods
Government and Regulatory Authorities 	Government Regulatory authorities	• Environmental policies • Energy • Product safety and quality • Pharmacovigilance • Inclusive healthcare • Corporate citizenship and charity	• Meetings organized by the government • Press release, information disclosure • Annual reports, ESG reports • Special work reports • Visits and inspections • Information declaration and supervision and inspection
Partners and Supply Chain 	Business partners Suppliers	• Product safety and quality • Safety of clinical trial participants • Employee benefits and remuneration • Compliance with laws and regulations • Business ethics and anti-corruption	• Invitation for bids • Supsupplier training • Supplier audits • Technical exchanges • Business negotiations • Supply chain conferences/forums
Customers 	Patients Medical institutions Business companies Pharmacies	• Product safety and quality • Safety of clinical trial participants • Occupational health and safety • Compliance with laws and regulations • Business ethics and anti-corruption	• Professional academic exchanges • Customer satisfaction surveys • Customer service hotline • Pharmacovigilance
Society and Public 	Community organizations NGOs Media	• Product safety and quality • Safety of clinical trial participants • Employee benefits and remuneration • Compliance with laws and regulations • Water resources and wastewater • Business ethics and anti-corruption	• Press release, information disclosure • Charity activities and volunteer services • Community visits • Press conferences of the Company • Official website and WeChat official account • Media interviews and communication

4.4 MATERIAL ISSUES

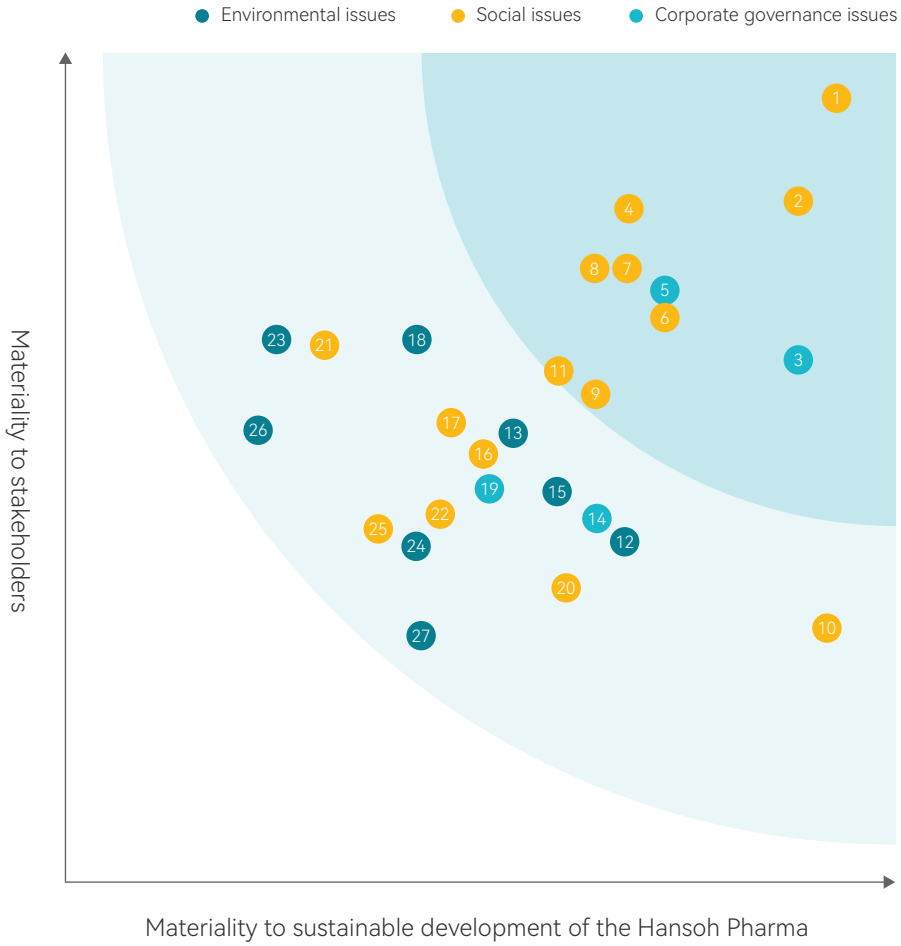
In compliance with the requirements of the ESG Guide in Appendix C2 to the Listing Rules of the Stock Exchange, Hansoh Pharma has extracted internal and external stakeholders' concerns to compile a list of sustainable development issues by referring to the Global Reporting Initiative (GRI) Sustainability Reporting Standards and the two standards (S1 and S2) issued by the International Sustainability Standards Board (ISSB).

Aside from daily interaction with stakeholders, we also conducted interviews, surveys, questionnaires, etc. to have an in-depth understanding of the key concerns of all parties on the issue list by referring to the EU Corporate Sustainability Reporting Directive (CSRD) and in accordance with the dual materiality of finance and impact; based on the results of the surveys and analyses, a professional team will analyze and judge the issues, rank them, and build a material issue matrix, which will be reviewed and confirmed by the Board of Directors and used as an important reference for the preparation of the Report, and is incorporated into the strategic decision-making and resource allocation processes. And the highly important issues will directly affects the remuneration assessment of relevant senior executives.

During the Reporting Period, we conducted over 40 departmental interviews, and collected 172 questionnaires. Of the questionnaires, external questionnaires accounted for 67.4%, totaling 116; internal questionnaires accounted for 32.6%, totaling 56. As compared to 2024, such topics as product safety and quality, safety of participants in clinical trials, compliance with laws and regulations, product R&D and innovation, occupational health and safety, employee rights and communication, employee benefits and compensation, employment, pharmacovigilance, and business ethics and anti-corruption remain highly material, while stakeholders' concerns about water conservation, as well as training and development have increased, and the materiality of topics such as environmental policies have slightly decreased.

The above issues with high materiality, as the common concerns of stakeholders in 2025, are the focus of disclosure in the Report to varying degrees.

Matrix of Material Issues of Hansoh Pharma for 2025



Issues with high materiality

1. Product safety and quality
2. Safety of participants in clinical trials
3. Compliance with laws and regulations
4. Occupational health and safety
5. Business ethics and anti-corruption
6. Pharmacovigilance
7. Product R&D and innovation
8. Employee rights and communication
9. Training and development
10. Employee benefits and compensation
11. Employment
12. Water resources and sewage

Issues with moderate materiality

13. Waste
14. Risk and crisis management
15. Environmental policies
16. Sustainable supply chains
17. Information/network security and system availability
18. Identification, assessment and mitigation of climate risks
19. Corporate governance
20. Ethical marketing
21. Corporate citizenship and charity
22. Access to healthcare
23. Biodiversity
24. Energy
25. Diversity and equal opportunities
26. Materials
27. Greenhouse gas and hazardous gas emissions

Note: Issues of the same materiality level and category are ranked in no particular order

Dual Materiality Analysis

On the basis of stakeholder research, we integrated comprehensive factors such as industry information, regulatory changes and global environment to respectively identify and manage important internal and external issues that may pose risks or bring opportunities to the Company itself, as well as important issues related to the possible positive or negative impact of corporate operations on the environment and society.

Materiality Issues Affecting Corporate Value Creation

Materiality Issues in Corporate Value Creation	Product Safety and Quality	Product Research and Development Innovation	Occupational Health and Safety
Business association	Pharmaceuticals, as special products vital to people's livelihood, have their quality and safety as the foundation of the business. Product quality incidents can lead to recalls, regulatory penalties, and even market exclusion, resulting in sales losses and substantial compensation expenses. At the same time, reputational damage can erode the trust of patients and healthcare professionals, leading to a shrinking market share. Conversely, a good reputation can enhance brand premium and ensure stable revenue.	Innovation in research and development is the fundamental driving force behind the operation of pharmaceutical companies. By developing new drugs with clinical advantages, companies can gain market exclusivity during the patent protection period, achieving ideal pricing and market share, which drives revenue growth. At the same time, innovation extends the product life cycle, helps to address generic drug competition, and continuously creates value by expanding into new indications, determining the potential and sustainability of revenue growth.	Occupational health and safety directly impact our operational risks and resilience. Safety incidents can lead to personnel injuries, production disruptions, regulatory penalties, and legal litigation, causing direct economic losses or operational standstills. At the same time, a safe working environment is crucial for employee morale, production efficiency, and quality stability. If it remains poor, it can further undermine operational continuity and organizational effectiveness.
Strategic Embedding Plus	Hansoh Pharma's pharmaceutical product quality strategy, centered on the principle of "quality by design," covers a comprehensive lifecycle management system from research and development, production, distribution to pharmacovigilance. This strategy is based on international quality standards (such as GMP, GVP) and ensures controllability and compliance at every stage through systematic quality risk management, advanced process control, and continuous technical validation. For more details, see Chapter 8.2 - Quality Strategy.	Hansoh Pharma's R&D innovation strategy focuses on meeting unmet clinical needs. By deploying cutting-edge technology platforms and strengthening its own R&D capabilities, the Company is committed to developing innovative drugs with significant differentiation. Additionally, through open collaboration, cross-border R&D, and ecosystem building, it accelerates pipeline advancement and constructs a sustainable innovation system with international competitiveness. For more details, see Chapter 11.2 - Innovative Drug R&D.	Hansoh Pharma's occupational health and safety strategy is dedicated to building a systematic, intelligent, and people-oriented occupational health and safety management ecosystem. We use the ISO 45001 international standard as a framework, and through risk warning mechanisms, dual-line supervision models, and the application of intelligent technologies, we achieve proactive identification and closed-loop control of safety risks throughout the process. For more details, see 10.3.2 - Occupational Health and Safety Risks.
Target setting	We have set quality targets for the year 2025, including "zero occurrences of secondary quality incidents."	We have set targets for the progress of our innovative drug R&D pipeline and the revenue from innovative drugs by 2025.	We have set a target of zero general and above production safety accidents by 2025.
Achieve progress	Achieve	Achieve	Achieve
Management evaluation	The performance-based compensation of management personnel at all levels, including the executive management, in production and quality is strongly linked to the achievement of quality targets.	The performance-based compensation for management personnel at all levels, including the executive management, in the R&D system and academic promotion team is strongly linked to R&D innovation targets.	All levels of management, including executive directors, sign annual safety production responsibility statements, incorporating production incidents into performance evaluations as a veto item.

Our analysis is based on how these factors drive or impact Hansoh Pharma's ability to create long-term value. Some of these impacts are already reflected in current operating metrics, while others remain at a potential level. To better seize opportunities and mitigate risks, we will incorporate these risks or opportunities into our long-term strategic planning, ensuring effective responses through the setting of phased targets and the formulation of plans to achieve these targets. These plans are broken down into phased plans for relevant departments and incorporated into the performance evaluations of management personnel.

Materiality Issues Affecting External Stakeholders

Materiality issues of external interest-related parties.	Safety of Clinical Trial Participants	Corporate Citizenship and Philanthropy
Relevance of issues to business	The Group's own operations, products, and supply chain may all impact product quality, thereby having positive or negative effects on society, customers, and employees of related parties. Whether we provide informed consent to participants during clinical trials, whether we conduct thorough ethical reviews, and whether we ensure the safety of subjects through strict quality management are critical issues concerning human rights, the qualifications of medical institutions, and the clinical trial supply chain. Standardized clinical trial safety management is essential for the innovation and development of pharmaceuticals.	The Group's own operations and innovative products have had a positive impact on society and customers. Indicators such as charitable expenditures, the number of products covering low- and middle-income countries, and cost reductions in product manufacturing through process optimization are crucial for measuring the extent to which our business conserves medical resources and reduces the burden on patients. Globally, an increasing number of low- and middle-income regions are benefiting from Hansoh Pharma's innovative development, demonstrating the value we create for external stakeholders.
Quantitative indicators used to measure external impacts	The number of clinical trials terminated due to violations.	Annual number of new beneficiaries among patients in low- and middle-income countries.
2025 External Impact Indicator Performance	0	60,000 Persons

4.5 RISK MONITORING

Hansoh Pharma always adheres to the principles of "comprehensiveness, importance, checks and balances, adaptability and cost-effectiveness", continuously pays close attention to changes in political and economic environment, natural environment, industry policies, as well as technological and cultural trends. Through cross-departmental thematic analysis, the Company conducts in-depth research on human health and the disease spectrum changes in China and the world to guide its product R&D planning. We regularly identify external risks that may affect the Company's operations and long-term development, and formulate response strategies in advance for emerging risks. Meanwhile, the Company strictly reviews its internal operations, identifies potential risks through various assessments and audits, conducts timely reviews and corrections to eliminate hazards. The Company conducts sensitivity and stress tests on major financial risks and non-financial risks every year through a multi-dimensional internal control system and a risk monitoring mechanism independent of business, reports to the Audit Committee of the Board of Directors regularly, to ensure effective risk control and management, assets and business operations security, and the truthfulness and integrity of information disclosure.

4.5.1 Assessing and Responding to Emerging External Risks

Hansoh Pharma has continually and dynamically monitored the two previously identified emerging risks. After comprehensive assessment, these risks will not have a significant direct impact on the Company's overall operations in the short term. However, in the long term, they may pose potential challenges to the R&D strategy, internationalization process, and business model. In response to this, the Company has and will continue to pay close attention to them, conduct in-depth research, take countermeasures, and enhance our ability to prevent risks and seize opportunities.

Risk 1: Disruptive changes in AI-driven drug R&D technologies

Risk description

With the accelerating penetration of artificial intelligence (AI) and machine learning technologies in the field of drug R&D, traditional R&D models may be replaced by rapidly iterative algorithm-driven R&D. We have proactively built up technological capabilities to prepare for the anticipated rapid transformation. However, the application of AI also presents potential risks. Model d rift and prediction inaccuracies may lead to AI misjudging the efficacy or toxicity of compounds. AI platforms pose challenges to the protection of patent data and privacy information. Algorithmic bias and decision-making fairness may also affect the assessment of drug efficacy and safety across broader populations, potentially triggering regulatory scrutiny and ethical controversies.

Potential impacts

• Compliance and legal challenges: Global regulatory authorities are closely monitoring the AI application in the pharmaceutical sector, emphasizing algorithm transparency and auditability. Companies that fail to demonstrate the reliability of their decision-making processes may encounter regulatory barriers. Furthermore, data breaches could trigger stringent penalties under regulations such as GDPR, and patient safety issues arising from AI decision-making errors may also give rise to product liability lawsuits.

• R&D investment and reputational risks: Inaccurate toxicity predictions stemming from AI model drift could lead to clinical trial failures, resulting in the loss of significant upfront R&D investment and compromising the safety of trial participants. Public exposure of algorithmic bias or data misuse could damage corporate reputation and erode public and investor trust.

• Intensified talent competition: The comprehensive AI application in drug R&D, patient education and services have made AI R&D compound talents a scarce resource in the industry, driving up labor costs.

Mitigation measures

• Establish an AI governance framework: Led by executive management, a cross-departmental AI governance body shall be established, comprising professionals from R&D, quality, compliance, legal, IT, and other relevant areas. This body is responsible for formulating AI strategies, approving major projects, and overseeing risks.

• Monitor data privacy, security and model decision-making logic: Implement strict data classification and access controls, anonymize private information, prioritize AI models with strong interpretability, and establish a model lifecycle management mechanism to monitor its performance and prevent drift. All key AI-driven decisions must be fully documented to ensure comprehensive auditability..

• Cultivate talent and foster culture: Deliver training on AI knowledge and governance principles to current and prospective R&D, technical, and business personnel engaged with AI technologies, while recruiting interdisciplinary talent possessing AI expertise from within the industry. Advocate for a culture of ethical and responsible AI use throughout the Company, encourage employees to remain vigilant about potential risks, and establish accessible channels for reporting concerns.

Risk 2: Tightening of global drug pricing policies and restructuring of market access

Risk description

Major markets, such as Europe and the United States, may implement stricter drug price control policies in the next 5-10 years. For example, the US Inflation Reduction Act of 2022 requires the Centers for Medicare and Medicaid Services (CMS) to directly negotiate with pharmaceutical manufacturers for specific drugs to reduce the reimbursement cost under Medicare part D. In the future, there may be more similar measures with government agencies involved in the drug price negotiation for a wider range of drug varieties. The EU HTA legislation (2021/2282) , the EU Health Technology Assessment Regulation, came into effect on January 12, 2025. It aims to comprehensively review the intrinsic value of drugs and assess whether they are "worth the cost", requiring companies to provide additional clinical evaluation documents and more comprehensive supporting documents for drug value and pricing, increasing the complexity of market access. Emerging markets (such as Southeast Asia and Africa) face the challenge of balancing patent protection and public health security. They may expand the R&D and production authorization of generic drugs within a reasonable scope through "compulsory licensing" and the patent linkage system, so as to meet the public's demand for low-cost drugs. These policies may lead to the compression of premium space for innovative drugs and a decline in expected lifecycle revenue of patented drugs.

Potential impacts

- **Financial performance and R&D momentum:** Innovative drugs with high R&D investment face price ceilings, potentially leading to a decline in revenue and profit margins. If the return cycle for innovative drug is prolonged due to pricing pressures and ROI declines, it may dampen capital appetite for high-risk, long-cycle new drug R&D investment.

- **Strategic focus and market positioning:** Market priorities will be reordered. Companies may be compelled to strategically scale back investment in markets experiencing excessive pricing pressures, or more proactively expand into emerging markets with more favorable reimbursement policies or greater growth potential. Investment decisions may become more tightly linked to market access prospects and the pricing environment.

- **Internal operating cost pressures:** To offset pricing pressures, cost reduction and efficiency enhancement will become an internal imperative. Companies are required to optimize internal operations, improve production and R&D efficiency, and potentially reshape supply chains to enhance resilience and control costs.

Mitigation measures

- **Differentiated innovation:** Focus on breakthrough therapies and first-in-class areas, and substantiate the economic value of products through methods such as pharmacoeconomic assessments to enhance product irreplaceability and strengthen leverage in China's National Reimbursement Drug List negotiation or other pricing negotiations.

- **Lean operations and supply chain optimization:** Implement lean management, adopt green and efficient manufacturing processes to optimize unit production costs, thereby offsetting pricing pressures, and strategically develop diversified and regionalized supply chains.

- **Policy synergy:** Proactively engage with regulatory authorities and payers, participate in multi-regional clinical trials, establish localized policy research teams in major markets to optimize global pricing strategies and anticipate compliance pathways and response plans.

- **Business model innovation:** Explore "Value-Based Pricing" agreements and establish risk-sharing mechanisms with payers.

4.5.2 Risk Management

In strict accordance with the requirements of the Listing Rules of the Stock Exchange and the Basic Standard for Enterprise Internal Control issued by the Ministry of Finance, Hansoh Pharma has built an internal control framework by referring to COSO, and has built a comprehensive risk management system, taking into account the actual operational needs of the Group, and has formulated and continuously optimized the Hansoh Pharma Internal Control Management Standards. These standards clearly define the five core dimensions of risk management – optimization of internal environment, establishment of assessment mechanisms, standardization of control activities, improvement of information communication system and enhancement of internal supervision efficiency, forming a closed loop of risk control covering the entire business chain. During the Reporting Period, the Company effectively performed its risk management responsibilities through systematic risk prevention and control measures, effectively improving the quality of business decisions and its ability to withstand risks.

Hansoh Pharma has established a comprehensive risk management system, underpinned by a three lines of defense model under board oversight, to ensure the deep integration of risk governance and business operations.

Board-level risk oversight framework

The Board of Directors of Hansoh Pharma bears ultimate responsibility for the Group's risk management. The Audit Committee, consisting solely of independent non-executive directors, is responsible for regularly reviewing the effectiveness of the risk management framework, key risk exposures, and corresponding mitigation measures, thereby ensuring that the risk strategy remains aligned with the Company's strategic objectives.

Three Lines of Defense Risk Governance Framework

First Line of Defense

Business Unit Risk Ownership

Each business unit and functional department serves as the primary owner of frontline risk management, responsible for the daily identification, assessment, and mitigation of risks, and for embedding risk controls into operational processes.

Second Line of Defense

Internal Control and Compliance Oversight

The Group maintains a robust internal control framework overseen by senior management, which establishes risk policies, internal control procedures, and clear standards. It employs tools to monitor significant risks and promotes cross-departmental collaboration. Legal, compliance, EHS, and quality departments oversee adherence to applicable regulations and standards, providing professional guidance and support.

Third Line of Defense

Independent Audit and Assurance

The Internal Audit Department conducts regular independent audits and assessments of the risk management and internal control systems to ensure their continued effectiveness. In high-risk areas or positions, ad hoc special audits are performed, and third-party audit firms may be engaged to comprehensively address potential risk exposures.

Risk Identification and Assessment

The Company conducts an annual comprehensive group-wide risk assessment, considering both internal and external environments, applying a dual materiality perspective to evaluate the impact of key issues, then it identifies major risks and deploys corresponding mitigation measures.

Case: Examples of Risk Identification During the Reporting Period

Supply chain risk

Influenced by geopolitical factors, natural disasters, and other external variables, there might be potential disruptions such as raw and auxiliary material shortages or increased costs, which may threaten production continuity.

Supply chain risk mitigation measures

A backup supplier and safety stock mechanism has been established, and we conduct sensitivity tests on the supply of key materials and formulate alternative contingency plans

Internal governance risks of emerging technology applications

In the process of adopting emerging technologies such as artificial intelligence, big data analytics, intelligent manufacturing, and automated control systems, risks may arise including deviations in decision-making and loss of operational control. These risks stem from factors such as insufficient algorithm interpretability, fluctuations in data quality, overreliance on technology, and outdated internal management systems.

Internal governance risk mitigation measures for the application of emerging technologies

Through regular mechanisms—including annual ethics and compliance audits for emerging technologies, periodic verification of algorithm models, cross-departmental technology governance meetings, and organization-wide digital literacy training—we ensure that technological innovation progresses in an orderly manner within well-defined and controllable boundaries.

Risk Appetite and Tolerance Framework

Based on the Company's strategic objectives and industry characteristics, a clear risk-averse stance has been established, with stringent standards and rigorous oversight implemented in compliance, quality, and safety-related areas. For fields such as R&D and innovation, an acceptable range of risk is defined to balance control requirements with development needs.

Regular Review and Dynamic Updates

Risk exposures and corresponding mitigation measures are reported quarterly to senior management and annually to the Board of Directors. Significant risk events trigger an immediate assessment mechanism to ensure that risk response strategies remain current and adaptive.

Risk Management PDCA Cycle

According to risk management requirements, Hansoh Pharma establishes risk management objectives, evaluation criteria, and assessment systems in organizations at all levels, covering core businesses such as research and development, production, and commercialization. The implementation and audit results of risk control will be incorporated into the performance appraisal results of managerial personnel and employees at all levels. Persons responsible for major risk events will be handled in accordance with the relevant provisions in the Employee Handbook. Employees who take the initiative to investigate and report risk hazards and actively participate in improvements will be rewarded in accordance with relevant regulations.

Case: Continuous Enhancement of Legal Risk Prevention System

System development

Refine various management systems, including those for commercial promotion compliance, data compliance, and HR compliance to fully support systemic updates,, align with the Company's systematic goals, and clarify basic principles to ensure a clear basis for actions.

Risk assessment

Streamline and optimize key business processes, integrating legal risk prevention and control measures into all aspects of business workflows, including R&D, commercial promotion, business development (BD), data compliance, labor compliance, anti-monopoly compliance, and intellectual property management, to ensure the effectiveness of risk identification and prevention and control.

Legal training

Deliver legal training to enhance employees' legal awareness and risk prevention capabilities, increasing their knowledge base for addressing legal risks. Establish a dynamic compliance monitoring mechanism to track and interpret the latest laws, regulations, and policies, and regularly share tracking and analysis reports on the internal network platform.

Development of dispute resolution mechanism

Address recurrent disputes and contentious matters by developing or optimizing documentation systems such as Standard Operating Procedures (SOPs), streamline coordination mechanisms, and clearly define the roles and responsibilities of each function.

Director Training and Company-wide Risk Control Capacity Building

Hansoh Pharma has established a normalized director training mechanism and regularly provides customized training packages covering industry policy trends, updates of listing supervision rules, and revisions of business ethics guidelines, to continuously enhance the awareness of executive directors and independent non-executive directors on compliance risks, and strengthen their risk forecasting ability in strategic decision-making. During the Reporting Period, the Board of Directors of Hansoh Pharma organized an online training session to refine directors' understanding of their duties in listed companies, their roles and responsibilities in ESG governance, the requirements of corporate governance codes for risk management and internal control, as well as compliance supervision and anti-money laundering/counter-terrorist financing regulations. Meanwhile, we actively promote the company-wide risk control capacity building. All functional departments developed targeted risk prevention and control courses in combination with business characteristics and changes in the internal and external environment, and deeply integrated "risk-based thinking" into business practices through course development, systematic training, inspection and assessment.

Regular Audit and Supervision

Hansoh Pharma has established an audit and supervision system independent of the business system. Members of the internal audit team have strong professional ethics and rich audit experience, and are able to conduct audit and supervision work independently and impartially. In accordance with Hansoh Pharma's risk management policies, the audit and supervision department formulates a detailed audit plan each year, specifying the audit objectives, scope, methods, timetable and responsible persons, and introduces a third-party professional team to conduct independent audit when necessary. By combining regular audits with special audits, potential risks and management loopholes in each business process are effectively identified, and through the PDCA cycle, we support each department in continuously optimizing internal systems and processes, and improve the supervision and management system. At present, the focus of internal risk monitoring includes procurement, engineering, research and development, and business activities. In the future, this risk monitoring and control process will be gradually expanded to further broaden its depth and breadth.

Ecological Management of Supply Chain Risks

We extend the boundaries of risk management to the supply chain link, and build a closed loop of risk prevention and control from procurement planning, supplier access, and contract performance to performance evaluation. Through standardized due diligence procedures, dynamic credit assessment models and penetrating audit mechanisms, we can achieve full-dimensional risk monitoring of suppliers and business partners. For details, please refer to Section 9.3 – Risk-based Supply Chain Full Life Cycle Management.

During the Reporting Period, based on the risk-based thinking and process approach, we integrated quality, environment, occupational health and safety, and energy management with business processes by applying the PDCA management tool, and successfully responded to the challenges of internal and external environment changes and diverse needs of stakeholders. Internal and external audit results show that we have effectively controlled various business risks. The risk management system is adequate, appropriate, and effective.

05

COMPLIANCE AND BUSINESS ETHICS

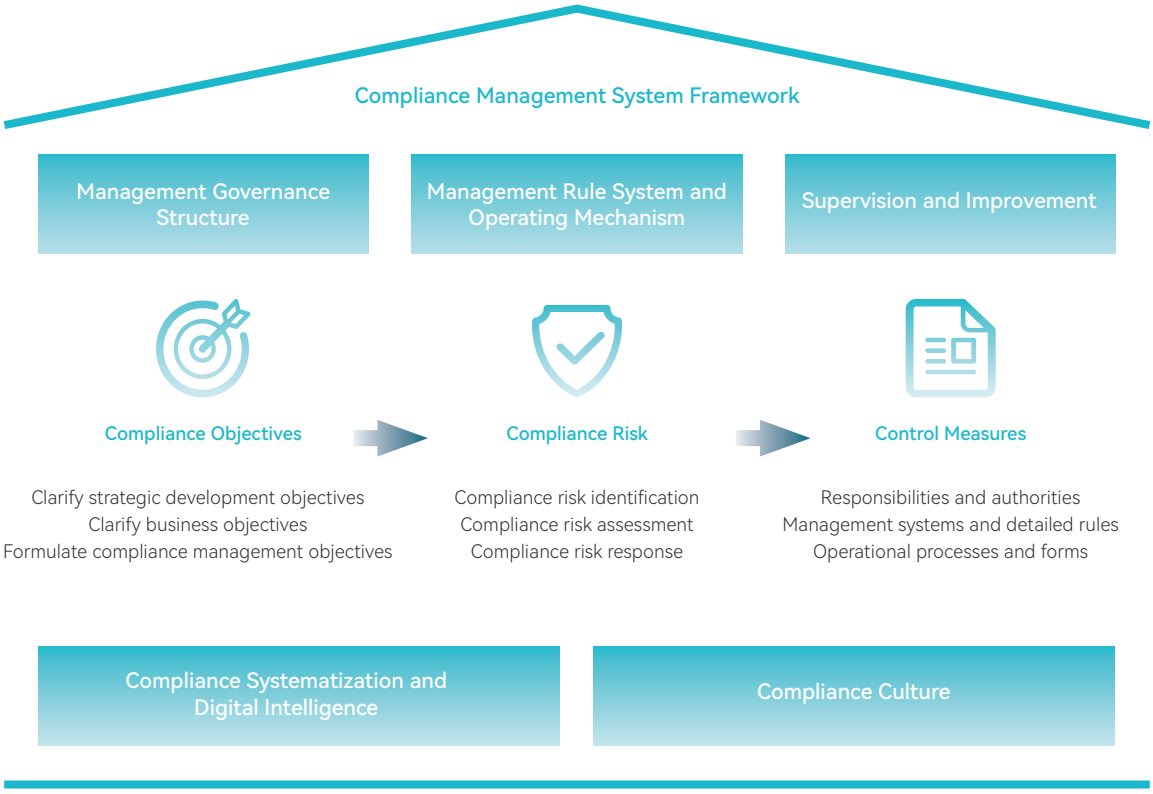
“Responsibility” and “Integrity” are the cornerstone of Hansoh Pharma’s corporate values. We have always adhered to compliance and integrity as an bottom line of all business practices and operations. By formulating and continuously optimizing the Code of Business Conduct and Ethics, we have deeply integrated ethical standards into key business areas such as scientific research, clinical trials, supply chain management, product promotion, information management, employee development, and customer service. Under these high standards and norms, we are committed to transforming our values into concrete actions, fostering an open and transparent organizational culture, and ensuring that every business activity is carried out steadily within the framework of responsibility and integrity.

5.1 GOVERNANCE OF COMPLIANCE AND BUSINESS ETHICS

Hansoh Pharma has zero tolerance for any violation of business ethics. We have established a business ethics supervision system up to the Board of Directors and set up a Compliance Committee with the Group's Senior Vice Presidents as the main members, which is the highest governing body for compliance matters. We have achieved effective governance of compliance and business ethics matters throughout the Group through the continuous improvement of policies and institutional systems.

5.1.1 Governance Structure and Accountability System

The Board of Directors of Hansoh Pharma has established an Audit Committee, which is responsible for the top-level supervision of the Group's compliance and business ethics and bears the ultimate responsibility. We have built a three-dimensional supervision system to prevent and control business ethics and compliance risks and ensure the implementation of management requirements; we have strengthened process control and added a dual mechanism of AI technology and third-party supervision to ensure effective oversight of all aspects; a professional compliance management team can promptly identify and correct irregularities, prevent potential risks and safeguard the steady development of the Company.



Building upon a sound ethical and compliance governance structure, Hansoh Pharma has developed a dynamic and systematic framework, whose core operational logic lies in governance guidance, rule implementation, risk closed-loop management and cultural support. The framework starts with the strategic goals set by the Board of Directors, with the Compliance Committee reporting directly to the Chairman serving as the highest decision-making body for ethical and compliance matters. Responsibilities are decomposed at all levels, and abstract ethical and compliance requirements are translated into specific systems, processes and control measures through the management rule system and operational mechanism, which are embedded in every business aspect from R&D and procurement to commercialization.

In daily operation, the framework continuously monitors the internal and external environment through a systematic mechanism for identifying, assessing and responding to ethical and compliance risks. Once risks are identified, corresponding control measures and processes are triggered, forming a rapid response chain of risk early warning and control. Meanwhile, the supervision and improvement pillar, led by the Audit Department, operates independently to verify and assess the effectiveness of the entire ethical and compliance system. If deviations are found, feedback will be provided to the governance level and rule system to drive institutional optimization and process revision.

The smooth operation of the system relies on two foundations: compliance systematization and digital intelligence provide technical support, making risks visible, processes controllable and data traceable; while the deeply rooted compliance culture in the organization is the internal driving force, ensuring that every employee understands, recognizes and actively practices compliance requirements, and transforms external norms into conscious actions. Thus, the entire framework forms a complete closed loop from goal setting, rule implementation and risk control to supervision feedback and continuous optimization, ensuring that compliance management is not a static set of provisions but a dynamic ecosystem integrated into the business life cycle.

5.1.2 Policies and Systems

Hansoh Pharma strictly abides by the laws and regulations of each place of operation. Pursuant to the Criminal Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, the Bidding Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Drug Administration Law of the People's Republic of China, the Advertising Law of the People's Republic of China, and referring to international laws and business standards such as the Federal Trade Commission Act of the United States and the General Data Protection Regulation of the European Union, it formulated and continuously optimized the Employee Handbook, the Code of Business Conduct and Ethics, the Anti-Corruption Policy, the Responsible Marketing Policy, the Clinical R&D SOP and WI System and other internal systems. These systems are applicable to the Company's Directors and all employees (including full-time and part-time employees, interns and laborers), as well as suppliers, contractors and business partners upstream and downstream of the supply chain. They systematically clarify the duties, accountability mechanisms and reporting relationships of all departments and business units, and specify the Company's principles, standards and management rules in areas such as anti-corruption and anti-bribery, business conduct compliance, anti-monopoly, anti-conflicts of interest, anti-money laundering and anti-insider trading, anti-discrimination and anti-harassment, information security and privacy protection, human rights, R&D ethics, whistleblowing and whistleblower protection, and occupational health and safety, thereby achieving 100% coverage of business ethics in business processes and among all employees. During the Reporting Period, we further revised the Employee Handbook on the basis of the previous year's version, clarifying and simplifying the incentive and disciplinary mechanisms related to various ethical and compliance elements. Key indicators such as privacy protection and data compliance, business conduct compliance, workplace ethics, R&D ethics and environmental compliance are deeply integrated with the performance and annual award evaluation eligibility of relevant employees at all levels, encouraging all employees of the Company to actively practice the highest ethical and compliance standards and institutionalize and formalize the management of advocacy initiatives.

Anti-Corruption Policy

The Code of Business Conduct and Ethics and the Anti-Corruption Policy, etc.

Responsible Marketing Policy

Responsible Marketing Policy, Code of Conduct for Interaction with HCPs and HCOs, Code of Conduct for Interaction with GOs and GEs, Code of Conduct for Interaction with Patients and Patient Organizations, and Standard Operating Procedures for Compliance Scorecard for the Business Team, etc.

Responsible R&D Policy

Work Guidance for Human Genetic Resources Compliance Management, Clinical Operation Monitoring Plan, and Medical Monitoring Plan, etc.

Human Rights Protection Policy

Talent Development Policy, Employee Handbook, Employee Diversity Policy, Organization and Position Management System, and Occupational Health and Safety Policy, etc.

IT and Privacy Policy

AI Policy, General Rules for Information Security Management, Privacy Policy, Data Desensitization Operating Procedures, and Information Security Asset Management Regulations, etc.

5.2 BUSINESS ETHICS STRATEGIES

As a patient-centric pharmaceutical company, we regard business ethics as a fundamental commitment to the employees, patients, partners and society. In the process of driving innovation and development, we always take the highest ethical standards as the cornerstone and abide by the core values of "Responsibility, Integrity, Diligence and Innovation", ensuring that our operations in every market around the world stand the test of trust and time.

Integrity Management and Compliance First

Hansoh Pharma strictly complies with the laws and regulations of all places of operation, including the Criminal Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, the Drug Administration Law of the People's Republic of China, etc., to ensure that all business activities are legal and compliant. We have established a sound compliance management system covering areas such as anti-corruption, anti-bribery, anti-monopoly, anti-conflicts of interest, anti-money laundering, and anti-insider trading, to ensure that the Company's operations worldwide always comply with legal and ethical standards.

Hansoh Pharma places great importance on compliance training and regularly carries out multi-level, multi-topic training activities for all employees to ensure that employees in different positions master the compliance requirements related to their duties.

Compliance training on business activities: Intensive explanations of compliance requirements in business activities are provided for heads of business departments, business managers and medical representatives to strengthen the awareness of professional ethics.

Training on complaint feedback and adverse event reporting: Through a combination of online and offline methods, it covers relevant employees including medical representatives, medical liaison officers and clinical monitors to ensure that they are proficient in complaint handling and adverse event reporting procedures. We also train all employees on the basic knowledge of pharmacovigilance to enhance the awareness of all employees to provide timely feedback.

Training on pharmaceutical advertising and promotional regulations: Tailor-made training content for the marketing activity planning department and the brand communication department, focusing on the interpretation of laws and regulations related to pharmaceutical advertising and product promotion to prevent compliance risks in marketing activities and promotional materials.

These training programs not only enhance the compliance awareness and professional capabilities of employees but also build a solid foundation for the Company's compliance culture, effectively reducing ethical and legal risks in operations.

Case: Themed Training on Responsible Marketing and Business Compliance – "Compliance Academy"

During the Reporting Period, the Business Compliance Department of Hansoh Pharma organized **15** sessions of the themed training "Compliance Academy" for company-wide new employees and all staff of the commercial system. The training content covered norms for the organization and management of academic conferences, rules for communication between business personnel and healthcare professionals, principles for avoiding unfair competition or conflicts of interest, and knowledge and norms applied in promotion activities, etc. A total of **42,238** person-times participated in this themed training throughout the year, with a total training duration of approximately **25,777** hours.

Case: Compliance Scorecard

To enhance employees' compliance awareness and quantify compliance behaviors, Hansoh Pharma has implemented a compliance scorecard system in its commercial system starting from 2024. During the Reporting Period, the business system compliance scorecard covered **5,486** employees, among whom part of their performance-based compensation was adjusted based on the assessment results. The scorecard system covers more than **90%** of high-frequency irregular scenarios through seven assessment dimensions and achieves **100%** coverage of all positions involving external interactions, effectively eliminating risk control blind spots. **The design of the system realizes quantitative scoring by risk level, objectively improving the efficiency of identifying high-risk employees and the transmission of positive compliance cultural values. Meanwhile, through the assessment dimension of management responsibilities, the management requirements for substantive compliance are implemented and strengthened.**

Responsible Communication of Information

As a company mainly engaged in prescription drugs, Hansoh Pharma mainly focuses on prescription drugs, and does not directly sell drugs to patients nor is it in volved in commercial advertisements. We adhere to a patient-benefit-focused, clinical data-driven approach to pharmacy services. Hansoh Pharma has a medical center with full-time medical consultants who are responsible for translating the clinical research results of innovative drugs into clear and accurate information and the medical information and communication department that takes charge of compliant and effective communication of information with HCPs. We have established a rigorous medical information review process before use to ensure that the contents conveyed by our promotional materials and non-promotional materials are consistent with regulatory approvals, and are truthful, clear, accurate, unambiguous, understandable, non-misleading, and maintained up to date with new scientific evidence and approval documents. During the Reporting Period, we fully digitalized the review process for commercialization materials, establishing a professional, comprehensive, transparent, rigorous and traceable. Our cooperation with patient organizations is transparent and ethical, and we respect and maintain the independence of patient organizations.

To address the global public health issue of antibiotic resistance, Hansoh Pharma actively arrange the R&D of new antibiotics targeting multiple resistant bacteria, committing to providing more effective clinical treatment options through innovative mechanisms. In terms of product, we clearly mark usage warnings on drug labels and systematically disseminate the principles and knowledge of rational antibiotic use through multiple channels, including product instructions, professional academic conferences, medical care training, and public education, thereby guiding appropriate medication. We work with upstream and downstream partners to promote responsibility management throughout the entire antibiotic lifecycle. We establish more complete control and education systems across stages from production, circulation to usage in order to reduce misuse and abuse. By collaborating to extend the therapeutic lifespan of existing drugs, we contribute to the industry-wide effort to curb the spread of drug resistance.

Anti-corruption and Anti-bribery

Hansoh Pharma is firmly opposed to any form of corruption and bribery. We have established a strict internal control mechanism to ensure that all business dealings are transparent and fair. Any form of benefit transfer, improper payment or abuse of power will be dealt with seriously. We require our employees and partners to always maintain integrity and self-discipline in business activities and refrain from any conduct that may damage the Company's reputation.

We have formulated the Guidelines for Donation Operation. We do not make any form of direct or indirect political donations. Similarly, we do not participate in any lobbying activities related to legislation, election, trade rule or public policy formulation. No donations are made to political campaigns or organizations, industry associations, tax-exempt entities or other groups. The charitable donations by Hansoh Pharma are mainly used for providing relief and support for natural disasters or major accidents, assisting in the training of medical talents and alleviating the burden of medication on poor patients.

Hansoh Pharma conducts training on anti-corruption, anti-bribery, and other economic crime prevention for all employees every year. During the Reporting Period, we organized multiple online and offline anti-corruption training sessions for different types of employees and tested the effectiveness of the training through written examinations. 99.8% of Hansoh Pharma employees received anti-corruption training throughout the year.

During the Reporting Period, we continuously promoted anti-corruption audit work, conducting both regular and unconventional audits targeting high-risk positions, block trade and high-risk suppliers.

Fair Competition and Antitrust

Hansoh Pharma are committed to maintaining a market environment where fair competition is fostered and any form of monopoly and unfair competitive practices are firmly opposed. We strictly adheres to antitrust laws and regulations, ensuring success and advantages in the market through innovation and quality instead of improper means.

Hansoh Pharma has established a clear antitrust policy, which is incorporated into our Code of Business Conduct and Ethics. This policy explicitly prohibits price manipulation, market division, restrictive agreements, and abuse of market dominance and other such behaviors. We have implemented training programs for personnel across relevant departments to ensure full awareness of anti-monopoly legislation requirements and identification of high-risk commercial conduct. Meanwhile, we have enhanced the contract management and compliance review, implemented risk assessment and monitoring systems, and collaborated with supply chain stakeholders and business partners to maintain a fair competitive environment collectively.

Respect for Human Rights, Non-Discrimination, and Anti-Harassment

Hansoh Pharma consistently upholds the concept of respecting and protecting human rights, actively responding to the principles outlined in the United Nations' International Bill of Human Rights and Ten Principles of the United Nations Global Compact and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and fully complying with the Labor Law of the People's Republic of China and the laws and regulations of each place of operation. We have formulated the Employee Diversity Policy and the Occupational Health and Safety Policy, incorporating their core principles, public commitments, and key action plans into our Employee Handbook. This ensures that we respect and protect employees' legitimate rights and interests at every stage of recruitment and employment, adhering to our goal and commitment to "zero violation in long-term regulated employment".

In alignment with the requirements for "the Corporate Responsibility to Respect Human Rights" in the United Nations Guiding Principles on Business and Human Rights, we commit to avoiding causing or exacerbating negative human rights impacts through our own activities, and actively preventing or mitigating potential negative human rights impacts within our business partnerships and supply chain. We have established a complete recruitment and employment process as well as a supervision system to eliminate human trafficking, forced labor, the use of child labor, and any form of discrimination and harassment. We fully respect employees' freedom of association and collective bargaining rights, ensure that salaries paid are not lower than the local minimum wage, and strictly implement the principle of equal pay for equal work for men and women to create a fair, safe, decent and mutually respectful working environment for employees. We require security personnel to receive human rights-related training, standardize safety behavior, and show zero tolerance for any behavior that restricts personal freedom, conducts illegal searches, uses force, insults personal dignity, or discriminates against others.

Our human rights protection policies and commitments not only apply to all of the Group's operating sites, employeesand visitors, but also exert influence on the upstream and downstream sectors of the supply chain and partners through the Supplier Code of Conduct and business partner due diligence. Through the General Principles for Sustainable Procurement, due diligence on human rights matters is integrated throughout the entire process of supplier access, tender negotiations, and contract performance.

We have developed an employee rights and interests review and audit checklist that covers a number of vulnerable risk points, including legal and compliant employment, labor hours, equal pay for equal work, anti-discrimination and harassment, freedom of association, trade union organizations and collective labor agreement signing, and occupational health protection. We prioritize risks to labor rights and interests within our organization and in our supply chain and have established emergency response processes and measures to avoid and eliminate adverse impacts, strengthen relevant management, track relevant information, flag risks before adverse impacts occur whenever possible, and take remedial actions as soon as possible.

With regard to the human rights issues that are identified or potential within the Company, we will set up a task force to investigate infringement incidents, take measures against individuals found responsible following the investigation in accordance with the relevant provisions of the Employee Handbook, and when necessary work with external related parties to eliminate the impact of such incidents, and at the same time provide legal and economic relief to affected vulnerable groups. With regard to the supply chain, we request key suppliers to proactively report major social responsibility events, including violations of employees' legitimate rights and interests. At the same time, we will continue to follow up on the information disclosure of business partners, and quickly urge them to take measures as soon as possible to eliminate adverse effects in case of their serious violations of employees' rights and interests such as forced labor, child labor employment and human trafficking, and recommend them to perform internal rectification to avoid the recurrence of risk events. Any internal and external stakeholders can report the risk of infringement occurred or occurring or likely to occur to Hansoh Pharma through the hotline number and report acceptance email address available on the official website. During the Reporting Period, we conducted a human rights due diligence covering the main places of operation of the Group. The respondent covered all full-time and part-time employees at all levels in all main places of operation. The scope included the performance of labor contracts, social security payment, protection of employees' basic rights and interests, living wage levels, occupational health and safety production, procedures to avoid the use of child labor, equal pay for equal work, fair promotion, codes of conduct for security personnel, and rights and interests of female employees during pregnancy and childbirth. We found no major violations.

Responsible R&D

Hansoh Pharma has always followed the strictest regulations, highest ethical and moral standards, and most stringent quality standards in the world, including but not limited to the Guidelines of the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH) (referred to as "ICH Guidelines"), the Declaration of Helsinki developed by the World Medical Association (WMA), and China's Good Clinical Practice and Guidelines for Ethical Review Work of Drug Clinical Trials. We have established a standardized management process to supervise all clinical studies and ensure the welfare of test animals and the rights and interests of clinical subjects.

Animal Welfare

Hansoh Pharma does not conduct animal experiments, but are highly concerned about laboratory animal protection. In the outsourcing contract, we specify the ethical requirements in animal experiments and require suppliers to protect animal welfare to the maximum extent in accordance with the recognized "3Rs" (Reduction, Replacement, Refinement) principle. We have taken the following measures:

- **Ethical Review** Suppliers must have an Institutional Animal Care and Use Committee (IACUC) with a clear organizational structure and defined responsibilities. They shall implement standardized management systems such as IACUC Management Regulations, Standard Procedures for Reporting Animal Welfare Incidents, veterinary care protocols, and animal welfare assurance measures.
- **Regulatory Compliance** Before any experimentation begins, the suppliers' research designs must be reviewed to determine whether they are compliant with international, national, and local laws and regulations, such as the Regulations for the Administration of Laboratory Animals.
- **Process Supervision** Throughout the experimentation process, project managers continuously monitor the project to ensure that researchers adhere to established ethical standards and operational procedures.
- **Technical Training** Suppliers are required to provide ongoing training for researchers, covering topics related to laboratory animal welfare, ethical principles, relevant laws and regulations, and operational standards.

Case: All Jiangsu Hansoh's marketed injection products have stopped using animal pyrogen test to investigate the pyrogens

According to relevant regulations, injection products is subject to pyrogen testing before batch release. They can be released only after passing the test. The commonly used "pyrogen test method" in the industry involves injecting the sample intravenously into rabbits and observing the changes in their body temperature to determine if it meets the limit. Jiangsu Hansoh adheres to the "3Rs" principle, gradually replacing pyrogen detection with bacterial endotoxin testing (BET General Chapter 1143), reducing the use of animals. During the Reporting Period, we changed the testing standard for the last injection, achieving the goal of no longer using rabbits for pyrogen detection in all injection products.

Protection of Clinical Trial Subjects

Hansoh Pharma has established a comprehensive management system that encompasses the entire lifecycle of clinical trials, to systematically safeguard rights and interests of subjects through standardized operational procedures and quality control documentation. Prior to the start of a clinical trial, we ensure that subjects voluntarily sign the Informed Consent Form based on a full understanding of the trial's details. We also provide subjects with access to the appeal channels of ethical institutions and regulatory authorities, allow them ample time for consideration, and respect their right to make autonomous decisions. During the trials, we strictly adhere to Good Clinical Practice (GCP) guidelines, and focus on subject safety, process compliance, and data integrity, while implementing full-process quality control measures. We also conduct regular audits to ensure that trial protocols are strictly followed. We establish a mechanism for the real-time monitoring and reporting of adverse events, formulate contingency plans, as well as purchase insurance for all subjects to ensure risks are controllable and handled in a standardized way. In terms of the protection of subject privacy, we employ technical and administrative measures such as anonymization, coding, and dedicated management for identities, diseases, biological samples, and other sensitive information. These measures are strictly enforced to safeguard information from disclosure and ensure comprehensive protection of personal privacy.

Information Security Management

In strict compliance with the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, the Personal Information Protection Law, Information Security Technology – Personal Information Security Specification and other laws and regulations, and with reference to the core principles of European Union's General Data Protection Regulation (GDPR), Hansoh Pharma has built a comprehensive information security management system. The ESG Committee of our Board of Directors is fully responsible for overseeing the Group's information security risks, and empowers the Information Security Committee of the executive management to conduct regular reviews and advance key initiatives related to information and data security. The Group's Chief Information Officer (CIO) serves as the representative of the information security system manager. The CIO has extensive experience in the field of strategic information security management, and leads a professional information security team that is fully responsible for overseeing information security management, data development, and the advancement of our digital infrastructure. Members of our information security team possess extensive knowledge, skill and experience which are required to construct and manage an organization information security, thus ensuring the safety and reliability of the Group's information and cyberenvironment. Through this system, Hansoh Pharma can fully and effectively provide a secure and trustworthy information protection environment for our employees, customers, and partners.

We continuously invested resources to upgrade the information security system, providing a guarantee for protecting data security and integrity. We establish a sound internal management system, carry out regular network and information system vulnerability scans through an internal independent team on a weekly and monthly basis, and continually optimize the resilience and security strength of the system according to the scanning results. We have appointed dedicated information security officers in key departments, established a full-staff prevention and control mechanism, delineating responsibilities for information security management across frontline positions, and mobilizing all employees to actively participate in the maintenance of our information security. Any employee who discovers an information security incident that has occurred or is potential to occur should promptly report it to the information security management team via 24/7 on-duty thunder or a dedicated email. The relevant employee will be commended and rewarded as appropriate. We have established a sound information security incident handling process, and developed emergency response plans and mitigation measures for sudden network security incidents, ensuring that our networks, systems, products, and information of each operating site can effectively respond to ever-changing network threats.

During the Reporting Period, Hansoh Pharma continued to optimize our information security strategy, actively safeguarding the information security of us and our stakeholders. Jiangsu Hansoh passed the ISO 27001 certification for the first time in 2020, and passed the surveillance audit within the re-certification cycle during the Reporting Period. Furthermore, we designed compulsory information security courses for all employees, systematically introduced its information security management system, encrypted file system and basic policy of "focusing on prevention, hierarchical prevention and control, and equal emphasis on management and technology", specified information security management and control requirements, and emphatically publicized the prevention strategies against typical information security incidents such as phishing emails and viruses. This initiative aimed to enhance the overall information security awareness and protective capabilities of our workforce. If an employee fails to participate in training as required or causes losses to the Company due to maloperations resulting from a lack of security awareness, we will handle the matter in accordance with the key relevant provisions of the Employee Handbook.

Privacy Protection

Through a commercial company, Hansoh Pharma provides prescription drugs to medical institutions, which are prescribed by medical professionals to reach patients. Therefore, we do not have direct access to private information from end consumers. For commercial customers and partners conducting clinical trials or R&D projects, we have clear data protection obligations in our commercial collaboration agreements. We publicly released our Privacy Policy, reaffirming our commitment to safeguarding the personal information of our external stakeholders, particularly customers, as well as our internal employees. This policy also outlines our management framework and strategic approach to privacy protection.

In terms of technology implementation, we strictly adhere to the principles of informed permission and/or customer consent to carry out data collection, and encrypt and store all data to ensure the data subject's rights to be informed, access, correct, delete, and restrict the processing of their data are implemented. To further prevent information leakage, we comprehensively strengthen data outgoing management through information system access control, network and login restrictions, outgoing file auditing, keyword identification, screen watermarking and other multi-layered technical measures in order to safeguard personal privacy and corporate data security.

In terms of management, we regulate the requirements of information security management and keeping trade secrets in our Code of Business Conduct and Ethics, and clarify the confidentiality responsibilities of employees in our Employee Handbook. We conduct information security-related knowledge training for new and current employees every year to raise all employees' awareness of information protection. We require all employees, suppliers, partners, and other stakeholders to comply with the principle of confidentiality of non-public information and correlate performance related to information protection with employee remuneration and supplier evaluation.

Responsible AI Application

Hansoh Pharma fully recognizes that with the rapid evolution of technology, it is inevitable to face management issues such as the development, deployment and multi-scenario application of AI technology. During the Reporting Period, guided by the philosophy of "Intelligence-Driven Business Empowerment" and "Balanced Innovation and Governance", we formulated the AI Policy, which stipulates comprehensive guidelines and standards for AI usage to ensure operations remain within a lawful, compliant, and ethical framework. Our objective is to safeguard individual rights, cybersecurity, and the environment, thereby fostering the sustainable development of AI technologies. For specific guidelines, commitments, and related management measures, please refer to the full text of the Policy.

Business Ethics of Supply Chain

Hansoh Pharma comprehensively and systematically extends its commitment to business ethics throughout the management of the overall value chain. We not only uphold high standards and compliant operation internally but also proactively encourage supply chain partners to jointly adhere to strict ethical standards and codes of conduct. Through mechanisms such as contractual stipulation, due diligence and ongoing assessment, we ensure that ethical practices are embedded in the entire process of procurement, production and collaboration. We firmly believe that only by working together with value chain partners to build a responsible business ecosystem can we create sustainable long-term value for society. For relevant specific management measures and practices, please refer to 9.3-Risk-based supply chain full life cycle management in the Report.

Protection of Intellectual Property

Hansoh Pharma adheres to the strategy of "pursuing both infringement protection and intellectual property reinforcement on dual tracks", strictly follows the Patent Law of the People's Republic of China, the Trademark Law and international intellectual property standards, and achieves full coverage of dynamic control of intellectual property risks throughout the entire R&D cycle. Based on the new version of the Implementing Regulations of the Patent Law and the Patent Examination Guidelines, we have clarified the patent term compensation system and the implementation plan for drug patent term extension, which is conducive to strengthening the intensity of patent protection and extending the market life cycle of innovative products.

During the Reporting Period, Hansoh Pharma filed **40** domestic patent applications and was granted **22** domestic patents. Internationally, we filed **128** overseas patent applications and were granted **58** overseas patents.

Continual Improvement and Optimization

We continue to systematically assess and optimize our ethical policies and compliance systems by actively drawing on international advanced practices, ensuring that they remain aligned with the latest laws and regulations as well as industry standards. Through multi-channel monitoring mechanisms, including internal audits, employee feedback, and external professional assessments, we proactively identify and address potential risks and management shortcomings, thereby driving the continuous enhancement of our ethics and compliance management capabilities as well as establishing a self-reinforcing governance closed loop.

5.3 MANAGEMENT OF BUSINESS ETHICS RISKS

Hansoh Pharma places the management of business ethics risks at the core of its corporate governance. Leveraging forward-looking and comprehensive risk management system (as detailed in Section 4.5), we have established a closed-loop system through institutional construction, process control and continuous supervision, systematically integrate business ethics risks into the overall risk framework. Closely monitoring their unique characteristics and potential sources, we implement specialized identification, assessment, prevention and control. This achieves full-process coverage and dynamic management from system to execution, ensure that global operations comply with the highest legal and ethical standards.

Key Business Ethics Risk Monitoring Measures

Corruption and Bribery Risk: Potential instances of improper payments or undue benefits that may occur during business dealings.

Our internal audit department conducts systematic anti-corruption risk assessments regularly, covering all operating sites of the Group. These assessments not only focus on employee awareness of integrity and ethical standards as well as the effectiveness of their relevant training, but also identify weaknesses and areas for improvement in system and implementation by comprehensively reviewing key business processes, thereby providing a basis for the continuous improvement of internal control system and strengthening the foundation of compliant operation.

Conflict of Interest Risks: Employees or partners may influence the Company's decisions due to personal interests.

All employees report their potential personal conflicts of interest once a year. This includes reporting any family members or friends employed within the Group or in similar roles within the industry; during the supplier onboarding process, a declaration of commitment avoiding conflicts of interest must also be submitted.

Monopoly and Unfair Competition Risks: Activities that may violate antitrust regulations during market competition.

We provide regular training to employees on antitrust laws and regulations, conduct thorough reviews of business contracts and agreements, and ensure that agreement terms do not include exclusivity clauses or unfair trading conditions, thus helping us avoid entering into any agreements with competitors that could potentially restrict competition.

Data Security and Privacy Risks: Potential data breaches or misuse that may arise during the information processing lifecycle.

We adopt informed permission and/or customer consent for data collection and encrypted storage to safeguard the data subject's rights, and employ access controls within our information systems to prevent data breaches.

AI Risks: Please refer to Section 4.5.1 of the Report for an explanation of AI risks and our corresponding response measures.

Intellectual Property Risks: Potential disputes related to patents that may arise during the process of R&D or at the time of listing.

We proactively mitigate risks of infringing others' rights and being infringed upon throughout the entire process, from project proposal and filling phases to marketing phase, formulate and implement patent strategies at each stage, rationally carry out patent layout, and track the patent status in real time.

Human Rights Violation Risks: Employment practices or business operations that may infringe upon the fundamental rights of employees, suppliers, or residents of surrounding communities.

We regularly evaluate various policies involving the Group and the supply chain, and proactively identify possible risks of infringement of workers' rights, in order to protect employees of the Group and parties related to the supply chain from violations of the legitimate rights and interests, including vulnerable groups such as women, children, migrant workers, third-party dispatchers, and residents of surrounding communities.

Research Ethics Risks: Clinical trials may infringe upon subjects' right to informed consent or other rights due to a lack of transparency. Additionally, there may be instances of abuse or mistreatment of experimental animals in the development process.

We have clearly outlined our requirements for the protection of experimental animals to our suppliers, and rigorously evaluated and assessed their testing capabilities and qualifications, as well as conducted regular audits to ensure compliance with our ethical standards. We meticulously review safety information and establish clear inclusion and exclusion criteria for clinical trials, while ensuring that all necessary approvals are obtained from competent authorities and hospital ethics committees. Subjects are required to be fully informed about the characteristics of the trial drug, the trial process, potential benefits and risks, and that they sign the Informed Consent Form.

Risk Emergency Mechanism

Risk Identification

Hansoh Pharma identifies potential business ethical risks in a timely manner through the following methods:

Reporting channels: We have established an anonymous reporting hotline and email address to encourage employees, partners, and the public to report any suspicious activities

Internal monitoring: We utilize internal audits, compliance checks, and information analysis to identify anomalous behaviors or potential risks

External Feedback: We actively monitor feedback from customers, suppliers, and regulatory bodies to promptly identify external risk signals

Reporting phone:

0086-0518-83096182

0086-18652103939

Reporting email:

nkns@hspharm.com

Clarified Responsibilities

Hansoh Pharma has established a dedicated emergency response team that is responsible for handling business ethical risk incidents effectively:

The Compliance Committee: Oversee significant matters, provide decision-making support, and ensure the appropriate allocation of resources

The Compliance Department: Responsible for investigating incidents and ensuring that the handling process complies with legal and regulatory requirements

The Legal Department: Offer legal support and assess the potential legal consequences of incidents

The Human Resources Department: Address employee-related incidents, ensuring fairness and impartiality throughout the process

Tiered Response

Based on the severity and scope of impact, Hansoh Pharma categorizes business ethical risk incidents into different levels and implements corresponding measures:

Low-Risk Incidents: Minor violations are handled directly by the relevant departments and duly recorded

Medium-Risk Incidents: Issues involving conflicts of interest or minor corruption are thoroughly investigated by the Compliance Department, which then prepares a detailed report

High-Risk Incidents: If there is any serious cases of corruption, bribery, or monopolistic behavior prompt comprehensive intervention by the emergency response team, including the initiation of legal proceedings when necessary

Standard Procedures

Upon the discovery of an ethical risk incident, an investigation procedure is immediately initiated:

Preliminary Assessment: Determine the nature, scope, and potential impact of the incident

Evidence Collection: Gather evidence through interviews, document reviews, and information analysis

Third-Party Support: Engage external experts or legal counsel to assist with the investigation when necessary

Corrective and Improvement Initiatives

Every incident handling process is subject to a retrospective evaluation, leading to the development of corrective and improvement measures:

Policy Updates: Revise relevant policies based on the issues identified during the incident

Disciplinary Measures: Implement warnings, fines, termination, or cessation of collaboration against employees or partners who violate policies

Process Optimizing: Modify relevant business processes to prevent similar incidents from occurring in the future

Enhanced Training: Conduct targeted training sessions to address the weaknesses revealed by the incident

Whistleblower Protection

Hansoh Pharma has formulated and made public the Protection Policy for Whistleblowing and Whistleblowers to standardize the processing details and procedure of reporting and the protection of whistleblower information. The Audit Committee of our Board of Directors is responsible for supervising the execution of this policy. We take strong measures to ensure both whistleblowers and investigates are respected, and keep strictly confidential the Reporting and investigation information. We strictly prohibit any individual or organization from retaliating in any form against the whistleblower, his/her relatives, and those who provide assistance for the investigation. Any violation thereof discovered will be handled seriously.

5.4 ETHICAL PERFORMANCE

Indicator	Unit	Data
Number of employees who have completed anti-corruption training	Persons	9,326
Incidents of unfair competition or significant corruption-related lawsuits	Number of Cases	0
Incidents of money laundering or insider trading identified	Number of Cases	0
Unannounced AI inspection rate during online academic conferences	%	100
Number of AI inspections conducted during academic activities	Instances	185,100
Proportion of meetings identified as high-risk	%	5.8
Direct or indirect donations to political campaigns or organizations	RMB	0
Donations to groups involved in legislation, lobbying or public policy formulation	RMB	0
Donations to trade organizations or other related tax-exempt entities	RMB	0
Participants in Responsible Marketing Training	Attendees	42,238
Incidents of deviation from ethical and moral standards for animal testing at the institutions undertaking animal testing	Number of Cases	0
Clinical trials required to be terminated for GCP and other regulatory breaches	Number	0
Proportion of clinical trial subjects signing the Informed Consent Form	%	100
Fines imposed in relation to clinical trials including those in developing countries	RMB	0
Human rights due diligence interview sessions conducted	Sessions	18
Number of adverse incidents such as discrimination and harassment identified among the Group or key suppliers	Cases	0
Number of confirmed incidents of customer privacy violations	Cases	0
Number of confirmed information security breaches	Cases	0
Number of litigation cases arising from the improper application of AI technologies	Cases	0
Intellectual property infringement incidents, including patents and trademarks	Cases	0
Economic losses arising from legal suit related to patent or trademark infringement	RMB	0
Response rate of reporting incidents	%	100

06

ADDRESSING CLIMATE CHANGE

As the global climate crisis intensifies, extreme weather events not only threaten human health but also pose substantial challenges to business operations. Concurrently, impacts of human activities on natural environment is further driving climate change. Hansoh Pharma regards addressing climate change as an important part of its corporate strategy and social responsibility. Driven by technological innovation, we are systematically advancing our low-carbon transition. Through multiple initiatives—including quantifying climate-related risks and opportunities, developing a green R&D and production system, and developing environmentally friendly processes—we continuously reduce carbon emissions across our entire value chain. Building on our steadfast commitment to innovation and taking proactiveaction, we collaborate with all stakeholders to jointly tackle climate challenges, striving to enhance the value contribution of pharmaceutical industry to ecological sustainability.

6.1 CLIMATE GOVERNANCE FRAMEWORK

Hansoh Pharma has established a climate risk governance framework that spans from the Board of Directors to the executive departments, clearly delineating the responsibilities and division of labor at each level. The Board bears the ultimate oversight responsibility for climate risks, while the ESG Committee is responsible for consistently monitoring key climate indicators and organizing risk assessments. The Greenhouse Gas (GHG) Working Group, directly led by senior management, and the ESG Working Group are responsible for the GHG inventory and for spearheading the planning and implementation of energy-saving and carbon reduction targets aligned with our climate strategy. Furthermore, the climate change policies and institutional framework governing energy management at Hansoh Pharma provide a clear framework and basis for execution for the realization of climate targets and the systematic management of related risks.

6.1.1 Governance Structure

Hansoh Pharma has established a climate change governance structure with clear hierarchies and well-defined responsibilities, comprising the Board of Directors, the ESG Committee, the ESG Working Group and GHG Working Group to form a three-tiers management system. The Board assumes the ultimate oversight responsibility for climate-related strategies and risks, reviews thematic reports from the ESG Committee at least annually, and engages in climate training as necessary, driving the formulation of and resource support for the green transformation strategy from the top level. The ESG Committee is responsible for translating the Group's climate strategy into actionable pathways, overseeing the relevant departments in breaking down carbon neutrality targets and interim carbon reduction targets, and regularly monitoring the implementation progress. Its subordinate working groups are responsible for GHG activity data, emission inventory and analysis, and recommending the implementation of emission reduction measures ensuring that climate targets are closely integrated with business operations to achieve closed-loop management from strategic planning to execution feedback.

Climate Governance Structure at Hansoh Pharma

The Board of Directors

Holds ultimate responsibility for the climate strategy and risk response of hansoh pharma;

Oversees the effectiveness of the governance mechanisms and ensures alignment with the overall strategic framework.

ESG Committee

Reviews the climate action plan as well as mid-term, and long-term carbon reduction targets;

Reviews climate-related policies and monitors the effective operation of relevant mechanisms;

Supervises the annual climate risk assessment process, reviews assessment results, and tracks progress toward achieving established targets;

Assesses investment proposals related to climate transition and approves budgets for energy-saving and carbon reduction initiatives.

ESG Working Group & GHG Working Group

Conducts identification and assessment of climate risks and opportunities;

Implement the climate action and carbon reduction targets approved by the Board and break them down and assign them to the responsible departments.

Daily Operations:

- Production: Optimize energy management to reduce Scope 1 and Scope 2 emissions.
- Supply Chain: Establish a carbon emission assessment system for suppliers, collect data on carbon emission activities, and promote alternatives to high-carbon processes.
- R&D: Explore low-carbon drug development and production processes while advancing Life Cycle Assessment (LCA) carbon reduction strategies.

Risk Response: Develop emergency plans for extreme weather events and policy-related contingencies.

Data Integration: Manage GHG-related databases and conduct regular inventories of GHG emissions.

6.1.2 Policy and System

In 2022, Hansoh Pharma formulated and publicly released the "Policy and Action Framework to Address Global Climate Change", which was revised and upgraded in 2024, publicly expressing the Group's stance and commitment in dealing with climate change, and making action plans based on carbon neutrality targets in line with the latest global climate landscape. Within the organization, we have developed the "Greenhouse Gas Inventory (Verification) Procedure" based on the "Specification for Quantification and Reporting of Greenhouse Gas Emissions and Clearings at the Organizational Level" (ISO 14064:2018) and the "Greenhouse Gas Accounting System - Standard for Corporate Accounting and Reporting" issued by the World Resources Institute (WRI). We have established a departmental collaboration mechanism and standardized the scope, boundaries, data sources, calculation methods, and inventory procedures for greenhouse gas accounting.

Centering on climate-related business activities, Hansoh Pharma has established and continues to refine a special policy framework to systematically drive green operations and climate resilience building. We are committed to integrating climate actions throughout the entire business chain, achieving a dual enhancement in environmental performance and operational resilience:

Establish and Continuously Improve Energy Management

we mandated all manufacturing sites, including the production processes, main auxiliary production processes and ancillary production systems of new, renovated and expanded projects, are required to establish, test and continuously improve the energy management system in accordance with ISO 50001 standards, and constantly enhance energy performance.

Green Process Throughout R&D and Production

Systematically incorporating "green process indicators" into the drug development evaluation system and production and operation processes, we reduced resource consumption and environmental impact from the source, and drove sustainable product innovation.

Supply Chain Climate Collaboration

Through the Supply Chain Climate Policy, we encouraged and supported suppliers to conduct climate risk assessments and manage greenhouse gas emissions, driving them to formulate and implement energy conservation and carbon reduction action plans, and jointly building a low-carbon value chain.

Climate Risk Emergency Preparedness

Addressing the potential physical risks associated with extreme weather events such as flooding and high temperatures, we developed specific emergency response plans, and regularly conducted sensitivity analyses and emergency drills to ensure operational continuity and business resilience.

6.1.3 Carbon Targets and Carbon Disclosure

Hansoh Pharma has been committed to achieving carbon neutrality by no later than 2055. We have actively sought validation for our carbon reduction targets from the Science-Based Targets initiative (SBTi).

Core Climate Goal

Achieve carbon neutrality by no later than 2055

Mid-term Milestones

By 2030, reduce the greenhouse gas emission per unit of revenue from Scope I & Scope II by **40%**, using 2021 as the base year

By 2030, reduce the comprehensive energy consumption per unit of revenue by **20%**, using 2021 as the base year

During the Reporting Period, Hansoh Pharma disclosed information and data on climate change and water risk responses through the Carbon Disclosure Project (CDP) to address the concerns of stakeholders, including investors, regarding Hansoh Pharma's environmental and climate strategy and performance. We achieved a dual "B" rating in both climate change and water security, positioning us at a leading level in the Chinese pharmaceutical industry. Meanwhile, we have clarified our improvement goals, providing guidance for formulating more effective measures to achieve our climate vision by analyzing data in the CDP questionnaire such as carbon emissions, energy use, water resource consumption, and the anticipated financial impact of various risks.

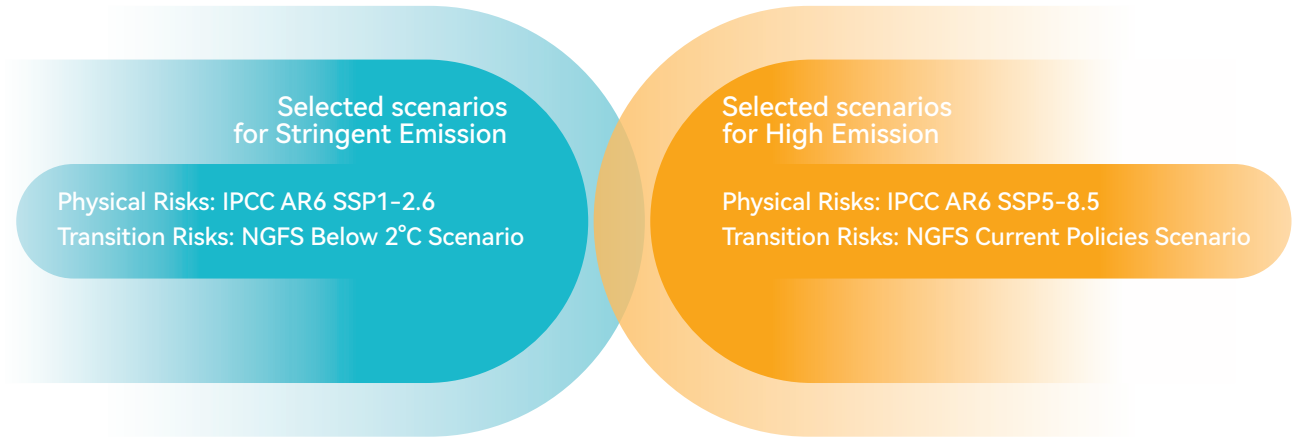
6.2 IDENTIFICATION AND ASSESSMENT OF CLIMATE RISKS

6.2.1 Identification of Climate Risks

During the Reporting Period, we referenced the ISSB IFRS S2 and the Guidelines for Climate Disclosure from the Stock Exchange to systematically conduct climate risk identification and evaluation. The identification scope encompasses the Group's key operational sites in Shanghai, Lianyungang, and Changzhou, and covers activities related to Scope I – III GHG emissions. We established a cross-functional task force composed of the ESG and GHG Working Groups, and engaged external experts to form a climate risk focus group to jointly advance this work, supporting climate risk management and strategic planning with a scientific and comprehensive approach.

A. Preparatory Steps

Selection of Climate Scenarios: Based on informed projections of current national and international policies and laws and regulations, considering the current levels of various climate-related indicators of the Group, and based on the principle of temporal consistency, the focus group regularly deliberates annually and selected two climate scenarios—one high-emission pathway and one stringent pathway—for evaluating physical risks and transition risks:



B. Construction of Risk Factor Database

The focus group adopted a dual-layer structure of "physical risks and transition risks" and, in combination with the specific characteristics of the pharmaceutical industry, constructed a refined risk factor database:

Physical Risks: Includes acute risks such as water scarcity, typhoons, and extreme heat, as well as chronic risks that could lead to long-term damage to assets.

Transition Risks: Encompasses changes in climate-related laws and regulations as well as policies, fluctuations in greenhouse gas emissions and fossil fuel pricing, and shifts in market signals. Such risks may affect supply chain stability, drive up raw material costs, increase investments in low-carbon technology transitions, and challenge the enterprise's market strategy.

C. Risk Identification

We adopted the Delphi iterative process last year to identify risks, taking into account our operational business model and the characteristics of our value chain. We consulted two external experts and gathered insights from peer companies regarding the likelihood and impact of predefined risk factors, which allowed us to identify 16 climate-related risks. During the Reporting Period, in conjunction with four selected scenarios, the focus group used the year's data as the inputs, including energy prices, change in national policies, occurrences and intensity of extreme weather events throughout the year, annual temperature and air conditioning usage, the correlation between climate change and pandemics, as well as customer behavior and satisfaction. Additionally, we utilized the NGFS public database to estimate the quantified financial impacts of transition risks, finally held an on-site debate regarding contentious items facilitating comprehensive discussions that led to a consensus and the identification of the risk list, which maintains the seven prioritized risks, such as typhoons/cyclones and rising raw material prices.

6.2.2 Quantifying Climate Impacts

The focus group systematically mapped the identified climate risks to the Group's future strategic direction and business activities. Based on macro-environmental trends and policy directions, we evaluated the potential financial impacts across three time horizons: short-term, medium-term, and long-term. These assessments were grounded in the following assumptions: the Group's primary operating locations and asset footprint remain stable within the corresponding periods, and our core business structure, profitability model, and global strategy all proceed in accordance with established plans.

Physical Risk Quantification and Assessment

In this assessment, we utilized geospatial data and the historical probability of disasters in our primary operating locations in Shanghai, Lianyungang, and Changzhou to quantify the financial impact of actual extreme weather events occurring during the Reporting Period and reasonably project potential future changes over different time horizons. Key inputs include increased fixed asset damage and repair costs due to typhoons/cyclones, increased steam consumption due to extreme cold, increased air conditioning cooling days due to extreme heat, and the cost of newly added flood control/drainage facilities in various locations. While we currently lack sufficient systematically collected data to conduct a quantitative assessment of the potential financial impact of physical risks on our upstream and downstream supply chain, in the future, we will gradually strengthen outreach and mobilization across our value chain partners. Our goal is to drive suppliers and dealers in establishing climate risk assessment and monitoring systems, and to gradually expand the scope of our assessments.

Physical Risk	Correlation & Assumption	Impact Already Experienced in 2025	IPCC AR6 SSP1-2.6 Scenario - Risk Impact on Assets (%)			IPCC AR6 SSP5-8.5 Scenario - Risk Impact on Assets (%)		
		2025	2030	2045	2060	2030	2045	2060
Typhoons / cyclones	The Company's primary operating locations are all situated in the coastal regions of eastern China, where typhoons and cyclones are highly probable. It is noted that no fixed asset losses due to typhoons were recorded in 2025.	/	< 1%	< 1%	2%-5%	< 1%	2%-5%	6%-10%
Extreme heat / extreme cold	Under both scenarios, the Company's operating locations may experience varying degrees of extreme temperatures this century. To maintain a suitable temperature environment for production and operations, energy consumption for air conditioning on extremely hot days and extremely cold days will increase.	additional days of air conditioning usage; Increased steam consumption	< 1%	< 1%	< 1%	< 1%	< 1%	2%-5%
Heavy precipitation /flood	Under both scenarios, the Company's coastal operating locations are susceptible to heavy precipitation or flood. The Company has considered relevant factors in site selection, but the possibility of long-term climate change cannot be completely ruled out.	/	< 1%	< 1%	2%-5%	< 1%	2-5%	6%-10%

Transition Risk Quantification Assessment

Based on the selected scenarios, we set up two hypothetical scenarios with different temperature rise targets and transition speeds, and divided them into short-term, medium-term and long-term assessment periods to simulate the risk evolution path under such conditions as policy strengthening, technological breakthroughs or market shifts. The financial impacts of transition risks we included in the analysis comprise the increased operational costs resulted from rising energy and raw material prices and other reasons, changes in the capital expenditure strategies and R&D strategies caused by the transition to low-carbon technologies, market changes and revenue structure changes due to climate risks. We have collected such information as the carbon emission data of our company and the supply chain, energy structure, technical characteristics of assets, policy trends and market signals, and conducted simulation calculations by virtue of tools, while improving the calculation accuracy of Scope III emissions year by year.

Transition Risk	Correlation & Assumption	Impact Already Experienced in 2025	IPCC AR6 SSP1-2.6 Risk Impact on Assets (%)			IPCC AR6 SSP5-8.5 - Risk Impact on Assets (%)		
		2025	2030	2045	2060	2030	2045	2060
Increased raw material prices	Climate change and low-carbon policies may lead to increased production and transportation costs for some raw materials, auxiliary materials, and packaging materials, indirectly increasing the Group's production costs.	/	< 1%	2%-5%	< 1%	< 1%	< 1%	2%-5%
Increase investment in low-carbon transition	Under both scenarios, the Group's operating locations may have varying levels of investment in renewable energy equipment, green process research and development, green energy procurement and other aspects in this century.	Changzhou Hansoh purchases green electricity	< 1%	2%-5%	< 1%	< 1%	< 1%	< 1%
Increased carbon pricing	Under the national "Dual Carbon" strategy, the pharmaceutical industry will be included in the carbon trading system, and to achieve carbon neutrality, the costs of carbon offsets will be paid since 2055.	/	< 1%	< 1%	2%-5%	< 1%	< 1%	< 1%
Uncertain market signals	Climate change may cause changes in disease spectrum. The Company is expected to establish R&D blueprint of relevant drugs in advance to capture market opportunities. This represents a positive financial impact.	/	< 1%	< 1%	2%-5%	2%-5%	6%-10%	10%-15%

6.3 CLIMATE TRANSITION STRATEGY DRIVEN BY CARBON NEUTRALITY GOALS

Taking achieving carbon neutrality as the strategic guidance, Hansoh Pharma has systematically established a climate transition framework covering target setting, pathway planning, technological innovation, and culture building, and deeply integrated it into the business operation and development plans. In accordance with international standards including the Science-Based Targets Initiative (SBTi), we have set phased emission reduction targets, planned clear technical and management implementation pathways, continuously invested in green process and clean energy innovation, and fostered a low-carbon culture through institutional design and full employee participation, thereby ensuring the collaborative promotion of climate actions and corporate strategies, systematically enhancing the environmental resilience and long-term competitiveness.

6.3.1 Pillars of Climate Strategy

Promotion of Low-Carbon Operation

Optimizing the energy mix

Hansoh Pharma has deployed a photovoltaic (PV) power generation system at its production base in Lianyungang, and the first phase of the project is now in stable operation. The second phase and the Changzhou PV project are still in the preparation stage. In the future, Hansoh Pharma will gradually expand the scale of its distributed photovoltaic power stations. In addition, during the Reporting Period, Changzhou Hansoh has deployed green electricity in purchased power for the first time, with a total of 3,244 MWH green electricity purchased during the year, accounting for 17% of its annual purchased power, reducing GHG emissions by 1,837.02 tons of carbon dioxide equivalent. We will further coordinate resources and optimize the structure of energy utilization.

R&D and production process optimization

Hansoh Pharma continuously carries out process optimization for products in the R&D phase and for already-marketed products. Through the innovative synthetic route design and process improvement, it systematically increases product yields, reduces energy consumption, and reduces the use of organic solvents and the discharge of waste liquids, such as optimizing the feeding and coupling process to successfully replace toxic solvents in the original process and reduce the environmental load of the production process. Meanwhile, we deeply embed life cycle assessment (LCA) into the R&D process, consciously screening for structures with low environmental impact at the molecular design stage, and actively promoting the implementation of green chemistry and the circular economy concept. In addition, we have focused on deploying the R&D of long-acting dosage forms, which not only reduces the dosing frequency of patients and improves the medication compliance, but also effectively lowers the carbon footprint throughout the product's life cycle by reducing packaging materials and transportation frequency. For relevant process optimization cases, please refer to 7.4.5-Continued Promotion Energy Conservation and Carbon Reduction in the Report.

Implicit Carbon Cost Decision-making

Hansoh Pharma has introduced an internal carbon pricing mechanism in the decision-making system of the Group. Based on the public pricing in the carbon market and the carbon footprint calculation model throughout the project's entire life cycle, as well as necessary risk coefficients, it predicts the carbon costs implied in project implementation, so as to provide quantitative basis for the business decision making and the planning of low-carbon transition paths, facilitating more precise allocation of resources to areas with significant emission reduction benefits. On this basis, we revise relevant policies, dynamically adjust phased targets, and plan future carbon offset budgets, to ensure the scientificity and enforceability of the climate strategy. During the Reporting Period, the carbon price we used for internal assessment was 95 yuan per ton of carbon dioxide equivalent.

Collaborative Decarbonization in the Supply Chain

Hansoh Pharma continuously promotes the low-carbon transition of the value chain through systematic supply chain management to reduce the scope 3 greenhouse gas emissions. We implement a tiered management system for suppliers, and actively encourage them to conduct greenhouse gas accounting and emission reduction activities. At the front end of procurement, we incorporate environmental performance into the decision-making process to avoid approval of high-energy-consuming and high-pollution projects, and set corresponding access thresholds during the bidding review to give priority to suppliers meeting green standards. In terms of logistics and supply chain layout, we are devoted to optimizing the transportation structure and network: for overseas products with high carbon emissions, we proactively promote domestic substitutes; for exported drugs, we reduce long-distance international transportation through technology licensing and local production contracting; for domestic procurement, we prioritize localization, giving preference to suppliers in the local city or province under the same quality and cost conditions to shorten the transportation distance and reduce the logistics carbon footprint. Such measures are interlinked, forming a full-chain closed-loop carbon management system from supplier selection, procurement decisions to logistics optimization, gradually building a more resilient and sustainable green supply system.

Enhance the climate resilience of production and operation

To address the risks of climate change, we have developed an emergency response plan for extreme weather, improved flood control, wind prevention and lightning protection facilities, insured key assets, regularly conducted disaster simulation exercises, implemented the disaster emergency responsibility system, ensured the continuity of production and operation, and continuously enhanced the resilience to climate response.

Low-Carbon Culture Building

Hansoh Pharma deeply embeds a low-carbon development concept into its corporate culture. With "Improving Climate Awareness among All Employees" as its core, we are shaping a multi-level training system covering the Board of Directors, senior management, business team, functional backbones, and front-line workers, carried out capacity building around strategic cognition, technical skills and behavioral guidance systems. During the Reporting Period, we offered compulsory environment and climate-themed courses to the Board and all employees, and organized training on dual carbon capability improvement to help employees understand climate-related basic knowledge, the impacts of climate risks on our business, and the role and actions of enterprises in addressing climate change. More than 90% of the employees and all the directors participated in the training. Meanwhile, we have transformed the low-carbon concept into concrete actions through advocating green commuting, promoting paperless office practices and other daily activities.

Case: Jiangsu Hansoh Conducted an Award-winning Quiz Titled "Energy Conservation and Carbon Reduction & Green Development"

In September 2025, Jiangsu Hansoh held an award-winning quiz in response to the national energy conservation campaign themed "Energy Saving and Efficiency Enhancement, Leading Renewal" and the energy policy of Hansoh Pharma, to further promote the green development knowledge, and enhance employees' energy saving awareness.

During the event, employees posted their personal low-carbon lifestyle commitments on social media platforms, promoted the green living concept and launch an initiative to their social networks. Subsequently, they randomly selected the quiz cards and filled in the answers to further learn the climate and environment-related knowledge, and practice the low-carbon concept in the details of work and life.

Climate Change-Related Opportunities

In addressing climate challenges, Hansoh Pharma actively identifies them and transforms them into multiple development opportunities: climate change may increase the incidence of cardiovascular diseases, respiratory diseases and other diseases. We can seize the corresponding medical market demands by proactively adjusting R&D strategies. The upward trend of the raw material price forces the optimization of the production process and the improvement of the raw material utilization, thereby reducing operational costs. Large-scale deployment of renewable energy equipment can not only reduce emissions but also create revenue from green electricity and green rights trading.

In addition, we deeply integrated into the energy conservation and emission reduction actions of the national "Dual Carbon" strategy, and are expected to obtain subsidies for technological transformation and green electricity, and green financial support. Focusing on the R&D of low-carbon drugs (such as long-acting formulations and biosynthetic technologies), we could gain differentiated advantages amidst the ESG investment trend, and are expected to establish a first-mover advantage in the international green procurement. Excess carbon emission reductions achieved through process innovation can be monetized in the domestic carbon market under the background of future carbon quota control, or the international Voluntary Carbon Standard (VCS) market, forming a low-carbon premium advantage of products export under the carbon tariff background. These measures jointly promote a virtuous cycle of policy incentives, technology upgrades, market expansion and revenue feedback, creating long-term values for enterprises in the low-carbon transition.

Biodiversity Assessment

During the Reporting Period, Hansoh Pharma continuously monitored and assessed the biodiversity at its four main production and experimental operation sites. By integrating authoritative resources such as the Natural Earth species database, IUCN species distribution data, and protected areas information, the assessment covered a 10-kilometer radius around each site and focused on analyzing the distribution of endangered species, the number of protected animals, and the correlation with surrounding nature reserves. Taking the Changzhou production base as an example, the assessment revealed the presence of 2 species of national Class II protected animals such as kestrels and accipiter trivirgatus, 9 endangered species defined in the IUCN species distribution database such as the critically endangered species lipotes, oriental white storks and red-crowned cranes, and 10 species of national Class I protected animals such as greater spotted eagles and egretta eulophotes (repeated counts among various categories). In the meantime, it was also confirmed that the number of national parks, nature reserves, natural parks, world natural heritage sites and internationally important wetlands within a 10-kilometer radius is zero, excluding the spatial relationship between production activities and ecologically sensitive areas.

The assessment concluded that biodiversity resources are abundant around the production bases, but potential risks exist: on average, there are 1-4 critically endangered species and more than 10 endangered species within a 10-kilometer radius, but no critically endangered or endangered species and no nature reserves or national parks within a 2- and 5-kilometer radius. These findings provide precise coordinates for environmental risk prevention and control.

This work uses internationally recognized KBA and WDPA databases and cross-validation with local observation data, which ensures the scientific validity and credibility of the assessment results. The core value of the biodiversity lies in incorporating biodiversity protection proactively into the Company's decision-making system. By scientifically assessing the spatial relationship between production layout and ecologically sensitive areas, we not only meet the requirements of laws and regulations such as the Wildlife Protection Law, but also provide data support for optimizing plant layout and developing ecological compensation schemes.

We have set a goal of zero deforestation for our self-operated business and achieved it during the Reporting Period.

6.4 PROGRESS AND PERFORMANCE OF CLIMATE QUANTIFICATION TARGET

Since 2020, an inventory of the greenhouse gas emissions in the previous year has been carried out, and a third-party institution has been entrusted for verification. During the Reporting Period, in accordance with the "Greenhouse Gas Inventory (Verification) Procedure", an inventory of greenhouse gas emissions in three main operating locations (Shanghai, Changzhou, and Lianyungang) and three scopes has been carried out according to the Hansoh Pharmaceutical Group Greenhouse Gas Inventory Guidelines. An independent third-party institution has been entrusted to verify the rationality, compliance, and reliability of the boundary selection, activity data, emission factors, and calculation methods, and a verification statement has been issued. We deeply integrate the verification conclusions into the planning of scientific carbon reduction path, providing reliable data support for optimizing the process energy efficiency, setting the priority of green electricity procurement, and formulating carbon emission constraint targets for the supply chain. Meantime, it improves the transparency of carbon information disclosure and the operational efficiency of carbon assets, and strengthens the decision-making foundation of the low-carbon transformation strategy.

During this inventory, we intensified the investigation and collection of active sources and emission factors in Scope III , resulting in an overall increase in the emissions of Scope III . Among them, Jiangsu Hansoh increased its procurement activities of raw chemical reagents. Coupled with the increase in the procurement volume of some products in the original statistical categories, this led to a 302.85% increase in greenhouse gas emissions. Fuel and energy-related activities uniformly cited the "UK Government GHG Conversion Factors for Company Reporting- 2025" emission factors, with an increase of 35% in accounting compared to the same basis of the previous year. The disposal activities of some sold products (tablets) at the end of their lifespan have been increased, thereby increasing GHG emissions by approximately 468 tons.

Greenhouse Gas Emissions*	2023	2024	2025
Scope I Greenhouse gas emissions/tCO_2e	10,546.85	13,163.25	11,833.89
Scope II Greenhouse gas emissions/tCO_2e	81,565.21	88,227.05	97,828.71
Total Greenhouse gas emissions(Scope I and II)/tCO_2e	92,112.06	101,390.3	109,662.60
Greenhouse gas emissions per unit of revenue(tCO_2e per one RMB million)	9.12	8.27	7.30
Scope III Greenhouse gas emissions/tCO_2e	-	55,724.8	93,115.14

* The GHG emissions from Scope I sources—specifically natural gas combustion in stationary sources and gasoline/diesel combustion in mobile sources—are calculated using default GHG emission factors per unit calorific value from the relevant chapters of Volume 2 of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. The total calorific value for each fuel is determined in accordance with GB/T 2589-2020 General Rules for Calculation of Total Production Energy Consumption. The resulting GHG emissions are then converted into CO_2 equivalents based on their respective Global Warming Potential (GWP) values. Emissions from refrigerant leakage are estimated using the charge, lifetime, and emission factors for refrigeration and air conditioning systems outlined in Chapter 7 of the same IPCC Guidelines. For leakage from fire extinguishers and high-voltage switchgear, CO_2 emissions are calculated based on the GHG emission coefficients from the relevant chapters of the Guidelines, the annual charge (leakage) quantity, and the respective GHG GWP values. Regarding industrial wastewater, CO_2 emissions are calculated from the wastewater discharge volume (using its COD value), the GHG emission factor per unit COD provided in the IPCC Guidelines, and the corresponding GWP value.

For Scope II emissions, the emission factor for purchased electricity is 0.6096 kg CO_2/kWh, as referenced from the Ministry of Ecology and Environment's "Announcement on Publishing the 2023 Electricity CO_2 Emission Factors," which excludes electricity from market-traded non-fossil energy sources; the emission factor for purchased steam is 110 kg CO_2/GJ, as cited from the "Guidelines for Greenhouse Gas Emission Accounting and Reporting for Industrial and Other Enterprises (Trial)." The emission factor used for purchased electricity in the previous year was 0.5366 kg CO_2/kWh. Applying the same calculation methodology with the current year's activity data, the total indirect energy emissions would amount to 195,031.90 tCO_2e.

For more detailed GHG calculations, please refer to the "Hansoh Pharma Greenhouse Gas Verification Statement":
https://www.hspharm.com/upload/file/2026/04/24/8413f2803a1f4e8f855b70629d7891e5.pdf

07

ENVIRONMENTAL FRIENDLY

Hansoh Pharma fully recognizes environmental protection as a vital corporate responsibility and mission. Consistently adhering to the principle of green development and grounded in environmental compliance, we establish, test and continuously improve the environmental management system, strictly control pollutant and waste discharges, and optimize resource conservation. Through these measures, we deeply integrate green concepts into every aspect of the enterprise's operation. Furthermore, we collaborate with our upstream and downstream supply chain partners to jointly fulfill our corporate environmental responsibilities, striving to minimize the negative environmental impacts of operational activities.

7.1 ENVIRONMENTAL GOVERNANCE

Hansoh Pharma has established an environmental management structure comprising the ESG Committee of the Board of Directors, the Environment, Health and Safety (EHS) Committee, as well as management personnel and employees across all departments. This structure ensures smooth communication and efficient control of environmental matters, effectively enhancing the level of environmental governance.

The ESG Committee of the Board of Directors comprehensively oversees climate and environment-related work, responsible for monitoring climate and environment-related issues across the Group (for climate issues, please refer to Chapter 6 - Addressing Climate Change), reviewing and approving the Group's environmental targets and project budgets, and regularly supervising the achievement of objectives and the progress of action plans.

The EHS Committee is established at each operating site to implement primary responsibilities based on the business characteristics of each site, with the highest-level management representative of the operating site acting as the primary person responsible for EHS. The responsibilities of the EHS Committee include formulating environmental management policies, understanding stakeholder needs and expectations, assessing environmental risks, formulating and implementing environmental targets, conducting performance monitoring and compliance evaluations, formulating and implementing emergency drill plans. The EHS Committee convenes thematic meetings on a quarterly basis to frequently review the environmental progress, ensuring that environmental risks can be effectively controlled and major potential environmental risks are reported in a timely manner.

The Group has established an environmental target responsibility system, closely linking environmental compliance and the achievement of environmental targets with the compensation and equity incentives of relevant senior executives. At the operational level, environmental targets are broken down in detail and implemented one by one in every aspect of production and operation, and are linked to the performance of managers and employees at all levels. In the event of environmental management incidents with negative impacts, their compensation will be reduced. Under EHS supervision, R&D and production departments, along with individual workshops, are responsible for identifying environmental factors, conducting risk assessments, and implementing control measures for respective research and manufacturing processes, quantifying indicators to ensure the progress of the Group's overall targets. Employees or teams that make outstanding contributions to the improvement of environmental indicators will be incentivized. Forms of incentive include, but are not limited to, commendations at various levels, annual excellence awards, and public recognition, coupled with financial rewards to fully mobilize employee enthusiasm.

During the Reporting Period, the ESG Committee of the Board of Directors reviewed progress on environmental performance targets twice.

7.2 ENVIRONMENTAL STRATEGY

The environmental strategy is an integral part of the Group's overall strategy. Guided by the Group's strategy, and in alignment with the Environmental Management Systems Requirements with Guidance for Use (ISO 14001: 2015), Hansoh Pharma has formulated its environmental strategy for the new strategic cycle (2026–2028) during the Reporting Period. This strategy is based on a thorough review of the implementation of the previous cycle (2023–2025), taking into account the environmental impact characteristics of the industry and the Company's operational realities.

7.2.1 Strategic Vision

Hansoh Pharma's environmental strategy is highly consistent with its corporate mission. The Company is committed to becoming a resource-efficient and environmentally friendly enterprise by embedding the principles of green development throughout its entire operational process, delivering economic benefits while fostering a harmonious and thriving natural environment for human health, thereby driving long-term sustainable development.

7.2.2 Strategic Goals

Based on the characteristics of its production and operational processes as well as key environmental factors, Hansoh Pharma constantly tracked the progress in major environmental targets for the current strategic cycle, covering air emissions, wastewater discharge, waste management, energy consumption, and water resource utilization. Using 2021 as the baseline year*, these targets are set to be achieved by 2030 to oversee the performance of environmental management.

1. **Reduction of air pollutant emissions:** Reduce total emissions of volatile organic compounds (VOCs) by 35%
2. **Reduction of wastewater pollutant emissions:** Reduce the chemical oxygen demand (COD) discharge intensity per unit of revenue by 20%; reduce the ammonia nitrogen discharge intensity per unit of revenue by 25%
3. **Waste management:** Ensure 100% compliant disposal of non-hazardous waste; reduce hazardous waste disposal per unit of revenue by 40%
4. **Energy use:** Reduce comprehensive energy consumption per unit of revenue by 20%
5. **Utilization of water resources:** Reduce municipal water withdrawal volume per unit of revenue by 20%

* The trigger conditions for adjusting the base year: When there are significant changes in the scope boundary, product structure, process equipment, statistical methods, regulations and standards, or when the data of the base year is distorted, abnormal or untraceable, the base year will be re-recognized or the historical data will be recalculated in accordance with scientific methods.

7.2.3 Implementation Framework

To ensure implementation of strategic objectives, leveraging the seven principles recommended in the management system, along with risk-based thinking and the life cycle assessment (LCA) methodology, we continue the strategic outline of the previous cycle in the overall framework to guide the Company's operational practices.

Green chemistry designing	Hansoh Pharma continuously invests in research and development, prioritizing synthetic routes with high atomic efficiency, maximizing the use of green solvents, and minimizing the use of toxic and hazardous substances. The Company designs environmentally friendly process conditions by optimizing key parameters such as reaction temperature, pressure, duration, and material ratios to enhance reaction efficiency, improve conversion rates, and reduce the occurrence of side reactions.
Cleaner production processes	We regularly identifies resource wastage and pollution sources within its production processes, deeply implement clean production plans, effectively reduce pollutant generation from the source, and continuously improve the level of clean production. New construction projects will introduce efficient, energy-saving and environmentally friendly production equipment. Existing low-efficiency production capacity and high-energy-consuming equipment will be phased out or undergo technological transformation in a planned manner.
Pollutant treatment	Hansoh Pharma employs high-efficiency end-of-pipe treatment systems to manage waste gas and particulate emissions, reducing or preventing fugitive releases. Wastewater is classified and collected based on its type, with treatment processes tailored to pollutant concentration and affect silver. This includes pre-treatment, biochemical treatment, and advanced treatment measures to ensure compliance with discharge standards.
Waste management	Adhering to the principles of "reduce, recycle and reuse," the Company strictly enforces the waste classification, collection, labeling, storage, disposal, and recycling system. This ensures safe, environmentally friendly, and cost-effective waste disposal in full compliance with regulatory requirements.
Supply chain management	Hansoh Pharma has improved the environmental assessment system for suppliers, evaluating their environmental management systems, performance, and risk levels during supplier selection and collaboration. Preference is given to suppliers with strong environmental performance. The Company also implements a green procurement policy, prioritizing environmentally friendly raw materials and products while encouraging suppliers to adopt green production technologies and sustainable packaging materials to minimize the environmental impact of raw material procurement.
Environmental monitoring	A comprehensive environmental monitoring system has been established to track real-time emissions of air pollutants, wastewater, and noise. The Company conducts periodic assessments of the environmental impact of its production activities, ensuring that all pollutant emissions comply with or exceed national and local regulatory standards.
Risk prevention and control	Hansoh Pharma closely monitors changes in national and local environmental policies and regulations, promptly adjusts its environmental management strategies and regularly conducts compliance evaluations to ensure that the production and operation of enterprises comply with the requirements of laws, regulations and mandatory standards. The Company has established an environmental risk prevention and control system to identify, assess, and provide early warning for potential environmental risks. It also ensures preparedness and response to emergencies, conducting regular emergency drills to enhance its capacity to manage environmental risks effectively.
Environmental culture building	Hansoh Pharma regularly organizes environmental training for employees to enhance their environmental awareness and skills, ensuring they understand the Company's environmental strategy, policies, and objectives while actively engaging in environmental initiatives. The Company encourages employees to propose suggestions and measures for reducing waste at the source, rewarding effective ideas. Through various channels and platforms, Hansoh Pharma promotes environmental knowledge and showcases its environmental achievements, motivating employees to actively embrace and practice eco-friendly principles, fostering a culture of widespread participation in environmental protection.

7.3 ENVIRONMENTAL RISK MANAGEMENT

Hansoh Pharma's production and operational processes follow a concept of "systematic metabolism" regarding resource inputs and outputs: we utilize raw and auxiliary materials and packaging materials from supply chain, and consume energy sources such as electricity and steam, alongside natural resources like water and air. Conversely, the outputs include high-quality pharmaceuticals that meet stringent standards, accompanied by greenhouse gas (GHG) emissions, as well as potential environmental impacts from exhaust gas, wastewater, and solid waste.

Therefore, the key concern of Hansoh Pharma in environmental management is to manufacture high-quality products that meet patients' needs with minimal resource and energy consumption. Throughout this process, we continuously reduce ecological footprint, ultimately striving to make a positive contribution to the natural environment.

7.3.1Environmental Risk Identification

In line with the standardized risk management process, the Group systematically and continuously identifies environmental factors and their potential impacts. We quantitatively assess environmental risks at the organizational, operational, and activity levels, using the LEC (Likelihood, Exposure, Consequence) assessment method as well as temporal and status analysis, and formulate and implement differentiated control strategies based on risk levels.

Examples of Environmental Risks at the Organizational Level of Hansoh Pharma

Risk Type	Risk Issue	Potential Impact
Regulatory and policy risks	Continuous updates and improvements in environmental regulations and policies, along with the rising standards for environmental protection. If the Company fails to stay informed about and adapt to these changes, or to promptly upgrade its existing environmental measures, its production and operations may fail to meet compliance requirements	Increased operational costs, potential government penalties, delayed project approvals, and damage to the Company's reputation
Social responsibility risks	Odor and noise generated by operations impacting surrounding residents, poor communication with governmental and regulatory bodies, and the local community	Public pressure, regulatory penalties, deteriorating community relations, and damage to the Company's reputation
Emergency response risks	Insufficient emergency resource reserves and ineffective coordination mechanisms, affecting the response speed and effectiveness to environmental incidents	Production interruption, supply shortages, loss of market share, and harm to the Company's interests and image
Management system risks	Lack of a comprehensive environmental system or failure to plan and operate according to system requirements	Failure to identify environmental factors in a timely manner, inability to accurately assess current and/or potential risks (including compliance obligations), and inability to continuously and effectively improve environmental performance
Supply chain risks	Environmental pollution issues with suppliers of raw and auxiliary materials, regulatory penalties, or harmful substance leaks during transportation	Disruption in raw and auxiliary material supply, affecting normal production; the Company may be forced to change suppliers, increasing procurement costs and quality control risks

7.3.2 Environmental Risk Control

To actively mitigate the impacts of environmental risks, we have developed relevant management strategies based on industry characteristics and external expert advice. These strategies are designed for different priority levels of environmental risks.

An example table of risk management strategies in the R&D process

No.	Activity/Product/Service (Occurrence Point)	Environmental Factor	Source	Control Measures
1	R&D/Production/Office/ Experimental Process	Solid waste disposal	Domestic office waste, general industrial waste (cardboard boxes, aluminum-plastic panels, plastic bags, etc.), hazardous (dangerous) waste (discarded medicines, packaging bags, contaminated gloves, activated carbon, sludge, experimental waste liquid, etc.)	1. Collect all kinds of waste by category, and store them in a classified, centralized and standardized manner. 2. Entrust qualified treatment units for centralized and compliant disposal. 3. Recycling or downgrading the use of cardboard boxes, etc.
2	R&D/Production/Waste water Treatment Process	Noise emissions	Equipment operation	1. Strictly adhere to equipment operation protocols to prevent illegal operations. 2. Enhance equipment maintenance to ensure proper functioning. 3. Vibration and noise reduction measures, such as vibration pads and noise reduction walls, etc.
3	R&D/Production/ Experimental/Waste Liquid Storage Process	Air emissions (particulates, organic solvents, odors)	Granulation, coating, testing, wastewater treatment	1. Optimize the process and cut down from the source. 2. Process control to reduce unorganized emissions. 3. End-of-pipe treatment and compliance with emission standards. 4. Regular monitoring and establishment of ledgers.
4	R&D/Production/ Experimental Process	Wastewater discharge	Equipment cleaning procedure	1. Separate collection 2. Separate treatment 3. Leak prevention 4. Connection to sewage network after meeting discharge standards

7.4 PRACTICE AND ACTION

7.4.1Continuous Improvement of the Environmental Management System

Hansoh Pharma strictly adheres to national laws and regulations, including the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, as well as the environmental regulatory requirements of each operational location. Based on this, we have established and implemented a systematic environmental compliance and risk control system. We have developed a series of documents such as the Control Procedures for Evaluation of Legal and Regulatory Compliance and the Control Procedures for Identification and Evaluation of Environmental Factors to systematically manage environmental compliance obligations and risks. Meanwhile, through specific policies such as the Environmental Protection Management Regulations, the Pollutant Discharge Management Regulations, and the Solid Waste Management Regulations, we standardize environmental management behaviors throughout the entire process, and implement strict EHS compliance reviews for new, modified, and altered projects, to achieve comprehensive prevention and control, and continuous reduction of environmental risks.

In line with environmental management system and strategic management requirements, we continually strengthen organizational governance and leadership roles. At each level, we establish environmental performance goals and indicators, set process operation guidelines, and integrate environmental protection and low-carbon principles into decision-making and business processes. Simultaneously, we develop corresponding inspection checklists and conduct strict checks at different frequencies to ensure the implementation of goals and indicators. We actively cooperate with regulatory authorities and external clients in audits, taking the problems identified through inspections and audits as opportunities for continuous improvement. Through the combination of internal self-inspections and external supervision, we continuously make improvements on the effectiveness of the environmental management system.

We actively collaborate with suppliers and partners to select qualified suppliers, define contractual requirements, and rigorously monitor environmental issues in outsourced processes. These efforts aim to minimize the environmental negative impacts across the entire supply chain,. For more information, please refer to Section 9.4.1- Green Supply Chain Construction.

During the Reporting Period, each operational site benchmarked against the environmental management system standards, continuously identified and assessed environmental risks, conducted compliance evaluations, organized internal and management reviews, and maintained good performance, and all continued to pass the ISO14001 environmental management system supervision audit.

7.4.2 Committed to Reducing Pollutant Emissions

At Hansoh Pharma, the primary sources of air emissions from production and laboratory processes include volatile organic solvents, the volatilization of drug intermediates and products, acidic and alkaline exhaust gases, and dust-laden emissions generated during raw material handling and product drying. Based on continuous process optimization and efforts to reduce waste gas emissions from the source, we have further reduced unorganized waste gas emissions through closed renovations. By adding high-efficiency end-of-pipe treatment devices and applying advanced waste gas treatment technologies, we have further reduced waste gas emissions.

Wastewater primarily arises from high-concentration organic wastewater and waste liquids generated by drug synthesis, fermentation, and other processes during production and R&D. It also includes low-concentration organic wastewater resulting from equipment cleaning and floor washing, acidic and alkaline wastewater from drug synthesis and purification processes, as well as domestic wastewater. Among them, a portion of the waste liquids is treated and converted into resources for recycling and reuse, while the remaining waste liquids are entrusted to qualified companies for professional treatment. Other wastewater is treated at our wastewater treatment stations to meet discharge standards before entering the municipal pipeline network. We are continuously seeking source control measures to further reduce wastewater concentrations and discharge volumes.

Noise emissions mainly originate from production equipment such as crushers, grinders, reactors, mixers, granulators, tablet presses, and air-driven devices such as compressors, ventilators, and vacuum pumps. These devices are equipped with appropriate enclosures and are located at a considerable distance from the facility boundary, thus minimizing their environmental impact.

During the Reporting Period, all operating sites actively advanced process optimization projects, dedicated to reducing emissions from the source. At the same time, we continue to increase investment in environmental protection, introduce advanced pollutant disposal technologies and environmental protection equipment, and ensure that emissions meet standards..

Case: Multiple projects of the CMC Center have implemented process substitution to reduce emissions from the source

The A project of CMC Center adopted the circulating activated carbon decolorization technology to replace the traditional activated carbon decolorization, reducing the generation of solid waste. Project B comprehensively introduced stainless steel chromatography columns to replace traditional glass chromatography columns, significantly enhancing purification efficiency and reducing the production of liquid waste. Through process optimization, the intermediate purification of Project C adopted a methanol-water refining system instead of ethyl acetate/n-heptane column chromatography purification, **reducing approximately 3,000 liters of solvent waste per batch**.

Case: Jiangsu Hansoh's ingredient manufacturing site renovation to Enhance the desorption effect of the waste gas treatment device

The ingredient manufacturing site of Jiangsu Hansoh is the main source of the Group's waste gas emissions. During the Reporting Period, at the U4H4 discharge outlet of this site, a vacuum pump was added for the secondary condensation and water seal of the core process of dichloromethane concentration for tail gas treatment, and a secondary water absorption was added for isopropyl alcohol reflux. A frequency converter was installed on the desorption fan at the pretreatment outlet to reduce the drying air volume in the initial stage of the desorption drying process and improve the desorption effect. After the renovation, the combined annual non-methane total hydrocarbon emissions from the two outlets **decreased by over 1,000 kilograms** compared to 2024.

7.4.3 Proper Disposal of Waste

In accordance with the degrees of potential environmental impacts of the waste, Hansoh Pharma categorized waste generated during the operations into non-hazardous and hazardous (dangerous) waste. Non-hazardous waste primarily includes general industrial waste such as aluminum-plastic boards, waste cartons, rubber plugs, as well as domestic, kitchen and construction waste. Hazardous waste mainly includes waste generated during production and experimental processes, spent activated carbon, high-concentration waste liquids and expired or discarded pharmaceuticals.

We strictly adhere to the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes and other relevant laws and regulations. We have established and continuously improved the Waste Management System, conducting comprehensive management throughout the whole life cycle of waste from generation, collection, recycling, storage, transportation to disposal, thereby ensuring the proper disposal of all waste. For hazardous waste, we establish a temporary storage facility for hazardous waste, regularly entrust qualified units for compliant disposal, report hazardous waste types, quantities, and disposal methods to the government management platform, ensuring full control and traceability throughout the entire process. We also regularly organize professional teams to recycle and process expired pharmaceuticals, preventing uncontrollable environmental harm from hazardous waste downstream. For non-hazardous waste, we downgraded part of them for reuse to reduce emissions at source. Waste that cannot be downgraded for reuse is entrusted to professional companies for recycling or centralized disposal according to unified management requirements. During the Reporting Period, general industrial waste and domestic waste were almost 100% recycled (including waste-to-energy processes), and kitchen waste was mainly used for the production of animal feed and biofuels. In some of our operations, kitchen waste was used in the production of soil conditioners, organic fertilizers, and other products, with a recycling rate of 85%.

In addition to proper disposal of waste, we also encourage the implementation of process optimization to reduce waste generation. We optimized the external design of products, simplified the product packaging and reduced the output of non-hazardous waste at the downstream product usage stage.

"5R" principles for a circular economy of Hansoh Pharma:

Reduce: At the design stage, prioritize and continuously optimize synthetic routes, reaction conditions, and separation and purification methods to maximize reaction conversion rates and selectivity, minimizing byproducts and waste generation, for example, adopting green chemistry process, high-efficiency catalysts and ionic liquids. At the production stage, precisely control operating parameters such as temperature, pressure, and material flow to reduce material waste and prevent exceeding pollutant and waste discharge limits due to parameter fluctuation. At the enterprise perimeter, utilize high-efficiency end-of-pipe treatment equipment and processes to prevent fugitive emissions of waste gas and wastewater.

Replace: Substitute environmentally friendly raw materials for highly polluting or hazardous ones. For example, replace traditional volatile organic solvents with green solvents and utilize renewable resources as raw materials to reduce reliance on non-renewable resources and minimize waste generation.

Reuse: Contract with disposal companies to recover and recycle organic solvents, packaging materials, and catalysts used in the production process, for example, purifying waste liquids, reusing waste catalysts and waste granular carbon, etc.

Recycle: Entrust specialized companies with the recycling of intermediates, byproducts, and non-conforming products generated during production, downgrading them for use in other chemical processes. For example, unreacted raw materials and intermediates in crystallization mother liquors can be purified and reused through filtration, concentration, and recrystallization. Waste residues and wastewater generated during production are also sent to specialized companies for valuable resource recovery.

Recover: Treat wastewater generated during the production process using biological treatment, membrane separation, and advanced oxidation technologies. Once treated to meet relevant standards, this water can be reused for non-critical purposes such as equipment cleaning and landscape irrigation. Biodegradable general solid waste is processed by specialized companies through composting and anaerobic digestion to create organic fertilizers, animal feed, or biofuels.

7.4.4 Strict Monitoring of Environmental Impacts

We strictly abide by national environmental protection laws and regulations. In accordance with the requirements of the pollutant discharge permit, we monitor various environmental factors through a combination of internal manual monitoring, third-party professional monitoring and real-time online monitoring. All monitoring, measurement equipment, and instruments are calibrated and verified and maintained within statutory period or pursuant to related standards to comprehensively and accurately reflect pollutant emissions. Based on the results of monitoring indicators, we dynamically evaluate environmental performance, and continuously improve the production and operation process and end-of-pipe treatment measures. While strictly ensuring compliance with emission standards, we minimize the impact on the ecological environment and biodiversity as much as possible.

Each year, we conduct comprehensive environmental impact monitoring around our production and experimental sites, commission specialized agencies to monitor key environmental indicators in groundwater, soil, wastewater, waste gas (both stack and fugitive), and factory boundary noise factors and indicators at main points of our operational sites. We deepen the regular communication mechanism with surrounding communities to understand residents' perceptions of environmental changes through multiple channels and accurately capture stakeholder expectations and requirements for our environmental management practices. This proactive approach enables us to strengthen our capability of preventive measures, real-time mitigation and post-event remediation of environmental risks, and respond effectively to any potential environmental incidents. .

During the Reporting Period, all of our operating sites' pollutant emission parameters complied with national and local environmental protection standards, and we have not been subject to penalties or fines from ecological and environmental regulatory authorities.

Case: Jiangsu Hansoh implemented environmental protection informatization transformation to enhance monitoring capabilities

During the Reporting Period, Jiangsu Hansoh completed the environmental protection informatization transformation project and was the first to pass the safety audit by Lianyungang Development Zone, receiving a special reward. The successful informatization transformation has achieved the following :

1. **Real-time monitoring of core working conditions:** The working status of six sets of online desorption tail gas treatment facilities and the sewage treatment station can be monitored in real time, and sudden abnormal situations can be remotely controlled;
2. **Timely detection of abnormal working conditions:** When there are abnormal electricity usage supervision, abnormal equipment shutdown, or abnormal temperature rise, they are promptly displayed in the central control room and automatically alarm the management personnel via text messages.
3. **Real-time acquisition of emission data:** Various online data from sewage, rainwater, fixed sources, factory boundaries, etc. are transmitted to the central control room in real time. If there is any data exceeding the standard, the system will alert the management personnel via text message.
4. **Work efficiency has been effectively enhanced:** More data can be observed through the platform, abnormal situations can be dealt with quickly, and there is no need to frequently enter and exit the site.

7.4.5 Continued Promotion of Energy Conservation and Carbon Reduction

Hansoh Pharma is keenly aware of the impacts of energy consumption on the environment and climate, thus regarding the energy management as the top priority of its environmental management work. In alignment with the ISO 50001 Energy Management Systems, we have established a "three-level management structure", set energy control targets, and implemented monthly tracking and analysis to manage the process. Additionally, according to the energy system management requirements, we conduct annual energy reviews and, based on results of these reviews, identify issues and improve through continuous, targeted enhancements to increase energy management performance. During the Reporting Period, both Jiangsu Hansoh and Changzhou Hansoh have respectively passed the ISO 50001 energy management system supervision audit and re-certification, covering all production and operation sites.

According to the analysis on the greenhouse gas inventory results over the past several years, greenhouse gas emissions from energy consumption of the Group account for 85% of the total emissions (Scope I and Scope II), making it the primary source of greenhouse gas emissions. Therefore, we conducted multiple energy conservation and emission reduction measures. Building on our efficient energy management system and complemented by diverse publicity and training activities, energy conservation and emission reduction awareness has been deeply ingrained in all employees and integrated throughout the Company's production, and operational processes. The Group implemented the following major measures during the Reporting Period:

Avoid unnecessary energy consumption 1

- Connected with market demands in advance, dynamically adjusted production plans and continuously optimized production methods to reduce energy consumption of shared utilities;
- Strengthened equipment management and shut down as much as possible workshop and ancillary equipment during non-production period; for equipment that could not be shut down, we adjusted their operating parameters to improve and optimize them while supervising the implementation to avoid ineffective energy consumption due to idle operation of equipment;
- Arranged leaves in lieu properly and offered high temperature vacation, scheduled equipment repair and maintenance in summer months when the temperature and humidity were high and production consumed more energy to avoid power consumption peak reasonably;

Enhancement of energy efficiency 2

- Continued to enhance the technological renovation, strengthened the improvement and optimization of equipment and process, tracked the implementation regularly to further explore potential for energy conservation.
- Formulated relevant policies for energy conservation and consumption reduction, clarified annual energy-saving targets based on the annual production plan, and refined the division of labor of relevant departments;

Renewable energy substitution 3

- Actively explored opportunities to replace traditional energy sources with renewable energy in the daily operations, such as the purchase of green electricity and the installation of photovoltaic panels.

Case: Jiangsu Hansoh has implemented multiple technological transformation projects to save energy consumption

During the Reporting Period, Jiangsu Hansoh phased out 1 set of cooling water pump in the cooling water system, and replaced it with a more efficient energy-saving pump, to reduce the energy consumption from the operation of the water pump. It saves 100tce of standard coal and electricity fees of **RMB65,100 annually**. Jiangsu Hansoh transformed 3 fans with low heating rate and high energy consumption into 1 multi-split unit with internal steam heating exchanger to automatically control the temperature and humidity in the cooling warehouse. It **saves 12.67tce** of standard coal and costs of **RMB93,100 annually**.

Case: Diversified Energy-saving Training and Publicity Activities

During the Reporting Period, training on energy policies and energy-saving technologies was conducted at all operational sites of the Group, covering topics such as regulations and policies, energy usage standards, equipment management and case studies. A quiz with rewards was also organized to raise active participation among employees, achieving the purpose of training and publicity.

7.4.6 Practice strict economy and reduce resource consumption

Water resources and materials conservation is a critical component of sustainable socio-economic development. Hansoh Pharma places high importance on resource conservation, constantly strengthens water resource utilization and management, and continuously improves the utilization efficiency of water resource and material through technological innovation, process optimization, and equipment upgrades.

Water Resource Utilization

The water resources used by Hansoh Pharma primarily come from municipal water supply. Water consumption includes process water, cleaning water, utility water, firefighting and domestic water. The water-intensive production and operation sites are located in regions along the southeastern coast of China, where the water resource risk level is relatively low. We do not extract water directly from surface or groundwater sources, nor do we compete with domestic water use in water-stressed regions.

To enhance water resource utilization efficiency, we have established a water resources PDCA management system in accordance with Water Efficiency Management System – Requirements with Guidance for Use (ISO 46001:2019). This system encompasses planning and design, operation and maintenance, monitoring and management, training and incentives, and continuous improvement.

Planning and Design	Recycling and conservation of water resource are prioritized during the design and construction of new facilities, workshops, and process modifications, with advanced water-saving technologies and equipment, such as high-efficiency concentration and drying technologies to minimize evaporative losses during production. Well-designed water circulation systems enable the recovery and reuse of cooling water and condensate. It identifies key water usage points and potential areas of waste, setting specific water usage targets and indicators based on consumption data. These include targets for annual water usage reduction and increased water recycling rates.
Operation and Maintenance	Detailed operating procedures for water-using equipment standardize employee practices and prevent waste due to improper operation. These procedures specify water usage amounts and durations for equipment cleaning, avoiding prolonged rinsing. Regular maintenance and upkeep of water-using equipment ensure efficient operation and minimize waste due to equipment malfunctions. These include promptly repairing leaks in pipes and valves and regularly cleaning cooling towers to maintain optimal cooling system performance.
Monitoring and Management	In accordance with GB17167 General rules for energy measuring instrument equipping and managing of energy user, we install advanced water meters and flow meters at all water usage points. This allows for precise measurement and real-time monitoring of water consumption, enabling prompt detection and mitigation of unusual water usage patterns. Data analysis helps identify the causes of water usage fluctuations and optimize consumption processes. A robust water quality monitoring system is in place, with regular testing of raw water, intermediate process water, and discharged water to ensure compliance with production requirements and environmental discharge standards.
Training and Incentives	Systematic employee training programs and awareness campaigns promote best water conservation practices. We cultivate employee awareness and skills in water resource management, encouraging active participation in water-saving initiatives. Incentive programs recognize and reward departments and individuals demonstrating exceptional performance in water resource utilization, which fosters employees' proactive engagement in water management.
Continuous Improvement	Regular performance evaluations at each water usage point assess progress against established targets and indicators. Gaps and areas for improvement are analyzed, and targeted measures are implemented based on the evaluation results. This may include identifying and repairing leaks or improving processes and equipment. Promote and apply the successful experiences and practices, improve management processes and systems, and continuously enhance the level of water resource utilization.

Case: Concentrated Water Recovery and Recycling at Jiangsu Hansoh

Following a comprehensive assessment and feasibility analysis, Jiangsu Hansoh implemented a recovery process for the rinse water from certain purified water systems and the concentrate generated during the water production process. Through specialized treatment to remove specific inorganic and organic substances, the recovered water meets drinking water standards and is reused in production. This initiative is expected to **save approximately 10,000 tonnes of freshwater withdrawal annually**.

Case: Water-saving Retrofit of Vertical Vacuum Pumps at Changzhou Hansoh Research Institute

Changzhou Hansoh Research Institute has transformed the cooling method of vertical vacuum pumps from one-time direct discharge of tap water for cooling to circulation cooling with chiller cooling water. This not only reduces the consumption of fresh water but also significantly lowers the amount of wastewater generated by the original method, **saving approximately 5,000 tonnes of freshwater annually**.

Material Consumption

The materials consumed by Hansoh Pharma mainly include internal and external packaging materials and raw and auxiliary materials required for drug production. We have deeply implemented Lean Management, which aims to reduce material wastage through measures such as scientific and centralized production scheduling to minimize equipment start-stop frequencies, standardizing packaging specifications for products on the same production line to reduce mold changeovers, and linking packaging material utilization rate with workers' performance. At the same time, we constantly simplified packaging design in strict line with GMP requirements, and prioritized environmental-friendly and recyclable packaging materials to reduce the consumption of natural resources and the impact on the ecological environment.

During the Reporting Period, Changzhou Hansoh Research Institute completed synthesis and screening for six projects using fluidic chemistry technology. This resulted in yield improvements ranging from 1.2 to 3.1 times, significantly reducing raw material consumption.

Case: Reduction in Palladium-on-Carbon Usage through Process Parameter Optimization at Jiangsu Hansoh

During the Reporting Period, Jiangsu Hansoh optimized process parameters for the production of Almonertinib Mesylate in its API workshop. By simplifying purification steps and adjusting crystallization operations, Jiangsu Hansoh successfully **reduced the consumption of palladium-on-carbon by 50%**. This initiative not only lowered the usage of precious metal catalysts but also reduced labor intensity in the relevant processes.

7.5 ENVIRONMENTAL PERFORMANCE

7.5.1 Performance Indicators

		2023	2024	2025
Indicators of exhaust gas emission	Sulfur oxide/kg	0	0	0
	Particulate matter/kg	14.45	122	72.70
	VOCs/kg	7,757.81	13,266	14,946
Indicators of wastewater discharge	Total wastewater discharge/m^3	684,277	702,703	741,008
	Total COD discharge/tonne	32.81	32.93	34.76
	Total ammonia nitrogen discharge/tonne	2.36	0.73	0.49
Wastes	Total amount of hazardous waste disposal/tonne	4,671	5,884	7,067
	Hazardous waste disposal per unit of revenue (tonne/RMB million)	0.46	0.48	0.47
	Total amount of non-hazardous waste disposal/tonne	565	587	606
	Recycled waste/tonne*	527	557	578
	Total amount of non-recyclable waste disposal/tonne	39	30	28
	Non-hazardous waste disposal per unit of revenue (tonne/RMB million)	0.06	0.05	0.04
Energy usage**	Direct energy consumption/tonne of standard coal	70	65	52
	Indirect energy consumption/tonne of standard coal	21,301	24,297	25,039
	Total renewable energy consumption/MWh	213	219	3,451.45
	Total energy consumption/tonne of standard coal	21,370	24,362	25,091
	Energy consumption per unit of revenue (standard coal in tonne/RMB million)	2.12	1.99	1.67
Use of water resources	Municipal water withdrawal volume/m^3	981,555.64	1,002,311	993,795
	Recycled water volume/m^3	52,400,796	57,546,080	72,903,884
	Municipal water withdrawal volume per unit of revenue (m^3/RMB million)	97.15	81.75	66.13
Use of package materials	The usage of internal and external package materials/tonne	3,084	2,098	2,159
	The usage of package materials per unit of revenue (tonne/RMB million)	0.31	0.17	0.14

* It includes the amount of waste used for incineration for power generation
** Energy consumption is calculated based on equivalent values

7.5.2 Follow-up on the Progress of Strategic Objectives

Category	Target	2025 Progress
Waste gas	Reduce total emissions of volatile organic compounds by 35% from 2021 levels by 2030	Increased by 38.39%*
Wastewater	Reduce COD discharge intensity per unit of operating income by 20% from 2021 levels by 2030	Reduced by 36.48%
	Reduce ammonia nitrogen discharge intensity per unit of operating income by 25% from 2021 levels by 2030	Reduced by 91.15%
Wastes	Ensure 100% compliant disposal of non-hazardous waste	Achieved
	Reduce hazardous waste disposal per unit of operating income by 40%	Increased by 9.88%**
Energy utilization	Reduce comprehensive energy consumption per unit of operating income by 20% from 2021 levels by 2030	Reduced by 29.16%
Water resource utilization	Reduce municipal water withdrawal volume per unit of operating income by 20% from 2021 levels by 2030	Reduced by 40.8%

* To accurately characterize the impact of the Group's operations on the atmospheric environment, starting from July 2024, Hansoh Pharma changed its VOCs pollutant control index from TVOC to NMHC. Due to the change in calculation criteria and the increase in the number of innovative drug research and development and production projects during the Reporting Period, the total amount of VOCs has increased compared with the base year. However, the waste gas treatment project has achieved remarkable results, and the intensity index of waste gas pollutants has decreased.

** During the Reporting Period, due to strong international and domestic market demand, the output of active pharmaceutical ingredients increased rapidly. Coupled with the increase in the number of pilot projects of innovative drugs under research and development, the total amount of hazardous waste disposal rose.

2025 Annual Objectives and Achievement Status

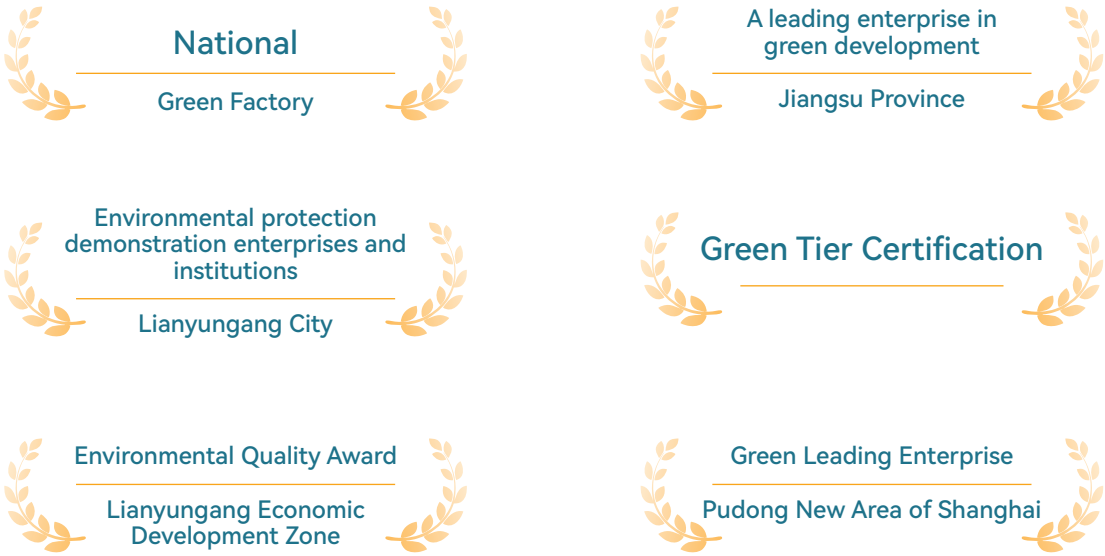
Indicators	2025 Annual Objectives	2025 Performance	Achievement Status
Emission intensity of VOCs from waste gas per unit revenue	A year-on-year decrease of 5%	A year-on-year decrease of 8.08%	Achieved
Emission intensity of COD from wastewater per unit revenue	A year-on-year decrease of 10%	A year-on-year decrease of 13.88%	Achieved
Emission intensity of ammonia nitrogen from wastewater per unit revenue	A year-on-year decrease of 20%	A year-on-year decrease of 45.32%	Achieved
Intensity of hazardous waste disposal per unit revenue	Remain at the same level as the previous year	A year-on-year decrease of 2.01%	Achieved
Comprehensive energy consumption intensity per unit revenue	A year-on-year decrease of 10%	A year-on-year decrease of 15.97%	Achieved
Municipal water intake intensity per unit revenue	A year-on-year decrease of 10%	A year-on-year decrease of 19.11%	Achieved

7.5.3 Honors and Recognition

Jiangsu Hansoh was awarded the "National Green Factory" designation in 2019, and have successfully maintained this designation for seven consecutive years through dynamic evaluations and on-site audits as of the end of the Reporting Period. Moreover, Jiangsu Hansoh has been recognized for four consecutive years with honors such as A leading enterprise in green development in Jiangsu Province, Environmental protection demonstration enterprises and institutions in Lianyungang City, and "Green Tier Certification", as well as receiving the "Lianyungang Economic Development Zone Environmental Quality Award".

Shanghai Hansoh was honored with the title of "Green Leading Enterprise" by the Pudong New Area of Shanghai.

Changzhou Hansoh successfully passed the mandatory cleaner production audit led by the Changzhou Municipal Bureau of Ecology and Environment.



08

PRODUCT QUALITY

Product quality is the foundation for steady progress. Hansoh Pharma integrates the United Nations' sustainable development goal of "Good Health and Well-being" into its corporate mission, focuses on the field of major human diseases, confronts global public health challenges including antimicrobial resistance, and, through collaboration with global peers to explore the world's cutting-edge technologies, continually launches safer, more effective and more economical drugs for the benefit of human health. Meanwhile, in accordance with advanced international standards, it equips itself with production and testing equipment, and has established a full-lifecycle quality control and pharmacovigilance system. It provides medical institutions with rigorous and scientific academic support in a fair, transparent and clear manner, and safeguards the medication safety of patients.

8.1 QUALITY GOVERNANCE

Drug quality is directly related to patient safety, is fundamental to the foundation of the Company and the fundamental cornerstone for Hansoh Pharma to fulfill its social responsibility. We always prioritize quality in all aspects of our operations, having established a clear and comprehensive quality management structure and reporting mechanism. As the highest oversight body for product quality and safety, the ESG Committee of the Board of Directors is responsible for monitoring the adequacy, suitability, and continuous effectiveness of the quality management system.

In line with the requirements of the quality management system, we set quality objectives and clearly define quality management functions at each level. These objectives are precisely decomposed across the two dimensions of function and level into each operational stage and functional tier to ensure that all processes across the full lifecycle — from design and development, production and operation, to post-market pharmacovigilance — achieve the desired outcomes. Quality risks are effectively controlled, and quality policies and objectives are effectively integrated into business processes.

Adhering to the concept of "Quality by Design" (QbD), we proactively established a quality center during the R&D stage, which is deeply involved in the entire process including compound design and screening, process development, and clinical research. We systematically identify key quality attributes and process parameters, laying a reliable quality foundation for product production.

The production and operational process is a key link affecting product quality. We have independent quality management departments at each of our operating sites, responsible for quality management activities throughout the entire process, from the technical transfer of medicines, inspection of raw and auxiliary materials upon entry, production process quality control, to the release of finished products. This ensures that the product quality meets the intended use and registration requirements while maintaining stability and consistency.

To ensure the compliance and reliability of academic dissemination, we have established a medical center with a strict medical information review process to ensure that the content of academic promotion materials is consistent with regulatory approval documents and remains synchronized with the latest scientific research evidence. Providing information that is truthful, clear, accurate, non-discriminatory, easy to understand, and non-misleading, we offer a scientific basis for the correct prescribing practices of clinical medical institutions. For more information, please refer to Section 5.2 - Business Ethics Strategy – Responsible Communication of Information.

We have set up a drug safety committee, led by an executive director, responsible for making overall decisions related to pharmacovigilance, including major risk assessments, the management of significant or urgent drug incidents, and risk control strategies. The drug safety committee is supported by a pharmacovigilance department, which is responsible for monitoring, identifying, assessing, and controlling adverse reactions for both investigational and marketed products, forming a comprehensive pharmacovigilance system covering the entire product lifecycle.

We have established a business management department and a 24×7 customer complaint hotline to handle and investigate customer complaints. For complaints arising from quality issues, we will initiate a quality deviation handling mechanism for investigation and analysis. If the issue is determined to be quality-related, we will take appropriate corrective and preventive measures promptly, completing the PDCA (Plan-Do-Check-Act) cycle for quality management.

8.2 QUALITY STRATEGY

The quality strategy is a critical component of the Group's overall development strategy. The Board of Directors has established the strategy and development committee, which is responsible for mid- to long-term strategic planning, including quality strategy. The Group strictly adheres to the Drug Administration Law of the People's Republic of China, the Regulations for the Implementation of the Drug Administration Law of the People's Republic of China, the Law of the People's Republic of China on Product Quality, and the Law of the People's Republic of China on the Protection of Consumers' Rights and Interests, as well as US Federal Regulations such as FDA 21 CFR Parts 210-211 and other domestic and international regulations. We regularly identify and benchmark against the most advanced global quality standards and technical requirements, incorporating them as key inputs into our quality strategy to address stakeholder needs and expectations. This ensures that all quality management processes remain compliant and at the forefront of industry best practices.

8.2.1 Quality Strategy Governance

Hansoh Pharma has established a Quality Strategy Working Group under the leadership of the Board's strategy and development committee. This group is led by an executive director and co-led by a vice president responsible for product quality. The quality management departments at each operating site function as the quality strategy working office, handling day-to-day quality-related affairs and coordinating with relevant functional departments to implement the quality strategy and deploy strategic objectives.

The Group flexibly employs strategic tools such as PEST, SWOT, and Porter's Five Forces to identify key strategic factors, taking into full consideration domestic and international policy trends, industry and technological developments, as well as customer and stakeholder needs and expectations. We apply the STP (Segmentation, Targeting, Positioning) framework to define target markets and product positioning. Our approach follows the principle of "leveraging strengths, addressing weaknesses, seizing opportunities, and mitigating threats", allowing us to dynamically adjust the focus of our quality strategy.

8.2.2 Overall Quality Strategy

As the pharmaceutical industry is undergoing rapid technological Iteration, since 2020, the Group has adopted a three-year strategic cycle. In the latest cycle (2026-2028), the Company has established the following quality strategy:

1. Guided by the national Outline for Building a Quality Powerhouse and benchmarked against globally advanced market access standards and the Quality Management System Requirements (ISO 9001:2015), the Group is focusing on two core pillars - innovation and internationalization - to reinforce a comprehensive quality management system covering the entire drug lifecycle.
2. We are strengthening innovation-driven approaches throughout the entire operational process, aiming to develop innovative drugs that offer greater clinical advantages, better alignment with patient needs, and greater uniqueness, further enhancing product competitiveness.
3. Leveraging digital technologies to empower intelligent manufacturing, we have integrated big data platforms into key quality processes, achieving greater transparency, visualization, and real-time control of critical quality operations, thereby establishing a high-level quality infrastructure.
4. To adapt to evolving clinical dosage form trends, we continually advance and expand the construction of production facilities for ADCs, polypeptide and small nucleic acid drugs.
5. We deepen research into international registration and market access, enhance quality standards, and facilitate the entry of more innovative drugs into developed economies, including Europe, the U.S., and Japan.
6. We are committed to reinforcing a sustainability-driven quality development strategy by continuously optimizing production processes, and expanding green and low-carbon manufacturing.
7. To support high-quality development, we are strengthening regulatory compliance and quality skills training, continuously refining and improving institutional frameworks, and enhancing overall quality awareness, technical expertise, and resource allocation across the organization.
8. We are also strengthening full-lifecycle customer service, optimizing complaint management, expanding high-quality service offerings, and enhancing service professionalism.
9. Guided by our quality policy, we are fostering a robust quality culture, increasing brand visibility, and strengthening brand influence and reputation, ensuring that quality remains the cornerstone of our brand's foundation.

8.2.3 Quality Objectives

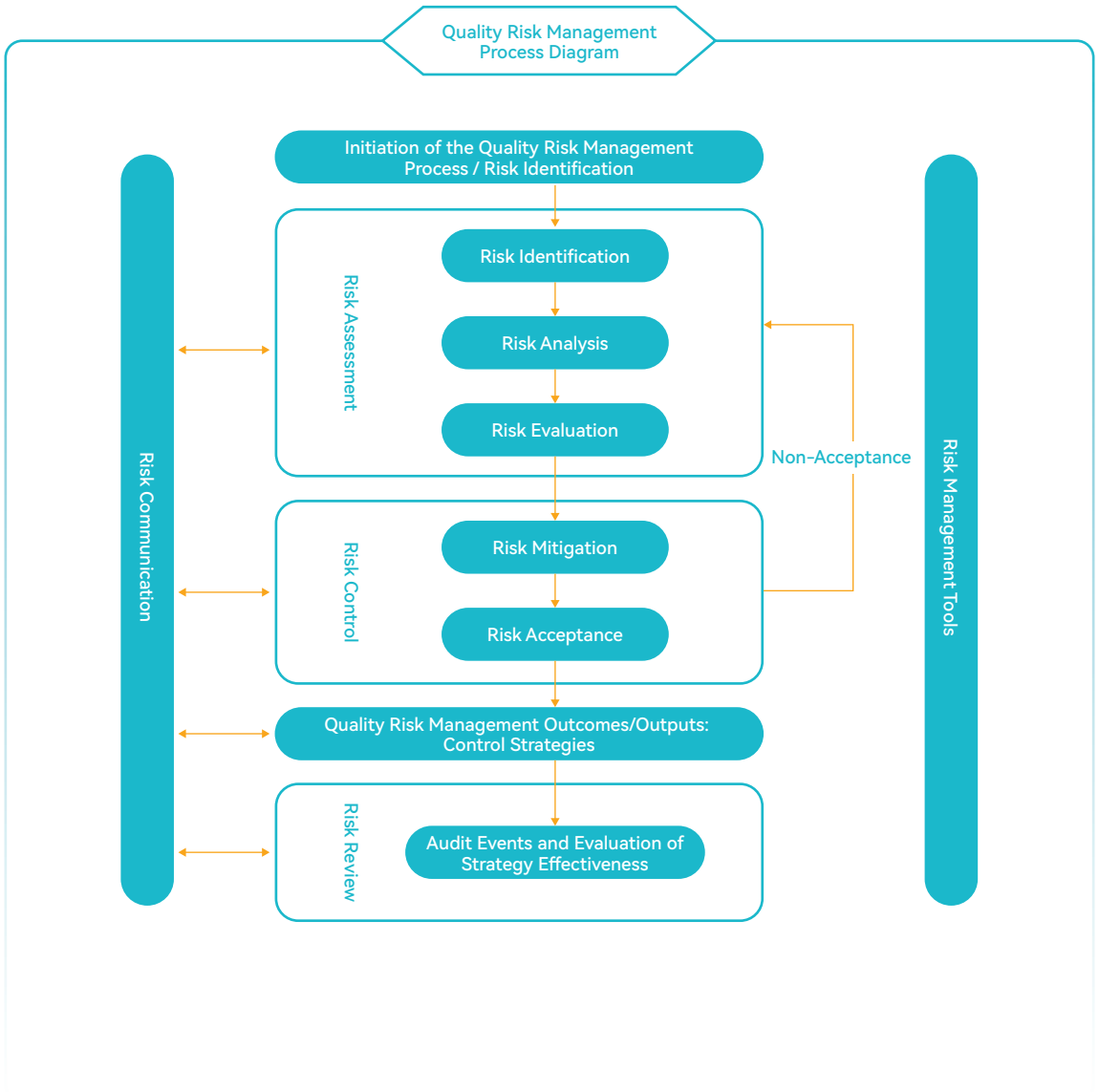
Aligned with the quality strategy, the Group has established key quality objectives for the strategic cycle and achieved all of them in phases during the Reporting Period:

Quality Strategic Objective	Objective Description	Target Value
Number of quality incidents	Number of major product quality incidents occurring within the strategic cycle	0
Number of quality-related returns	Number of product returns confirmed to be caused by production quality issues per production entity each year	≤ 1
Pass rate in market supervision spot checks	Compliance rate of product quality in spot checks conducted by market regulatory authorities	100%
Pass rate in GMP compliance inspections and customer audits	Compliance rate in official certifications, customer audits, and inspections conducted by domestic and international regulatory authorities	100%
Customer satisfaction in third-party surveys	Customer satisfaction with product quality, service, and delivery, as assessed through stratified sampling by a third-party professional firm	≮ 80%
Regulated handling rate of adverse drug reactions and customer complaints	Establishment of a complaint hotline to ensure all complaints are handled promptly and in accordance with regulations, with timely feedback provided to complainants	100%

8.3 QUALITY RISK MANAGEMENT

8.3.1 Quality Risk Management Process

Quality risk is one of the key risks managed by Hansoh Pharma. Strictly following the Group's risk management framework, we have established a systematic quality risk early-warning mechanism. By utilizing various risk management tools, we identify, assess, and prioritize factors that may impact pharmaceutical quality. Based on risk priorities, we implement targeted control measures to ensure that all types of risks are within an acceptable range. Meanwhile, through a regular risk review mechanism, we continuously assess the effectiveness of control measures and optimize quality management strategies accordingly.



8.3.2 Quality Risk Identification and Mitigation Strategies

Quality risk control runs across the entire product lifecycle – from research and development to process scale-up, manufacturing, and commercialization. Among these, product production is the most critical and pivotal stage for quality risk control. We regularly identify risk factors in the production process, evaluate their potential impact on product quality, analyze the root causes of risks, formulate targeted preventive measures, and verify the effectiveness of these measures.

Pharmaceutical Production Quality Risk Identification Table examples*

Risk Issue	Potential Impact	Primary Causes	Key Countermeasures
Quality risks associated with raw materials, auxiliary materials, and packaging materials	Quality damage of finished products due to failure to meet purity standards or presence of impurities	Supplier quality management issues, inadequate incoming inspection, malfunctioning testing equipment	All incoming raw materials, auxiliary materials and packaging materials undergo sampling and testing per established procedures to ensure non-conforming materials do not proceed to the next stage
Manufacturing process risk	Quality fluctuations, such as incomplete reactions or product failure	Lack of rigorous process control, imprecise process parameter ranges	Before a pharmaceutical product is launched, a minimum of three process validation batches are conducted to ensure that the manufacturing process and control parameters consistently produce compliant products. An annual quality review is performed to promptly identify adverse trends and implement proactive corrective measures
Cross contamination risk	Product non-conformance	Inadequate equipment, tools, environmental cleaning and disinfection procedures, poor workplace hygiene and disinfection, unclear labeling	Cleaning validation is conducted as needed, with annual cleaning monitoring to ensure compliance with established cleanliness standards
Storage risk	Contamination or degradation during storage	Improper packaging process, non-compliant storage conditions	Stability tests are conducted on finished products before market release to verify packaging effectiveness under defined storage conditions. All storage facilities undergo temperature and humidity validation and are equipped with pest control measures
Change risk	Fluctuations in product quality, instability, and lack of uniformity	Changes in standards, processes, personnel, facilities, environment, raw materials and auxiliary materials without adequate risk assessment, validation	The change control process is strictly executed, including application, evaluation, approval, execution, and feedback. Once a change is proposed, the evaluation team reviews it and formulates a plan, clearly defining responsible persons and deadlines. Upon completion of execution, the responsible persons report the results to achieve closed-loop management.
Human factor risk	Fluctuations in product quality, instability	Improper operation by personnel, lack of skills, poor habits	Pre-service and on-the-job training are conducted. Personnel are allowed to take up their posts only after passing various assessments, such as written theoretical exams and practical skill evaluations.

* Note: This table provides examples of common risks in the production process and does not represent an exhaustive list of identified risks

To achieve normalized control of quality risks, we have formulated risk control strategies across seven dimensions: Human, Machine, Material, Method, Environment, Measurement, and Data, effectively reducing quality risks and achieving our expected quality objectives.

Human: Through strict qualification audits, pre-job training, continuous education, and health management, we ensure that operators possess the required professional competence and compliance awareness. We mandate the standardized execution of SOPs to eliminate quality risks such as pollution, confusion, and errors caused by human negligence, operational mistakes, or working without proper certification.

Machine: Selection, installation, and validation are performed according to GMP requirements. We establish equipment ledgers and calibration plans, and conduct regular maintenance to ensure that production, testing, and utility facilities remain in a qualified state. This prevents quality risks such as cross-contamination and out-of-control processes caused by equipment failure, precision drift, or incomplete cleaning.

Material: We implement full-chain control from supplier audits and incoming inspection to warehousing management and batch traceability. We strictly execute sampling, testing, release, and non-conforming material handling processes to prevent the use of substandard materials and avoid finished product quality risks caused by material quality fluctuations, confusion, deterioration, or dampness/contamination.

Method: Strictly following the requirements of Pharmacopoeia, GMP, and relevant regulations, we have established a sound system of production process regulations, SOPs, quality standards, and change control. This ensures that processes are validated and consistently executed, eliminating systemic quality risks arising from non-compliant behaviors such as lack of regulations, unauthorized process changes, or untruthful records.

Environment: We maintain a clean and controllable production environment, with real-time monitoring of key environmental indicators in clean areas, such as temperature, humidity, pressure difference, suspended particles, and microorganisms. We standardize personnel and material flow management to prevent irreversible impacts on intermediate and finished product quality caused by unclean environments, cross-contamination, or out-of-control temperature and humidity.

Measurement: We ensure that testing methods are validated, instruments are calibrated, and personnel operate according to standards. We strictly conduct full-item testing for raw and auxiliary materials, in-process controls, and finished products, and promptly carry out deviation investigations and out-of-specification handling to avoid the risk of releasing non-conforming drugs due to inspection errors, omissions, or unreliable data.

Data: Utilizing the Electronic Data Management System (DMS) platform, we ensure that data throughout the processes of production, testing, warehousing, and personnel training are recorded truthfully, accurately, and traceably. We strictly control data entry, modification, backup, and audit trails to prevent data fraud, loss, or tampering, achieving early warning of quality risks and full-process traceability.

8.4 PRACTICE AND ACTION

8.4.1 Continuous Improvement of the Quality Management System

Hansoh Pharma strictly complies with domestic and international regulations and the quality supervision requirements of each operating site. Adhering to the quality policy of "all employees, entire process, and continual improvement", we continuously improve our quality control system that spans the entire product lifecycle, from drug development and design, technical transfer, commercial production, and post-market surveillance to product termination.

Drug Development and Design

Comprehensive drug quality and safety risk assessments are conducted from the perspectives of drug properties, toxicological studies, and clinical trials to identify critical quality attributes and critical process parameters, establish process design space, process control indicators, and final product quality standards. Through rigorous research and development design, a solid foundation for superior quality is established.

Drug Technical Transfer

We transfer drug knowledge, technology, and related products and processes from the development phase to the production phase. Simultaneously, we continuously identify and assess opportunities for improvement, optimize processes or routes, and strictly implement process validation to ensure that the drug production processes are safe, stable, and reliable.

Drug Commercial Production

A scientifically robust quality management system is established, utilizing various risk management tools such as FMECA and FTA. We conduct risk assessments of the drug production and quality control processes from dimensions such as people, machines, materials, methods, environment, measurement, and data. Corrective and preventive actions are devised, risk controllability is reviewed regularly, and the quality management system is continually improved to control drug production quality risks, ensuring drug safety, efficacy, and controllability.

Post-Market Surveillance and Monitoring

Hansoh Pharma strictly fulfills the primary responsibility for the quality and safety of drugs and establishes an effective pharmacovigilance management system. We have formulated risk management plans for drugs post-market launch and proactively conduct post-market research to further verify the safety, efficacy, and controllability of the drugs. This maximizes the reduction of drug safety risks, protects and promotes public health, and ensures the management of the entire lifecycle of the drug.

Hansoh Pharma's operating sites have continuously improved the quality management system for each stage in line with domestic and international regulations and standards, including FDA cGMP, EU GMP, PMDA JGMP, PICs GMP, WHO GMP, ICH guidelines, NMPA GMP, and ISO 9001. As of the end of the Reporting Period, all API products and formulation production lines of the Group remained in continuous compliance with GMP standards. Some products have obtained official certifications from regulatory authorities in developed countries (economies), such as the EMA, FDA, and PMDA.

During the Reporting Period, Jiangsu Hansoh upgraded internal management documents, including the Management of Continuous Process Verification at API Sites, Management of Cleaning Validation at API Sites, and General Principles for Narcotic Drug Management, based on technical documents updated and released by national drug regulatory authorities (such as guidelines for cleaning validation, process validation, and safety management for narcotics and precursor chemicals). Additionally, we organized relevant training, established a security management agency for narcotics, and completed the qualification assessment and formal appointment of the safety management head.

Following the successful integration of the Document and Training Management System (DMS/TMS) by Jiangsu Hansoh in 2024, Changzhou Hansoh also achieved smooth integration during the Reporting Period. While optimizing and upgrading the DMS and TMS systems, Jiangsu Hansoh has newly launched the Record Management System (RMS) and the Archive Management System (AMS). DMS enables the electronic management of the entire lifecycle of various documents under the GMP system, improving circulation efficiency and enhancing traceability. TMS builds a standardized training system with flexible training methods, intelligently pushing content while automatically tracking assessments and providing statistical analysis of training data. RMS significantly improves release efficiency through the digitization of batch records, achieving end-to-end traceability from raw materials and production to inspection, warehousing, sales, and adverse reaction monitoring. In the event of deviations, complaints, or recalls, the system can quickly identify the affected batch, determine the root cause, and define the scope of impact, thereby facilitating audits and inspections while substantially reducing data integrity risks. AMS enables full-process traceability from document drafting, review, and approval to effectiveness, obsolescence, and archiving, ensuring document control and that only current versions are in use. This not only lowers the costs associated with document storage, retrieval, and management, but also better complies with the requirements of both domestic and international regulators. By continuously advancing our digital capabilities and promoting closed-loop quality control, we will further strengthen our quality foundation.

8.4.2 Comprehensive Quality Training for All Employees

Continuously enhancing employee quality awareness and job skills is a key means of achieving quality management. For new employees, quality awareness-related knowledge is included as part of the mandatory onboarding curriculum. For current employees, training courses are configured based on job roles and changes in external environments, with regular training sessions and effectiveness assessments. We annually organize "Quality Month" activities to foster a culture where everyone values quality and participate in quality management. We also actively participate in quality skill competitions and management award evaluations organized by government authorities and pharmaceutical industry associations, striving to become an industry quality benchmark.

During the Reporting Period, we conducted quality awareness and basic knowledge training for all employees of the Group. Various sites also conducted in-house training on regulatory and standard requirements for drug registration management, production quality management, and drug quality and safety risk management, as well as several special training sessions covering regulatory guideline updates, drug inspections, supplier audits, and self-inspection management. In collaboration with drug regulatory authorities, external professional institutions, manufacturers, and peer companies, we conducted a series of training programs, such as Business Training on Post-marketing Changes of Drugs, Exchange Meeting on Deficiency Analysis in Drug Production Inspections, Training on the Guidance Manual for the Primary Responsibility for Quality and Safety of Drug Manufacturers, Key Points of Data Integrity, and International Regulatory Trends and GMP Compliance Requirements in the Pharmaceutical Industry. Jiangsu Hansoh participated in the "JSIFDC-PT-005 Infrared Identification of Drugs" and "JSIFDC-PT-006 Determination of Specific Rotation of Drugs" proficiency testing organized by the Jiangsu Institute for Food and Drug Control, and obtained proficiency testing certificates for both.

During the Reporting Period, the Group held 5,413 quality-related training sessions, with over 244 thousand participants and a total training duration of more than 160 thousand hours.

Case: Jiangsu Hansoh Launched "Quality Month" Activities to Comprehensively Improve Quality Management

During the Reporting Period, Jiangsu Hansoh carried out "Quality Month" activities themed "Empowering Productivity through Digital Intelligence, Advancing Internationalization through Innovation". Through various formats such as all-staff training and knowledge competitions, we deepened employees' understanding of domestic and international regulations, guidelines, and corporate quality management requirements. Notably, external lecturers were invited to conduct training on "Computerized Systems and Data Integrity", further elevating quality management capabilities in the era of digital intelligence.

Quality Training for All Types of Personnel

Training on GMP and drug management for all employees

Training content	GMP knowledge, drug management law, microbiology knowledge
Learning frequency	Training for new employees onboarding, and retraining when new regulations are introduced or the original regulations are revised
Organization form	Unified organization by the quality center
Training method	On-site lectures or video courses recorded by instructors are uploaded to the learning platform and learned by each department using fragments of time
Effectiveness tracking	The production quality department prepares test papers and organizes assessments as an onboarding condition for new employees and an annual assessment for all employees

Quality job skills training

Training content	GMP knowledge, various quality-related regulations, company quality management system and job SOP
Learning frequency	Pre-job training, retraining in the case of revision
Organization form	Organization by training administrator of each department, supervision and implementation by department head, and tracking and management by the quality center
Training method	Going out to study and to internalize, engaging external trainers for internal training, PPT presentation by internal trainers, professional practical demonstration, self-learning of employee courseware, etc.
Effectiveness tracking	Theoretical assessment, on-site questioning, knowledge competition, practical operational inspection

EHS and special post training

Training content	Firefighting knowledge, heatstroke prevention, electrostatic principle and accident prevention, organic solvent safety, etc., anti-tumor, cephalosporin product knowledge, aseptic protection, etc.
Learning frequency	Pre-job training, retraining in the case of revision
Organization form	Combination of company-level, department-level, and job-level training
Training method	Combination of centralized training and autonomous learning
Effectiveness tracking	On-site questioning, practical demonstrations, theoretical exams

8.4.3 Continuous Improvement of Quality Inspection Capabilities

Hansoh Pharma has established a systematic laboratory network and a comprehensive quality testing mechanism. Centering on quality elements, each operating site implements strict control over the entire process, including the entry of raw materials, auxiliary materials, and packaging materials, production intermediates, intermediate products, and finished product release. During the testing process, we formulate and continuously optimize sampling procedures, quality standards, and testing SOPs. Through effective personnel training, we ensure that test results are accurate and reliable, resolutely preventing non-conforming materials from flowing into subsequent processes and prevent nonconforming products from leaving the factory.

Quality Inspection Process for Materials, Intermediates or Finished Products

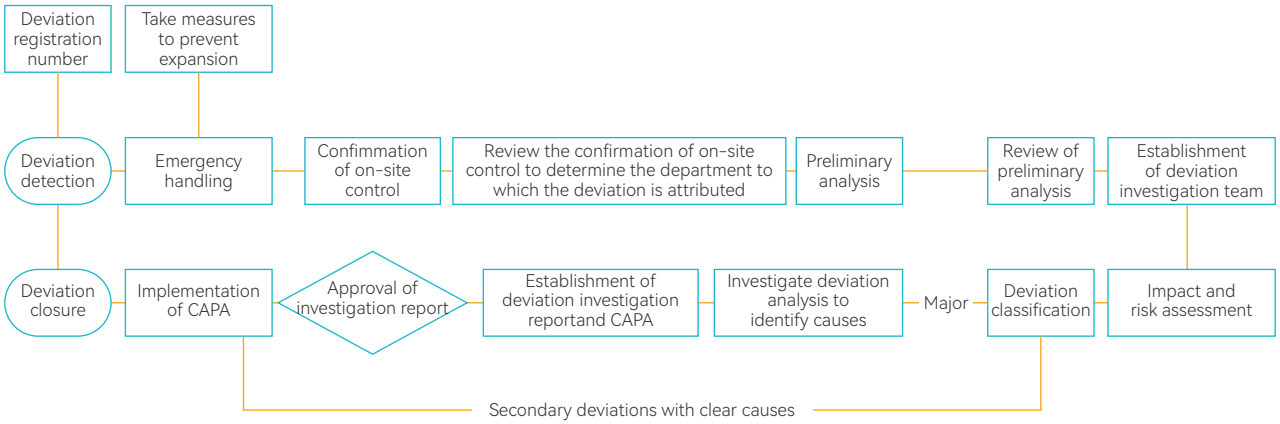
Meanwhile, we actively entrust official institutions to carry out research to continuously verify and enhance our quality testing capabilities. During the Reporting Period, Changzhou Hansoh commissioned the National Institutes for Food and Drug Control (NIFDC) to conduct contract testing for clinical products, reviewing a total of 22 testing methods, including IEC, SEC, CE-SDS, iCIEF, DAR value, free drug, host cell protein, host cell DNA, biological activity, and binding activity. This collaboration has further refined the relevant testing method system, promoted the scientific optimization of testing standards, and effectively ensured the reproducibility of methods and the accuracy of results.

8.4.4 Sound Risk Prevention and Deviation Handling Mechanisms

To address common quality risks related to GMP compliance, change control, maintenance/calibration, and deviation management, we have established a full-chain quality risk prevention and control system. Using the risk matrix method, we conduct risk assessments based on the likelihood, severity, and detectability of each risk, and develop corresponding control measures. For key risk points such as "cross-contamination" and "data integrity," we regularly evaluate the effectiveness of risk controls to ensure that critical quality elements are effectively controlled. Before the implementation of new processes or the launch of new products, we conduct multiple rounds of pre-production verification. This includes testing quality indicators such as environmental cleanliness, process and equipment stability, and personnel activity. Production only begins once all risks are controlled and pre-production tests are successful, preventing deviations during formal production.

Hansoh Pharma established the Deviation Handling Management Procedure across all operating sites, applying closed-loop management to all types of deviations—including classification, reporting, investigation, evaluation, processing, and tracking—to ensure that quality deviations during production are corrected promptly and effectively, preventing the recurrence of similar issues. We prepare annual deviation review reports to analyze deviations from multiple dimensions and take timely corrective actions when potential trends are identified. During the Reporting Period, Changzhou Hansoh further refined its Deviation Management Regulations, optimizing the evaluation process for deviations from external sources such as customers and clients, which significantly improved the comprehensiveness and effectiveness of deviation investigations.

During the Reporting Period, Jiangsu Hansoh systematically reviewed **419** quality risk assessment reports. While evaluating the effectiveness of existing control measures, **71** new potential risks were identified, leading to the update of relevant risk assessment documents and further strengthening quality risk prevention capabilities. Changzhou Hansoh completed **4** media fill simulations for sterile validation across multiple workshops and conducted a total of **455** periodic validations covering the environment, critical equipment, utility systems, production processes, and analytical methods. These systematic validation activities ensure that production processes remain controlled, effectively preventing deviations during formal production.



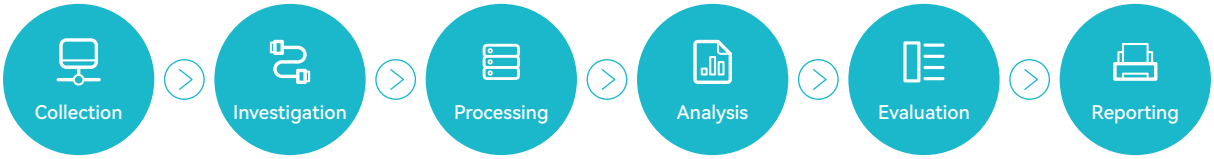
8.4.5 Deployment of Pharmacovigilance for Entire Operational Process

Hansoh Pharma has established a Drug Safety Committee and a dedicated pharmacovigilance department, which are responsible for major risk assessment, handling of major or emergency events, risk control decision-making, and other major matters related to pharmacovigilance, making every effort to ensure public drug safety. We construct and refine a full-lifecycle pharmacovigilance system. By proactively identifying and understanding the latest pharmacovigilance regulations, refining internal mechanisms, and conducting professional training, we implements activities to monitor, identify, assess, and control adverse drug reactions (ADRs) for both investigational and marketed products.

We collect information on various adverse drug events (ADEs) through multiple channels, including the National Direct Reporting System for Marketing Authorization Holders (MAHs), public email, hotlines, and literature searches. Dedicated personnel are assigned to data downloads, email monitoring, and hotline services to ensure reporting channels remain open and data is complete and accurate. All acquired safety information is entered, processed, assessed, and reported in the pharmacovigilance database in accordance with regulatory requirements.

During the Reporting Period, referencing the UK and EU Good Pharmacovigilance Practices (GVP) and relevant regulatory requirements, we introduced a series of new Standard Operating Procedures (SOPs) to promote the better entry of innovative drugs into the international market. These SOPs provide clear specifications for risk management plans (RMPs), labeling/insert drafting, supplier management, and personnel training for products marketed overseas, establishing an overseas pharmacovigilance documentation system that meets international requirements.

Adverse Drug Reaction Monitoring Process



Adverse Drug Reaction Reporting Channels

Tel.:
400-828-5227 or 0518-83096666

Email:
PV.SERVICE@hspharm.com

We have established a medication safety risk management plan or pharmacovigilance program for the products. Through the analysis and evaluation of drug safety data, we continuously monitor and confirm both known and potential risks of our products. Once a new safety signal is identified, the Company will initiate the risk assessment and handling process, report to the drug regulatory agency when necessary, update the drug instructions, and timely inform medical staff of relevant drug risks.

For drugs with special safety risks, we will carry out additional pharmacovigilance measures to reduce patients' medication risks in addition to routine monitoring activities mentioned above.

During the Reporting Period, our pharmacovigilance database successfully completed the electronic submission gateway integration with the U.S. Food and Drug Administration (FDA), which officially went live on July 7, 2025. Since the integration, Individual Case Safety Reports are electronically transmitted via the FDA Gateway, replacing the previous manual web-based submission process. This enhances efficiency while further satisfying regulatory requirements.

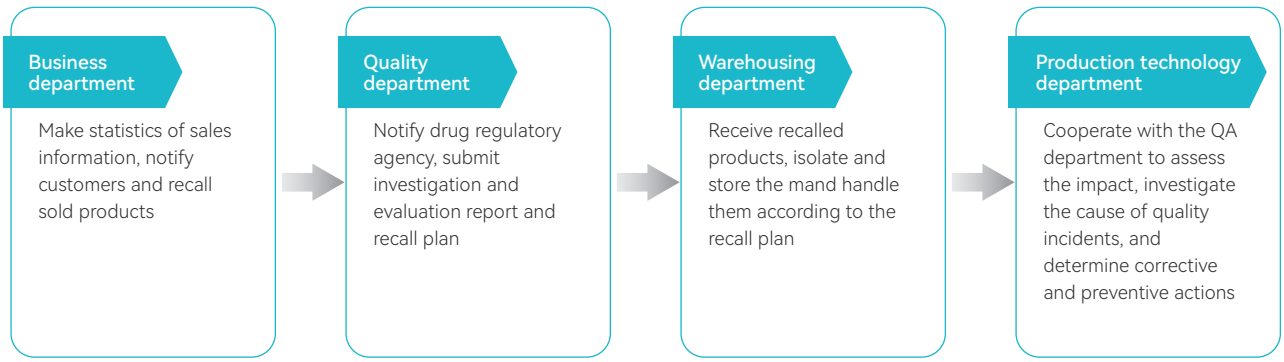
Case: Proactively Advance Overseas Pharmacovigilance Initiatives

During the Reporting Period, the pharmacovigilance department conducted **10** PV training sessions for partners and suppliers, with **92** participants. The scope of training covered New Zealand and the United States.

8.4.6 Regular Product Recall Drills

Hansoh Pharma has established a comprehensive drug recall management system in strict compliance with the Administrative Measures for Drug Recalls (No. 92 of 2022) of the National Medical Products Administration, as well as China GMP, EU-GMP, and U.S. 21 CFR requirements. Through the formulation of the Drug Recall Management Procedure, we have clearly defined the responsibilities of management at all levels, standardized emergency response procedures and business processes, and established a dedicated drug recall task force along with a 24-hour emergency hotline to ensure timely feedback and efficient response. To continuously verify and assess the effectiveness of our recall procedures, each production site conducts annual product recall emergency drills. These drills ensure that product distribution information can be tracked quickly and accurately in an emergency, ultimately enabling the efficient recall of relevant products. During the Reporting Period, no drug recall events occurred within the Company.

Product Recall Process



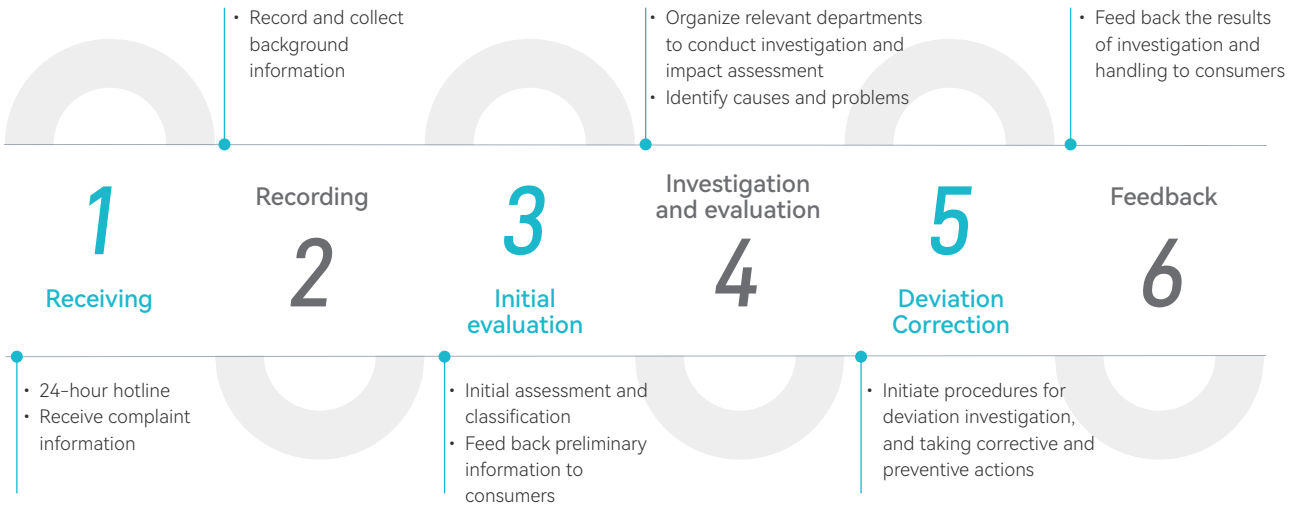
Case: Changzhou Hansoh Conducted a Simulated Recall Drill for Inebilizumab Injection

During the Reporting Period, Changzhou Hansoh conducted a simulated recall for Inebilizumab Injection, a domestically sub-packaged product, due to incomplete printing information on the secondary box. Upon receiving information regarding the simulated quality incident, the Company promptly established an assessment team to analyze the cause and, based on the investigation and risk assessment results, decided to implement a recall. The departments involved in this drill included the quality center, warehousing department, relevant production workshops, and the sales department. The overseas holder of the product was notified both at the initiation and the conclusion of the recall. In accordance with the simulated recall plan, the simulated recall report was completed on December 19, 2025.

This drill focused on testing the recall process and communication channels, confirming the accuracy of contact information, ensuring smooth market communication, and verifying that the recall process was efficient and met the required timelines. All operational sectors and functional departments attached great importance to and actively cooperated in the drill. The swift response and orderly coordination across all levels fully demonstrated the robustness of our drug recall system, achieving the intended outcomes of the drill.

8.4.7 All-out Efforts to Improve Customer Satisfaction

Hansoh Pharma consistently adheres to a "patient-centered" service philosophy. By systematically disseminating drug and disease knowledge and conducting targeted medication follow-up visits, we continuously enhance medication guidance and service support. During the Reporting Period, we aggregated and analyzed customer feedback through diverse channels, conducted the annual customer satisfaction survey, and performed in-depth reviews of complaints and survey results. These efforts drove the implementation of corresponding improvement measures, thereby continuously deepening service quality and the patient experience.



Hansoh Pharma strongly supports government efforts to enforce strict regulations on counterfeit drugs and combat the production and sale of counterfeit medicines, safeguarding patient safety in medication use. To reduce the risk of counterfeiting, we take proactive measures starting with the product itself. These include the use of sealant for packaging and the design of anti-counterfeit patterns to prevent the reuse of packaging and increase the difficulty of counterfeiting. Additionally, we have established a sound product information traceability system in reliance on platforms such as Acctrue Supervision Code and Mashangfangxin. In terms of patients, we continue to deepen public education, and improve patients' anti-counterfeit drug awareness and identification capabilities through easy-to-understand guidance on identifying counterfeit drugs.

Case: Jiangsu Hansoh Integrated "Mashangfangxin" Traceability Platform with NHSA Data Interface

During the Reporting Period, Jiangsu Hansoh activated the data interface service of the National Healthcare Security Administration (NHSA) on the " Mashangfangxin" traceability platform. By uploading drug traceability information for various packaging specifications to the unified national healthcare security information platform, the Company facilitates verification and feedback from distributors and medical institutions. This integration enables full-process traceability, encompassing production, distribution, usage, and medical insurance settlement, ensuring that the source of every product is verifiable and its destination is traceable. This effectively combats illegal activities such as the production and sale of counterfeit or substandard drugs, illegal resale, and fraudulent substitution of medicines, and ensures the rational and standardized use of medical insurance and work injury insurance funds, ultimately safeguarding public health and safety.

8.5 QUALITY MANAGEMENT PERFORMANCE

During the Reporting Period, Hansoh Pharma's production and operation sites underwent a total of 60 domestic regulatory inspections and customer audits. Specifically, these comprised 16 inspections by domestic drug regulatory authorities, 34 audits by international customers and 10 audits by domestic customers. The Company successfully passed all of these inspections and audits. No product quality-related penalties or regulatory warnings were issued by either domestic or international authorities. All operating sites have also successfully passed ISO 9001 quality management system certification and supervisory audits.

The Group received a total of 139 complaints across all categories. These comprised 51 quality-related complaints, 26 adverse drug reaction reports, and 62 service-related complaints. Among the quality-related complaints, 11 involved product authentication. Following verification, we confirmed that all items were authentic products of the Group, with no counterfeit drugs identified. Six cases pertained directly to manufacturing quality and were all classified as minor defects. We found no abnormalities in key quality indicators such as product composition, assay, purity, or stability. The remaining 34 cases fell into the "other" category. These primarily resulted from improper patient usage or storage, such as moisture-induced degradation caused by delayed consumption after opening. The Group processed all the aforementioned issues in strict accordance with our complaint handling procedures. For specific cases, the Manufacturing Quality Department collaborated with the R&D Department to implement targeted improvements. Ultimately, we achieved a 100% complaint resolution rate. the Pharmacovigilance Department processed the 26 ADR reports in full compliance with standard protocols. Service-related complaints primarily concerned patients' financial burdens and their tolerability to adverse reactions already documented in the package insert. We addressed all these cases promptly through our established internal control processes.

During the Reporting Period, Jiangsu Hansoh and Changzhou Hansoh continued to commission professional agencies to conduct customer satisfaction surveys. The surveys targeted three major groups: healthcare professionals, business partners, and end patients. The methodology combined quantitative online surveys with in-depth interviews of key stakeholders. This comprehensive approach enabled a comparative analysis across six core dimensions: brand image, perceived quality, perceived value, customer satisfaction, customer complaints, and customer loyalty. Specifically, Jiangsu Hansoh distributed 4,235 questionnaires and collected 4,183 valid responses. It achieved a customer satisfaction result of 88.89%, which remained largely consistent with the previous year. Changzhou Hansoh distributed 975 questionnaires and received 962 valid responses. It secured a final result of 89.35%, marking an improvement from the previous year.

We conducted a review of our strategic goals, and all quality targets for 2025 were successfully met.

09

SUSTAINABLE SUPPLY CHAIN

The pharmaceutical industry is at a critical juncture of innovation and transformation. However, with the in-depth adjustment of the global political and economic pattern, the geopolitical uncertainty, accumulation of various trade barriers, and the accelerated iteration of cutting-edge technologies, the pharmaceutical supply chains face multiple challenges and tests, and deeply affect the process of pharmaceutical innovation. Facing these challenges, Hansoh Pharma has always adhered to the sustainability concept and public commitments to stakeholders. Taking continuous enhancement of the supply chain resilience as the core, it actively tracked the industry forefront and successful practices, systematically integrated such three values as environment, society and economy into the full-process management of the supply chain, and promoted the construction of an open and fair, collaborative and progressive industrial cooperation ecology, striving to creating a compliant and honest, green and low-carbon, open and innovative, harmonious and inclusive supply chain system.

9.1 SUPPLY CHAIN GOVERNANCE

9.1.1 Governance Structure

The ESG Committee of the Group's Board of Directors is responsible for overseeing the implementation of supply chain social responsibility. In accordance with the "Sustainable Procurement – Guidance" (ISO 20400: 2017) and referencing the "Pharmaceutical Supply Chain Initiative (PSCI) Principles of Responsible Supply Chain Management" (the "PSCI Principles"), we have formulated the "General Principles of Sustainable Procurement" applicable to the entire Group, as well as the "Supplier Code of Conduct" serving as the foundation for assessing supplier social responsibility.

Relying on the increasingly perfected digital Supplier Relationship Management (SRM) platform, while achieving the informationization and standardization of the procurement process, we integrated sustainability requirements and risk management into every stage, including the supplier selection process, procurement applications, bidding (price inquiry and comparison), and contract performance, building an interlinked and fully integrated supply chain management system.

For major procurement projects and supplier selection, we give careful consideration to sustainable development factors. We have established cross-functional teams comprising professionals from various fields, including procurement, quality, EHS, and social responsibility, to conduct comprehensive evaluations, ensuring the scientific rigor and forward-looking nature of our choices.

We have also established a regular joint meeting mechanism chaired by senior managers of the Group, to regularly review and analyze the supply chain resilience, quality relevance, economy, sustainability and other common characteristics, discuss and resolve existing and potential risks in the supply chain, driving the effective implementation of our sustainable development strategy.

9.1.2 Governance Strategy

As a pharmaceutical company expanding its business globally, Hansoh Pharma takes China as the key point while sourcing high-quality products and services from around the world. With the accelerating pace of our innovation and transformation, the number of suppliers involved in innovative drug research and development, production, and promotion services is continuously growing. The requirements for the quality reliability, supply resilience and timeliness, and cost economy of the supply chain are also increasing.

To achieve more precise and efficient life-cycle supplier management, we employ Pareto Analysis to classify suppliers into three classes: A, B, and C, based on their business significance and the controllability of their sustainability risks. Class A suppliers have critical impact on our business operations and high value in sustainable development concept mobilization, and are the primary focus of our current sustainable procurement policy and ESG information disclosure to stakeholders. They are also the core objective with the highest priority in the supplier classification management. The specific classification criteria are as follows:

Class A suppliers

- Have a direct impact on product R&D, production and operation quality
- Have had business cooperation with the Group in the past three years, with the subject matter exceeding a certain amount
- Have exclusive products/services, with no substitutes for them in the short term
- Constitute and can exert influence on the Group's ESG policy

Class B suppliers

- Have a direct impact on product R&D, production and operation quality
- Have a slight influence on the Group's ESG policy, or
- Have well-governed sustainable practices, and publicly disclose the ESG report

Class C suppliers

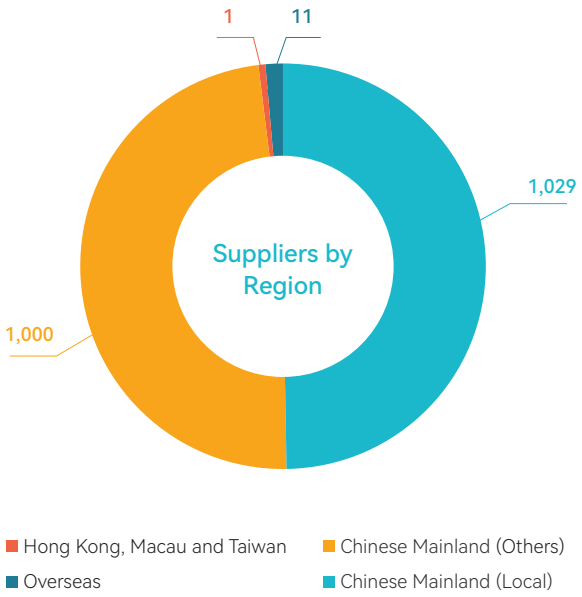
- Are in large quantities, and have a small scale of operation
- Cooperate with the Group on small subject matter of business
- Have small influence on the Group's ESG policy

For Class A suppliers, we further classify them into strategic suppliers, key suppliers and general suppliers based on different attributes such as their countries and regions, purchase amount, adequacy of market competition, material categories, quality features and ESG risk levels, and implement different management strategies for each class of suppliers:

Class A Supplier Management Strategy Framework

Supplier Category	Main Features	Management Strategy
Strategic Suppliers 	The procurement amount is large; suppliers are local or located in other politically and economically stable countries or regions with insufficient market competition, have a great impact on the Group's R&D or product quality, are large enterprises with sound ESG governance and good performance, and pose low and controllable ESG risks	Sign long-term operation agreements, conduct regular technical cooperation and exchanges, share ESG practical experience, and achieve shared development
Key Suppliers 	Larger procurement amount, greater impact on R&D or product quality, insufficient market competition, unclear corporate management level, potential ESG risks	Conduct a comprehensive audit at least once every three years, including quality, technology and other ESG performance, conduct regular training and technical exchanges, and develop new key suppliers to improve resilience
General Suppliers 	Small procurement amount, certain impact on R&D or product quality, uneven corporate management, high ESG risks	Conduct strict admission management and carry out risk control throughout the process, from registration to bidding, contract award, and contract execution

During the Reporting Period, to address the supply chain risks arising from international geopolitical tensions, the Group actively sought domestic alternatives and worked to reduce reliance on the international market for key materials. At the same time, it raised the qualification criteria for strategic suppliers. Certain strategic suppliers facing intense market competition and elevated ESG risks were reclassified as key suppliers, thereby optimizing the overall supplier structure. As of the end of the Reporting Period, the Group had 2,041 suppliers under Category A management. By region, Chinese Mainland accounts for 2,029 suppliers (including 1,029 local suppliers), the Hong Kong, Macao, and Taiwan region accounts for one supplier, and overseas suppliers account for 11. No suppliers were found to be located in war-conflict areas or subject to international sanctions. In accordance with the supplier management strategy, these included 74 strategic suppliers, 704 key suppliers (comprising 444 Tier-1 and 260 non-Tier-1 suppliers), and 1,263 general suppliers.



9.2 OBJECTIVES AND COMMITMENTS

Sustainability in the supply chain is closely linked to the United Nations Sustainable Development Goals (SDGs). Hansoh Pharma strives to make a positive impact in several key areas and achieve the following objectives:

Responsible Consumption and Production: By comprehensively implementing green procurement practices and optimizing supply chain management, we minimize resource consumption and environmental impact of the whole industry chain, promoting the industry's transition towards green and sustainable production and consumption models.

Climate Action: By leveraging a robust management system of carbon emissions from supply chain and scientific climate risk assessment tools, we develop and actively implement practical emission reduction strategies. This effectively reduces greenhouse gas emissions, enabling us to join global counterparts in tackling the challenges of climate change.

Decent Work and Economic Growth: Promote the establishment of sound mechanisms to protect employees' rights and interests and a comprehensive occupational health and safety system, and facilitate the fair employment and human rights protection of the enterprise in the supply chain. We also actively engage in regional industrial collaborations, fostering economic prosperity and creating more high-quality employment opportunities.

Industry, Innovation, and Infrastructure: By continuously increasing investments in technological innovation and accelerating the development of a green supply chain, we drive industrial upgrading and sustainable development, enhancing the overall competitiveness of the industry and contributing to building a modern industrial system.

Partnerships for the Goals: We strengthen collaboration with partners throughout the supply chain. By sharing R&D achievements and advanced production technologies, we improve access to medicines and contribute to better global health outcomes to jointly address global public health challenges and contribute to human well-being.

To achieve the aforementioned goals, we commit to:

- Iterative management optimization: Closely monitor the latest global sustainability standards, guidelines, and industry best practices, and regularly review and upgrade our "General Principles of Sustainable Procurement" and "Supplier Code of Conduct". Deeply integrate sustainability requirements into process of our bidding and procurement operations and supplier management, ensuring our procurement activities consistently align with international best practices, and consolidating the foundation for sustainability.
- Raise the access objectives: Continuously strengthen suppliers' awareness of social responsibility. By 2030, integrate the "Supplier Code of Conduct" into the admission criteria for registered suppliers across all operational areas, achieving a 100% written/electronic signature rate. Actively build a supply chain ecosystem featuring shared responsibility and win-win value.
- Increase the weighting of the ESG assessment: Focusing on such four dimensions as social contribution, environmental protection, labor rights and commercial ethics in the core business process, such as supplier selection, procurement bidding, contract terms, and critical supply audits, continuously increase the weighting of social responsibility assessment for suppliers, guide suppliers to operate in compliance, and improve the awareness and ability of the social responsibility.
- Develop a green supply chain: With the goal of consolidating and raising the construction level of a national-level green factory, implement a series of energy saving and emission reduction, low-carbon and environmental protection measures, to reduce the environmental impacts throughout the entire life cycle of the supply chain, jointly address the global climate change, and fully promote the green transformation of the supply chain.
- Share the ESG practice experience: Participate in the Pharmaceutical Supply Chain Initiative (PSCI) by 2030. While undergoing ESG-related audits by member companies and continuously optimizing its own management, actively share our successful experiences and innovative achievements in ESG practices with industry peers to collectively raise the overall level of the industry's sustainability development.
- Strive for EcoVadis Gold Medal: Actively participate in EcoVadis social responsibility assessments, continuously optimizing our social responsibility management system with the assessment as an opportunity, actively conduct social responsibility practices, and strive to make Jiangsu Hansoh the first to achieve the EcoVadis Gold Medal by 2030, setting a benchmark for sustainable development in the industry.

9.3 RISK-BASED FULL LIFE-CYCLE SUPPLY CHAIN MANAGEMENT

Based on the "Risk Management – Guidelines" (ISO 31000:2018) and the Group's risk management strategies, we have regularly upgraded and analyzed both internal and external factors affecting our supply chain. Following the framework of "Integration, Design, Implementation, Evaluation, and Improvement", we have comprehensively identified, accurately assessed, and rationally prioritized various risks originating from our supply chain. Based on risk prioritization, we implement targeted control strategies to achieve continuous optimization and improvement in the entire life cycle of the supply chain.

9.3.1 Identification of Supply Chain Risks

During the Reporting Period, we reviewed the risk identification results of the previous period, continuously utilized techniques such as brainstorming, checklists, flowchart analysis, and data analysis to update potential risks at every stage, from raw material procurement to product delivery.

Major risks included in Group-level control ranked by materiality of impacts

Risk Type	Risk Description	Known or potential risks
Regional political and trade risks	Wars, economic sanctions, tariff barriers, import and export control, regional conflicts, etc.	Supply chain disruption or delay, disruption of production plans, increased operating costs (such as increased import and export tariffs, freight and insurance premiums, etc.), weakening of terminal supply capacity, and impacts on customer satisfaction
Quality Risks	Lack of a sound quality assurance system, inadequate infrastructure, nonconforming upstream materials, quality and business agreement risks for non-Tier 1 suppliers, etc.	Result in unstable product quality, threaten the life and safety of patients; damage the corporate reputation, trigger regulatory penalties, and negatively affect the market image and long-term development of the corporate
Climate Risks	Located in areas with high climate risks, high energy consumption enterprises, no climate risk identification or control strategies, high greenhouse gas emissions without governance	Threaten supply chain stability, increase supply costs, affect the Group's carbon reduction process of the supply chain and hinder the development of a green supply chain
Information Security Risks	Logistics information is tampered with or interfered with, and the network security of suppliers is uncontrollable	Interfere with the normal operation of the supply chain, lead to inaccurate logistics information, delays in product delivery, leakage of confidential corporate information, and potential economic losses and reputational damage
Compliance and Policy Risks	Imperfect environmental protection, safety, labor rights and interests management system, emission violation, frequent safety accidents, violation of labor rights and interests, regulatory penalties and complaints from stakeholders, etc.	May result in supply chain disruptions, damage the corporate reputation, and lead to uncertainty of delivery date
Business Ethics Risks	Inadequate compliance system, corruption, lack of corporate ethical culture, etc.	Undermine fair competition and affect product/service quality; increase operating costs, erode employee integrity, and damage the corporate's social credibility

9.3.2 Full-lifecycle Management Strategy

Based on the identified supply chain risks, we determine the probability of risk occurrence from aspects such as supply stability, quality reliability, cost suitability, and logistics complexity, using methods like mathematical statistics and expert judgment. We assess the impact of risk occurrence from perspectives including finance, R&D, production, reputation, and customer service.

We employ professional tools such as risk matrices, sensitivity analysis, and scenario analysis to scientifically classify risks and accurately identify key risks in each operational stage. We develop and implement corresponding priorities and control strategies for different risk levels to ensure effective full-lifecycle risk control.

Sustainability control strategies for key procurement links

Control Stage	Priorities	Control Strategy
Procurement Planning	Technical and sustainability characteristics of products or services, and admission requirements for suppliers	Review the User Requirement Specification (URS) to ensure that products/ services meet technical and sustainability requirements throughout the lifecycle; engage in technical exchanges with potential suppliers to avoid single-source dependency
Supplier Admission	Basic qualifications, supply (service) capability, production capacity, quality assurance, and social responsibility performance	Review qualifications via public platforms to ensure supplier's compliance with preconditions for operation; conduct comprehensive multi-dimensional assessment on supplier's capabilities; incorporate quality, environmental, occupational health and safety management systems, and business ethics into admission requirements
Supplier Selection	Supplier qualifications, sustainability commitments, risk Assessment and control, and commerce	Incorporate sustainability into tender document for quantitative assessment; perform technical and commercial reviews of tender documents with quantitative scoring; verify the technical capabilities of sub-tier suppliers; prioritize local suppliers under comparable conditions and source new suppliers
Contract Performance	Technical terms, commercial terms, sustainability requirements, and performance obligations	Incorporate sustainability requirements into contract terms; reach a consensus on sustainability at the project kick-off meeting; monitor performance during contract execution, provide early warnings for breach of contract, and report on material issues
Review and Evaluation	Procurement process and supplier performance evaluation	Summarize the procurement process and conduct comprehensive performance analysis of suppliers, focusing on quality, delivery, cost, service, and sustainability. Grade suppliers based on assessment results; implement measures such as suspension or delisting for unqualified suppliers. Conduct audits for established and new suppliers

During the Reporting Period, we followed the principle of localized procurement and implement domestic substitutes for overseas suppliers potentially impacted by geopolitical issues. We closely monitor weather change in the place of production of climate-sensitive materials to mitigate physical and transition risks affecting supply chain stability. We participated in the BIO CHINA Biopharmaceutical Supply Chain Forum in Suzhou, CPHI Guangzhou and CPHI Shanghai, and the 66th and 67th China national Pharmaceutical Machinery Exposition to identify additional supplier resources while maintaining constructive dialogue and collaboration with industry peers and partners across the supply chain. These initiatives have effectively ensured supply chain stability. As of the end of the Reporting Period, over 90% of critical materials that could significantly impact production and operations have or reserve at least two suppliers.

Case: Changzhou Hansoh's Proactive Response to Geopolitical and Trade Risks

In recent years, escalating international geopolitical conflicts and frequent trade barriers have created a complex environment. Changzhou Hansoh has closely monitored these international developments and promptly audited its imported materials. On one hand, the Company took immediate action by coordinating with suppliers in exporting countries to leverage tariff windows and increase strategic inventory, thereby mitigating the risks associated with tariff fluctuations. On the other hand, the Company proactively developed alternative solutions by conducting feasibility studies and domestic market research. For materials such as shake flasks, continuous flow centrifuge tubing, and mixing bags, Changzhou Hansoh successfully sourced new and added qualified domestic suppliers, effectively mitigating supply stability risks.

During the Reporting Period, the Group audited 228 key material suppliers, each subject to an audit at least once every three to five years. Among these, 94 were audited on-site, 86 through documentary reviews, 22 via remote online audits, and 26 by third-party auditors. During supplier onboarding or annual evaluations, 9 suppliers were disqualified for failing to meet the Group's sustainability requirements and not completing corrective actions within the required timeframe. No adverse public incidents related to quality, safety, environmental, or business ethics occurred due to the products or services provided by any supplier.

9.4 SUPPLY CHAIN COLLABORATION

9.4.1 Green Supply Chain Construction

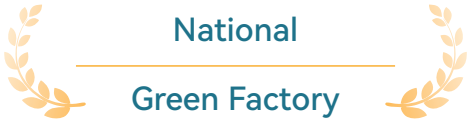
In accordance with the "Green Manufacturing - Green Supply Chain Management in Manufacturing Enterprises - Guideline" (GB/T33635: 2017) and "Green Supply Chain Management in Manufacturing Enterprises - Control of Purchase" (GB/T39258: 2020), the Company formulated the "Green Procurement Guidelines" in 2020. From procurement planning and supplier selection to product packaging and transportation, and to product end-of-life waste management, we are committed to achieving green development and clean production across the entire supply chain. During the Reporting Period, we took concrete actions across R&D, procurement, manufacturing, logistics, and product end-of-life stages with a full life-cycle approach to continuously advance the development of our green supply chain.

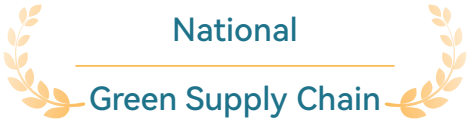
Action Plan for Green Supply Chain Construction

Operation Stage	Management Strategies	Action Guidelines
R&D and Design	Green design at the source & full-lifecycle planning	• Employ green chemistry and green process routes; prioritize synthetic schemes characterized by low toxicity, low pollution, and high atom economy to reduce the use of hazardous waste and organic solvents from the source • Conduct environmental impact assessments across the entire product life cycle; integrate indicators such as energy consumption, material consumption, "three wastes" emissions, and biodegradability into the design phase to reduce environmental risks during commercial production and usage
Procurement and Supplier Management	Clearly define green specifications for products/ services; implement a preferential procurement policy for green products/services and suppliers certified as "Green Factories	• Assess the environmental impact throughout the lifecycle of products/services, energy consumption during product use, and energy efficiency level requirements for products • Integrate ESG-related qualifications and performance into the tender evaluation weighting, and prioritize procurement from, or allocate a larger procurement share to, suppliers certified as "Green Factories" or recognized as "Green Supply Chain" enterprises • Encourage suppliers to disclose carbon emission data and assess climate risks
Manufacturing	Green processes, cleaner production, and compliance	• Implement cleaner production and energy-efficiency retrofits; promote technologies such as continuous flow, membrane separation, and catalysis to enhance material conversion rates and reduce consumption of water, electricity, and steam • Optimize the production process, reduce the discharge of pollutants and waste, and at the same time strengthen end-of-pipe treatment to minimize environmental pollution • Promote circular economy practices, including harmless and resource-recovery treatment of high-concentration waste liquid, reclaimed water reuse, waste heat recovery, and waste recycling
Storage and Logistics	Green circulation, packaging, and energy-efficient storage and transport	• Develop energy-efficient warehousing; optimize cold-chain energy management; utilize smart temperature control to reduce storage and transportation energy consumption • Promote green logistics and packaging; use reusable logistics containers and eco-friendly cushioning materials; optimize transportation routes to improve load factors; encourage the use of new energy vehicles • Standardize the logistics of hazardous chemicals and waste to ensure full-process traceability and compliant transport, mitigating leakage risks
Digitalization and Systems	Digital technologies for full-chain green management	• Develop a digital green supply chain platform to achieve full-chain visualized management of raw materials, energy consumption, emissions, carbon footprint, and regulatory compliance • Establish environmental and GHG management systems; drive upstream and downstream collaborative decarbonization to ensure a secure, efficient, low-carbon, and sustainable supply chain.

During the Reporting Period, the Group maintained qualitative and/or quantitative description 100% of all newly procured materials as to their green characteristics during the procurement planning stage. Tender documents clearly prioritized products with more prominent green characteristics and suppliers with better sustainability performance. No suppliers with non-compliance with national energy conservation, environmental protection, and occupational health and safety standards were found among the newly procured materials.

Jiangsu Hansoh maintained its national-level designations as a "Green Factory" and "Green Supply Chain" by continuing its participation in the MIIT annual dynamic evaluation for "Industrial Energy Conservation and Green Development", disclosing its continuous improvement and performance in compliant operation and green procurement.





9.4.2 Verification of Carbon Emission from Supply Chain

To promote the development of a green supply chain, since 2022, we have conducted annual inventories of greenhouse gas emissions from all three scopes of emission sources for the entire Group in the previous year. We commission globally recognized and AA1000 accredited institutions in the field of corporate social responsibility to perform verification and auditing. Following third-party verification, the total greenhouse gas emissions from our supply chain sources (only including purchased goods and services, capital goods, and upstream and downstream transportation and distribution) during the Reporting Period amounted to 35,343.82 tonnes of CO_2e, accounting for 37.96% of the total emissions from all Scope III sources.

Data Table for Carbon Emissions from Supply Chain Related Activities for the Last Three Years

Unit: tCO_2e

Type of activities	2023	2024	2025
Goods and services purchased	11,854.93	11,602.47	31,262.5
Capital goods purchased	1,631.04	2,238.55	2,790.98
Transportation of products purchased	222.17	151.91	341.2
Transportation and distribution for product sales	258.54	401.13	949.14
Total	**13,966.68**	**14,394.05**	**35,343.82**

9.4.3 Collaborative Development with Suppliers

Hansoh Pharma focuses on shared development with suppliers. We are committed to improving the quality of our suppliers' products and technical services, and promoting the establishment of resource-saving and environment-friendly procurement, production, business, recycling, and logistics systems for our suppliers to achieve efficient resource utilization and minimal environmental impact. At the same time, by expanding the sustainability impact on supply chain partners, we promote more enterprises to implement sustainable development strategies and contribute to the sustainable development of the whole industry and society.

With the SRM system as a platform and through the qualification review of bidding files, the constraint of contract terms and the signing of the Supplier Code of Conduct, we clearly convey the Group's core values and sustainable development concepts, and express the Group's requirements for suppliers' product/service quality and green and sustainable development. For suppliers who do not pass the admission evaluation and are not awarded the bid, we clearly inform them of the gaps or nonconformities that exist between them and the Group's expectations and put forward suggestions for improvement, so as to help suppliers build on their strengths, avoid their weaknesses, and prepare for potential cooperation opportunities. For contract deviations in the course of implementation, we communicate with the suppliers or their entrusted project managers in a timely manner and propose corrective measures and improvement suggestions to avoid the suppliers bearing contract risks due to breach of contract.

For the safety management of outsourced projects/engineering and contractors, we rigorously review their work safety licenses and special operation personnel qualification certificates, sign occupational health and safety agreements with them, strictly implement the project commencement approval system, promote the engineering safety assurance responsibility system and the physical examination report review system, and strengthen contractor training and on-site inspection. These measures effectively reduce the occupational health and safety risks associated with outsourcing and contractors. During the Reporting Period, Jiangsu Hansoh conducted 66 training sessions for contractors, covering 328 personnel. The number of on-site violations identified among contractors dropped to 2, representing a year-on-year decrease of 80%.

We fully explores its influence on sustainable development. After evaluation and review, suppliers with high long-term integrity, good product and service quality, and excellent sustainable performance in project cooperation can become our strategic suppliers, for whom we will assign priority procurement rights and/or procurement volume in product and service procurement and adjust the contract credit rating upward, etc. On the contrary, after training, technical communication, deviation notification, and warning, if supplies still cannot meet the Group's expectations of product quality and sustainability, they will be downgraded until they are withdrawn from the list of qualified suppliers.

During the Reporting Period, the Group engaged in exchanges on quality, technology, and sustainability with 611 suppliers. 176 suppliers participated in improvement initiatives or capacity building programs, representing 28.8% of the total.

Changzhou Hansoh Assists Supplier in Optimizing Bulk Bag Production Process

The bulk bags used in Changzhou Hansoh's production are supplied by an overseas supplier. Upon receipt, visual inspections revealed yellowing in some of the tubing, posing potential quality risks. By cross-referencing batch production records, it was identified that the yellowing was caused by the PVC dust caps following gamma irradiation. Through multiple rounds of remote technical consultations with the supplier, the Company facilitated the removal of these dust caps from the production process, replacing them with alternative tubing plugs. Subsequent batches have passed visual inspections with no recurrence of the issue.

Jiangsu Hansoh Pharma Assists a Hunan-based Pharmaceutical Enterprise in Addressing Audit Deficiencies

In March 2025, Jiangsu Hansoh conducted a planned audit of a pharmaceutical manufacturer in Hunan, identifying three deficiencies, including lack of traceability for material sources in a batch production record; failure to conduct testing on a Class A facility according to regulatory requirements; and absence of static grounding on a centrifuge sight-glass handle. These were all evaluated as low-risk. Through technical communication, the batch record was updated to include supplier information; the lightning protection testing frequency was corrected from annual to semi-annual; and static grounding was added to the centrifuge sight-glass handle. The rectification of these deficiencies was completed in 2025.

9.4.4 Empowering procurement personnel

We provide diverse training programs on sustainable procurement for managers and tender procurement personnel involved in sustainable procurement and green supply chain development, covering topics such as compliance and business ethics, as well as best practices in sustainable supply chains to continuously enhance their sustainability management capabilities. During the Reporting Period, Hansoh Pharma conducted sustainable procurement training for all employees; **nearly 9,000 employees** completed the training and passed the assessment, with a pass rate exceeding **91%**. **100%** of procurement personnel participated in online and offline training related to sustainability, with approximately **2.5 training hours** per capita.

We invited compliance experts to conduct online and offline training on compliance and business ethics for all employees, including procurement personnel, and carried out follow-up supervision and assessments

We conducted specialized training on tendering and procurement management systems, focusing on the "General Principles for Sustainable Procurement" and "Supplier Code of Conduct". This training helped employees further understand the Company's sustainability requirements for suppliers and related management processes, particularly how to deeply embed sustainability into procurement workflows.

We organized participation in several domestic and international supply chain forums and experience-sharing salons to stay informed about cutting-edge industry products and technical equipment, thereby enhancing the expertise and capabilities of our procurement personnel.

We continued to participate in the EcoVadis online social responsibility review to gain in-depth understanding of the sustainable procurement issues and improvement recommendations focused on by mainstream rating agencies. We also accessed and participated in relevant courses offered by the EcoVadis Academy.

Jiangsu Hansoh Participated in PSCI China Supplier Conference and Initiated Membership Application

The 2025 PSCI Annual Supplier Professional Development Conference was held in Shanghai from November 17 to 19. Jiangsu Hansoh organized a delegation comprising personnel from its EHS, Procurement, and ESG departments to attend the event. During the conference, representatives from PSCI member companies, including Pfizer, Novartis, and AstraZeneca, shared insights on topics such as ESG management systems, pharmaceutical dust explosion parameter testing, dust removal system exposure assessment, and wastewater API sampling and analysis. PSCI auditors shared common audit findings and improvement solutions, as well as the PSCI platform's rules and methodologies. The conference fostered exchanges among PSCI members and deepened participants' understanding of sustainability principles and industry best practices. Jiangsu Hansoh has initiated the project to officially join PSCI. Upon obtaining a membership, the Company will share its sustainable practices with other member companies and further strengthen its position for international market expansion.

As of the end of the Reporting Period, the Group had over 40 employees engaged in procurement management. Sustainable (green) procurement targets were incorporated into the performance evaluations for 100% of these employees. No instances of bribery, fraud, exclusion of potential competitors, or other unethical conduct were identified among procurement personnel and no reports related to procurement ethics were received.

10

TALENT DEVELOPMENT

Hansoh Pharma systematically develops a high-caliber talent pool through the establishment of dual career development pathways combining diverse performance incentive mechanisms. We strive to fostering an open and inclusive workplace environment, strictly implement equal employment policies, improve the occupational health and safety management system, ensuring both employee rights protection and workplace safety progress in parallel. Furthermore, leveraging digital tools and innovation-driven platforms, Hansoh Pharma provides support for full-cycle talent development, continuously enhances the organizational momentum for sustainable growth.

10.1 TALENT AND ORGANIZATIONAL GOVERNANCE

Taking global vision and local development as organizational development orientation, Hansoh Pharma establishes a talent and organizational governance system deeply integrating internationalization with diversification. Through attracting, cultivating and retaining global talents from diverse cultural and professional backgrounds, we build a cross-regional and cross-functional collaborative network, and systematically integrate diversified perspectives into the strategic decision-making, innovative R&D and market expansion. We ensure equal opportunities through inclusive systems, empowering talent development with a global platform, agilely responding to market differences through localized operation. This ultimately forms a dynamic cycle, continuously enhancing the Company's adaptability, innovation capability and sustainable competitiveness in the global pharmaceutical industry.

10.1.1 Governance Structure

The Board of Directors of Hansoh Pharma assumes ultimate supervisory responsibility for the Group's talent strategy, it sets up specialized committees for hierarchical supervision and a top-level supervision system covering all key links from talent recruitment, development, motivation to retention. Among them, the Nomination Committee is responsible for the nomination and appointment of directors and senior management. The ESG Committee oversees the organizational effectiveness and diversity development process. The Remuneration Committee is responsible for reviewing the compensation system and supervising the implementation of the Restricted Share Unit (RSU) incentive plan.

Hansoh Pharma has established a systematic human resource management framework, realizing vertical integration from strategy formulation to implementation and horizontal coverage from talent development to rights and interests protection. Among them, the Human Resources Sharing Service Center manages employee data and Professional service support. The organization and talent development division focuses on organizational effectiveness improvement and talent development frameworks. The HRBPs provide HR solutions, the compensation department provides performance management, and compensation incentive support to business units. The EHS management departments in various regions are responsible for the occupational health protection of employees and production safety. Independent trade union organizations established in accordance with the law in each operation site are responsible for safeguarding the legitimate rights and interests of employees, representing them in signing collective labor contracts, participating in and negotiating health and safety affairs, and promoting the construction of corporate culture and harmonious labor relations, etc.

10.1.2 Institutional Framework and Commitments

Hansoh Pharma Group strictly adheres to national laws and regulations including the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and the Law of the People's Republic of China on the Protection of Minors, and actively aligns with such international codes as the International Bill of Human Rights, the United Nations Global Compact, and Core Conventions of the International Labor Organization. On this basis, we have formulated a series of internal systems such as the Employee Diversity Policy, the Occupational Health and Safety Policy, and the Employee Handbook, covering key dimensions such as equal employment, workplace health and safety, full-cycle talent management, and protection of minors. Formulate various detailed implementation rules in tandem and transform domestic and overseas compliance requirements into executable and supervisable management practices, clearly reflect the Group's organizational culture of respecting human rights and embracing diversity, achieving the translation of conceptual commitment to operational practices.

Case: Formulation and Release of Talent Development Policy

During the Reporting Period, Hansoh Pharma comprehensively summarized the human resource management experience accumulated over the past 30 years since its establishment, systematically analyzed the internal and external environment faced by the organization, and formulated the "Talent Development Policy" applicable to the Group and the value chain in combination with the overall development strategy of the enterprise. After being reviewed and approved by the ESG Committee of the Board of Directors, it was publicly released. As a pivotal measure to elevate the concept of talent-driven development to the strategic level of the Group, this policy aims to systematically build a talent supply chain and organizational capability system deeply aligned with the Company's sustainable goals. The policy further clarifies the strategic goal of building an open and inclusive workplace and supporting talent development throughout their career journey. Efforts have included optimizing the dual-track career progression system, refining performance-based and long-term incentive mechanisms, placing greater emphasis on the role of digital tools and innovation platforms, and outlining a clear implementation roadmap. The formulation of a talent policy upgrades talent development from functional management to a strategic project that supports innovative research and development, international expansion, and green transformation. This not only helps attract and retain high-quality global talents, but also lays a more reliable foundation for human resources for the long-term value growth and industrial competitiveness enhancement of Hansoh Pharma by strengthening organizational resilience and collaborative innovation capabilities.

Hansoh Pharma's commitment to employment

- Protect fundamental rights and interests of employees as granted by the Constitution of the People's Republic of China and other laws and regulations in the operating locations;
- Strictly comply with the Labor Contract Law of the People's Republic of China and all regulatory policies issued by local authorities in our operating sites, ensuring full adherence to the Employee Diversity Policy, Occupational Health and Safety Policy, and Employee Handbook;
- Ensure fairness and equity across all aspects of talent management – including recruitment, training, appointment, and retention – regardless of nationality, race, gender, skin color, or religious belief, while actively eliminating any form of discrimination or bias;
- Prohibit child labor;
- Develop career growth pathways, providing employees with skills training, promotion opportunities, and performance-based incentives to foster aligned personal and corporate development;
- Respect employees' rights to work and rest, offering flexible adjustment of working hours where applicable, discouraging excessive overtime, and strictly prohibiting forced labor. Any additional or non-standard working hours will be compensated in accordance with the law, including time off in lieu or overtime pay;
- Establish a compensation and benefits system that balances internal equity with external competitiveness, ensuring both policy transparency and personal privacy protection;
- Foster a diverse, inclusive, and open workplace culture, promoting civilized and healthy work-life values, while prohibiting all forms of workplace discrimination and harassment;
- Support labor unions in safeguarding employees' rights, facilitating collective bargaining, supporting various distinctive social organizations and legally conducting social and cultural activities, promote the development of corporate culture, strengthen communication and mutual care and help among employees, and foster a harmonious labor relationship;
- Conduct regular employee engagement and satisfaction surveys, using feedback to continuously improve human resources management performance;
- Provide a safe and healthy work environment for all employees, contractors, contingent workers, and external visitors;
- Anchored by corporate values, safeguard employees' rights across the upstream and downstream supply chain through appropriate due diligence and audits.

10.2 TALENT MANAGEMENT SYSTEM THROUGHOUT THE EMPLOYEE LIFECYCLE

Hansoh Pharma regards talent as the core driver of long-term corporate growth. Centering on the entire life cycle of talent development, we have established a human resource system that covers the entire process from talent contribution value, performance evaluation to rewards and incentives.

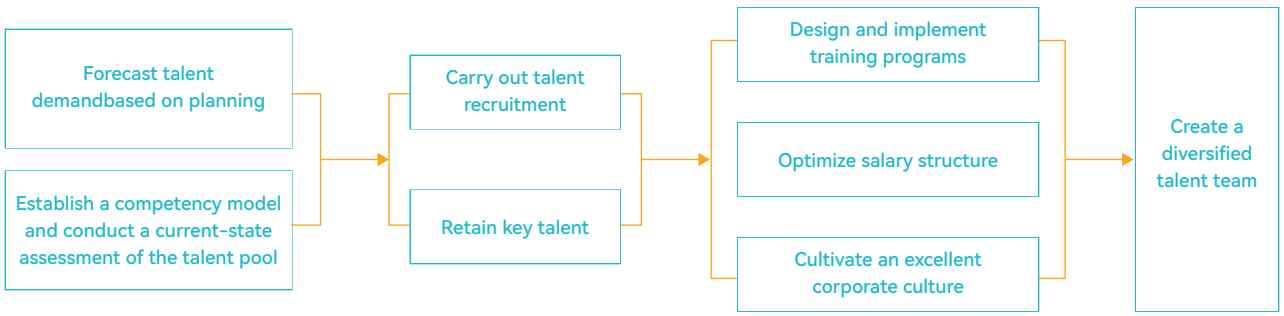
10.2.1 Diverse Talent Recruitment

Hansoh Pharma has established a talent introduction mechanism that combines external recruitment with internal mobility, achieving a synergy between international talent introduction and local talent cultivation. Regarding external recruitment, we utilize a hybrid online and offline approach. On one hand, we maintain a steady influx of talent through campus and social recruitment; on the other hand, we leverage digital platforms to facilitate job matching, resume screening, and online interviews. This digital integration enhances both recruitment efficiency and precision, while our internal referral programs help reduce acquisition costs. In terms of internal mobility, we regularly post open positions in R&D, production, and business functions, encouraging employees to apply for transfers based on their capabilities and career interests. Transition guidance and training are also provided to facilitate orderly talent flow within the organization. Through a dual-career-path system, we aim to foster a virtuous cycle between personal growth and organizational performance. By the end of the Reporting Period, the Company had built a multinational R&D team of more than 2,300 members, and the proportion of women in all management positions exceeded 44.6%.

Hansoh Pharma systematically integrates the principles of Diversity and Inclusion (D&I) into every stage of talent management. Under the framework of our Employee Diversity Policy and Employee Handbook, we have established a comprehensive anti-discrimination system covering recruitment, employment, and risk management. During the recruitment phase, we match candidates to positions based strictly on competency and conduct compliance reviews of job postings to eliminate discriminatory content related to gender, geography, or other factors. Additionally, we implement dual verification of identity and academic records to strictly prevent the risk of child labor. Regarding risk control, we maintain a normalized recruitment review mechanism and have established a three-tier emergency response plan—comprising early alert and screening, immediate isolation, and legal recourse—for risks related to child labor and forced labor. This ensures that risk identification and disposal are completed within 72 hours, forming an integrated prevention and control mechanism that combines policy enforcement, technological empowerment, routine oversight and emergency response.

10.2.2 Construction of Key Talent Echelons

Hansoh Pharma considers the development of a talent pipeline to be the core of its human resources strategy. By combining systematic planning with dynamic adjustment, we actively builds a talent reserve system that supports business growth. We regularly review key positions across all critical stages—from early drug research, clinical development, and regulatory registration to large-scale production and global commercialization—while also establishing a job competency matrix for these roles. Based on this framework, we assess the current talent structure, comprehensively evaluate performance, development potential, and cultural fit, and analyze the alignment between talent capabilities and job requirements. Through data-driven tracking of talent dynamics, we formulate succession plans for key positions. This approach enables the early identification of talent needs at all levels, allows recruitment and training plans to be closely aligned with those needs, and ensures that the supply of talent keeps pace with business development.



10.2.3 Talent Cultivation

Hansoh Pharma has established a multi-level talent cultivation and development system in line with its strategic direction and business needs. During the Reporting Period, we continued to refine our integrated online and offline training systems. By implementing internal trainer programs and mentorship initiatives between senior and junior employees, the Company fosters a culture of continuous learning aimed at enhancing both current job competency and future potential. At the same time, we create diverse development paths for our employees by establishing internal role models, implementing multidimensional performance evaluations, and providing fair and transparent promotion channels. This approach facilitates the deep integration of employee value with corporate growth.

By coordinating across three levels—the Group, business units, and departments—Hansoh Pharma formulate annual development plans integrated into specialized budgets and performance appraisal systems, ensuring both resource commitment and execution effectiveness. The training content spans three core modules: specialized skill enhancement (such as R&D techniques and quality management), professionalism cultivation (including business ethics, labor rights, and occupational safety standards), and leadership development. Through a dual-track curriculum design for both managerial and professional paths, we support employees in their continuous growth along different trajectories, achieving synchronized advancement of individual capabilities and organizational development.

To enhance the professionalism, execution efficiency, and accountability of our employees, we have established a blended digital learning platform that integrates online and offline channels. We have developed a comprehensive course library that covers key business areas such as strategic thinking, technological innovation, and compliance management. Through mandatory courses, we solidify role-specific foundations, while elective modules help broaden cross-functional skills. We have also implemented credit-based incentives and knowledge-sharing rewards to foster a culture of continuous learning and full participation. During the Reporting Period, employees across the Group averaged over 39.01 hours of training, leading to sustained improvements in the vocational and comprehensive competencies of staff at all levels and in all functions. Furthermore, we pay close attention to special stages in our employees' careers. For those returning from long-term leave (such as sick leave or maternity leave), we provide customized transition training and support to help them smoothly readapt to the work pace, alleviate psychological stress, and quickly restore work performance and efficiency.

To accelerate the cultivation of key talent, Hansoh Pharma has established an on-the-job education system. We collaborate with institutions such as Shenyang Pharmaceutical University to implement industry-academia integration programs. These programs feature professional curricula tailored to industry demands and organize technical seminars and industrial exchanges, while jointly advancing research projects to combine theoretical learning with practical application. During the Reporting Period, two more key employees in this joint program completed their studies and obtained their master's degrees, marking a milestone in the Company's progress in driving talent growth and achievement commercialization through education. Our continuing education and external training policies apply to all full-time and part-time employees of the Group. Potential key personnel pursuing advanced studies in their professions are eligible for tuition support from the Group.

In the production system, we have designed and implemented a mentorship training program centered on the transfer of technical expertise and hands-on practice. Under this program, experienced senior technicians are paired with new employees to provide guidance: the initial stage focuses on job fundamentals and safety regulations; the middle stage incorporates on-site problem-solving and process optimization training; and the later stage involves guiding mentees to participate in continuous improvement and standardization work. This structured approach ensures the step-by-step transfer of key production skills, equipment operation knowledge, and quality control methods. Throughout the process, clear objectives are set and regular evaluations are conducted. Learning outcomes are verified through practical assessments, case studies, and phased reviews. The program not only enhances the sense of value and recognition among senior technical staff, but also accelerates the integration and growth of new employees, thereby cultivating a sustainable talent pipeline for the production system.

Case: "Situational Leadership" Training for R&D Segment at Shanghai Hansoh

During the Reporting Period, Shanghai Hansoh hosted a "Situational Leadership" training course at the Group headquarters, attended by 25 R&D managers. The course was structured around three key steps: defining the task, diagnosing follower readiness, and matching leadership behavior. It systematically covered four leadership styles—Telling, Selling, Participating, and Delegating—to help managers enhance their ability to tailor their approach to individual needs and drive team performance. 98% of the participants are satisfied with the training, indicating that they not only strengthened their team management awareness but also mastered practical management tools.

This training has enhanced the managers' adaptability in dynamic environments, facilitating their transition from a "one-size-fits-all" management style to differentiated leadership. This shift helps improve overall team performance and employee development efficiency, further supporting the Group's talent pipeline construction and its sustainable development goals.

Case: “Hansoh Commanders” Strategic Talent Development Program

During the Reporting Period, Hansoh Pharma launched the inaugural “Hansoh Commanders” strategic talent development program. This program targets high-potential talent within the commercial teams. It employs a three-stage cultivation framework of “foundation building, hands-on application, and strategic excellence”. It aims to strengthen market-oriented thinking and cultivate elite commercial leaders.

The program began with a focus on cognitive construction. Through internal lectures and self-assessments, trainees built a professional knowledge framework. And seminars on classic marketing books were held to facilitate the initial integration of theory and practice. Moving into the application stage, trainees formed cross-regional and cross-business-line teams. Under the guidance of senior mentors, they conducted market research, strategic deductions, and resource coordination centered on real-world business challenges, completing a closed-loop process from problem deconstruction to solution delivery. In the concluding stage, teams delivered in-depth reports on specific topics, such as enhancing medication adherence for chronic diseases and launch planning for new products, demonstrating solid learning outcomes and strategic application capabilities.

This training bolstered the trainees’ market strategy and commercial execution skills, and secured a pool of versatile leadership talent for the Company, injecting momentum into our continuous business growth.

10.2.4 Retention of Key Talent

Hansoh Pharma has constructed a key talent retention system focused on three dimensions: incentives, development, and environment. For "incentives": We design differentiated remuneration structures and implement multi-layered incentives for core personnel, such as R&D experts. Specialized recognition mechanisms are also in place to enhance their sense of value and alignment. For "development": We have established a dual promotion track for both managerial and professional positions, breaking career ceilings and providing diverse growth opportunities for high-level talents. For "environment": We promote flexible work arrangements, offering flexible office options for eligible roles, complemented by health management plans and family care benefits. Additionally, we have established a talent attrition early-warning mechanism to identify retention risks in advance. By implementing targeted intervention measures, the Company has formed a complete talent retention closed-loop system encompassing risk prevention, real-time intervention, and post-event review.

Incentives and Communication

Upholding the principles of fairness, justice, and transparency, Hansoh Pharma has established a comprehensive performance evaluation system. Through systematic assessment tools, the Company's overall strategy is progressively translated into specific goals for departments and individual roles. We focus not only on business outcomes—such as project progress, quality control, delivery performance, and operational results—but also incorporate comprehensive evaluations of capabilities such as risk management and teamwork. This ensures that assessments are both holistic and objective, effectively aligning organizational direction with individual contributions. During the Reporting Period, the Group's performance department revised the three-level calibration mechanism for individual and organizational performance appraisals. This system successfully evaluated nearly 10,000 employees, achieving full coverage across all employees, positions, and evaluation cycles.

Hansoh Pharma designs targeted compensation and incentive systems based on the value and performance of different positions. For the management, incentives are linked to strategic objectives. For R&D personnel, rewards are tied to project milestones and intellectual property achievements. For commercial staff, incentives are directly correlated with sales performance. For front-line employees, remuneration is based on skill growth and contributions to continuous improvement. By utilizing flexible salary bandwidth, we ensure an effective link between performance results and financial rewards. This not only drives the implementation of organizational goals and the formation of a high-performance culture, but also fosters a virtuous cycle of co-creation and shared development achievements between the Group and employees.

We continuously promote multi-layered and diversified communication mechanisms, dynamically calibrating goals at all levels through alignment meetings and work reviews. We have established a holistic employee competency assessment system covering key areas such as strategic thinking, business breakthroughs, and collaborative innovation, supplemented by anonymous peer reviews to collect multi-party feedback. As partners in business support and employee development, the Human Resources team acts as a bridge for strategic collaboration, efficiency enhancement, cultural promotion, and employee care. They conduct regular and ad-hoc proactive communication tailored to specific roles, supporting employees throughout their entire career lifecycle. During the Reporting Period, this mechanism achieved 100% coverage for key positions, effectively enhancing cross-level and cross-departmental collaboration while facilitating internal knowledge sharing and strategic consensus.

Goal Management

Jointly set annual goals with direct supervisors, conduct regular follow-up assessments, and provide employees with feedback on goal attainment

Superior-Subordinate Communication

Implement agile performance management through weekly/monthly superior-subordinate dialogues to oversee the goal achievement process

360° Feedback

In addition to self-assessments, employees receive comprehensive feedback from department colleagues, direct supervisors, cross-functional teams, and external clients. This serves as the basis for evaluating employee contributions and value

Team Performance

Employee performance is assessed within the context of both team and individual goals, recognizing their role as part of the team

Compensation and Benefits

Hansoh Pharma has established a compensation system based primarily on market benchmarks, job value, and performance results, providing talent with rewards commensurate with their contributions. We conduct regular market salary surveys and procure third-party database analyses annually to understand the compensation landscape for various talent categories. By referencing industry standards and specific job characteristics, we dynamically adjust salary levels to ensure our compensation design remains synchronized with market trends and maintains a competitive edge. The Company systematically evaluates job value based on strategic importance, professional requirements, performance outcomes, and responsibility-related risks. We design differentiated salary ranges for various functional categories, including R&D, manufacturing, and business operations. With our comprehensive performance evaluation mechanism, we offer a diverse array of compensation components, including base salary, performance bonuses, specialized subsidies, long-term incentives, project bonuses, and comprehensive benefits, based on job characteristics and individual contributions, effectively aligning personal contributions with the long-term organizational development.

Hansoh Pharma has developed a diversified benefit package. In addition to comprehensive coverage of the statutory "endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance and housing provident fund", we offer supplementary medical insurance, health check-ups, academic advancement support, patent application incentives, and other benefits for special employees, effectively enhancing the compensation competitiveness for our talent.

Statutory basic benefits

Social insurance, housing fund, statutory paid holidays, model labor allowance, only child allowance, occupational health exam, etc.

Hansoh Pharma employee benefits*

Housing benefits: rental subsidy, talent apartment.

Travel benefits: commuter shuttle, transportation allowance, travel allowance, business travel insurance, etc.

Health benefits: annual physical examination, supplemental commercial medical insurance, high temperature allowance, workplace psychological counseling, fitness facilities, etc.

Humanistic benefits: festival benefits, departmental reunion team-building, employee birthday benefits, newlywed gift, anniversary benefits, sympathy gift for retired employees, benefits for dispatched employees visiting relatives, overseas family visit leave for special personnel, etc.

Education benefits: MBA and EMBA training for management personnel, overseas training for specific personnel, etc.

Family support: parental leave, working day breastfeeding time, breastfeeding room, flexible working hours, commercial medical insurance for children, etc.

Other benefits: free meals or meal allowance, overtime meals, birthday meals, maternity meals, communication card benefits, etc.

* Some benefits are only provided for specific employees.

Since 2019, Hansoh Pharma has implemented a ten-year restricted share unit program to reward eligible management personnel and professional technical talents for their contributions to the Group. As of December 31, 2025, the Company had granted a total of 103,626,580 restricted share units to 791 individuals. The recipients of equity incentives cover the Company's directors, senior executives, middle-level managers and front-line core R&D personnel. The incentive recipients below the vice president account for approximately 95% (755 people) of all equity incentive recipients and about 8.1% of the total number of employees in the Group.

Case: Provide living wages to help employees lead a decent life

The "living wage" refers to the income that is necessary to maintain the basic living needs of workers themselves and their families. Hansoh Pharma helps employees obtain a living guarantee through a variety of measures:

1. **Provide reasonable salary and benefits:** Understand the salary levels in the same industry and the same region, formulate competitive salary standards and salary growth mechanisms to ensure that employees' income is not lower than the market average level of the same position and the local minimum wage level. Meanwhile, we provide more living guarantees including statutory benefits such as the "Five Social Insurance and One Housing Fund" to relieve employees' living burdens and eliminate their worries.
2. **Pay attention to employees' career development:** Assist employees in formulating career development plans, clarifying their career development paths and promotion channels within the enterprise. Provide corresponding training and development opportunities based on employees' interests, specialties, and abilities, enabling them to continuously grow and progress in the enterprise and enhance their professional value.
3. **Create a favorable working environment:** Pay attention to employees' physical and mental health. Provide psychological counseling and guidance services for employees to help them relieve work stress and maintain a good state of mind. Foster a corporate culture atmosphere that is positive, promotes teamwork, and respects employees, so that employees can feel the warmth of the enterprise. Listen to employees' opinions and suggestions, care about their work and life, and promptly address the problems and difficulties they encounter.
4. **Improve employees' quality of life:** Provide life support services such as employee canteens, dormitories, and gyms. Encourage employees to participate in social activities like community services and environmental protection campaigns and other public welfare undertakings. Establish various interest groups or clubs, such as those for calligraphy and painting, music, and sports, to help employees develop their hobbies in their spare time.
5. **Pay attention to employees' family life:** Give understanding and support for employees' special situations in their families. Organize activities such as family open days and family events to enhance the understanding and recognition of employees' families for the enterprise, and promote a harmonious relationship between employees' families and the enterprise.

As of the end of the Reporting Period, the Group has not received any reports indicating that employees have lost their decent living due to insufficient "living wage".

10.3 HUMAN RESOURCES RISK MANAGEMENT

Hansoh Pharma regards human resources (HR) risk as a key priority for the Group's internal control. Through a systematic process of identification, assessment, response, monitoring, and improvement, we continuously refine our risk management mechanisms. We regularly conduct employment compliance audits, organizational health assessments, and talent reserve risk warnings analysis. Relying on our HR framework, we implement specialized risk controls, forming a full-lifecycle management closed-loop that spans prevention, intervention, and continuous optimization.

10.3.1 Compliance Risks in Employment

Hansoh Pharma maintains constant vigilance over changes in HR policies and stakeholder requirements while conducting compliance assessments. We engage external legal counsel to audit key processes, including recruitment, contracting, attendance, and leave management. Through our digital contract management system and specialized legal reviews, we ensure that the signing of labor contracts and non-disclosure agreements (NDAs) is fully compliant, so that all contract terms align with regulatory requirements and that every labor agreement is legally valid.

We regularly provide mandatory legal training for managers, incorporating case studies of labor disputes to enhance risk awareness. Additionally, an HR Ticketing System has been launched on our internal platform to allow employees to raise inquiries at any time. For emergencies, the Company has established a specialized Human Resources Emergency Task Force and a three-tier early warning mechanism, which triggers graded responses based on the severity of the issue. We also maintain close communication with local labor authorities. Furthermore, we periodically invite third-party organizations to assess employment health, ensuring legal compliance throughout the entire employment lifecycle while safeguarding the rights and interests of both employees and the Company.

Remedial Measures for Identified Cases of Child Labor

Hansoh Pharma strictly prohibits the employment of child labor. All job applicants are required to provide valid identification documents, and as of the end of the Reporting Period, no instances of child labor have been identified. However, we have established a corresponding emergency response protocol, and in the event that any instance of child labor is discovered, we will take the following remedial measures:

① Immediately terminate their employment and remove them from the work environment;
② Ensure the safety of child laborers and provide necessary support and care for their physical and mental well-being;
③ Report the case to the relevant authorities, including the local labor inspection department and child protection agencies, detailing the occurrence, underlying causes, and remediation measures;
④ Cooperate with investigations by providing relevant authorities with necessary information and assistance;
⑤ Conduct an internal investigation to identify the root cause of child labor occurrences and implement corrective and preventive measures, including improving policies and procedures and providing necessary training to prevent recurrence;
⑥ Proactively fulfill our social responsibility by publicly disclosing any instances of child labor, advocating for its eradication, and contributing to the promotion of sustainable social development.

Hansoh Pharma constructed a comprehensive workers' rights protection system. We have established a four-pronged risk prevention mechanism, covering the prevention of human trafficking, early warning for forced labor, protection of minors, and anti-discrimination/anti-harassment monitoring, to comprehensively prevent and eliminate illegal employment practices. In terms of remuneration management, we adhere to the principle of "equal pay for equal work" and implement dynamic management of salary benchmarks. This ensures that employee income is not lower than the local minimum wage and that salary variances for identical positions and equivalent labor are kept within a reasonable range.

Through pre-employment background checks, on-the-job supervision, and exit audits, combined with universal compliance training, the Company translates international labor standards into enforceable internal regulations. This achieves compliant management and ethical enhancement throughout the entire employment process. We discourage working overtime and strictly enforce overtime approval and compensatory leave mechanisms to ensure employees get adequate rest. Furthermore, we utilize digital platforms to monitor attendance data in real-time. Any discrepancies are promptly investigated, and, if necessary, adjustments are made to the human resources allocation to reduce the workload of the affected positions.

We provide all employees with training related to our Employee Diversity Policy, advocating for an equal and respectful work environment while maintaining a zero-tolerance policy toward any form of discrimination or harassment. Additionally, the Group has legally established labor unions in its primary operating sites—Shanghai, Lianyungang, and Changzhou—which operate independently and sign collective agreements with the Company on behalf of employees. Currently, the union representation coverage and the proportion of employees protected by collective agreements approach 99%. Each operating site regularly convenes Employees' Congresses to jointly review important policies related to employee rights, ensuring employees' participation and voice in corporate governance.

Case: Employees' Congress held at Hansoh Pharma

In November 2025, Hansoh Pharma convened a Group-wide Employees' Congress. Over 400 employee representatives were elected from the Group's primary operating entities in Shanghai, Lianyungang, and Changzhou to participate in the meeting. Among the representatives, mid-to-senior management accounted for no more than 10%, and female representatives comprised more than half of the total, in compliance with local regulations governing employee congresses. The Congress reviewed and approved the updated version of the Employee Handbook, with the representatives deeply involved in formulating the Group's policies regarding recruitment and employment, leave and attendance management, and employee rewards and punishments.

We have established a systematic mechanism for safeguarding employee rights, covering key areas such as recruitment and employment, working hours, pay equity, anti-discrimination protection, and health and safety. During the Reporting Period, Hansoh Pharma established a specialized task force to conduct human rights due diligence across its major operating sites. The task force conducted interviews with over twenty departments, including production, quality, EHS, procurement, and R&D. The scope encompassed living wages, working hour arrangements, social security, labor safety, anti-harassment and anti-discrimination, freedom of association, privacy protection, and security post management, aiming to comprehensively identify potential risks within business operations. The investigation found no instances of serious human rights violations within the Group or damage to the rights and interests of surrounding communities.

Despite no major issues being identified, Hansoh Pharma has established a systematic early warning and rapid response mechanism to continuously manage internal and external human rights risks. For any potential internal issues, we promptly assemble a specialized working group for verification. we punish relevant responsible persons in accordance with Company regulations, and actively assist affected employees in resolving difficulties to effectively protect their legal rights. At the supply chain level, we have established and refined the General Rules for Sustainable Procurement and the Supplier Code of Conduct. We conduct social responsibility assessments—covering areas such as human rights—for our business partners, and require key suppliers to submit regular reports on the protection of their employees' rights. If violations such as illegal employment, forced labor, or the hiring of minors are discovered, we demand immediate correction and perform continuous follow-up tracking to ensure suppliers meet Hansoh Pharma's ethical and compliance standards. This mechanism spans both internal and external operations, aiming to achieve early risk identification and closed-loop management, thereby continuously elevating the level of human rights protection across the entire value chain.

10.3.2 Occupational Health and Safety Risks

Hansoh Pharma strictly complies with national laws and regulations as well as the requirements of the ISO 45001 management system. The Company has formulated and published an Occupational Health and Safety Policy, which clearly outlines the Group's objectives and commitments in the field of health and safety. We promote mind-body balance through various recreational and welfare activities. We have established streamlined communication and feedback channels to actively listen to our employees and respond promptly to their needs, striving to foster a safe, supportive, and trust-based workplace.

Health and Safety Risk Control

We have formulated and publicly released the Occupational Health and Safety Policy, clarifying the Group's objectives and commitments in fulfilling health and safety responsibilities. We regularly identify occupational health and safety hazards across all operational processes, conducting assessments and classifications based on risk management procedures to establish differentiated prevention plans. During the feasibility study of major projects, we embed mandatory health and safety evaluation processes to ensure "safety-first" decision-making and provide targeted improvement suggestions. Furthermore, by integrating multi-dimensional data across employee surveys, intelligent behavioral analysis, internal and external audits, government inspections, and customer evaluations, we have built a safety maturity monitoring mechanism. This enhances the accuracy of risk early warnings and drives the evolution of our occupational health and safety management from mere compliance to a more proactive, lean preventative approach.

We adhere to the principles of "safety first, prevention foremost, comprehensive management, continuous improvement, and focus on health," and have established preventative safety performance indicators. These indicators include the number of work-related fatalities, lost workdays due to work-related injuries, the work-related injury rate per million work hours, and the number of accidents in high-risk jobs. These metrics are integrated into a dual-accountability appraisal system for both the responsible departments and supervisory units, strictly enforcing a "one-vote veto" policy for safety failures.

Case: Case: Jiangsu Hansoh Strengthens Implementation of Safety Accountability

During the Reporting Period, Jiangsu Hansoh further refined its safety performance metrics, setting clear thresholds for the number of minor incidents (including near-misses) and hot work operations permitted. The Company integrated key controls—such as permit-to-work authorization and hazardous operation approvals—into a closed-loop management process, extending prevention efforts from accident response to comprehensive, full-position, and process-wide pre-control. To achieve the above-mentioned goals, Jiangsu Hansoh signed over 700 safety responsibility agreements with production-related employees, covering all levels from management to frontline staff. Fourteen safety-themed meetings were held to promptly communicate regulatory policies and implement key safety tasks. The Group also dynamically updated its list of major hazard sources, conducted 100% of planned comprehensive, monthly, and special hazard inspections, and completed safety-status evaluations for 64 products.

At each operational site of the Group, a three-tier inspection system is implemented, comprising pre-shift self-inspection, daily patrol inspection, and weekly summary review. Regulatory authorities also conduct specialized inspections and regular patrols, utilizing an intelligent inspection system to monitor high-risk operations in real time, allowing timely identification and warning of potential hazards. For high-risk processes, inspection QR codes are posted in workshop areas, enabling scheduled checks and ensuring comprehensive, real-time documentation of personnel compliance, facility status, process parameters, and operating procedures. Any identified hazards are reported directly to the information platform for closed-loop rectification. Through these measures, we integrate safety objectives throughout the entire workflow, achieving closed-loop management from risk early warning to prevention and control implementation.

Case: Annual All-Employee Safety Hazard Inspection in Jiangsu Hansoh

Based on the EHS Hazard Inspection and Rectification Management Policy, Jiangsu Hansoh conducts an annual all-employee safety hazard inspection. This year's activity was held during the Work Safety Month under the theme “Safety in Every Word, Readiness in Every Action—Identify Safety Hazards Around You.” The initiative prioritized practical results and risk-graded control, mobilizing all employees to review positional risk factors. By using safety checklists, employees verified the effectiveness of existing controls for previously identified risks. Any newly discovered or inadequately controlled risks were reported as “hazards” to the “Five-in-One” Safety Management Platform. With the platform, rectification measures were recorded, responsible personnel assigned, and completion deadlines set, ensuring a process of “immediate inspection and rectification, thorough investigation and resolution.” The scope of this inspection covered critical areas including production zones, dormitories, canteens, laboratories, and office buildings.

Following the inspection, the Company formed an evaluation committee to assess performance, and acknowledge and reward outstanding employees. 52 employees were recognized in this campaign which has effectively boosted safety awareness across the entire workforce.

Case: Jiangsu Hansoh Enhances Equipment Automation to Reduce Safety Risks in High-Risk Operations

In recent years, Jiangsu Hansoh has invested over RMB 25 million to automate hazardous production equipment—such as hydrogenation, chlorination, and alkylation reactors—and has established a central control room to achieve "unmanned and less manned" operation. Through real-time monitoring of process parameters such as temperature, pressure, and flow rate, the system enables remote automatic adjustment, over-limit alarming, as well as automatic emergency shutdown, pressure relief, and isolation under abnormal situations. These measures significantly reduce manual intervention and lower safety risks associated with high-risk operations.

In terms of occupational disease prevention, we conduct detection of occupational hazard factors, on-site assessments, and health monitoring in accordance with legal requirements. We arrange annual occupational health examinations for employees in relevant positions, establish and continuously update their health records, and implement dynamic tracking of their health status. For employees exposed to different occupational hazards, we provide adequate personal protective equipment tailored to the specific risks of their roles. For example, high-efficiency noise-reducing earplugs are supplied for positions in high-noise environments, while respirators and dust masks are provided for those exposed to chemicals, effectively reducing occupational risks. For employees with contraindications related to their current roles, we promptly adjust their positions to prevent potential occupational diseases. For employees diagnosed with occupational illnesses, we provide convalescence plans and programs, arrange necessary rest and treatment, and support their recovery to health.

To prevent and respond to potential risks, each operating site earnestly implement the "three simultaneous" requirements for safety and occupational health facilities in new, renovated and expanded projects, carry out three-level safety production education in accordance with the law, consolidate the four lines of defense of intrinsic safety, dual prevention, personal protection and emergency management, and achieve a dynamic cycle of "identification, assessment, control and improvement". For emergency management, each operation site develops and updates emergency drill plans and implementation programs annually, conducts surveys of emergency resources, organizes various drills on a regular basis, and enhances the emergency response capabilities of all employees. These activities also test the appropriateness of emergency plans, the adequacy of resource allocation, and the effectiveness of response procedures. During the Reporting Period, dozens of comprehensive, specialized, and on-site emergency drills were carried out at each major operating site, covering multiple risk scenarios such as electric shock, fire, evacuation and escape, chemical leakage, poisoning and asphyxiation, and heatstroke. Throughout the Reporting Period, all operating sites of the Group fully achieved their work safety targets.

Case: Changzhou Hansoh 2025 Emergency Drills

In 2025, Changzhou Hansoh conducted multiple comprehensive and specialized emergency drills, including anti-theft measures for highly toxic chemicals, cold storage entrapment, fire evacuation, chemical leaks, lightning and static protection, pressure vessel accidents, confined space incidents, and CO_2 storage tank overpressure. All drills achieved their intended goals, verifying the practicality and operability of emergency plans. These drills enhanced departmental coordination and response capability, laying a foundation for an efficient emergency mechanism to ensure safe and stable production and laboratory operations.

Anti-theft Emergency Drill for Highly Toxic Chemicals

Comprehensive Emergency Drill for Chemical Leak Accidents

Specialized Emergency Drill for Pressure Vessel Accidents

Fire Evacuation, Firefighting Training, and Specialized Drills

Employee Care

Hansoh Pharma is committed to fostering a supportive work environment that nurtures employee development. Through diverse employee care campaigns, we prioritize employee mental health and strive to enhance their sense of belonging and organizational identity.

Placing great emphasis on corporate culture and team building, we regularly hold outdoor team-building events, interest club activities, and assistance programs for those in need. Reading corners and relaxation spaces are provided at various office locations to help employees alleviate stress. The Company supports our labor unions in conducting activities according to the law, safeguards employees' freedom of association, and encourages the organization of interest groups to stimulate vitality and creativity. During the Reporting Period, over ten clubs of art and sports, including calligraphy and painting, table tennis, badminton, and basketball, hosted more than ten sports and artistic exchange events.

Hansoh Pharma strictly adheres to the Law of the People's Republic of China on the Protection of Rights and Interests of Women and actively responds to the United Nations' Convention on the Elimination of All Forms of Discrimination against Women, offering comprehensive support for the professional development, health, and safety of female employees. We provide pregnant employees with flexible working hours, customized nutritional meals, and dedicated commuting seating. Private nursing rooms have been established at all operating sites, and a flexible breastfeeding leave mechanism is implemented for nursing mothers. Additionally, by hosting specialized lectures for women, we assist employees in managing social and family pressures, supporting their work-life balance and creating a more inclusive and warmer workplace.

During the Reporting Period, the Group formulated the Employee Medical Assistance Policy applicable to all staff. This policy clarifies and standardizes the amount of financial support and the application process provided by the Company when an employee suffers from a critical illness. Developed through collaboration between the labor unions and the HR departments, this policy fully secures the practical interests of our employees. Furthermore, during the Reporting Period, we paid Chinese New Year visits to 106 retired employees and 10 employees in financial difficulty, and provided heatstroke prevention supplies to front-line staff during the peak of summer.

Summer Outreach for Front-line Employees

Badminton Competition at Jiangsu Hansoh

Cycling Day Event at Jiangsu Hansoh

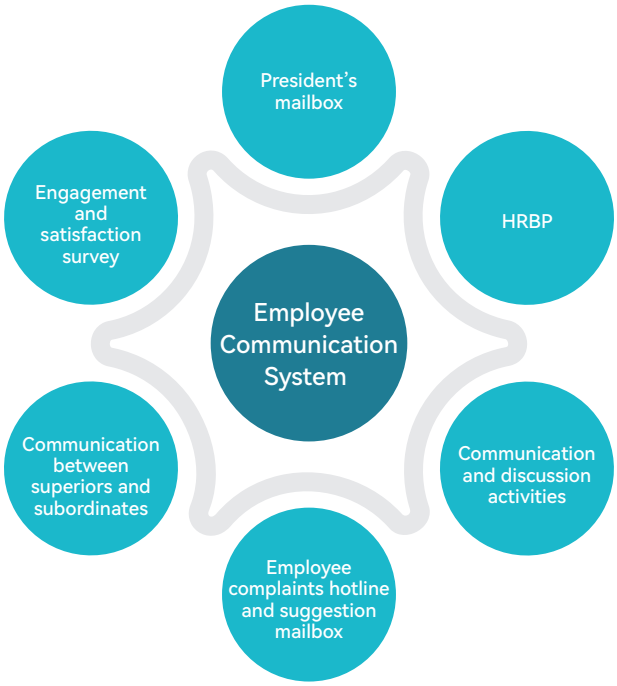
Team Building Campaign at Changzhou Hansoh

Communication and Complaints

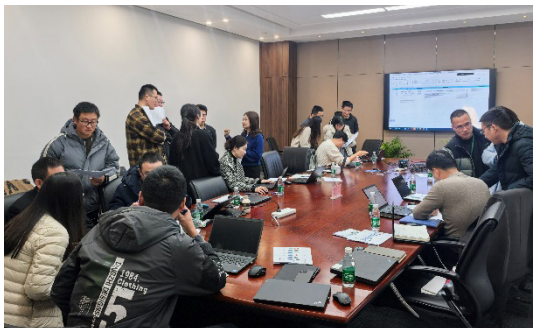
Hansoh Pharma has established a multi-layered, normalized employee communication mechanism. Through channels such as the Employees' Congresses, management dialogue sessions, and routine interactions with HR Business Partners (HRBPs), we systematically collect and promptly respond to employees' development needs. For key matters, such as strategic adjustments, personnel changes, major projects, and honorary nominations, we employ a transparent decision-making process. This mechanism features pre-announcement, in-progress evaluations, and post-publication to ensure employees' right to be informed and their participation rights are protected.

During the Reporting Period, a Ticketing System was launched on our online HR management platform. Employees can directly submit inquiries, suggestions, reports, or grievances through this system more conveniently, which are then efficiently handled by the staff of the HR Shared Service Center (HRSSC).

We have further refined our human rights grievance and reporting mechanism, utilizing both the Ticketing System and the President's Mailbox to receive workplace grievances, labor compliance risk reports, and management improvement suggestions. All complaints are categorized and handled by a dedicated mechanism. Formal investigations are initiated based on the nature of the matter, and significant incidents are verified by a specialized task force in coordination with the Human Rights Investigation Team, with results and correction measures reported to senior management. If workplace discrimination, harassment, or other violations are confirmed, disciplinary actions are strictly enforced according to Company policies. In cases involving suspected legal violations, judicial referral procedures will be initiated. Throughout the process, the complainant's right to be informed is guaranteed. Additionally, the Company's Protection Policy for Whistleblowing and Whistleblowers is in place to ensure strict confidentiality of report information, protect good-faith whistleblowers, and maintain a "zero-tolerance" stance toward any form of retaliation. In 2025, the Ticketing System processed over 1,900 employee submissions, achieving a 100% completion and feedback rate.



Hansoh Pharma maintains a normalized employee status monitoring system, conducting annual comprehensive engagement and satisfaction surveys across multiple themes and scenarios. This system is focused on core dimensions such as professional experience, organizational identity, and collaborative efficiency. The surveys cover work experience, value perception, sense of achievement, teamwork, cultural alignment, and innovation support. They also provide an in-depth analysis of key indicators including employees' intrinsic motivation, stress levels, workplace happiness, and organizational trust. Based on insights derived from research data, we continuously optimize the allocation of human resources, enhance the protection of employee rights and interests, and formulate scientifically grounded and precise talent development strategies. Concurrently, we consistently translate research findings into actionable management measures, placing employee needs at the core, strengthen employee satisfaction, and provide a solid organizational foundation for innovation and development. During the Reporting Period, we invited a third-party professional organization to conduct a satisfaction survey and collected a total of 3,652 valid questionnaires, with annual employee satisfaction reaching 80%. We will continue to refine our organizational and talent strategies based on these survey results.



Engagement & Satisfaction Workshop at Changzhou Hansoh

10.4 TALENT DEVELOPMENT PERFORMANCE

As of the end of the Reporting Period, the Group had a total of 9,347 full-time employees and 1 part-time employee. Among them, 2,265 new employees were recruited during the Reporting Period. The Group has a total of 305 ethnic minority employees, among whom 73 hold management positions. We also employed 12 disabled employees.

Male 5,465 (person)
Female 3,883 (person)

<30 years old 2,346 (person)
30-50 years old 6,720 (person)
>50 years old 282 (person)

Chinese Mainland 9,280 (person)
China's Hong Kong, Macao and Taiwan 1 (person)
Overseas 67 (person)

Indicator	Unit	Data
Incidents of child labor detected	Cases	0
Incidents of forced labor or human trafficking detected	Cases	0
Proportion of female employees	%	42
Proportion of positions filled through internal recruitment	%	19
Total annual training enrollments	Persons	674,714
Average annual training hours per employee	Hours/person	39.01
Annual training investment	RMB	1,720,000
Average annual training investment per employee	RMB/person	184
Training coverage rate	%	99.8
Employees obtaining degrees through degree support programs	Persons	2
Proportion of employees receiving regular performance appraisals	%	100
Number of employees recognized for achievements	Persons	535
Proportion of employees below VP level participating in the Restricted Share Unit Plan	%	8.1
Average salary gap between male and female employees	%	3.9
Median salary gap between male and female employees	%	6.6
Total person-times of diversity training for employees	Person-time	11,583
Percentage of employees covered by diversified training	%	90
Percentage of new employees receiving diversity training	%	100
Proportion of employees covered by trade unions	%	99
Proportion of employees covered by collective agreements	%	99
Number of lawsuits related to discrimination, harassment, or violations of employee rights	Cases	0
Production and operation sites covered by ISO 45001 Occupational Health and Safety Management System certification	%	100
Number of occupational disease cases	Cases	0
Number of general or above safety accidents	Cases	0

11

ACCESS TO HEALTHCARE

With the continuous advancement of medical technologies, human health and well-being are steadily improving. However, due to factors such as imbalanced economic development, uneven allocation of medical resources, shortages of healthcare professionals, fragile primary healthcare systems, and insufficient access to medicines, numerous regions around the world still grapple with poverty and inadequate access to medical services and medications. As responsible pharmaceutical company, we remain committed to advancing global health and contributing to the realization of the United Nations Sustainable Development Goals. To that end, we adhere to continuous innovation as our driving force, continuously optimize our operational management, and, leveraging high-quality products, professional academic support, and diversified services, provide patients worldwide with high-quality and affordable medicines.

11.1 GOVERNANCE AND STRATEGY

11.1.1 Policy Statement

Guided by the mission of "Continuous Innovation to Improve Human Health", Hansoh Pharma actively implements the United Nations Sustainable Development Goals and the "Healthy China" strategy. The Company continuously develops medicines with greater safety, efficacy, and affordability, so that innovative outcomes can benefit patients worldwide. On this basis, the Board of Directors of the Company recognized Access to Healthcare as a core issue of corporate social responsibility, reviewed and approved, and publicly issued the "Product Liability and Accessibility Policy", outlining our commitments and action pathways for Access to Healthcare. The Company has also established a normalized assessment and feedback mechanism to ensure the effective implementation and transparent operation of the policy, thereby promoting a virtuous cycle for Access to Healthcare.

11.1.2 Objectives and Commitments

Access to Healthcare is an integral part of Hansoh Pharma's global corporate citizenship strategy. Through innovative practices, we aim to actively contribute to the following United Nations Sustainable Development Goals:

Good Health and Well-being. We increase investment in research and development of drugs for major diseases such as tumor, infection, central nervous system diseases, metabolic diseases, and autoimmune diseases, as well as rare diseases, leveraging advanced technologies like gene editing and artificial intelligence to enhance research efficiency, shortening development cycles, and providing patients with more effective treatment options. While ensuring quality and efficacy, we support generic drug competition, enhance production and operational efficiency, and provide patients with affordable alternative medication choices.

Reduced Inequalities. While guaranteeing drug quality, we reduce production costs and establish a reasonable and equitable differentiated pricing system to align drug prices with patients' ability to pay. Taking into account the levels of economic development, patient income conditions, and market demand in different regions, we provide accessible and appropriate medicines for low-income regions and impoverished populations. We establish an extensive drug distribution network to ensure timely and accurate delivery of medicines to remote areas, rural communities, and regions with limited medical resources, thereby improving drug accessibility. We actively participate in drug assistance programs initiated by governments and charitable organizations to provide free or low-cost medicines to underprivileged patients and vulnerable groups.

Partnerships for the Goals. By collaborating with universities, research institutions, and medical facilities to conduct drug research and development, clinical trials, and healthcare professional training, we accelerate the translation of scientific achievements to enhance the industry's overall innovation capacity. We engage in domestic and international alliances related to R&D, technology, and sustainable development, and participate in industry seminars, academic conferences, and experience-sharing sessions to collectively address challenges faced by the sector.

To achieve these goals, in accordance with our "Product Liability and Accessibility Policy", we are committed to:

Innovative Drug Research and Development	We focus on unmet clinical needs in major human diseases. By integrating independent research and development with external collaborations, we advance both original and integrated innovation, accumulate cutting-edge technologies and leading research and development capabilities, and expand our product pipeline. We strive to include innovative drugs with accessible healthcare value in the National Reimbursement Drug List within two years of their launch, effectively easing the medication burden on patients.
Drug Development in Key Areas	We proactively engage in the development of new antibiotics, antiviral drugs, and treatments for rare diseases. Collaborating with global pharmaceutical counterparts, we address public health challenges such as antimicrobial resistance, the emergence of infectious diseases, and access to medicines for patients with rare diseases.
Enhancing Drug Accessibility	We implement lean management throughout our entire operational process, striving to reduce operating costs while ensuring drug quality and robust business operations. This enables us to participate in centralized procurement of drugs, negotiate for inclusion in health insurance formularies, and compete in the international market with more accessible prices, allowing a wider patient population to benefit from our innovative products.
Promoting HCP and Patient Education	We conduct responsible business promotion, unite with public welfare foundations, academic institutions, or patient organizations, utilizing multi-level and diverse academic activities and patient education programs. This approach empowers primary-level professionals with knowledge of the latest clinical research findings and equips them with the most advanced diagnosis and treatment plans, ultimately contributing to better health and well-being for patients.
International Aid and Cooperation	We are committed to assisting underdeveloped countries and regions in strengthening their basic healthcare infrastructure. This support encompasses, but is not limited to, transparent and tiered pricing policies, necessary patent licensing, collaboration on process technologies and sharing of medical achievements. By 2030, we aim to increase the number of our products available in low- and middle-income countries by over 35 compared to 2022, cumulatively benefiting 30 million patients in these countries.

11.2 INNOVATIVE DRUG RESEARCH AND DEVELOPMENT

During the Reporting Period, Hansoh Pharma continued to increase investment in innovative drug R&D, with a compound annual growth rate of over 20%, efficiently supporting more than 70 clinical trials and steadily advancing its innovative drug pipeline toward the high ground of First-in-Class (FIC) and Best-in-Class (BIC). Revenue from innovative drugs and collaborative products accounted for more than 80%, becoming the core engine driving new quality productive forces. As of the end of the Reporting Period, we had 7 innovative drugs covering 12 indications successfully commercialized in China, of which 11 were included in China's National Reimbursement Drug List.

Ongoing Advancement of International Cooperation

Driven by globalization, we steadfastly pursue a global strategy, upholding the principle of open innovation, actively engaging in international business cooperations, and maintaining close interaction with the forefront of global pharmaceutical advancements to share innovative achievements. As of the publication of the Report, Aumolertinib Mesilate Tablets, supported by robust clinical data, was approved for marketing in Europe, representing the emergence of China original drugs in overseas markets. Meanwhile, two new indications were approved for marketing in China and included in the medical insurance catalogue, providing new treatment options for lung cancer patients. In addition, the R&D progress of our two antibody-drug conjugates (ADC) drugs in Phase III clinical trials is at a globally leading level, and B7-H3 ADC has obtained nine major regulatory designations, including Breakthrough Therapy and Orphan Drug status in China, the United States, and Europe. We are working hand in hand with multinational pharmaceutical companies such as GSK, MSD, Regeneron, and Roche to advance global simultaneous development through deep collaboration and to build an open and win-win innovation ecosystem.

Hansoh Pharma Grants Roche an Exclusive License for the Novel CDH17-Targeting ADC HS-20110

During the Reporting Period, Hansoh Pharma entered into a licensing agreement with Roche for the Group's investigational innovative drug HS-20110, granting Roche exclusive rights to develop and commercialize the product globally (excluding Chinese mainland, Hong Kong, Macau, and Taiwan). Hansoh Pharma received an upfront payment of US$80 million and is eligible to receive milestone payments based on the product's development, regulatory approval, and commercialization progress, as well as tiered royalties on potential future sales.

HS-20110 is a novel potential First-in-Class antibody-drug conjugate (ADC), consisting of a humanized monoclonal antibody targeting cadherin-17 (CDH17) covalently linked to a topoisomerase inhibitor (TOPOi) payload. This therapy demonstrates broad application potential in the field of solid tumors and is currently undergoing global Phase I clinical trials in China and the United States for the treatment of colorectal cancer and other solid tumors.

Hansoh Pharma Grants Glenmark Multi-Regional Exclusive Rights to Aumolertinib Mesilate Tablets

During the Reporting Period, Hansoh Pharma entered into an exclusive license, cooperation, and distribution agreement with Glenmark Specialty S.A. (hereinafter referred to as "Glenmark") for the Group's marketed innovative drug Aumolertinib Mesilate Tablets, granting it the right to develop and commercialize the product in the authorized regions (the Middle East and Africa, Southeast Asia and South Asia, Australia, New Zealand, Russia and other CIS countries, as well as certain Caribbean countries covered by the agreement). Hansoh Pharma received an upfront payment and is entitled to subsequent potential regulatory and commercial milestone payments exceeding US$1 billion in aggregate, as well as tiered royalties on net sales within the licensed territories.

Aumolertinib Mesilate Tablets are China's first domestically developed third-generation EGFR-TKI innovative drug. It has previously been approved for four indications, including a newly approved indication during the Reporting Period for the treatment of adult patients with stage II–IIIB NSCLC harboring EGFR exon 19 deletion or exon 21 (L858R) substitution mutations. In June 2025, the product (with the UK trade name Aumseqa®) was approved for marketing by the UK Medicines and Healthcare products Regulatory Agency (MHRA). As of the date of this Report, its fifth indication, "targeted combination therapy", was approved for marketing in January 2026, and its monotherapy was formally approved for marketing in the European Union in February 2026.

Medical Contributions to Rare Diseases and Patient Care

The diagnosis and treatment of rare diseases are a major medical challenge facing mankind. According to statistics from the World Health Organization (WHO) and Orphanet, the world's largest rare disease database, more than 7,000 rare diseases have been identified, affecting over 420 million people, of whom 70% develop symptoms in childhood. With advances in gene sequencing and medical research, new rare diseases are discovered and named each year. However, fewer than 5% of these diseases have effective drug treatments available. While focusing on the treatment of major and prevalent diseases, Hansoh Pharma continues to explore the development of rare disease drugs and strives to address the unmet medical needs of more patients with rare diseases.

As of the end of the Reporting Period, we had three rare disease drugs approved for marketing, including Zexin® (Selexipag Tablets) and Punoan® (Ambrisentan Tablets) for the treatment of pulmonary arterial hypertension, and XINYUE® (Inebilizumab Injections) for the treatment of adult patients with aquaporin-4 (AQP4) antibody-positive Neuromyelitis Optica Spectrum Disorders (NMOSD) and immunoglobulin G4-related disease (IgG4-RD). During the Reporting Period, the application for a third rare disease indication of inebilizumab injection for the treatment of adult patients with generalized myasthenia gravis (gMG) was accepted. The innovative drug research for Von Hippel-Lindau disease (VHL, a rare, familial tumor syndrome caused by mutations in the VHL gene), for which clinical trials were approved in the previous year, is progressing actively.

Multiple Research Findings on Inebilizumab Injection Selected for Presentation at World Congress of Neurology; Marketing Authorization for Third Indication Accepted

In April 2025, at the annual meeting of the American Academy of Neurology (AAN), 12 research results of Hansoh Pharma's inebilizumab injection were selected, demonstrating that China has accumulated substantial clinical experience in the treatment of NMOSD and has produced a series of innovative research outcomes with global guidance significance.

In May 2025, following the approvals for NMOSD and IgG4-RD indications, the application for a third indication of inebilizumab injection—for the treatment of adult patients with generalized myasthenia gravis (gMG)—was accepted for review. gMG is a rare, chronic, B-cell-mediated autoimmune disease affecting communication within the nervous system, which can lead to muscle weakness, breathing difficulties, swallowing disorders, as well as speech and vision impairments.

Empowering Rare Disease Care in Colombia: Significant Improvement in Accessibility of Angioedema Therapy

Angioedema is a rare genetic disorder in which patients are at risk of life-threatening episodes of swelling in the skin, gastrointestinal tract, and throat. In Colombia, due to limited disease awareness, scarce medical resources, and low drug accessibility, patients have long faced high rates of misdiagnosis and difficulty obtaining treatment.

During the Reporting Period, Hansoh Pharma adopted a strategy combining education and medical accessibility. On one hand, we collaborated with local experts and patient organizations to conduct medical education, promote the clinical efficacy of icatibant acetate injection, enhance diagnostic and treatment capabilities, and help patients achieve early diagnosis and standardized treatment. On the other hand, while establishing routine distribution networks, we actively explored cooperation with local medical insurance and charitable programs to innovate patient assistance models, gradually improving drug accessibility and affordability, and addressing the challenges of rare disease treatment.

Colombia, as an important pharmaceutical market in Latin America, has strict regulatory standards and high market entry thresholds. The successful market entry of icatibant acetate injection not only offers treatment hope to local patients but also provides a practical reference for improving rare disease care accessibility across Latin America, reflecting Hansoh Pharma's ongoing efforts to advance Access to Healthcare.

Case: NMOSD End-to-End Patient Education and Care Program

Since the domestic approval of XINYUE® (Inebilizumab Injection), Hansoh Pharma has continuously conducted public-facing NMOSD disease education and comprehensive end-to-end patient assistance activities.

Prevention

The CCTV Health Power Station program focused on NMOSD-228 International Rare Disease Day, inviting authoritative experts to introduce disease mechanisms and treatment updates, raising public awareness of this rare disease. The program was broadcast across multiple media platforms, including CCTV, achieving a total audience of over 20 million person-times.

Diagnosis

Through the "Lighting Hope Across 100 Cities" free clinic project in collaboration with the Beijing Illness Challenge Foundation, 24 free clinic events were held in 19 cities nationwide during the Reporting Period, filling gaps in rare disease diagnosis at the grassroots level. The project provided over 60 AQP4 antibody tests, free specialist screenings, and medication guidance, covering 90 healthcare professionals and reaching 299 NMOSD patients, significantly reducing misdiagnosis and missed diagnosis rates.

Treatment

The online patient education project "Living Toward the Sun", in collaboration with the Beijing Medical Award Foundation, conducted 390 public lectures during the Reporting Period, addressing key treatment questions for NMOSD patients. It was integrated with our internal digital platform "eSen Care" to provide healthcare professionals with effective clinical patient management tools. The project reached 773 healthcare professionals and 15,921 patients.

Rehabilitation

The "Facing Rare Diseases, Returning to Life" NMOSD listening session project, in partnership with the Hongmian Cancers and Rare Disorders Charity Foundation of Guangzhou, held 17 events during the Reporting Period, covering NMOSD patients offline across 14 provinces and nationwide online. Through structured interviews and open discussions, the project collected patients' real needs in depth, creating a listening-feedback-improvement loop, and supported patients in sharing rehabilitation experiences and mutual encouragement. The project reached 98 healthcare professionals, published 8 patient stories, and engaged 10,504 patients.

End-to-End

In September 2025, the "Inebilizumab Patient Satisfaction Survey Report 2025" was released. The survey included a sample of 275 patients nationwide. Results showed that 92% of patients trusted their doctors, 65% trusted patient organizations, and satisfaction increased over the course of long-term treatment, with significant improvement in social functioning and quality of life. This report promoted a shift in the NMOSD end-to-end care system from "disease control" to "comprehensive quality of life improvement."

11.3 GUARANTEE OF BUSINESS CONTINUITY

To cater to the demands of medical institutions and patients for drugs, we has established a specialized business team to support academic services, patient education, and product specialist. We have made the business continuity plan to identify and assess various risk factors affecting the clinical demand, conducted sensitivity test on major factors, and have formulated contingency plans and improvement measures to guarantee continuous market supply.

Production operation is an important part to guarantee business continuity. Its risks span multiple areas, including the reliability and accuracy of the business plan, the stability of supply and quality assurance capability of raw and auxiliary materials, the continuity of supply of utilities, the reliability and maintenance of production testing facilities, as well as staff operational compliance and cross-functional adaptability. Systematic identification and management of these risks are fundamental to achieving stable production and uninterrupted supply.

Hansoh Pharma has established an end-to-end assurance system covering planning, production organization, and operational support. By integrating terminal demand information systems with a central–provincial coordinated dispatch mechanism, combined with annual planning, monthly production and sales meetings, and product symposiums, we ensure that supply plans are accurate, timely, and forward-looking. Based on this, with quality compliance and cost control as the core, we adopt a model combining centralized and flexible production, scientifically allocating resources to ensure continuity of key products, on-time delivery of exported orders, and agile preparation of R&D samples. This approach effectively guarantees coordinated achievement of market supply, R&D support, regulatory compliance, and cost control objectives. In terms of operation support, for key products, we have established parallel workshops and production lines for key processes to ensure sufficient production capacity to respond to sudden market demand. We regularly conduct preventive maintenance of production testing equipment and public utility facilities, implement multi-position skills training for production line workers, increase backup suppliers for key raw and auxiliary materials and bulk materials, and carry out sensitivity tests for key production factors. We also develop emergency response plans to ensure that production can be resumed in the shortest possible time in the event of changes or deviations in any production factor.

During the Reporting Period, the Company maintained sound business continuity, with no shortages or stockouts of major products in both domestic and international markets, and clinical research demands for R&D projects were met in a timely manner and progressed smoothly.

11.4 ENHANCING AFFORDABILITY OF DRUG

Lean Management Driving Cost Reduction and Efficiency Improvement

The Company has deeply integrated lean management principles across R&D, production, commercial promotion, and administrative management, implementing full-process lean practices to achieve tangible cost reduction and efficiency gains.

In R&D, we encourage researchers to tackle key technologies. Through continuously optimizing the process, we significantly reduce production costs post-commercialization, establishing a cost advantage from the source.

In production, we focus on the core objectives of "compliance, quality improvement, supply guarantee, and cost reduction", optimizing operational models through centralized production scheduling, expanding alternative suppliers, conducting price negotiations, and strengthening budget management. By strictly maintaining quality standards, we continuously reduce production and operation costs.

In the commercial domain, we strengthen cost-benefit analyses, scientifically determine product pricing and promotion strategies, and disclose pharmacoeconomic data, providing solid support for negotiations for national centralized procurement of drugs and medical insurance access for innovative drugs.

In administration, guided by corporate vision and strategy, we continuously optimize organizational structure, strictly implement staffing, position, and responsibility allocation, and deploy goal management at all levels to comprehensively improve organizational efficiency and performance.

During the Reporting Period, operating costs for major APIs and formulated products continued to decline, while per capita output and equipment OEE steadily improved, successfully achieving the expected annual targets; As of the end of the Reporting Period, 11 of the 12 indications of our 7 innovative drugs were successfully included in the National Reimbursement Drug List, effectively improving patient access and affordability.

Optimization of API Synthesis Route Reduces Production Cost for Project D

In the original process of Project D, starting material "a" accounted for 88% of material costs, creating a major cost bottleneck. The intermediate NR6-6 required ester exchange followed by reduction, resulting in low atom economy. The reduction step using sodium borohydride/calcium chloride generated many side reactions, low yields, and complex downstream processing, leading to residual inorganic salts. Subsequent NR6-7 hydrolysis-bromination reactions had multiple side reactions, high temperatures, and volatilization of hydrogen bromide, posing safety risks. To address these issues, the project team implemented the following improvements:

Replaced sodium borohydride with lithium aluminum hydride in the reduction step, eliminating the ester exchange, improving reaction selectivity, simplifying downstream processing, and increasing product purity. Adjusted the reaction sequence from "hydrolysis-bromination" to "hydrolysis first, then chlorination," under milder conditions, improving intermediate purity and eliminating hydrogen bromide volatilization risk. Due to the minor extent of route modification, assessments confirmed no substantive impact on final product quality, so no new impurity studies were required.

Through starting material replacement and reaction pathway optimization, Project D's production cost **decreased** from RMB246,000/kg **to RMB103,000/kg, a reduction of approximately 58.1%**.

Jiangsu Hansoh Product Yield Target Achievement Rate near 100%

During the Reporting Period, Jiangsu Hansoh set a product yield target of ≥ 99%. The manufacturing center, through strengthened target assessment, implementation of 16 technical upgrades, process optimization, and batch scale-up, **achieved 100% yield** for 46 API products (698 batches) and **99.95% yield** for 86 formulation products (2,182 batches), fully meeting the planned targets.

Fair and Transparent Pricing

While striving to reduce operating costs, we adhere to the principles of "fair pricing and transparency", determining reasonable prices based on the cost-value principle and market supply-demand conditions. As of the end of the Reporting Period, all seven innovative drugs developed by Hansoh Pharma have undergone pharmacoeconomic evaluations by professional organizations before launch. For patients, the prices of these medications are reasonable, affordable, and accessible. We have implemented a stringent pricing policy and exercise strict price supervision over distributors and retail pharmacies, thereby preventing disorderly price imbalances. For products included in centralized procurement and the National Reimbursement Drug List, we strictly follow regulations by publicly disclosing the winning bid prices and medical insurance reimbursement standards on relevant procurement platforms across regions. All product prices for overseas markets are accessible through the respective local customs systems. Customs clearance procedures are conducted in strict accordance with local customs regulations, ensuring no concealment or misreporting of pricing information. During the Reporting Period, the Group did not receive any patient complaints regarding price discrimination nor incur any penalties from regulatory authorities in any country or region.

For international markets, especially low- and middle-income countries and underdeveloped regions, we respect local commodity pricing rules, medical care and tax policies. On the basis of coordinating global market supply, we fully consider the level of local economic development, per capita income, consumption habits, labor costs, healthcare capabilities and other factors. While ensuring product quality, reasonable profit margins and sustainable supply, we adopt appropriate dosage forms and packaging, and formulate open, transparent and differentiated product prices to improve the economic accessibility of local patients. During the Reporting Period, Hansoh Pharma's five products entered six new low- and middle-income countries, benefiting nearly 60,000 additional patients.

11.5 GRASSROOTS HCP & PATIENT EDUCATION

Hansoh Pharma attaches great importance to the construction of academic capabilities and HCP & patient education. In key disease fields such as anti-tumor, central nervous system, diabetes, cardiovascular diseases, and severe infections, Hansoh Pharma takes advantage of a large pool of leading experts and medical resources in central cities online and on-site modes and in-hospital and out-of-hospital methods to promote the world's advanced diagnosis and treatment technology and the latest clinical research results to grassroots doctors and patients. While committed to alleviating the contradictions such as the concentration of patients in big cities and the heavy workload of doctors, it also effectively improves grassroots doctors' standardized diagnosis and treatment capabilities, and the compliance, self-awareness and management ability of patients (including potential patients) for disease treatment.

Empowering Primary Care Liver Disease Physicians with the Beijing Medical Award Foundation

During the Reporting Period, we supported the Beijing Medical Award Foundation's nationwide tour of the "2022 Edition Chronic Hepatitis B Prevention and Treatment Guidelines" —the "Hepatitis Expert in the Community" initiative. **Nearly 2,000 academic events** were conducted nationwide, systematically conveying the latest diagnosis and treatment standards, **covering over 20 provinces and cities, and reaching more than 35,000 clinicians, including 147 targeted counties and districts. Approximately 25,000 primary care liver disease physicians were empowered**, significantly enhancing the homogeneity of hepatitis prevention and treatment across China.

Support Non-Small Cell Lung Cancer Care: From "Patient Education" to "Brand Co-Creation"

We remain committed to academic research and patient education in non-small cell lung cancer (NSCLC), aiming to improve standardized treatment. During the Reporting Period, we innovated beyond traditional patient education models by collaborating with the China Anti-Cancer Association. Through the creation of a "scientific brand with warmth," educational activities were moved from hospitals to cultural venues such as bookstores, parks, and city walls, with science communicators providing in-person lectures to strengthen brand trust and reshape HCP-patient relationship. Popular expressions such as "With my doctor by my side, I am not afraid," "I am not fighting alone," and "If others can survive, so can I" have resonated emotionally with patients.

11.6 CONTRIBUTING TO GLOBAL HEALTHCARE DEVELOPMEN

Sharing Academic Achievements

We maintain a global perspective, support scientific research by clinical experts both domestically and internationally, participate in professional academic conferences, and share clinical research results with global pharmaceutical peers and the public, including post-marketing real-world data analysis and anonymous patient-level data, etc, to contribute to the advancement of global health. During the Reporting Period, Hansoh Pharma collaborated with top domestic medical institutions on over 200 real-world medical studies, and published more than 100 academic reports at international conferences and in authoritative medical journals, including nearly 20 SCI papers. These research outcomes provide the latest evidence-based guidance for diagnosis and treatment in related disease areas worldwide.

Hansoh Pharma Supports Hematologic Oncology with Key Academic Contributions to the 2025 Guidelines for Selinexor

Hansoh Pharma collaborated with multiple domestic medical institutions on real-world clinical research in hematologic oncology. During the Reporting Period, over 50 academic reports were presented at authoritative international conferences such as the European Hematology Association (EHA), International Conference on Malignant Lymphoma (ICML), International Chronic Myeloid Leukemia Foundation (ICMLF), and the American Society of Hematology (ASH), including 10 SCI papers, demonstrating the Company's international influence in hematologic oncology. These findings provided robust evidence to support the formulation and dissemination of the 2025 Guidelines for Selinexor.

The Guidelines for Selinexor were jointly developed by the Leukemia and Lymphoma Expert Committees of the Chinese Society of Clinical Oncology (CSCO) and other authoritative bodies, aiming to integrate the latest domestic and international clinical research data to provide standardized diagnosis and treatment recommendations for Chinese hematologists.

Hansoh Pharma's Aumolertinib Mesilate Showcases 18 Innovative Research Achievements at International Conferences

In September 2025, at the World Conference on Lung Cancer 2025 organized by the International Association for the Study of Lung Cancer (IASLC), Hansoh Pharma presented 18 innovative research results for Aumolertinib Mesilate. In particular, the ACROSS 2 study was featured as a Late Breaking Abstract (LBA) and shared in the Presidential Symposium. Additionally, one mini-oral presentation (APPOINT study) and 16 posters highlighted new advances in neoadjuvant, adjuvant, combination chemotherapy, dose escalation, and brain metastasis treatment with aumolertinib.

Access to Healthcare in Emerging Markets

We actively respond to the United Nations Programme of Action for the Least Developed Countries for the Decade 2022-2031 (Doha Programme of Action) and are committed to leveraging the power of science, technology and innovation to help underdeveloped countries and regions resist multidimensional vulnerabilities and achieve the Sustainable Development Goals. Our international registration team closely monitors country-specific market access requirements, facilitating the introduction of more products to global markets. The international business team actively participates in local bidding, share Hansoh Pharma's clinical research results, quality technology, and international concepts with local medical institutions and patients, and conduct training on local HCPs to help these underdeveloped areas accelerate the use of a new generation of drugs that are safer, more effective and more cost-effective. Meanwhile, Hansoh Pharma cooperates with local drug manufacturers to help these countries improve production experience and strengthen basic medical capacity building through technology transfer.

As of the end of the Reporting Period, the Company has cumulatively submitted 200 product registrations in overseas markets, of which 120 have been approved. During the Reporting Period, 53 new country-specific product registrations were submitted—49 in emerging markets—and 53 approvals were received, including 29 in emerging markets. In terms of business expansion, the Company secured 8 new generic drug tenders in 5 emerging markets, and 5 products entered 6 new countries, benefiting approximately 60,000 patients.

Driving High-Quality Development in Emerging Markets Through Technology and Supply Chain

Hansoh Pharma adheres to a dual strategy of "technology transfer + supply chain optimization" to deeply engage emerging markets, continuously improving local healthcare accessibility and overall pharmaceutical industry efficiency.

During the Reporting Period, the Group's focused on low- and middle-income countries in Southeast Asia and Latin America. In the oncology field, we conducted systematic clinical education and standardized promotion, integrating treatment protocols and patient management pathways based on the latest clinical evidence into local guidelines. This effort promotes the standardized adoption of high-quality treatment regimens, helping to elevate cancer care standards in emerging markets.

To address long-standing pain points for emerging market clients—such as frequent small-batch purchases leading to high logistics costs, large inventory fluctuations, and insufficient supply stability—we designed and implemented centralized cold-chain logistics plans tailored to local partners. Oncology drugs and biologics requiring similar 2–8 °C temperature conditions are consolidated into standardized cold-chain containers for monthly scheduled, large-scale shipments. Meanwhile, leveraging the Group's digital supply chain platform, we provide customers with precise demand forecasting tools, enabling key markets like Indonesia to shift from ad hoc replenishment to quarterly rolling procurement. This has effectively improved inventory turnover, reduced stockouts, and optimized both supply efficiency and cost control.

Looking ahead, we will continue to synergistically enhance emerging market operations through standardized clinical protocols and refined supply chain integration. This dual-path approach aims to improve healthcare coverage in low- and middle-income countries while helping local partners strengthen supply chain resilience, reduce operating costs, and enhance core competitiveness, achieving win-win development with emerging markets.

Appendix I Website and Glossary

1. <Hansoh Pharmaceutical Group Co., Ltd. Occupational Health and Safety Policy>
   https://www.hspharm.com/upload/file/2024/04/12/40f01eb5277c4a6799f12f948bde5ebd.pdf
2. <Hansoh Pharmaceutical Group Co., Ltd. Anti-Corruption Policy>
   https://www.hspharm.com/upload/file/2024/04/12/c75b14f6c915491d8d3c6edde68818b5.pdf
3. <Hansoh Pharmaceutical Group Co., Ltd. Policy and Action Framework to Address Global Climate Change>
   https://www.hspharm.com/upload/file/2025/04/22/7ebb118772f440bl9bdf760d2d3d5fe6.pdf
4. <Hansoh Pharmaceutical Group Co., Ltd. Tax Guidelines>
   https://www.hspharm.com/upload/file/2023/04/23/27525941561e48f1bcca09cca788676f.pdf
5. <Hansoh Pharmaceutical Group Co., Ltd. Product Liability and Accessibility Policy>
   https://www.hspharm.com/upload/file/2023/04/23/a084cc20dd8e47d494c70785538b0a0a.pdf
6. <Hansoh Pharmaceutical Group Co., Ltd. Protection Policy for Whistleblowing and Whistleblower>
   https://www.hspharm.com/upload/file/2022/02/07/93498f5f013c408ebd641a2143bc1081.pdf
7. <Hansoh Pharmaceutical Group Co., Ltd. Responsible Marketing Policy>
   https://www.hspharm.com/upload/file/2022/02/07/06cd98a7f21547ec9eb85cb4c0c4e117.pdf
8. <Hansoh Pharmaceutical Group Co., Ltd. Employee Diversity Policy>
   https://www.hspharm.com/upload/file/2022/02/07/adb8226c0de0435f841fdcbdb41173b3.pdf
9. <Hansoh Pharmaceutical Group Co., Ltd. Supplier Code of Conduct>
   https://www.hspharm.com/upload/file/2023/04/23/901651f372eb49a2a9bf7c1abab55980.pdf
10. <Hansoh Pharmaceutical Group Co., Ltd. Environmental and Biodiversity Protection Policy>
    https://www.hspharm.com/upload/file/2025/04/22/6f4bb46ef30a4f4388cc69829ff23e23.pdf
11. <Hansoh Pharmaceutical Group Co., Ltd. Privacy Policy>
    https://www.hspharm.com/upload/file/2025/04/22/76063b29790a4e5fa27272dd8d611b49.pdf
12. <Hansoh Pharmaceutical Group Co., Ltd. Talent Development Policy>:
    https://www.hspharm.com/upload/file/2026/04/21/9d49f04130424dbf95ae8980857a353d.pdf
13. <Hansoh Pharmaceutical Group Co., Ltd. Artificial Intelligence (AI) Policy>:
    https://www.hspharm.com/upload/file/2026/04/21/d90c49b33cd84edcb9e671138fa2b501.pdf
14. United Nations Sustainable Development Goals: https://sdgs.un.org/goals
15. International Financial Reporting Standards (IFRS) Sustainability Standards:
    https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/
16. World Resources Institute (WRI): https://wri.org.cn/
17. International Bureau of Intellectual Property: https://patentscope2.wipo.int/search/en/search.jsf

18. United Procurement Bidding Network: http://www.lcwl.net/
19. Orphanet: Rare Diseases and Orphan Drugs Database: https://www.orpha.net/consor/cgi-bin/index.php
20. SRM System: Supplier Relationship Management, a system for managing suppliers.
21. EHS: Environment, Health and Safety, Environmental, Occupational Health and Safety Management System
22. China's "3060" Dual Carbon Strategy Target: On September 22, 2020, China proposed at the United Nations General Assembly that it aims to peak carbon dioxide emissions before 2030 and strive to achieve carbon neutrality before 2060, known as the "3060" dual carbon target.
23. RCP: Representative Concentration Pathways (RCPs), a series of representative concentration pathways.
24. GMP: Good Manufacturing Practice, a set of production management standards applicable to the pharmaceutical, food, and other industries.
25. GCP: Good Clinical Practice, a set of standards and guidelines aimed at ensuring the scientific validity, reliability, and ethical integrity of clinical trials.
26. MHRA: Medicines and Healthcare Products Regulatory Agency, UK Medicines and Healthcare Products Regulatory Agency
27. EMA: European Medicines Agency, the European Union's medicines evaluation agency.
28. FDA: Food and Drug Administration, the highest law enforcement agency authorized by the U.S. Congress and federal government to manage food and drugs.
29. PMDA: Pharmaceuticals and Medical Devices Agency, the regulatory agency for medical devices and pharmaceuticals in Japan.
30. NMPA: National Medical Products Administration of the People's Republic of China
31. EU: European Union, a political and economic union comprising multiple European countries.
32. PIC/S: The Pharmaceutical Inspection Co-operation/Scheme, an international organization for cooperation among pharmaceutical regulatory agencies.
33. WHO: World Health Organization
34. National Drug Centralized Procurement: Drug centralized bulk procurement organized by the National Healthcare Security Administration of the People's Republic of China.
35. National Healthcare Security Administration: National Healthcare Security Administration of the People's Republic of China
36. National Reimbursement Drug List: The National Medical Insurance Catalog issued by the National Healthcare Security Administration of the People's Republic of China.
37. NMOSD: Neuromyelitis Optica Spectrum Disorder
38. The Doha Programme of Action: A new generation of commitments between the least developed countries and their development partners (including the private sector, civil society, and governments at all levels), reaffirming and strengthening these commitments.

Appendix II Summary of Indicator Data

Economic and Environmental Performance Indicators	unit versus	2025 data
Economic indicators		
Revenue	RMB 1 million	15,028.32
Profit	RMB 1 million	5,555.46
R&D Expenditure	RMB 1 million	3,357.98
Environment, health and safety expenditure	RMB 10 thousand	2,023.35*
Environmental indicators		
Waste gas emissions		
Total volatile organic compound emissions	kilograms	14,945.8
Total particulate matter emissions	kilograms	72.7
Wastewater discharge		
Total wastewater discharge	cubic meter	741,008.39
Total chemical oxygen demand discharge	Tonnes	34.76
Total ammonia nitrogen discharge	Tonnes	0.49
Greenhouse gas emissions		
Direct greenhouse gas emissions (Scope I)	tCO_2e	11,833.89
Indirect greenhouse gas emissions (Scope II)	tCO_2e	97,828.67
Total greenhouse gas emissions (Scope I + Scope II)	tCO_2e	109,662.56
Value chain greenhouse gas emissions (Scope III)	tCO_2e	93,115.14
Greenhouse gas emission per unit operating revenue (Scope I + Scope II)	tCO_2e/RMB 1 million	7.30
Energy consumption		
Direct energy consumption	Tonnes of standard coal equivalent (TCE)	52.36
Indirect energy consumption	TCE	25,038.95
Comprehensive energy consumption (direct + indirect)	TCE	25,091.31
Energy consumption per unit operating revenue	TCE/ RMB 1 million	1.67
Renewable energy consumption	MWh	3,451.45

* This includes an investment of 11.7651 million yuan in environmental protection and 8.4684 million yuan in safety and occupational health.

Economic and Environmental Performance Indicators	unit versus	2025 data
Wastes		
Total amount of hazardous wastes	Tonnes	7,067.01
Total amount of hazardous wastes incinerated	Tonnes	1,896.33
Total amount of disposal of Expired or discarded drugs	Tonnes	44.31
Disposal volume hazardous wastes per unit operation revenue	Tonnes/ RMB 1 million	0.47
Total amount of non-hazardous wastes	Tonnes	605.65
Disposal volume non-hazardous wastes per unit operation revenue	Tonnes/ RMB 1 million	0.04
Non-hazardous waste recycling rate (including heat recovery from incineration)	%	95.51
Non-hazardous waste recycling rate (excluding heat recovery from incineration)	%	30.81
Water resource utilization		
Total water consumption	cubic meter	74,013,947
Municipal water withdrawal	cubic meter	993,795
Groundwater and surface water withdrawal	cubic meter	0
Water consumption from other sources	cubic meter	116,268
Circulating water volume	cubic meter	72,903,884
Municipal water intake per unit of business revenue	Cubic Municipal water withdrawal/RMB 1 million	66.13
Water recycling rate	%	98.5
Packaging material		
Consumption of packaging materials	Tonnes	2,158.65
Packaging materials consumption per unit operating revenue	Tonnes of packaging materials consumption/RMB 1 million	0.14
Environmental Compliance and Biodiversity		
Fined by environmental regulators	RMB Yuan	0
The number of biological reserves near the production and operation site	Number	0
The number of biodiversity impacts involved in key production and research and development materials	Number	0

Social performance indicator		unit versus	2025 data
Employee			
Total number of employees		**Person**	**9,347**
Total number of part-time employees		Person	1
By gender	Male	Person	5,465
	Female	Person	3,883
By position	Executive Management	Person	38
	Senior Management	Person	205
	Middle management	Person	1,518
	Grassroots Management	Person	985
	General staff	Person	6,602
By age	under 30	Person	2,346
	30-50	Person	6,720
	Above 50	Person	282
By region	Chinese Mainland	Person	9,280
	Hong Kong, Macao, and Taiwan regions	Person	1
	Overseas	Person	67
Employee turnover rate*		**%**	**14.4**
By gender	Male	%	13.9
	Female	%	15.3
By age	under 30	%	21.5
	30-50	%	12.4
	Above 50	%	2.5

* It refers to the rate of employee voluntary turnover.

Social performance indicator		unit versus	2025 data
By region	Chinese Mainland	%	14.5
	Hong Kong, Macao, and Taiwan regions	%	0
	Overseas	%	10.4
By position	Executive Management	%	12.1
	Senior Management	%	12.4
	Middle management	%	11.6
	Grassroots Management	%	11.2
	General staff	%	15.7
Average years of employment by gender	Male	Years	6.9
	Female	Years	4.8
Total number of new employees in 2025		Person	2,265
By gender	Male	Person	1,176
	Female	Person	1,089
By age	under 30	Person	1,009
	30-50	Person	1,245
	Above 50	Person	11
By region	Chinese Mainland	Person	2,253
	Hong Kong, Macao, and Taiwan regions	Person	0
	Overseas	Person	12
Work injury or occupational injury			
Number of work-related fatalities and ratios	2023 年	Person	1*
		‰	0.1
	2024 年	Person	1*
		‰	0.1
	2025 年	Person	0
		‰	0

* It was caused by employees' sudden illness due to health reasons.

Social performance indicator		unit versus	2025 data
Lost days due to work injury		Days	494
Lost-time injury frequency rate (per million hours worked)		Number of injuries/ million hours worked	1.4
Number of occupational diseases per million working hours,		Person	0
Number of high-risk work accidents		Number of accidents	0
Employee Career Development			
Total number of employees trained		Person	9,326
percentage of employee training		%	99.8
Total Expenditure on Employee Training and Development		RMB 10 thousand	172
Average expenditure on employee training and development		RMB/Person	184
Percentage of Employee Trained*			
By gender	Male	%	58.4
	Female	%	41.6
By position	Executive Management	%	0.4
	Senior Management	%	2.2
	Middle Management	%	16.2
	Grassroots Management	%	10.50
	General Staff	%	70.7
Average training duration for employees		**hours**	**39.01**
By gender	Male	hours	37.68
	Female	hours	40.88
By Position	Executive Management	hours	6.16
	Senior Management	hours	27.55
	Middle Management	hours	32.25
	Grassroots Management	hours	36.82
	General Staff	hours	41.44

* The percentage of employees trained in different categories = the number of trained employees in X category/the total number of trained employees

Social performance indicator		unit versus	2025 data
Proportion of employees receiving regular performance and career development evaluations		%	100
Percentage of vacancies filled by internal candidates		%	19
Diversity			
Percentage of of females in each position	Board of Directors	%	42.9
	Executive Management	%	42.1
	Senior Management	%	45.9
	Middle management	%	39.5
	Grassroots Management	%	52.2
The proportion of females in revenue-generating departments*		%	37
Proportion of females in STEM-related positions		%	46.8
Number of minority employees		Person	305
Number of minorities in management.		Person	73
Number of minority (Manchu) employees		Person	82
Number of minority (Hui) employees		Person	35
Number of disabled employees		Person	12
The proportion of employees participating in diversity training		%	95
Gender pay gap			
Average gender pay gap		%	3.9
Median gender pay gap		%	6.6
Basic employee rights			
Trade union employee coverage		%	99
Number of operational sites and suppliers at significant human rights risk		Number	0
The proportion of employees who signed collective bargaining agreements.		%	99
Incident related to the employment of child labor or forced labor.		Cases	0
Number of incidents of discrimination and harassment found		Cases	0

* The revenue-generating departments refer to: the commercial promotion, production and operation departments

Social performance indicator		unit versus	2025 data
Supplier			
Number of Class A suppliers		Number	2,041
By region	Chinese Mainland	Number	2,029
	Hong Kong, Macao, and Taiwan regions	Number	1
	Overseas regions and territories	Number	11
The number of key suppliers conducting ESG audits.		Number	228
Customer Service			
Percentage of products recalled for safety and health reasons.		%	0
The number of complaints regarding product authenticity		Number	11
Incidents of counterfeit medicines found after identification		Number	0
Number of complaints related to adverse product reactions		Number	26
Complaint handling rate		%	100
Customer Satisfaction (Jiangsu Hansoh)		%	88.89
Customer Satisfaction (Changzhou Hansoh)		%	89.35
Intellectual property			
Number of patents new authorized in China		Number	22
Number of new official applications for overseas patents		Number	128
Number of overseas new authorized patents		Number	58
Employee social contribution			
Charitable donations		RMB 10 thousand	910.9
Employee Volunteering Activity		Number of paticipants	19
Code of Business Conduct			
Number of corruption litigation cases		Cases	0
The number of legal actions against anti-competitive behavior, antitrust, and anti-monopoly practices		Cases	0
Percentage of Board and Employee Coverage in Anti-Corruption Training		%	99.8
Total amount of political donations		RMB yuan	0

Social performance indicator	unit versus	2025 data
Total number of responsible marketing training participants	Person-times	42,238
Received complaints of confirmed invasion of customer privacy.	Cases	0
Confirmed fines related to corruption	RMB yuan	0
Incidents of non-compliance concerning product and service information and labelling	Cases	0
Number of confirmed incidents involving market dissemination violations	Cases	0
Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	RMB yuan	0
R&D and Quality Assurance		
Fines related to clinical trials in developing countries.	RMB yuan	0
Clinical trial terminated due to violation of GCP and other regulatory requirements.	Cases	0
Number of FDA Warning Letters Received	Cases	0
The percentage of the publicly disclosed R&D pipeline that is clearly recognized by the scientific community as "first-in-class"	%	17
The percentage of NDA applications submitted within 5 years that were included in priority review	%	27.3

Appendix III List of Main Applicable/ Referenced Laws, Regulations, and Internal Management Documents

Applicable primary laws			
1	Constitution	20	Biosecurity Law
2	Criminal Law	21	People's Republic of China Basic Medical and Health Care Promotion Law
3	Civil Code	22	Patent Law
4	Company Law	23	Copyright Law
5	Product Quality Law	24	Trademark Law
6	The Drug Administration Law	25	Labour Law
7	Environmental Law Code	26	Employment Promotion Law
8	People's Republic of China Law on Work Safety	27	Social Insurance Law
9	Occupational Disease Prevention and Control Law	28	Labor Contract Law
10	Fire Control Law	29	Minor Protection Law
11	Water Law	30	Trade Union Law
12	People's Republic of China Clean Production Promotion Law	31	The Enterprise Income Tax Law
13	Cyclic Economy Promotion Law	32	Accounting Law
14	Energy Conservation Law	33	Consumer Rights Protection Law
15	Special Equipment Safety Law	34	Anti-Money Laundering Law
16	People's Republic of China Emergency Response Law	35	Anti-Monopoly Law
17	Personal Information Protection Law	36	Anti-Unfair Competition Law
18	Cybersecurity Law	37	Advertising Law
19	Data Security Law	38	.....

Regulations of the government and relevant departments, local regulations			
1	Regulations for the Implementation of the Pharmaceutical Administration Law	20	Regulations on Reporting and Investigating Production Safety Accidents
2	Pharmaceutical Production Supervision and Management Measures	21	Work Injury Insurance Regulations
3	Regulations for the Supervision and Management of Pharmaceutical Distribution and Use Quality	22	Regulations on Labor Protection in Workplaces Using Toxic Substances
4	Drug Registration Management Measures	23	Regulations for Occupational Health Management in the Workplace
5	Measures for the Reporting and Monitoring of Adverse Drug Reactions	24	Regulations for the Safety Management of Pathogenic Microorganism Laboratories
6	Drug Recall Management Measures	25	Regulations on Emergency Response to Production Safety Accidents
7	Ecological Environment Monitoring Regulations	26	Occupational Disease Hazard Project Declaration Management Measures
8	Jiangsu Province Energy Conservation Regulations	27	Regulations for the Protection of Computer Software
9	Regulations on the Administration of Pollutant Discharge Permits	28	Network Data Security Management Regulations
10	Pollutant Discharge Permit Management Measures	29	Regulations for the Administration of Anesthetic and Psychotropic Drugs
11	Management Measures for the Legally Mandated Disclosure of Corporate Environmental Information	30	Labor Contract Law Implementation Regulations
12	Emergency Management Measures for Sudden Environmental Incidents	31	Measures for the Supervision and Administration of Online Sales of Drugs
13	Jiangsu Province Wastewater Discharge Outlet Setting and Standardization Management Measures	32	Prohibition of Child Labor Regulations
14	Opinions on Optimizing the Environmental Impact Assessment Work for Construction Projects in the Pharmaceutical Industry	33	Regulations for the Work of the Women Workers' Committee of the Trade Union
15	Jiangsu Province Atmospheric Pollution Prevention and Control Regulations	34	Patent Law Implementation Rules
16	Dangerous Waste Transfer Management Measures	35	Invoice Management Measures
17	Regulations on the Safety Management of Hazardous Chemicals	36	Trademark Law Implementation Regulations
18	Regulations on the Administration of Precursors for Narcotic Drugs and Psychotropic Substances	37	Detailed Rules for the Implementation of the Regulations on the Management of Human Genetic Resources
19	Regulations on Safety Supervision of Special Equipment	38	.....

Primary standards, guidelines, and regulations			
1	Good Manufacturing Practice (GMP)	20	Technical Guidelines for Self-Monitoring of Soil and Groundwater at Industrial Enterprises
2	Good Supply Practice (GSP)	21	Technical Guide for Self-Monitoring of Pollutant Discharge - Chemical Synthesis Pharmaceutical Industry
3	Good Vigilance Practice (GVP)	22	Technical Guidelines for Self-Monitoring of Pollutant Discharge Units - Biopharmaceutical and Chemical Drug Product Manufacturing Industry
4	Good Clinical Practice (GCP) for Drug Clinical Trials	23	Standards for Hazardous Waste Storage Pollution Control
5	Enterprise Intellectual Property Management Standards	24	Pollution Prevention and Control Technology Policy for the Pharmaceutical Industry
6	ISO and ICH guidelines related to quality control in pharmaceutical research and production.	25	Occupational hygiene standards
7	Corporate Internal Control Basic Standards	26	Occupational Exposure Limit for Harmful Factors in the Workplace
8	Quality Management System Requirements	27	General Requirements for Laboratory Biosafety
9	Environmental Management System Requirements and Guidelines	28	Building Design Fire Prevention Code
10	Occupational health and safety management system requirements and guidelines for use.	29	Information Security Management System Requirements
11	Energy Management System	30	Guide to Social Responsibility
12	Measurement Management System	31	Anti-bribery management system requirements and usage guide
13	Requirements for Safety Production Standardization Management System of Large and Medium-sized Enterprises	32	Risk Management Guide
14	Pharmaceutical Industry Atmospheric Pollutant Emission Standards	33	Environmental, Social, and Governance Reporting Guidelines
15	Volatile Organic Compounds Unorganized Emission Control Standards	34	Corporate Sustainability Disclosure Standards (Trial)
16	Chemical Synthesis Pharmaceutical Industry Wastewater Discharge Standard	35	Reporting Management System Guide
17	Biological Engineering Pharmaceutical Industry Wastewater Discharge Standard,	36	Sustainable Procurement Guide
18	Emission Standard for Water Pollutants from Pharmaceutical Industry (Mixed Formulations)	37	Compliance Management System Requirements and Guidelines
19	Sewage Discharge Standards for Urban Sewer Water Quality	38	.....

Main international conventions and guidelines referenced			
1	United Nations Global Compact	10	Patent Cooperation Treaty
2	The U.S. Foreign Corrupt Practices Act (FCPA)	11	Pharmaceutical Supply Chain Initiative (PSCI)
3	United Nations 2030 Agenda for Sustainable Development	12	Global Reporting Initiative (GRI: 2021) Standards
4	International Covenant on Economic, Social and Cultural Rights	13	The Universal Declaration of Human Rights, the International Covenant on Human Rights
5	Paris Convention for the Protection of Industrial Property	14	Convention Establishing the World Intellectual Property Organization
6	United Nations Framework Convention on Climate Change	15	Science-Based Carbon Targets Initiative (SBTi)
7	EU General Data Protection Regulation (GDPR)	16	U.S. COSO-ERM Enterprise Risk Management Framework
8	International Financial Reporting Sustainability Disclosure Standards (IFRS) S1, S2	17	Sarbanes-Oxley Act (SOX)
9	Sustainability Accounting Standards Board (SASB) Pharmaceutical Industry Standards	18	.....

The Group's main management documents related to ESG			
1	Occupational Health and Safety Policy	2	Anti-corruption policy
3	Taxation Guidelines	4	Responsible marketing policy
5	Employee diversity policy	6	Product liability and drug accessibility policy
7	Global climate change policy	8	Whistleblower and Whistleblower Protection Policy
9	Environmental and biodiversity conservation policies	10	Privacy Policy
11	Supplier Code of Conduct	12	Employee Handbook
13	Sustainable Procurement Guidelines	14	Business conduct and ethical guidelines
15	Interaction Guidelines with GOs and GEs	16	Guidelines for Interaction with HCPs and HCOs
17	Guidelines for Interaction with Patients and Patient Organizations	18	Conflict of Interest Disclosure System
19	General Principles of Information Security Management	20	Supplier Information Security Management Regulations
21	Information Security Incident Management Regulations	22	Information Security Risk Assessment Management Regulations
17	Employee Information Processing Management Regulations	18	EHS Management Handbook
19	Environmental Protection Management	20	Environmental monitoring and management
21	Environmental Factor Identification, Evaluation, and Control Procedure	22	Emergency Response Protocol for Sudden Environmental Incidents
23	Pollutant Emission Management	24	EHS Incident and Emergency Rescue Management
25	EHS Training Management	26	Management of Major Hazard Sources
27	EHS Compliance Management for New, Modified, and Expanded Projects and Change Control	28	Electrical Safety Management System
29	Contractor Safety Management System	30	Fire Safety Management System

The Group's main management documents related to ESG			
31	Special Equipment Safety Management	32	Hazardous Chemicals Management Procedure
33	Emergency Plan and Drill Management for Safety Incidents	34	Emergency Response Procedures for Hazardous Chemicals and Production Safety Accidents
35	Management of Special Operations Personnel	36	Energy Management System Handbook
37	Energy review control procedure	38	Energy resource operation control procedure
39	Energy objectives, indicators, management implementation and control procedures	40	Artificial Intelligence (AI) Policy
41	Talent Development Policy	42	Supplier Management Manual
43	Contract Management System	44	Recruitment Management System
45	Talent Inventory System	46	Union Charter
47	Procedure of the Staff Congress	48	Pharmaceutical Recall Management
49	General Process of Innovative Drug Development	50	Process Optimization Management
51	Process Change Management	52	Rework and Reprocessing Management
53	Intermediates and Drug Products Review, Evaluation, and Release	54	Management of printing and packaging materials
55	Supplier Management Manual	56	……

Appendix IV: Index to ESG Reporting Benchmarking

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* Hansoh Pharma reports the information referenced in this content index by reference to the GRI standard on the period of January 1, 2025 to December 31, 2025.

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ESG Report Assurance Statement

中国质量认证中心
CHINA QUALITY CERTIFICATION CENTRE

To: Stakeholders of Hansoh Pharmaceutical Group Company Limited

China Quality Certification Centre Co., Ltd. (CQC), commissioned by Hansoh Pharmaceutical Group Company Limited (hereinafter referred to as Hansoh Pharmaceutical), conducted the independent assurance of Hansoh Pharmaceutical Group Company Limited 2025 Environment, Social and Governance Report (hereinafter referred to as the ESG report). Hansoh Pharmaceutical was responsible for collecting, summarizing, analyzing, and disclosing the information and data presented in the ESG report. CQC implemented report verification within the scope specified in the agreement with Hansoh Pharmaceutical.

This statement was based on the assurance activities conducted on the ESG report prepared by Hansoh Pharmaceutical that complies with the Environmental, Social and Governance Reporting Guide (Appendix C2 to the Listing Rules) of The Stock Exchange of Hong Kong Limited, refers to the Global Reporting Initiative (GRI) Sustainability Reporting Standards and the IFRS Sustainability Disclosure Standard, among other frameworks, and responds to the United Nations Sustainable Development Goals (SDGs) and the topics of concern in the MSCI ESG Rating and the S&P Global Corporate Sustainability Assessment (CSA). Hansoh Pharmaceutical is responsible for the authenticity, accuracy, and completeness of the report content.

Scope of Assurance

The key data and information disclosed in the Hansoh Pharmaceutical Group Company Limited 2025 Environment, Social and Governance Report.

Basis for Assurance

AA1000 v3, Type 2, Moderate Assurance

Assurance Methods

The methods used in this assurance include but are not limited to:

a) Report review;
b) Interviews;
c) Verification of documents, records, certificates, invoices, and other materials;
d) Field verification;
e) Trusted information source verification;
f) Verification against disclosure basis;
g) Recalculation/estimation; and
h) Confirmation of statistical, calculation/estimation processes.

Limitations

1. This assurance was conducted using sampling methods based on quantitative and qualitative risk analysis and the sampling scope was limited to the data and information selected in the ESG report, not fully tracing or independently recalculating all raw data of Hansoh Pharmaceutical.
2. The on-site verification for this assurance engagement was conducted at Hansoh Pharmaceutical Group's headquarters in Shanghai and Jiangsu Hansoh Pharmaceutical Group Co., Ltd. in Lianyungang. No other subsidiaries of Hansoh Pharmaceutical Group or external stakeholders were visited.
3. The data and information audited/verified by a third party in the ESG report were not subject to repeated verification during this assurance process.
4. Some of the data and information in the ESG report cannot be compared and verified through independent sources. This assurance only evaluated their reasonableness.
5. Activities outside the scope of information disclosure were not included in this assurance.
6. The statement regarding the position, viewpoints, goals, future development directions, and commitments of Hansoh Pharmaceutical was not included in this assurance.

中国质量认证中心
CHINA QUALITY CERTIFICATION CENTRE

Statement on Independence and Verification Capability

China Quality Certification Centre Co., Ltd.(CQC) is a third-party certification body with independent legal status, possessing professional qualifications and experience in providing in this assurance process, and possesses the technical capabilities and industry-specific knowledge required to conduct ESG/ESG report assurance, in compliance with the requirements of AA1000 Assurance Standard v3 for an assurance provider. The assurance team is composed of experienced AA1000 Practicing Certified Sustainability Assurance Practitioners (PCSAP), CCAA (China Certification and Accreditation Association) registered quality, environment, energy, occupational health and safety, compliance, anti-bribery and other management system auditors and APSCA (Association of Professional Social Compliance Auditors) registered auditors.

CQC ensured that there were no conflicts of interest with Hansoh Pharmaceutical and its stakeholders during the assurance process of this report. All information in the ESG report was provided by Hansoh Pharmaceutical. CQC and the personnel conducting this assurance of the ESG report were not involved in the preparation process of the ESG report.

Assurance Conclusions

The ESG report reflects the ESG performance of Hansoh Pharmaceutical in 2025, which meets the requirements of AA1000 v3 and AA1000AP:

Inclusivity: Hansoh Pharmaceutical has identified both internal and external stakeholders, including board of directors, shareholders, employees, government and regulatory authorities, partners and suppliers, customers, communities and the public. In the report preparation process, the expectations and needs of stakeholders have been considered.

Materiality: Hansoh Pharmaceutical has established the ESG material topics for the current year by analyzing issues through a materiality identification process, integrating industry insights, regulatory updates, and global environmental factors, and subsequently prioritized the topics based on their significance.

Responsiveness: Hansoh Pharmaceutical has established a governance structure, management system and processes, as well as a communication mechanism with stakeholders, capable of taking action to respond to the material issues of high importance on Hansoh Pharmaceutical and its stakeholders.

Impact: Through quantitative or qualitative methods, or a combination of both, Hansoh Pharmaceutical has disclosed the main impacts on itself and its stakeholders in terms of ESG.

Specific performance information: Based on the process and results of this assurance, we have not found any deficiencies in the reliability and quality of key data and information in the ESG report.

Recommendations

The specific opinions regarding the assurance of this report have been communicated to the management of Hansoh Pharmaceutical in written form and will not be further elaborated in this section.

AA1000
Licensed Report
000-366/V3-KHT94

President of CQC:

April 27, 2026
Beijing, China

Note: In case of any inconsistency or discrepancy, the Chinese version of this assurance statement shall prevail, while the English translation is used for reference only.