



# 深圳市海王英特龍 生物技術股份有限公司

SHENZHEN NEPTUNUS INTERLONG  
BIO-TECHNIQUE COMPANY LIMITED\*

(a joint stock limited company incorporated  
in the People's Republic of China)

Stock Code : 8329

\* For identification purpose only



## 2024

Environmental, Social  
and Governance Report



# Environmental, Social and Governance Report

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## I. About this Report

### Purpose of the Report

The purpose of this ninth Environmental, Social and Governance (“ESG”) Report (“this Report” or “ESG Report”) issued by Shenzhen Neptunus Interlong Bio-technique Company Limited, together with its subsidiaries (“Neptunus Interlong”, the “Group” or “we”) is to disclose information related to the Group’s performance on ESG issues over the past year in an open and transparent manner to respond to the concerns and expectations of our stakeholders for the sustainable development of the Group.

### Reporting Scope

The period covered in this Report is from 1 January 2024 to 31 December 2024 (the “Reporting Period” or the “Year”), which is consistent with the financial year of the Group. This Report focuses on the management policies, performance and measures of the Group regarding ESG issues. In which, the environmental key performance indicators (“KPI(s)”) and social KPIs disclosed in this Report cover the selected core functional companies<sup>1</sup> of the Group, including Shenzhen Neptunus Interlong Bio-technique Company Limited and its 6 subsidiaries: Fuzhou Neptunus Fuyao Pharmaceutical Company Limited, Fuzhou Neptunus Jinxiang Chinese Pharmaceutical Co., Ltd, Fuzhou Fuyao Medical Co., Ltd, Shenzhen Neptunus Changjian Pharmaceutical Company Limited, Beijing Neptunus Zhongxin Pharmaceutical Co., Ltd and Hainan Neptunus Changjian Trading Co., Ltd.

### Reporting Principles





This Report is prepared in compliance with the requirements set out in the “Environmental, Social and Governance Reporting Guide” (the “ESG Reporting Guide”) under Appendix C2 to the GEM Listing Rules issued by The Stock Exchange of Hong Kong Limited (“HKEx”). In the preparation of this Report, we have summarised the performance of the Group in terms of corporate social responsibility on the basis of the reporting principles of materiality, quantitative, balance and consistency. Please refer to the table below for our understanding about and responses to these reporting principles.

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<sup>1</sup> The selected core functional companies are located in Shenzhen, Fuzhou, Beijing and Hainan and principally engaged in the core business of the Group, being the Group’s principal activities of relevant research and development, manufacturing and selling of medicines and medical devices, and the purchase and sales of medicines, healthcare food products and medical devices in the PRC.



# Environmental, Social and Governance Report

Reporting principles	Definition	Our Response
 <p><b>Materiality</b></p>	<p>It is the threshold at which the Board determines that ESG issues become sufficiently important to investors and other stakeholders that they should be reported.</p>	<p>This Report covers ESG issues that are the concern of the Group's major stakeholders. We assess the materiality of the ESG issues through communication with internal and external stakeholders and use a materiality matrix to determine the priority of the issues. We also indicate the "comply or explain" provision that no relevant disclosure is made because they are considered not applicable for the Group, and explain how the Group has arrived at this determination.</p>
 <p><b>Quantitative</b></p>	<p>The relevant historical data of KPIs need to be measurable. An issuer should set targets (which may be actual numerical figures or directional, forward-looking statements) to reduce a particular impact. In this way the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate.</p>	<p>This Report discloses the KPIs quantitatively and sets targets, discloses comparative data, the standards, methodologies, assumptions or calculation tools used, and source of conversion factors used, if applicable. Comparison and review are also made on ESG information disclosed in the last three years.</p>
 <p><b>Balance</b></p>	<p>The ESG report should provide an unbiased picture of the issuer's performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report readers.</p>	<p>This Report discloses data in an objective manner, and discusses our achievements and challenges faced in terms of sustainable development.</p>
 <p><b>Consistency</b></p>	<p>The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time.</p>	<p>This Report is consistent with that of last year as much as possible to allow for meaningful comparison of ESG performance and explains any changes to the methods used last year.</p>



# Environmental, Social and Governance Report

## Sources of Information

The information disclosed in this Report are derived from the Group's official documents and statistics. The board of directors and senior management of the Group have reviewed and approved this Report on 25 March 2025 and guarantee the truthfulness, accuracy and completeness of this Report.

## Access to this Report

This Report is prepared in both Chinese and English. In case of inconsistency, the Chinese version shall prevail over the English version. Electronic version of this Report is available for downloading from the website of the Company at <http://www.interlong.com>. For enquiry or suggestion regarding this Report, please feel free to contact us at:

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# Environmental, Social and Governance Report

## II. Message from the Chairman

In 2024, the healthcare industry continued to deepen reforms under the steady promotion of the State, which promoted the industry's high-quality development in the areas of drug procurement, pricing and quality. During the Year, Neptunus Interlong continued to increase investment in the research and development of consistency evaluation of generic drugs and new varieties, actively introduced the commissioned production and contract processing models to enhance the product competitiveness of the Company. At the same time, we organized and adjusted our sales strategy in response to the introduction of the relevant policies, and conducted sales promotion through multiple channels, while continuing to strengthen the development of the healthcare food market and expanding our medical device agency business to mitigate policy and market risks, in order to fulfill our corporate social responsibility.

The Group adheres to the concept of "Health creates the future". While maintaining the steady development of the Company, the Group also attaches importance to the creation of environmental and social values, adheres to product quality, and strives to fulfil its corporate social responsibility.

Quality control is an important cornerstone of the pharmaceutical and health industry. We continued to strictly control the quality control of all aspects of the product life cycle to ensure that drugs meet safety standards in research and development, production and sales. During the Reporting Period, the Group obtained the production permits for Sodium Bicarbonate Ringer's Injection (碳酸氫鈉林格注射液) and Pentoxifylline Enteric-coated Tablets (己酮可可鹼腸溶片) through on-site inspections, file reviews and permit applications, and were approved for production.

The Group firmly believes that sustainability is the future development trend. Apart from actively exploring markets, we are also planning to implement a number of initiatives, such as using cleaner energy, upgrading our production facilities to be more environmentally friendly and energy-saving, and cultivating environmental awareness among our staff, to ensure that our subsidiaries are fully integrated into the Group's green production and low-carbon development goals and business model.

With the continuous strengthening of ESG concepts by companies in the pharmaceutical industry and investors, the Group also continued to ponder on the significance of ESG for the sustainable development of the Company. During the Year, we carried out discussions and review of ESG at multiple levels of the Company, and discussed and analysed how to strengthen future work in related areas. The Group is confident that on the basis of the existing progress, it will strengthen the overall planning and practice of sustainable development work and seize new opportunities in the industry and the capital market in this regard.

Looking forward to 2025, the Group will continue to carefully analyse the trends of the State's pharmaceutical and health policies and pay attention to the multi-faceted impact of the market environment changes on corporate compliance, business development and ESG, and actively respond to national, regional and industrial calls to formulate timely and effective strategies strictly in line with the requirements of the central and local governments, so as to create more economic and social value.

**Zhang Feng**

*Chairman of the Board*



### III. About Neptunus Interlong

#### Business Overview

The Company was established in 1994, and listed on GEM of the HKEx (Stock Code: 08329) in September 2005. The controlling shareholder of the Company is Shenzhen Neptunus Bio-engineering Company Limited, a joint stock limited company incorporated and domiciled in the PRC and its shares are listed on the main board of Shenzhen Stock Exchange (Stock Code: 000078).

The Group has always focused on the pharmaceutical and healthcare industry and seized opportunities in the fast-growing pharmaceutical market in China. Its businesses cover several important segments in the pharmaceutical and healthcare industrial chain, which make contributions to the health of the populace in research and development, pharmaceutical manufacturing and distribution. The Group is principally engaged in the research and development, manufacturing and selling of medicines and medical devices, and purchase and sales of medicines, healthcare food products and medical devices in the PRC, and the medicines being sold mainly cover multiple therapeutic areas, namely oncology, cardiovascular system, respiratory system, digestive system and anti-psychiatric disorders.

The Group owns two production bases, namely the “Fuzhou Production Base”, which is located in Jin’an District, Fuzhou, Fujian Province, the PRC, and “Beijing Production Base”, which is located in Beijing Miyun Economic Development Zone, the PRC. The Fuzhou Production Base possesses 368 Guo Yao Zhun Zi approval documents for Chinese medicines (which includes various dosage forms such as tablets, capsules and oral solutions) and chemical medicines (which includes various dosage forms namely tablets, granules, small volume injections and large volume injections) in total, of which 236 varieties were included in the “Catalogue of Drugs for Basic National Medical Insurance” (國家基本醫療保險藥品目錄) and 147 varieties were included in the “National Essential Drug List” (國家基本藥品目錄). In addition, the Fuzhou Production Base is the only production base for narcotic combination drugs in Fujian Province designated by the State. The Beijing Production Base mainly produces chemical medicines (including tablets, hard capsules and powders) and holds 137 Guo Yao Zhun Zi approval documents, of which 90 varieties are included in the “Catalogue of Drugs for Basic National Medical Insurance” (國家基本醫療保險藥品目錄) and 60 varieties are included in the “National Essential Drug List” (國家基本藥品目錄). In terms of innovation, the three existing pharmaceutical subsidiaries of the Group are national high-tech enterprises and are entitled to the preferential income tax policy for high-tech enterprises. Over the years, the Group has continuously invested in the consistency evaluation of generic drugs and the research and development of new drugs, and currently owns 93 valid patents (of which 31 are invention patents) and a number of products with independent intellectual property rights. Meanwhile, five of the Group’s products have passed the consistency evaluation, including Sodium Bicarbonate Tablets (碳酸氫鈉片), Norfloxacin Capsules (諾氟沙星膠囊), Metformin Hydrochloride Tablets (鹽酸二甲雙胍片), Propranolol Hydrochloride Tablets (鹽酸普萘洛爾片) and Atropine Sulfate Injection (硫酸阿托品注射液); and approval for a number of new drug varieties was obtained, including the holder varieties of Doxofylline Injection (多索茶鹼注射液), Concentrated Sodium Potassium Magnesium Calcium Injection (鈉鉀鎂鈣注射用濃溶液) and Sodium Bicarbonate Ringer’s Injection (碳酸氫鈉林格注射液) as well as its own generic Sildenafil Citrate Orodispersible Tablets (枸橼酸西地那非口崩片).

In terms of the purchase and sales of medicines, healthcare food products and medical devices, the Group has a distribution network covering 293 prefecture-level cities in 30 provinces, which distribute and sell the products manufactured by the Group and its parent company group, including the well-known Neptunus Jinzun (海王金樽) series and the Neptunus Ginkgo Leaves Tablets (海王金銀杏葉片) series. Meanwhile, one of our subsidiaries initiated the exploration of purchase and sales of medical devices and regional distribution of medicines starting from 2022, with a quality sales network established in regional public medical institutions in Fuzhou.



# Environmental, Social and Governance Report

## Corporate Culture

### Tenet

To contribute quality products and services and endeavor to improve the living quality of people is the sole objective for the Group's progress and development.

### Mission

"Serving the health of the public": To concern about life, care for health and through our continuous efforts to provide more quality products and services for human health is the most fundamental momentum for the Group's progress and development.

### Objective

To establish a flexible and efficient operating framework, adhere to the working style of being pragmatic, innovative and progressive, strive to become a world first-class enterprise and shoulder the important task of revitalizing this national industry.

### Motto



#### Responsibility

The notion of responsibility is the core value of the Group. The Group always keeps in mind its responsibilities for the people, society and the country, and constantly improves the quality of products and services, which is the source of motivated force for the Group to keep moving on.



#### Honor

Every employee is proud of being a member of the Group and contributing their time and wisdom for its development. Every member will consciously integrate the interests of the individual with that of the Group, think in the direction of the Group's development goals and take the wax and wane of the Group as their own responsibility.



#### Motherland

Every single bit of success the Group has achieved can hardly be separated from the loving care of the Party and the government as well as the sincere help from all walks of life. The Group always concerns itself over our motherland and bears in mind the important task of returning the nation with industrial development and revitalizing national industry.



## IV. Philosophy and Governance of Sustainable Development

### Sustainable Governance and Development Objectives

While promoting healthy business growth, the Group regards social and environmental responsibilities as the core values in our business operation. We are committed to maintaining high quality services and operating standards while creating long-term value for all stakeholders in the society and making a profound and positive impact on the communities in which we operate. We will actively manage the impact of our operations on the environment and society and strive to fulfil our environmental and social responsibilities. Furthermore, as an environment-friendly enterprise, we will improve the sustainability and transparency of the Group and create a green and sustainable future for the next generation.

### Sustainable Governance Strategies

To implement its philosophy of sustainable development, the Group has established a top-down ESG framework.

#### The Board

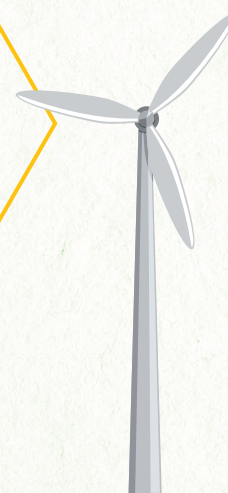
The Board is responsible for assessment and determination of the Group's ESG risks and formulate ESG strategies, ensuring the effectiveness of the Group's ESG risk management and internal control, and supervising their implementation by relevant departments and subsidiaries of the Company.

#### ESG Leading Team

Our chairman acts as the team leader and its members include the senior management and relevant ESG experts. The team coordinates and leads the ESG efforts of the Group. It also requests the "ESG Working Team" established by each subsidiary to implement ESG related policies and collect relevant data continuously, and to report to the Board on the progress of the ESG work and submit the Group's annual ESG report.

#### ESG Working Team

The general manager of each subsidiary acts as the team leader, the deputy general manager or the person in charge of data aggregation in the relevant ESG area acts as the deputy team leader, and the team members are the heads of the departments that provide ESG data. To further improve the ESG data management mechanism, various departments, including but not limited to engineering department, administration department, production department, human resources department, purchasing department, quality assurance department and finance department, are responsible for collecting ESG data, collecting feedback from stakeholders, making internal and external materiality assessment and reporting to the senior management on the progress of ESG work, so as to further improve the truthfulness, accuracy and completeness of ESG data.





# Environmental, Social and Governance Report

## Board Engagement

The Board is committed to incorporate sustainable development into its business development, and understands its overall responsibility for overseeing the Group's ESG strategy, which includes:

- Assessment and determination of the Group's ESG related risks and opportunities;
- Ensuring appropriate and effective risk management and internal control systems are put in place;
- Formulating the Group's ESG management policies, strategies, priorities and objectives;
- Reviewing the ESG performance of the Group regularly; and
- Considering and approving the disclosures in the ESG report of the Group.

The Board regularly evaluates, identifies and manages sustainability risks and seeks to create long-term value for our stakeholders by exploring potential opportunities in compliance with regulatory requirements and industry practices. In addition, the Board regularly reviews the implementation of ESG objectives and adjusts the objectives as appropriate and practicable to ensure that the impact of corporate development on the environment and society is minimised.



## V. Stakeholder Communication

The Group upholds the mission of “serving the health of the public”, takes creating value for stakeholders as its responsibility and strives to integrate environmental and social governance considerations into our daily operations. We are committed to promote and contribute health and well-being of the public through better products and services. We believe that understanding, concern and responding to stakeholders’ opinions will provide a solid foundation for the long-term development and success of the Group. To further understand stakeholders’ concern and needs in respect of the Group’s ESG performance, the Group actively maintained effective mutual communication and cooperation with major stakeholder groups (including the government, investors and shareholders, customers, employees, suppliers and business partners and the community) through various channels including reports, workshops, surveys or other platforms to understand their views and expectations, and took it as the basis for the improvement of our effort in sustainable development, so as to make progress and develop together.

The table below summarises the ways of communication of the Group with stakeholders, their key concerns, and our plans of action:

Stakeholder group	Communication method/channel	Key concerns	Our plans of action
Government and regulatory bodies	<ul style="list-style-type: none"> <li>Participate in the discussion of relevant policies and industry standards during the development process</li> <li>Communicate and hold dialogue as and when required</li> <li>Report important matters to the relevant regulatory authorities</li> </ul>	<ul style="list-style-type: none"> <li>Comply with regulatory requirements, operate in a lawful and compliant manner and proactively respond to national policies including those relating to drug administration</li> <li>Ensure production safety</li> <li>Support local economic and industrial development, and promote employment</li> <li>Fulfil tax obligations in accordance with the law in a timely manner</li> </ul>	<ul style="list-style-type: none"> <li>Keep track of law and regulation updates, and strictly comply with all regulatory requirements</li> <li>Follow the pandemic prevention requirements of the state and local governments, and protect the safety and health of employees</li> <li>Cooperate with regulatory authorities in compliance checks on the production of pharmaceutical products</li> <li>Proactively report the progress of drug development to the regulatory authorities</li> <li>Strengthen safety management and ensure that the production processes comply with safety standards</li> <li>Create job opportunities</li> <li>File tax returns timely and pay taxes in full in a timely manner</li> </ul>



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Stakeholder group	Communication method/channel	Key concerns	Our plans of action
Shareholders and investors	<ul style="list-style-type: none"> <li>Board meeting, general meeting, investor meetings and other meetings</li> <li>Publish annual reports, announcements and circulars</li> </ul>	<ul style="list-style-type: none"> <li>Business strategies and financial results</li> <li>Information disclosures and risk control</li> <li>Protection of shareholders' interests</li> <li>Business sustainability</li> <li>Corporate transparency</li> </ul>	<ul style="list-style-type: none"> <li>Hold regular general meetings and investor meetings to actively listen to the views and needs of shareholders and investors</li> <li>Release operating data and financial results in due course</li> <li>Assess corporate risks regularly and formulate response plans</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Company website and WeChat public account</li> <li>Customer feedback and complaints</li> <li>Communication software, telephone and email</li> <li>Sales channels and size</li> </ul>	<ul style="list-style-type: none"> <li>Safety and quality protection of medicine</li> <li>Compliance with international quality standards</li> <li>High quality and efficient services</li> <li>Delivery and after-sales service</li> <li>Ease of use of products</li> <li>Protect consumers' rights</li> <li>Pharmaceutical research and development and innovation</li> <li>Impact of extreme weather on storage, quality and transport of goods</li> <li>Legal compliance in pharmaceutical operation, marketing and production</li> </ul>	<ul style="list-style-type: none"> <li>Strictly control products' ex factory indicators</li> <li>Optimise delivery process to enhance delivery efficiency</li> <li>Establish pharmacovigilance department, and actively collect adverse reaction cases</li> <li>Improve the quality of pre-sales, in-sales and after-sales services</li> <li>Collect customer feedback through customer satisfaction surveys</li> <li>Follow up and handle customer complaints promptly to improve product and service quality</li> <li>Develop disaster contingency plans and safe inventory level</li> </ul>



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Stakeholder group	Communication method/channel	Key concerns	Our plans of action
Employees	<ul style="list-style-type: none"> <li>• Training and orientation</li> <li>• Training and drills</li> <li>• Regular performance appraisal</li> <li>• Online learning platform</li> <li>• Staff caring activities</li> <li>• Daily work communication</li> <li>• Employee representatives' meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Reasonable salary and welfare</li> <li>• Understanding of the corporate culture, rules and regulations</li> <li>• Employee training, promotion, and development</li> <li>• Care for and communication with employees</li> <li>• Occupational health and safety</li> <li>• Labour relations, employment compliance</li> <li>• Impact of extreme weather and natural disasters on work process and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Establish competitive compensation system, transparent promotion channels</li> <li>• Provide fair career development path</li> <li>• Provide regular training and build a platform for career development for employees</li> <li>• Listen to employees' views through various communication channels to ensure harmonious and stable labour relations</li> <li>• Organize physical examination on a regular basis and arrange specific operational training</li> <li>• Provide an equal and safe working environment</li> <li>• Offer birthday gifts and festive gifts to staff</li> </ul>
Suppliers and partners	<ul style="list-style-type: none"> <li>• Selection assessment of suppliers and performance appraisal and rating</li> <li>• Communication meetings and telephone discussion</li> <li>• Communication software and emails</li> <li>• On-site inspection</li> </ul>	<ul style="list-style-type: none"> <li>• Reputation, management, environmental protection, qualification and scale of the Group</li> <li>• Fair and transparent procurement process</li> <li>• Good relationship with the Group</li> <li>• Supply chain management, and market supply and demand</li> <li>• Environmental compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Sound production safety management system</li> <li>• Establish open and transparent tendering system, and provide equal competition opportunity to suppliers</li> <li>• Build a platform for communication with suppliers and facilitate the cooperative development with suppliers in a proactive manner</li> <li>• Conduct regular audits on supplier qualifications, keep watch of market supply and demand conditions in a timely manner</li> </ul>



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Stakeholder group	Communication method/channel	Key concerns	Our plans of action
Community	<ul style="list-style-type: none"> <li>Media promotion and reporting</li> <li>Participate in community welfare activities</li> <li>Company website</li> <li>Communication software, telephone and emails</li> </ul>	<ul style="list-style-type: none"> <li>Corporate social responsibility, support social welfare, community contribution</li> <li>Provide employment opportunity</li> <li>Promote health awareness</li> <li>Promote wealth protection awareness</li> <li>Labour rights and safe production</li> <li>Environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>Actively participate in charity activities and community donation, encourage our staff to become volunteers for pandemic prevention and control</li> <li>Create job opportunities</li> <li>Promote safety knowledge of citizens in respect of food and pharmaceuticals</li> <li>Check fire safety, maintain fire safety facilities and hold fire safety drills regularly</li> <li>Maintain cleanliness of the environment around the plant area</li> </ul>

## VI. Materiality Assessment

In accordance with the Environmental, Social and Governance Reporting Guide of Appendix C2 of the GEM Listing Rules, the Group regularly reviews its operations and identifies relevant ESG issues through the management and staff of each of its major divisions, and assesses the impact and significance of these issues on our business and various stakeholders, to ensure that this Report fully reflects the major ESG issues of concern to Neptunus Interlong and the stakeholders. The materiality assessment process, which includes 3 steps, is as follows:

### First step: identify potential ESG issues

The Group identified the following 16 ESG issues in accordance with the disclosure requirements of the ESG Reporting Guide, industrial trend, communication with stakeholders and the business characteristics and day-to-day operation of Neptunus Interlong. These issues are considered to have impacts on the environment and society in which we operate.



## Environmental, Social and Governance Report

ESG Aspects		No.	ESG Issues
<b>A. Environment</b>	Aspect A1: Emissions	1	Greenhouse gas emission
		2	Handling of hazardous and non-hazardous waste
		3	Water consumption
	Aspect A2: Use of Resources	4	Energy conservation
	Aspect A3: Environment and Natural Resources	5	Impact of operation on environment and natural resources
	Aspect A4: Climate Change	6	Impact of significant climate-related issues on operation
<b>B. Social</b>	Aspect B1: Employment	7	Employee turnover
	Aspect B2: Health and Safety	8	Employee occupational health and safety
	Aspect B3: Development and Training	9	Staff training
	Aspect B4: Labour Standards	10	Avoidance of child labour and forced labour
	Aspect B5: Supply Chain Management	11	Supply chain and distributor management
	Aspect B6: Product Responsibility	12	Product quality and safety
		13	Quality assurance process and product recall procedures
	Aspect B7: Anti-corruption	14	Handling of complaints
		15	Anti-corruption
	Aspect B8: Community Investment	16	Community investment



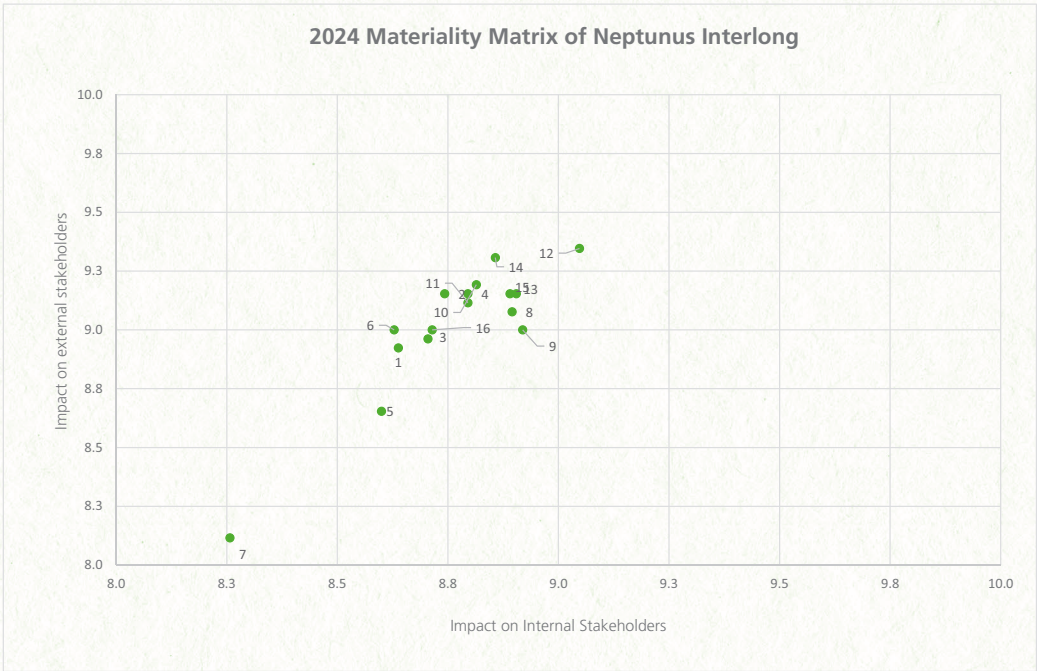
Second step: assign priorities

We learned about stakeholders’ concern related to the Group’s ESG issues through online questionnaires<sup>2</sup>. Based on the opinions gathered in the communication, the management of the Group held internal meetings and rated the relevance and materiality of each ESG issue on a scale of 0-10 (0 as not relevant; 10 as extremely material). We prioritized the issues according to their materiality to the Group and stakeholders, which is illustrated through a matrix for materiality.

Third step: review and confirm the result of analysis of the issues

The priority and analysis of the issues were reviewed and confirmed by management of the Group and external experts. The issues are arranged on the two axes of “Impact on internal stakeholders” and “Impact on external stakeholders” in accordance with the rating results, and a materiality matrix is prepared accordingly.

The results of this year’s ESG materiality analysis and evaluation are shown in the following matrix. The top right corner of the matrix shows issues of highest materiality, while the bottom left corner shows issues of lower materiality. As the principal activities of the Group are research and development, manufacturing and selling of medicines, and the purchase and sales of medicines and healthcare food products, our material issues for the Year mainly focus on product quality and safety, complaint handling, quality assurance process and product recall procedures, corruption and corruption prevention measures, and avoidance of child labour and compulsory labour. The Group will pay more attention to such areas while taking environmental and social responsibility into consideration. To effectively address the concerns of stakeholders, we will focus on strengthening the examination of material issues, fully consider opinions raised by all stakeholders, and earnestly optimise our development strategy in the long run.



<sup>2</sup> The online questionnaire of this year covered a total of 236 questionnaires from the management, general staff, customers, suppliers and shareholders of the Group and its subsidiaries.



## Environmental, Social and Governance Report

TABLE OF PRIORITY OF ISSUES OF MATERIALITY OF THE 2024 ESG REPORT				
CATEGORY OF ISSUES	Category of issues	Category of issues	Category of issues	Category of issues
<b>ISSUES OF HIGH MATERIALITY</b>	1	Social	12	Product quality and safety
	2	Social	14	Handling of complaints
	3	Social	13	Quality assurance process and product recall procedures
	4	Social	15	Corruption and corruption prevention measures
	5	Social	10	Avoidance of child labour and forced labour
<b>ISSUES OF MEDIUM MATERIALITY</b>	6	Social	8	Employee occupational health and safety measures
	7	Environmental	4	Energy conservation
	8	Social	9	Staff training initiatives and career development management
	9	Social	11	Supply chain and distributor management
	10	Environmental	2	Handling of hazardous and non-hazardous waste
	11	Social	16	Investing resources in community development and social charitable activities
	12	Environmental	3	Reduction of water consumption
	13	Environmental	6	Policy relating to significant climate-related issues which have impact on operation
	14	Environmental	1	Reduction of greenhouse gas emission
	15	Environmental	5	Impact of operation on environment and natural resources
<b>ISSUES OF LOW MATERIALITY</b>	16	Social	7	Employee turnover



## VII. Environmental Aspect

With the increasing impact of climate change-related issues, environmental policies and guidelines have been tightened in recent years, and green development and environmental protection issues are becoming a global corporate development policy and trend. Neptunus Interlong adheres to a sustainable business philosophy and actively integrates environmental protection concepts into its core business, strictly monitoring every aspect of its operations that may have a negative impact on the natural environment, aiming to use natural resources effectively and with minimal harm to the environment. Hence, we have established internal policies and procedures such as Regulations on Environmental Protection Management (《環境保護管理規程》), Hazardous Waste Management System (《危險廢棄物管理制度》) and General Solid Waste Management System (《一般固體廢棄物管理制度》) to regulate the daily work of our staff and the disposal of waste, with an aim to reducing pollutant emissions in the production process. At the same time, we actively promote the green office concept to reduce operating costs by conserving resources and energy, thus achieving a win-win situation for both corporate development and environmental protection.

### A1: Emissions

The Group strictly complies with laws and regulations such as the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) and Administrative Measures for Environmental Protection for Pharmaceutical Industry (《醫藥工業環境保護管理辦法》) in relation to the requirements on the management of pollutant emission and energy conservation by enterprises and has formulated and implemented internal policies such as Regulations on Environmental Protection Management (《環境保護管理規程》), Preventive Measures and Emergency Preparedness Plan for Hazardous Waste Management (《危險廢物事故防範措施及應急預案》) and General Solid Waste Management System (《一般固體廢棄物管理制度》) to strictly manage exhaust gas, wastewater, waste, and greenhouse gas emission generated from our production and office premises, and rationalize the time of gas consumption in each production workshop to ensure minimization of emissions produced in the course of operation and the possible damage to the environment. In addition, the Group has also commissioned third-party professional organizations to conduct tests on pollution emissions from its operation. The data generated about the air and water pollutants are not only used for monitoring purposes, but also to calculate the environmental tax payable to ensure that the Group pays the environmental tax in full and on time to comply with the requirements of the Environmental Protection Tax Law (《環境保護稅法》).

#### Case – Emission inspection

- Currently, our production bases in Fuzhou and Beijing commission a qualified entity to conduct on-site sampling and monitoring of wastewater, waste gas, rainwater, noise, and cafeteria fume discharge on a quarterly or annual basis to ensure that the relevant emissions produced by the Company are in compliance with the requirements of the emission permit. During the Year, all the monitoring values met the emission standards.



### Management of Atmospheric Emission

In order to strictly comply with the laws, regulations and standards set by the PRC such as the Air Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國大氣污染防治法》) and the Emission Standard for Air Pollutants from Boilers (《鍋爐大氣污染物排放標準》), the Group has established a comprehensive internal emission management system (such as setting up waste gas treatment process and emission standards) to ensure the Group's strict control of various types of air pollutant emissions in the production and operation process. In addition to the control through operational procedures, the Group also commissions a qualified entity to conduct annual waste gas emission tests to keep track of the Group's emissions and data, including the operational status of environmental protection equipment, so as to effectively monitor and improve the progress of the Group's emission management work and meet the requirements of relevant environmental protection regulations. We also replaced coal fuels with natural gas to gradually reduce reliance on petrol and diesel so as to effectively reduce the emission of carbon dioxide, nitrogen oxides and sulphur oxides in an effort to improve air quality.

The air pollutants generated from the operation of the Group mainly originate from sulphur dioxide, nitrogen oxides and dust/particulate matter from the combustion of natural gas, petrol and diesel in the production process. The Group's emissions of sulphur dioxide during the Reporting Period amounted to 72 kilograms (kg), representing an increase of approximately 10% from approximately 65 kg in the previous year, while emissions of nitrogen oxides and dust/particulate matter decreased from 1,529 kg and 177 kg, respectively, to 1,320 kg and 129 kg, respectively, representing a decrease of approximately 14% and 27%, respectively, from the previous year. The main reason for the decrease in nitrogen oxides was that the Fuzhou Production Base appropriately adjusted the flue gas recirculation in the burner section, thus reducing the oxygen concentration and temperature in the combustion area and reducing the generation of nitrogen oxides and other substances. In order to reduce emissions of carbon dioxide, nitrogen oxides and sulphur oxides as well as reduce the environmental impact, the Group continued to explore additional measures and aims to further reduce the emission of non-methane hydrocarbons in the coming year. Please refer to section IX-ESG KPIs Overview for details of the data.

### Management of Water Emissions

The Group is committed to reducing wastewater emissions, and strictly complies with regulations and standards such as the Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》), the Emission Standard for Water Pollutants for Pharmaceutical Industry of Mixing and Formulation Category (《混裝製劑類製藥工業水污染物排放標準》), the Emission Standards for Water Pollutants for Pharmaceutical Industry of Chinese medicine category" (《中藥類製藥工業水污染物排放標準》), etc. The Group engages a qualified third-party entity to conduct test on water emissions annually. Meanwhile, our Fuzhou Production Base is equipped with a centralized sewage treatment station, and all industrial wastewater is discharged through the sewage treatment station after reaching the standard. The pollutants in the wastewater discharged in the course of the Group's operation are mainly chemical oxygen demand (COD) and ammoniacal nitrogen. During the Reporting Period, the Group generated approximately 101,470 tonnes of wastewater, representing a decrease of approximately 6% over the previous year, and 2,830 kg of COD from production processes, representing an increase of approximately 2% over the previous year. Moreover, ammoniacal nitrogen emissions amounted to 219 kg, representing an increase of approximately 95% over the previous year. The increase of wastewater COD and ammoniacal nitrogen emissions was attributable to the failure of one of our subsidiaries to clean up domestic wastewater in a timely manner, resulting in an increase in the concentration of wastewater discharges, which still satisfied the emission standard. The Group will further strengthen the management of wastewater discharges in the coming year in order to reduce water pollutants.



### Management of Solid Wastes

The Group formulated and has been implementing internal systems such as Hazardous Waste Management System (《危險廢棄物管理制度》), General Solid Waste Management System (《一般固體廢棄物管理制度》) and the Implementation Plan on Separation and Reduction of Domestic Waste (《生活垃圾分類減量實施方案》), which clearly regulate the categories of solid wastes and the processes of waste collection, storage and transfer to minimize the impact of wastes on the environment. In addition, we have set up centralized stacking yards in each subsidiary of the Group for the classified storage and regular disposal of wastes. For the hazardous wastes generated in the production process, we seriously carry out standardized management, regularly carry out staff training on hazardous waste management and environmental emergency drills, and entrust all hazardous wastes to a qualified company for safe disposal to ensure that all disposal documents are complete. The solid wastes generated by Neptunus Interlong at present mainly include medical waste and waste drugs, waste packing materials and office and domestic garbage. For recyclable caps of waste glass bottles, glass fragments, waste paper packaging, etc., the Company commissions suppliers for recycling. For recyclable cartons, we process them into gaskets for external packaging used in the injection workshop. For non-recyclable wastes, they are disposed by professional qualified institutions.

During the Reporting Period, the hazardous waste and non-hazardous waste generated by the Group amounted to 89,661 kg and 538 tonnes, representing a decrease of 68% and 19%, respectively, compared to the previous year. With the exception of the year 2023, when the Group experienced a significant decrease in hazardous waste generation due to the fact that the plant area of one of our subsidiaries was affected by a typhoon and suffered from loss and affected pharmaceutical products were scrapped, resulting in the significant decrease in the amount of hazardous waste generated during the Year, the total volume of the non-hazardous waste decreased, which demonstrates that the Group's current waste treatment procedures are gradually reducing the amount of waste generated from the Group's operations. Looking forward, the Group plans to continue to control waste at the source, promote recycling of waste, gradually create a paperless office, and continue to strengthen the disposal of hazardous waste and use recyclable packaging, so as to strive to reduce the discharge of hazardous waste and non-hazardous waste in the next year. Please refer to section IX-ESG KPIs Overview for details of the data.



### Greenhouse Gas Emission

The Group's greenhouse gas emission consists of direct emission (Scope 1) and indirect emission (Scope 2). Due to the nature of the Group's business, our greenhouse gas direct emission (Scope 1)<sup>3</sup> is mainly generated by fuels and natural gas consumption on production facilities and vehicles, which amounted to approximately 5,129 tonnes of carbon dioxide equivalent during the Reporting Period, representing an increase of approximately 3% from 4,982 tonnes of carbon dioxide equivalent in the previous year; and greenhouse gas indirect emission (Scope 2)<sup>4</sup> was mainly from purchased electricity, which amounted to approximately 6,948 tonnes of carbon dioxide equivalent during the Reporting Period, representing an increase of approximately 4% compared to 6,665 tonnes of carbon dioxide equivalent<sup>5</sup> in the previous year. As the overall business volume of the Group increased during the Reporting Period, the natural gas consumption by the Group's production facilities and purchased electricity consumption by our plants also increased, both direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions showed an upward trend. Looking forward, the Group will actively consider the gradual replacement of more environmentally friendly production equipment and the adoption of various energy saving measures with a view to reducing greenhouse gas emission.

During the Reporting Period, the Group was able to meet government standards for waste gas and greenhouse gas emissions and hazardous and non-hazardous waste. However, the overall business volume of the Group increased during the Reporting Period and the overall greenhouse gas emissions and waste volume of the Group increased accordingly. For the continued strict management of greenhouse gas emissions in the course of operations, the Group has put in place relevant management systems and arranged for relevant staff to monitor the abovementioned emissions and waste volumes, and has improved production facilities and processes to reduce emissions; we strengthened production control and inventory management, used environmentally friendly packaging materials and continued to work towards a paperless office to reduce inventory waste and material consumption. Looking forward, the Group will continue to actively monitor the implementation and execution of its environmental objectives, with a view to further enhancing the effectiveness of the Group's environmental policies and efforts.

### A2: Use of Resources

Enhancing the efficiency of resource use and saving energy consumption is an important cornerstone of the Group's efforts to become an energy-saving enterprise. The Group attaches great importance to this and has been actively responding to the call of the country for energy conservation and emission reduction by complying with laws and regulations such as Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》) and Clean Production Promotion Law of the People's Republic of China (《中華人民共和國清潔生產促進法》). Through the strengthening of internal management system for introducing environmental protection concept into our work process, and actively promoting green resource management and encouraging resource and energy conservation among our subsidiaries, we can thereby cultivate a green office concept among our staff. In addition, we will review and evaluate the efficiency and effectiveness of our environmental programmes from time to time to strike a good balance between environmental protection and business growth.

<sup>3</sup> Scope 1 covers greenhouse gas emissions directly generated by operations owned or controlled by the Group.

<sup>4</sup> Scope 2 covers "indirect energy" greenhouse gas emissions resulting from electricity (purchased or acquired) consumed within the Group.

<sup>5</sup> Indirect greenhouse gas emissions (Scope 2) have been calculated in accordance with the average carbon dioxide emission factor for 2022 as updated in the Announcement on the Release of Electricity Carbon Dioxide Emission Factor for 2022 issued by the Ministry of Ecology and Environment of the PRC in December 2024. To ensure consistency, indirect greenhouse gas emissions data for 2022 and 2023 have been recalculated.



## Environmental, Social and Governance Report

We have implemented a number of energy saving and emission reduction measures to reduce energy and resource consumption, including:

- **Saving electricity in the office:** Turning off lights and air-conditioning facilities after work; cutting off power for computers and other power-consuming equipment when idling; regularly inspecting on electrical wiring, appliances and other equipment, timely replacing aging lines and repairing faulty power-consuming equipment;
- **Water conservation:** Regularly inspecting hidden water pipes to prevent leaks, inspecting internal water supply systems, repairing faulty tanks, faucets, and other water supply systems; making full use of rainwater collection ponds, and greening with collected rainwater;
- **Paper saving:** Integrating the online system to correct and save documents, promoting a paperless office, encouraging staff to print on both sides if the use of paper is necessary, and recycling used paper as much as possible;
- **Energy saving and retrofitting:** Conducting annual performance assessments of our subsidiaries' production and environmental equipment, and upgrade and retrofit appropriate equipment to ensure maximizing our investment and increasing energy efficiency;
- **Reducing travel:** Encouraging our employees to reduce non-essential travel, to communicate with customers, suppliers or business partners by video conference to reduce the carbon footprint of travel by air or other means of transport;
- **Reducing car use:** Regularly recording the petrol and diesel usage of our subsidiaries' business vehicles, and encouraging employees to share rides so as to enhance the efficiency of energy utilization and reduce carbon emission.

### Energy Consumption

Our direct energy consumption mainly comes from natural gas, diesel and gasoline used in boilers, generators, production equipment and business vehicles; indirect energy consumption mainly comes from purchased electricity and steam. During the Reporting Period, the Group's total energy consumption intensity was approximately 39.49 MWh/million RMB revenue, representing an increase of approximately 6% as compared to the previous year, which was mainly due to the increase in the overall business volume during the Year and the increase in the natural gas and electricity consumption compared to the previous year. The Group will continue to take various energy saving measures such as regular inspection and replacement of aged circuits, repair of faulty power consuming equipment, adoption of energy-saving facilities and equipment and improvement of bus utilization management, and recording energy consumption and reviewing the use of energy regularly, in an effort to further reduce total energy consumption intensity of the Group in the next year.



### Case – Energy consumption management

- In January 2024, the Beijing Production Base held a meeting for all employees to advocate electricity saving, “turn off electric equipment before leaving” the office and dormitory areas, and improve the habits to save electricity in daily life. As a result of the publicity, the electricity consumption in the office and dormitory areas of the base was reduced by nearly 7% in 2024 as compared to the previous year.
- In February 2024, the Fuzhou Production Base installed solar panels for all street lights within the enterprise area. By absorbing solar rays and generating photovoltaic effects on the panel surface, the solar panels realized the use of renewable resources by converting light energy into electricity, reducing the consumption of electricity for daily use, and thus reducing the daily expenses of the enterprise.
- In April 2024, the Fuzhou Production Base directly connected the tail gas piping of low-temperature impulse vacuum dryers, hot air circulation ovens and other equipment with the heating pipe, and recycled the steam tail gas to provide the heating source of can washing water, realizing the reuse of steam through the modification of piping and reducing energy consumption and environmental pollution while improving the energy utilization rate.

### Water Consumption

As a pharmaceutical research and development, production and sales company, the Group consumes a lot of water for our production workshops, laboratories and other production areas besides office areas, canteens and other daily working areas. Our main source of water for production and office use is the water supply from the local government authorities, which is relatively stable and therefore we have not encountered any significant difficulties in obtaining water resources. During the Reporting Period, the Group's total water consumption intensity was approximately 337 tonnes/million RMB revenue, representing a decrease of approximately 3% as compared to the previous year. Based on the decreasing trend of the Group's water consumption in the last three years, the Group aims to further reduce its total water consumption intensity in the coming year. With a view to ensuring achievement of the goal, the Group will continue to actively review the water consumption in production workshops and office areas, actively consider the feasibility of water recycling and post water conservation reminders at prominent locations in water-using areas to promote rational water consumption among staff.

### Case – Recycling and reuse of water consumed in production

- In 2024, the Fuzhou Production Base will collect bottle washing water and process cooling water and send to the air-conditioning cooling tower in the workshop for cooling water replenishment, realizing the recycling and multi-directional reuse of water resources, which can save about 90 tonnes of water per day.

During the Reporting Period, the Group's total energy consumption increased and total water consumption decreased as compared to the previous year. Among which, the effective reduction in total water consumption was attributable to the continuous retrofitting and upgrading of our production facilities in recent years as well as our strong advocacy of water conservation and the realization of “multiple use of water”. The Group has put in place relevant management systems and arranged staff to monitor energy and water consumption, improved production facilities and processes to increase energy and water efficiency, and cut off power and water sources when facilities and equipment are idle to reduce wastage. The Group will continue to actively monitor the implementation and execution of its environmental objectives in the coming year, with a view to further enhancing the effectiveness of the Group's environmental policies and efforts.



# Environmental, Social and Governance Report

## A3: Environment and Natural Resources

While seeking to provide quality products and services to the public, Neptunus Interlong also attaches great importance to the ecological health and environmental impact of the Group's business. The Group strictly implements the "Three Simultaneities" system stipulated by the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), and ensures that all environmental impact assessment on projects have been approved by local environmental protection departments before their commencement, so as to minimize the impact of business operations on the surrounding environment and biodiversity. We unceasingly monitor the balance between enterprise development and environmental protection, continue to fulfil our corporate responsibility for environmental protection by taking the abovementioned measures to reduce emissions of various types of pollutants, effectively conserve energy and resources, and undertake to deal seriously with departments or individuals who dispose of hazardous waste indiscriminately or without permission, and to pursue legal action against those involved where necessary. During the Reporting Period, there were no significant environmental violations in our production and operation sites. Meanwhile, our Fuzhou Production Base set up an emergency preparedness team in 2023, which passed the expert assessment of the New Emergency Preparedness Plan for Environmental Emergencies (《新突發環境事件應急預案》) and the filing with the ecological environment authority, to further standardize the handling process for employees in the event of environmental emergencies and to provide guidelines for daily environmental protection training.

## A4: Climate Change

As the impact of climate change and related extreme weather events becomes more pronounced in all countries, it has become a consensus among governments and even businesses to address climate change. Neptunus Interlong is constantly aware of the risks of climate change in relation to its business and has been assessing the impact of climate change on the sustainability and stability of the Group's business in accordance with the international recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") established by the Financial Stability Board. To ensure that we are well prepared for the onset of a climate crisis, the Group has put in place policies and measures to manage climate-related risks and seize opportunities based on the results of this assessment.



## Environmental, Social and Governance Report

With reference to the risk classification of the TCFD framework, the climate-related risks identified by the Group are as follows:

Type	Climate-related risk	Potential financial impact	Our policies and measures
Transformation Risk	Policy and Legal Risk	In 2021, the State Council of the PRC has promulgated the Action Plan for Carbon Dioxide Peaking Before 2030 (《2030年前碳达峰行动方案》), which sets targets for carbon emissions. The State Council also published the Action Plan on Energy Saving and Carbon Reduction for 2024-2025 (《2024-2025年节能降碳行动方案》) in May 2024, which mentioned that the targets and management mechanism for energy saving and carbon reduction should be strengthened in various aspects, and this may result in the Group's need to launch and implement energy and resource saving projects to reduce emissions and may increase operational and compliance costs.	<ul style="list-style-type: none"> <li>To keep relevant policy updates under review and assess their potential impact on operations;</li> <li>To improve the organisational structure to meet the latest policy requirements.</li> </ul>
		There may also be new regulatory requirements for operations and products, resulting in increased product development costs.	<ul style="list-style-type: none"> <li>To achieve sustainable use of energy and resources;</li> <li>To select the model with the appropriate range when upgrading the equipment to avoid duplication of investment;</li> <li>Regular maintenance and inspection of machinery, equipment, transport vehicles, etc. to ensure compliance with regulatory requirements.</li> </ul>



## Environmental, Social and Governance Report

Type	Climate-related risk	Potential financial impact	Our policies and measures
	Market Risk	The increase in consumer demand for green and low carbon products may require the Group to research and apply environmentally friendly production technologies and use those suppliers that are environmentally friendly in their production, resulting in higher product development costs. In addition, the use of unsustainable or non-reusable materials may result in less competitive products.	<ul style="list-style-type: none"> <li>• To assess the energy efficiency and sustainable use of machinery;</li> <li>• To promote low energy consumption production and resource planning;</li> <li>• To recycle concentrate water for multiple uses and rationally reuse steam tail gas;</li> <li>• To promote the internal reuse of materials.</li> </ul>
Physical Risk	Extreme Weather and Natural Disasters	The impact of extreme weather conditions such as rainstorm, typhoons and flooding can affect the stability of the supply chain and cause disruptions in the supply chain, disruptions in logistics, etc. and thus reduced production capacity or increased production costs, resulting in reduced revenue.	<ul style="list-style-type: none"> <li>• To improve efficiency and reduce costs to reduce sourcing and production costs;</li> <li>• To enhance resource utilization, promote the use of renewable energy and implement safety management measures.</li> </ul>



In addition, the followings are the Group's measures taken in response to actual extreme weather conditions in 2024:

### Case: Emergency measures for severe air pollution

In November 2024, the Beijing Production Base received a notification from the Municipal Severe Air Pollution Emergency Command Office that according to the latest forecast and analysis of the monitoring conditions, it was expected that a moderate-severe pollution process would take place in the city from 8 November to 10 November, and the Municipal Severe Air Pollution Emergency Command Office was scheduled to activate the Orange Alert for Severe Air Pollution at 0:00, 8 November 2024.

Our subsidiaries have taken the following measures in response to this severe air pollution:

1. Enterprises would implement the relevant level of emission reduction in accordance with the "one policy for one plant in case of severe air pollution";
2. In addition to ensuring the normal operation of waste gas treatment facilities to ensure that emission standards are met, the subsidiaries would advocate the development of autonomous emission reduction;
3. The subsidiaries would start the investigation of dust pollution sources such as bare land in the factory area, and adopt high-density and high-ratio thatching cover to ensure that there is no bare land and no dust.

Going forward, the Group will continue to monitor its environmental compliance performance, measure the risks posed by climate change and take necessary countermeasures to mitigate the impact on the Group.

## VIII. Social Aspect

### B1: Employment & B4: Labour Standards

The Group believes that our employees are one of the most important assets for the sustainable development of our business. The Group has always adhered to the employment principle of equal competition, providing talents with opportunities to reach their full potentials, so that they can grow and develop together with the Group. The Group has developed a series of human resource management systems, such as Human Resource Management System (《人力資源管理制度》), Remuneration and Benefits Management System (《薪酬福利管理制度》) and Work Attendance and Vacation System (《考勤休假制度》), etc., with internal guidelines covering salary and dismissal, recruitment and promotion, working hours, holiday, equal opportunity, diversity, anti-discrimination and other remuneration and benefits to protect the legitimate rights and interests of employees, occupational safety and health, create a good corporate culture and provide a reasonable, fair and non-discriminatory working environment for our employees and strictly protect the basic rights and interests of employees.

#### Recruitment and Talent Pool

The Group strictly complies with laws and regulations related to the employment of employees such as the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), and has formulated the Human Resource Management System (《人力資源管理制度》) and the Recruitment and New Employee Onboarding Management System of the Company (《公司招聘、新員工入司管理制度》) accordingly to ensure that the Group's overall human resources can be maintained at a certain level and that the recruitment procedures comply with the requirements of laws and regulations.



## Environmental, Social and Governance Report

We constantly improve our employment system and promote the professional ethics of law abidance, integrity, honesty, trustworthiness, dedication and cooperation in the recruitment process. We observe and assess the performance of candidates in an objective and scientific manner to determine whether their professional ethics, academic qualifications and work experience meet the Group's requirements, and avoid subjective and arbitrary assessment methods as far as possible. At the same time, we avoid using personal characteristics such as gender, age, marital status and physical fitness, etc. as essential factors for selection, and will avoid asking personal privacy questions unrelated to work performance, and the cognitive ability assessment data of the candidates will only be available for access by personnel related to the selection of this position.

### Any form of child labour and forced labour is strictly prohibited

The Group strictly complies with the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), Law of the People's Republic of China on the Protection of the Minors (《中華人民共和國未成年人保護法》) and other laws and regulations on the protection of the legitimate rights and interests of employees and the prohibition of employment of minors.

- Conducting background checks on employees during the recruitment process and examining information such as applicants' identification, academic proof and age to eliminate the illegal use of child labour;
- A Work Attendance and Vacation System (《考勤休假制度》) is in place, whereby employees are entitled to a variety of paid holidays to prevent forced labour and to ensure that employees have adequate rest.

### Promotion and Dismissal

We uphold the principles of fairness, openness and impartiality in providing promotion opportunities for our staff. We have established the Performance Management System (《績效管理制度》) to provide detailed rules for staff promotion and conduct regular performance appraisals for our staff to determine whether they are eligible for promotion. We believe that communication and feedback will help to enhance the overall work performance of our staff, thereby promoting the positive development of the organisation and improving operational performance and management standards to the mutual benefit of the Group and our staff. In addition, we will conduct internal selection and rotation to provide more job and promotion opportunities for servicing employees, thereby optimising the internal allocation of human resources and standardising the process of nomination for promotion, qualification review and debriefing to achieve transparency in the promotion channel.

In the event of employee misconduct or non-compliance with the Company's rules and regulations, the Group will give warning or deduct performance appraisal points depending on the severity of the case. If there is no improvement, punishment such as reduction of salary, demotion or termination of labour contract will be given.

### Working Hours and Holidays

The Group has established the Work Attendance and Vacation System (《考勤休假制度》) in accordance with the Regulations on Paid Annual Leave for Employees (《職工帶薪年休假條例》) and pays overtime wages to employees for overtime work in recognised circumstances. In addition, in accordance with the Work Attendance and Vacation System (《考勤休假制度》), our employees are entitled to various paid leaves, including statutory holidays, marriage leave, bereavement leave, maternity leave, family planning leave and annual leave, and their annual leave will be adjusted according to their length of service.



### Remuneration and Benefits

We have formulated internal systems such as the Remuneration and Welfare Management System (《薪酬福利管理制度》) and the Work Attendance and Vacation System (《考勤休假制度》) in accordance with the provisions of the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) and the Regulations on Paid Annual Leave for Employees (《職工帶薪年休假條例》), which clearly set out the composition of employees' remuneration, including fixed salaries, performance pay, welfare allowances, bonuses and annual compensation for years of service, in order to motivate employees and enhance their sense of belonging to the Group. We also pay pension insurance, basic medical insurance, unemployment insurance and maternity insurance for our employees on time in accordance with the law to protect their legitimate rights and interests.

The Group organises and encourages its staff to participate in various activities from time to time each year, such as company anniversary celebrations, Chinese New Year party, outing, team building, movie watching, sports events and physical exercises, etc., to enrich the spare time of our staff.

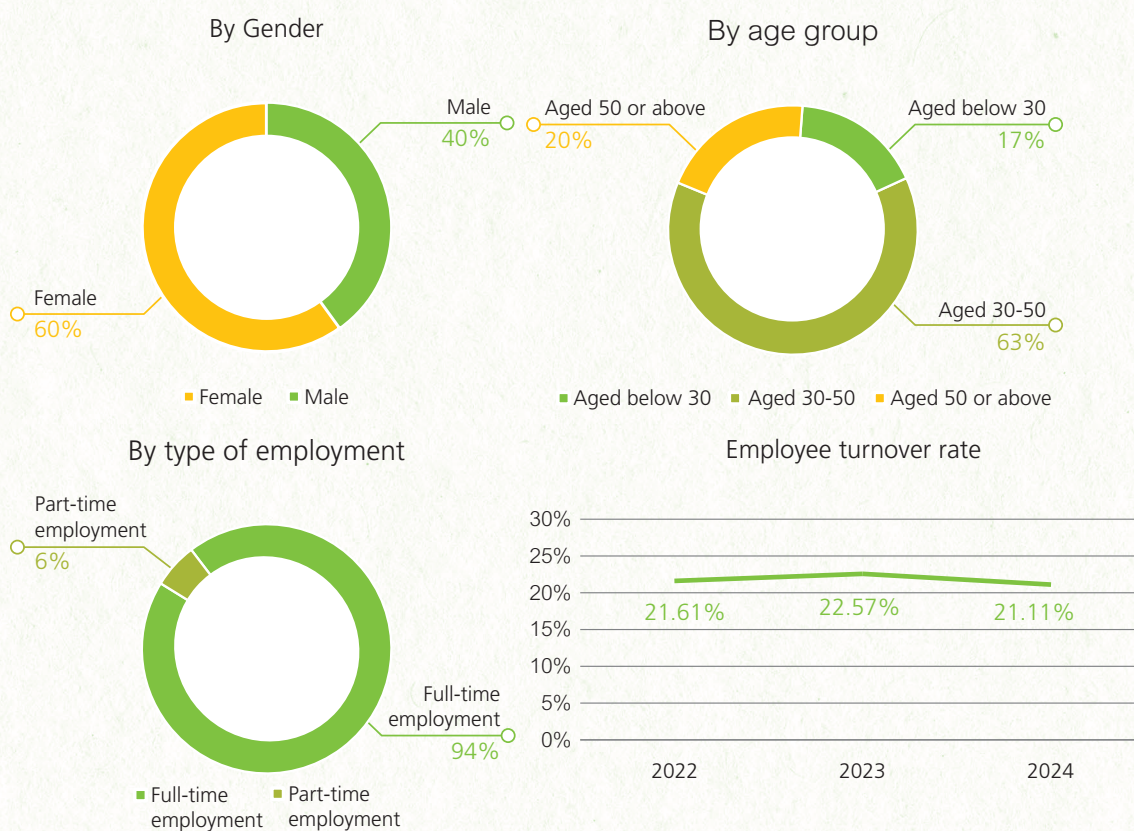




## Equal Opportunities, Diversity and Anti-Discrimination

The Group adopts the principles of openness, fairness and equal competition in recruitment and performance management. In order to accurately implement the concepts of equality, diversity and anti-discrimination, our Human Resource Management System (《人力资源管理制度》) ensures fair treatment of our employees in terms of recruitment and promotion procedures, termination procedures, training, performance appraisal, remuneration and benefits, working hours, leave and other holidays (including marriage leave, compassionate leave and maternity leave). In recruiting talents, the Group selects people based on their talents and eliminates discrimination in relation to factors such as gender, geographical region, qualification and work age.

As at 31 December 2024, we had 1,485 employees, of whom approximately 40% were male and 60% were female, while the employee turnover rate was approximately 21.1%, representing a decrease of approximately 1% as compared to the previous year.





### B2: Health and Safety

As a responsible employer, we strictly uphold the safety and health of staff as our first priority and strictly observe laws and regulations related to labour safety and health such as the Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), the Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》), the Provisions on Work-Related Injury Insurance of the People's Republic of China (《中華人民共和國工傷保險條例》), Law of Occupational Disease Prevention and Control of the People's Republic of China (《中華人民共和國職業病防治法》) and Provisions on Production Safety Incident Reporting and Investigation (《生產安全事故報告和調查處理條例》). The Group formulates internal guidelines such as Fire Safety Management System (《消防安全管理制度》), Training Management System (《培訓管理制度》) and Training Materials on Safety Protection of APIs (Active Pharmaceutical Ingredients) and Specific Operation (《原料藥安全防護及特定操作培訓教材》) and requires all employees to understand and comply with relevant safety instructions, whenever a safety hazard is identified at work, such as inadequate safety equipment, accidents or potential hazards, it must be reported promptly. For employees who are injured at work, we will investigate the cause of the accident and take relevant measures to prevent the recurrence of similar incidents, and where necessary, we will provide financial assistance to the injured employees or even suspend their work with pay to relieve the financial pressure of not being able to work. In addition, we endeavour to provide a comfortable and safe working environment as well as protect employees from potential occupational hazards. The measures we have taken are as follows:

- establish the Safe Production Management Committee to safeguard and supervise the production process so as to enhance safety in production premises;
- arrange professional physical check for relevant personnel;
- provide trainings covering fire safety and production safety to employees every year;
- prepare guidelines such as those on basic knowledge of production safety, safety protection of APIs (Active Pharmaceutical Ingredients) and specific operation to provide sufficient guidance and instruction for operating personnel;
- regular maintenance of machines and equipment to ensure that they are in good condition; and
- set up safety warning signs to enhance employees' safety awareness.

#### Case – Employee safety and protection

- In June 2024, the staff of our subsidiaries accepted the training related to special equipment operators organized by Fujian Province Labour Safety Equipment Technology Development Co., Ltd. (福建省勞安設備技術開發有限公司) and passed the examination, obtaining the qualification for Special Equipment Safety Management Officer A Certificate.
- In July 2024, the Beijing Production Base commissioned a third-party company to conduct a fire protection and electrical inspection and fire facility inspection on the office building, dormitory building, workshop and canteen, and confirmed that the electrical fire prevention and fire fighting facilities of the company were in compliance with the relevant national regulations and norms after the inspections.



### Case – Employee safety and protection

- Production safety is the cornerstone of corporate development. The Fuzhou and Beijing Production Bases regularly carry out various safety drills and trainings every year, which cover topics such as fire fighting, elevator rescue, earthquake evacuation and environmental emergencies. In July 2024, the Fuzhou Production Base carried out a drill of the emergency preparedness plan on “production safety incidents and environmental emergencies”. This activity included three parts: onsite explanation on the knowledge of emergency risk avoidance by a professional lecturer, a tabletop exercise on the scenario of “gas leakage from boilers in a large-capacity workshop”, and an earthquake escape and evacuation drill. Through the drills, it not only effectively enhanced the staff’s awareness of safety precautions, emergency response capability and teamwork level, but also ensured the quick response and orderly treatment during safety emergencies, and comprehensively verified the operability of the company’s documents including Emergency Preparedness Plan for Production Safety Incidents (《生產安全事故應急預案》) and Emergency Preparedness Plan for Environmental Emergencies (《突發環境事件應急預案》).



### B3: Development and Training

“Building an organisation of lifelong learning” is the talent training philosophy of the Group. We are committed to perfect an employee training system and develop relevant training programmes in line with the strategic objectives, financial budget and training needs of the Group, and standardise staff training and trainer qualification management by formulating the Training Management System (《培訓管理制度》) and Staff Handbook (《員工手冊》). We conduct various trainings for our employees based on their ranks and positions, so as to help them improve their skills and career development.

In addition, new employees will receive comprehensive training which covers our corporate culture and policies and the necessary techniques and skills. For on-the-job trainings, employees may not only obtain reimbursement for course fees and travel expenses incurred for external trainings against relevant bills, but also choose professional online training courses provided by the online business college established by subsidiaries of the Group. This enables employees to arrange continuous learning of work-related knowledge and skills flexibly and realise our philosophy of talent training.

During the Reporting Period, the total number of employees of the Group who received training was 1,327. The percentage of trained employees was approximately 89% and the number of training hours per capita was approximately 29. The following is the training and development of the programmes conducted by the Group for its employees during the Year to enhance their understanding of job skills and knowledge:



### Case – Training and development

- Every year, our subsidiaries organize internal training teams to carry out training for new employees in the form of centralised lectures, which focuses on the theoretical knowledge and professional skills of the positions, company rules and regulations and corporate culture, in particular basic knowledge of pharmaceutical preparations, drug testing methods, drug quality management standards, SOPs for different positions, workshop rules and regulations, production management requirements, and the daily code of conduct for employees. The aim of the training is to help new employees quickly master the skills required for their positions, gain a deep understanding of the requirements for drug production and quality management, and enhance their sense of identity with the corporate culture, so that they can successfully adapt to the needs of their workplaces.
- Our pharmaceutical subsidiaries continued to follow the dynamics of drug research and development policies, and actively participated in the “Drug Review Cloud Classroom” training series launched by the Center for Drug Evaluation of the National Medical Products Administration in 2024. In the special training of “Interpretation and Sharing of Newly Released Guiding Principles and Changes in Technical Requirements” held in September 2024, we learnt in-depth about the common problems of changes of marketed drugs and changes during clinical trials, and through the interpretation of the policies and the typical case studies, we grasped the core requirements of the latest guiding principles, which has effectively improved the efficiency of the pharmaceutical research and development efforts.
- In November 2024, the staff of our subsidiaries received the training on “Practical Class on Drug Registration Application, Verification, Explanation of Key Inspection Points and the 2025 Edition of the Chinese Pharmacopoeia ‘Data Quality Golden Tower’” organized by cnpharm.com. Upon completion of the training, the staff were awarded certificates of competency.
- In December 2024, the staff of our subsidiaries received the training on the “Guide on Production Safety Management of Narcotic Drugs, Psychotropic Substances and Pharmaceutical Precursor Chemicals” organized by the Beijing Municipal Medical Products Administration to listen to and learn about the production safety management of narcotic drugs, psychotropic substances and pharmaceutical precursor chemicals.





# Environmental, Social and Governance Report

## B5: Supply Chain Management

Supplier management is an important part in the control of safe production. The Group has established a comprehensive supplier evaluation and management system, requiring suppliers to provide products and services of quality that consistently meet our standards. We follow the principle of supplier diversification and promote the sustainable development of suppliers, so as to lower operational, environment and society risks in the supply chain and increase the competitiveness of the Group through a mature supply chain system. During the Reporting Period, the Group had a total of 435 external suppliers for materials and medicines, all of which are based in Mainland China, among which, East China has the largest number of suppliers of 194, representing approximately 45%.

### Supplier Evaluation and Management

To ensure the quality of products and services provided by suppliers, we have put in place policies such as the Quality System Assessment of Suppliers and Designated Supply Management System (《供應商質量體系評估及定點供貨管理制度》) to regulate the supplier evaluation and selection process. We maintain ongoing monitoring of suppliers' performance through the following measures:

- **Selection of suppliers:** suppliers must pass our internal evaluation and audit for doing business with us, and we only purchase from suppliers who are on our qualified supplier list;
- **Annual evaluation:** in the beginning of each year, periodic audit and performance evaluation are conducted on suppliers that have passed quality system assessment, and suppliers with substandard performance may be removed from the list of qualified suppliers; and
- **On-site audits:** on-site audits are conducted once every three years for suppliers of the main APIs used in products; and once every five years for suppliers of other auxiliary materials and packaging materials.

In addition, we have formulated internal policies such as Supplier Management System (《供應商管理制度》), Material Purchasing Contract Management System (《物料採購合同管理制度》), Material Supply Management System (《物料供應管理制度》) and the Supplier Records Management System (《供應商檔案管理制度》), which cover supplier background checking requirements, contract management, supply chain management and suppliers' filing management. We have specified updated information of suppliers that need to be kept and obtained by relevant departments in a timely manner, such as Drug Production Permit (《藥品生產許可證》), Business License (《營業執照》) and the GMP/GSP Certificates, to ensure the suppliers which the Group deals with are compliant, legal, qualified, safe and reliable so as to increase the trust of consumers on the Group's brands.

We understand the concept of "what is taken from the community is used by the community" and the importance of engaging suppliers who take environmental and social responsibility seriously for the sustainable development of the Group. Therefore, we strive to understand the environmental and social impacts of our suppliers' operations and will consider incorporating environmental and social performance (environmental protection, occupational health and safety, labour rights and interests, ethics, etc.) into the criteria for selecting and evaluating suppliers, and gradually improving our Supplier Management System (《供應商管理制度》), Quality System Assessment of Suppliers and Designated Supply Management System (《供貨商質量體系評估及定點供貨管理制度》) and Standard Operating Procedures for Supplier Evaluation and Approval (《供應商評估及批准標準操作規程》).



### Case – Supply chain management

- During the Reporting Period, we conducted audit on supplier information in accordance with the Supplier Management System (《供應商管理制度》), the Standard Operating Procedures for Supplier Evaluation and Approval (《供應商評估及批准標準操作規程》), and the relevant requirements of GMP regulations, and included the new suppliers of raw materials such as folic acid, gelatin, rock sugar, white wine, promethazine hydrochloride and edible ethanol that met the requirements to the list of qualified suppliers through the processes of changing procedures, quality studies, and filing and approval of relevant products, in order to broaden the procurement channels and reduce the dependence on suppliers.
- In February 2024, the procurement team of the Beijing Production Base went to Tianjin to carry out onsite audits on a number of suppliers. Through the processes of production workshop audit, onsite sampling of materials and onsite verification of qualification documents, the quality management system and ongoing supply capability of the suppliers were assessed and verified. Based on the results of the audit, we agreed to renew the contracts with the suppliers that met the requirements, and continued to implement the production demand plan contracts to ensure the reliability and stability of the raw material supply capacity.

### B6: Product Responsibility

The paramount task of the pharmaceutical industry is to ensure the safety and quality of products. Therefore, safety and quality management are important and no mistake is allowed. In this regard, we have put in place a comprehensive product safety and quality management mechanism, covering quality management and control, storage management, customer services, data confidentiality and customer privacy, and research and innovation, with the aim of ensuring constant improvement in our product quality and service standard and establishing a safe and reliable image to earn the long-term trust of customers on the Group's brands.

#### Product Quality Control System

"Serving the health of the public" is the core value and corporate mission of the Group. We must maintain product safety, quality and service levels to earn our customers' trust in the long term. For this reason, we have formulated the standard operating procedures such as the Standard Operating Procedures for the Warehousing Management of Pharmaceutical Precursor Chemicals (《藥品類易制毒化學品倉儲管理標準操作規程》), Quality Risk Management System (《質量風險管理制度》), Quality Review and Analysis Management System (《質量回顧分析管理制度》), Quality Incident Reporting and Handling Management System (《質量事故報告及處理管理制度》), Return Management System (《退貨管理制度》), Drug Recall Management System (《藥品召回管理制度》) and Quality Complaint Handling Management System (《質量投訴處理管理制度》) to regulate the quality management process of drug production and research and development, strictly control the quality and safety of our products and ensure that customers can use our products with peace of mind.

Moreover, the Group strictly complies with requirements of the Administrative Measures for Certification of Good Manufacturing Practice for Drugs (《藥品生產質量管理規範認證管理辦法》) and its related documents. We perform ongoing internal control on our products and production lines, and cooperate with government departments for regular inspections. Once any product or production line is found not complying with the standards, production must be suspended and investigation will be taken to find out the reason of failure. We will accept relevant investigation and arrangement of the National Medical Products Administration (the "NMPA"), and rectify the production process with a strict rectification manner to ensure the safety and reliability of product quality.



### Case – Quality control

- In July 2024, our subsidiaries were subject to a 3-in-1 on-site inspection by the Fujian Provincial Drug Administration and passed the inspection after providing the required documents and information during the special inspection of the production of Chinese medicines, the causal-specific inspection and the routine supervision inspection of the production of pharmaceutical products in Fujian Province.
- From July to August 2024, our subsidiaries conducted on-site inspections for the commissioned additional production of the variety Benzhexol Hydrochloride Tablets (鹽酸苯海索片) and obtained the production permit for Benzhexol Hydrochloride Tablets (鹽酸苯海索片) through on-site inspections of the production conditions and documents and information.
- Due to the prolonged suspension of production of Pentoxifylline Enteric-coated Tablets (己酮可鹼腸溶片) out of the control of raw materials, our subsidiaries, after procuring the imported raw materials, initiated the studies on the resumption of production and submitted application in September 2024, which was approved and marketing commenced in October 2024.

### Pharmaceutical Warehouse Management

The Group has put in place a series of operational procedures to strictly control the production process of inspection and acceptance, inbound and outbound storage, storage and distribution of pharmaceutical products. The relevant personnel are required to work together to ensure the effectiveness of storage management by checking the quantities and specifications, and keeping strict records of the time and quantity of inbound and outbound storage. In addition, the Group's warehouses are clearly divided into different areas according to the type and characteristics of the stock. In particular, toxic chemicals, narcotic drugs and flammable and explosive hazardous materials are stored in separate warehouses with burglar-proof and fire-proof facilities to ensure that the quality and safety of other non-toxic, narcotic or flammable stocks are not affected.

### Quality Appraisal and Product Recall

The Group strictly controls the quality of products. In terms of acceptance and quality inspection, quality inspection must be performed on purchased materials and medicines, semi-finished products and self-produced products in accordance with standardised procedures. To ensure the supply of safe medicines for the public, materials and medicines, semi-finished and finished products not meeting quality standards will be rejected for warehousing. Self-produced products of the Group and purchased drugs must also be checked by the quality assurance department and quality director, and their signing for approval is required for the delivery and sale of such products.

The Group has also formed a recall team and formulated the Drug Recall Management System (《藥品召回管理制度》). If non-conforming products are found, they must be recalled in a timely manner, thereby reducing the impact of the product on the public. The recall team will also review the non-conforming products, record the actions taken and prepare a report to identify the quality problems and areas for improvement in a timely manner in order to improve the overall consistency of the product quality.



During the Reporting Period, the Group did not record any case of product recall for safety and health reasons. In the event of a product recall for health reasons, the relevant product will be voluntarily recalled in a timely manner, properly followed up and handled by the recall team, and reported to the regulatory authorities in accordance with the Medicine Management Law of the People's Republic of China (《中華人民共和國藥品管理法》), the Drug Recall Management System (《藥品召回管理制度》), and the Management System for the Recall of Finished Products (《成品召回管理制度》) of the Company.

### Customer Services and Complaint Management

In order to continuously improve customer service quality, we collect feedbacks from customers and users and perform quantitative and qualitative analysis according to our internal guideline, Customer Satisfaction Questionnaire Management System (《顧客滿意度調查管理制度》), to fully understand how the customers rate us and their needs. This will enable us to make corresponding improvement in our products and services to increase customers' loyalty to our products.

Furthermore, the Group has also implemented Quality Complaint Handling Management System (《質量投訴處理管理制度》), Management System for Monitoring and Reporting of Adverse Drug Reactions (《藥品不良反應監測和報告管理制度》) and other internal policies to regulate the handling procedures of customer complaints. Customers may make complaints against the products and services of the Group by telephone, email and other channels. The quality assurance department will classify the complaints based on their content, record them properly in a timely manner and perform corresponding investigation and follow up according to the time limit for handling until the issue is properly resolved. Reply will be made to the customer concerned promptly. If the complaint is related to the quality of products, the quality assurance department will contact the production department or give feedback to suppliers in a timely manner and the sales of such drugs will be suspended and recalled in a timely manner, in order to ensure the health and safety of customers.

During the Reporting Period, the Group received a total of 26 complaints about its products and services, which were properly handled after the relevant departments had communicated with the customers.

### Data Confidentiality and Privacy of Customers

The Group takes the privacy of its customers and business partners seriously and in order to ensure the information security of customers that have business contact with us, the Customer File Management System (《客戶檔案管理制度》) of the Group stipulates requirements relating to the filing and storage management of customer data and information to avoid leaking customer information. In addition, our Company Confidentiality System (《公司保密制度》) stipulates that our employees must keep the confidential information of the Group strictly confidential, including but not limited to the Group's strategies and decisions, financial information, customer information, supplier information, employee information and scientific research information, etc., in order to protect the interests and reputation of the Group. The business systems used by the Group are subject to strict authority management. Users at different levels are assigned different authorities according to their job responsibilities to ensure that confidential information can only be accessed by the appropriate post. During the Reporting Period, we did not receive any complaints regarding breaches of customer privacy or leakage of customer information.



### Scientific Research and Innovation

The Group actively encourages scientific research and innovation to enhance our competitiveness in the industry, and is committed to protecting our intellectual properties against the risk of infringement. We have formulated internal policies such as the Technological Achievement Exchanges and Software Confidentiality Management System (《科技成果交流和軟件保密管理制度》) and Company Confidentiality System (《公司保密制度》) in accordance with laws and regulations such as the Patent Law of the People's Republic of China (《中華人民共和國專利法》), the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) and the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》) which stipulate that all employees should keep newly developed products and technologies strictly confidential. The Group also provides training related to confidentiality and intellectual property management to relevant employees. During the Reporting Period, there was no violation of laws and regulations relating to intellectual property and marketing by the Group.

#### Case – Pharmaceutical research and development

- In August 2024, one of our subsidiaries was granted a drug registration approval of a holder variety, Sodium Bicarbonate Ringer's Injection (碳酸氫鈉林格注射液). According to the policy requirements, through cooperation with the entrusting party to complete the workshop retrofitting and upgrading, procurement of raw and auxiliary materials and packaging materials, dynamic production preparation and declaration, the product was finally marketed in December 2024 after passing the GMP compliance inspection as well as obtaining the Notice of GMP Compliance Inspection and the approval on the change of production permit.

### B7: Anti-corruption

The Group operates its business with the highest ethical standards and is committed to eliminating corrupt and bribery practices. In order to operate business without undue influence, we strictly comply with laws and regulations relating to business ethics such as Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), Interim Provisions on Prohibiting Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》) and Anti-Money-laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》), prohibiting operators from reaching monopoly agreements or abusing market dominance,, and formulated Integrity and Self-regulation Rules (《廉潔自律準則》) and Integrity Management Rules (《廉潔管理準則》) to provide guidelines regarding employees' acceptance of benefits and clearly regulate the acceptance of gifts and the handling of cash and non-cash gifts. During the Reporting Period, the Group did not breach any laws and regulations related to anti-corruption, and there was no corruption cases brought against the Group or its employees that have been concluded.

#### Case – Anti-corruption

- In January 2024, our subsidiaries provided anti-bribery training to the middle and senior management personnel to enhance their understanding of the penalties for commercial bribery and to strengthen their awareness of business and professional ethics and anti-corruption through explanations on the key points of the Integrity Management System (《廉潔管理制度》).



### B8: Community Investment

The Group believes that corporations should be socially responsible and give back to the community. By actively participating in social welfare activities to enhance social cohesion, the Group can benefit the community as well as strengthen the reputation and brand awareness of the Group. Looking forward, the Group will continue to pay attention to the needs of the community and the underprivileged through more donations and charity events to fulfil its responsibilities as a corporate citizen.

#### Case – Community investment

- In September and December 2024, our subsidiaries led the staff to volunteer blood donation sites and donated blood after conducting various pre-donation checks. By providing a stable supply of blood to medical institutions, we are promoting the development of a social culture of mutual help and care in the company.



# Environmental, Social and Governance Report

## IX. ESG KPIs Overview

### Environmental Performance<sup>1</sup>

KPI		Unit	2024	2023	2022
<b>A1.1 Emissions</b>	<b>Discharge of wastewater</b>				
	Production wastewater	tonne	<b>101,470</b>	107,400	103,781
	Chemical oxygen demand	kg	<b>2,830</b>	2,782	2,698
	Ammoniacal nitrogen	kg	<b>219</b>	112	233
	<b>Air emission</b>				
	Sulphur dioxide	kg	<b>72</b>	65	53
	Nitrogen oxides	kg	<b>1,320</b>	1,529	1,091
	Dust/particulate matter	kg	<b>129</b>	177	275
<b>A1.2 Greenhouse gas</b>	Direct greenhouse gas emission (Scope 1)	tonne of carbon dioxide equivalent	<b>5,129</b>	4,982	4,515
	Indirect greenhouse gas emission (Scope 2) <sup>2</sup>	tonne of carbon dioxide equivalent	<b>6,948</b>	6,665	5,397
	<b>Greenhouse gas emissions in total</b>	<b>tonne of carbon dioxide equivalent</b>	<b>12,077</b>	<b>11,647</b>	<b>9,912</b>
	<b>Greenhouse gas emission intensity</b>	<b>tonne of carbon dioxide equivalent/ million RMB revenue</b>	<b>11.59</b>	<b>10.94</b>	<b>10.05</b>
<b>A1.3 Hazardous waste</b>	Medical waste (HW02) and waste drugs (HW03)	kg	<b>84,043</b>	275,847 <sup>3</sup>	29,978
	Other hazardous waste	kg	<b>5,618</b>	5,359	8,380
	<b>Production of hazardous waste in total</b>	<b>kg</b>	<b>89,661</b>	<b>281,206</b>	<b>38,358</b>
	<b>Intensity of hazardous waste</b>	<b>kg/million RMB revenue</b>	<b>86.07</b>	<b>264.08</b>	<b>38.88</b>

<sup>1</sup> Unless otherwise stated, the emission factors used to calculate the environmental KPIs in this report refer to the “How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs” issued by the HKEx.

<sup>2</sup> Indirect greenhouse gas emission (Scope 2) has been calculated in accordance with the average carbon dioxide emission factor for 2022 as updated in the Announcement on the Release of Electricity Carbon Dioxide Emission Factor for 2022 issued by the General Office of the Ministry of Ecology and Environment of the People’s Republic of China in December 2024. In order to ensure the consistency, the data on indirect of greenhouse gas emissions in 2022 and 2023.

<sup>3</sup> Due to the damage and loss of the plant area of our subsidiary in Typhoon Haikui in 2023, and the disposal of 236.06 tonnes of pharmaceutical products, the data of medical waste (HW02) and waste drugs (HW03) of 2023 is significantly different from the data of 2024 and 2022.



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KPI		Unit	2024	2023	2022
<b>A1.4 Non-hazardous waste</b>	Waste packing material	tonne	<b>184</b>	299	234
	Office and domestic garbage	tonne	<b>354</b>	365	417
	<b>Production of non-hazardous waste in total</b>	<b>tonne</b>	<b>538</b>	<b>664</b>	<b>651</b>
	<b>Intensity of non-hazardous waste</b>	<b>tonne/million RMB revenue</b>	<b>0.52</b>	<b>0.62</b>	<b>0.66</b>
<b>A2.1 Energy<sup>4</sup></b>	<b>Total energy consumption</b>				
	Total energy consumption	MWh	<b>41,134</b>	39,755	36,090
	Total energy consumption intensity	MWh/million RMB revenue	<b>39.49</b>	37.33	36.58
	<b>Direct energy consumption</b>				
	Petrol	L	<b>56,852</b>	71,140	82,255
	Diesel	L	<b>48,453</b>	41,382	35,371
	Biomass fuel	Tonne	<b>Nil</b>	Nil	Nil
	Natural gas	Cubic meter	<b>2,253,906</b>	2,179,353	1,958,957
	<b>Indirect energy consumption</b>				
	Consumption of electricity purchased	kWh	<b>14,341,087</b>	13,367,477	12,614,163
	Steam purchased	kWh	<b>1,416,437</b>	1,759,363	1,192,789
<b>A2.2 Water consumption</b>	Water consumption in production	tonne	<b>344,053</b>	361,846	439,361
	Office water consumption	tonne	<b>7,136</b>	8,274	9,454
	<b>Total water consumption</b>	<b>tonne</b>	<b>351,189</b>	<b>370,120</b>	<b>448,815</b>
	<b>Total water consumption intensity</b>	<b>tonne/million RMB revenue</b>	<b>337.13</b>	<b>347.58</b>	<b>454.87</b>
<b>A2.5 Packing material used</b>	Packing materials measured by piece	10,000 pcs	<b>76,011</b>	73,060	73,909
	Packing materials measured by weight	tonne	<b>353</b>	356	470

<sup>4</sup> Energy consumption was calculated based on the conversion factors in the National Standards of the PRC General Principles for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020) and the conversion factors provided by scientific research institutions.



## Environmental, Social and Governance Report

### Social Performance

KPI		Unit	2024	2023	2022
<b>B1.1 Total number of employees</b>	Total number of employees	person	<b>1,485</b>	1,444	1,458
	<b>By gender</b>				
	Male	person	<b>599</b>	591	631
	Female	person	<b>886</b>	853	827
	<b>By employment</b>				
	Full-time	person	<b>1,383</b>	1,355	1,376
	Part-time	person	<b>102</b>	89	82
	<b>By age group</b>				
	Aged below 30	person	<b>274</b>	248	294
	Aged 30-50	person	<b>920</b>	914	892
	Aged above 50	person	<b>291</b>	282	272
	<b>By region</b>				
	Mainland China	person	<b>1,485</b>	1,444	1,458
<b>B1.2 Employee turnover rate</b>	Employee turnover rate	Percentage	<b>21.11%</b>	22.57%	21.61%
	<b>By gender</b>				
	Male	Percentage	<b>22.03%</b>	27.67%	23.05%
	Female	Percentage	<b>20.39%</b>	18.54%	20.48%
	<b>By age group</b>				
	Aged below 30	Percentage	<b>26.91%</b>	34.11%	27.97%
	Aged 30-50	Percentage	<b>18.31%</b>	18.62%	19.44%
	Aged above 50	Percentage	<b>22.80%</b>	21.16%	19.50%
<b>B2.1 Number and rate of work-related fatalities</b>	Number of work-related fatalities	person	<b>Nil</b>	Nil	1
	Rate of work-related fatalities	percentage	<b>Nil</b>	Nil	0.07%
<b>B2.2 Lost days due to work injury</b>	Number of work-related injuries	time	<b>1</b>	1	1
	Lost days due to work injuries	day	<b>132</b>	117	13
<b>B3.1 Percentage of employees trained</b>	<b>By gender</b>				
	Male	percentage	<b>40.54%</b>	39.50%	39.65%
	Female	percentage	<b>59.46%</b>	60.50%	60.35%
	<b>By employment</b>				
	Full-time	percentage	<b>92.31%</b>	92.81%	94.65%
	Part-time	percentage	<b>7.69%</b>	7.19%	5.35%



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KPI		Unit	2024	2023	2022
<b>B3.2 Average training hours completed per employee</b>	Training hours per person	hour	<b>29.33</b>	28.11	36
	<b>By gender</b>				
	Male	hour	<b>25.09</b>	24.56	30
	Female	hour	<b>32.20</b>	30.56	40
	<b>By employment</b>				
	Full-time	hour	<b>28.98</b>	27.30	35
	Part-time	hour	<b>34.07</b>	40.38	51
<b>B5.1 Number of suppliers</b>	Total number of suppliers	number	<b>435</b>	418	399
	<b>By region</b>				
	South China	number	<b>65</b>	56	34
	North China	number	<b>61</b>	53	57
	East China	number	<b>194</b>	203	204
	Central China	number	<b>57</b>	57	60
	Northeast China	number	<b>23</b>	23	23
	Northwest China	number	<b>16</b>	11	9
	Southwest China	number	<b>19</b>	15	12
<b>B6.1 Percentage of products to be recalled over the total number of products sold or shipped due to safety and health reasons</b>	Percentage of products to be recalled due to safety and health reasons	percentage	<b>Nil</b>	Nil	13.81%
<b>B6.2 Number of complaints on products and services</b>	Number of complaints on products and services	number	<b>26</b>	13	22
<b>B7.1 Legal cases regarding corrupt practices</b>	Number of filed and concluded legal cases regarding corrupt practices	number	<b>Nil</b>	Nil	Nil
<b>B8.1 &amp; B8.2 Community Investment</b>	Monetary donation	RMB10,000	<b>Nil</b>	14.22	80.72
	Donation of goods	RMB10,000	<b>Nil</b>	Nil	Nil



### X. LIST OF MAJOR ESG POLICIES AND REGULATIONS

This table lists the major internal policies mentioned in the ESG Report and relevant laws and regulations identified by the Group that have a significant impact on Neptunus Interlong:

ESG aspect	Policy	Laws and regulations
A1. Emissions	<ul style="list-style-type: none"> <li>Environmental Protection Management System (《環境保護管理制度》)</li> <li>Hazardous Waste Management System (《危險廢棄物管理制度》)</li> <li>General Solid Waste Management System (《一般固體廢棄物管理制度》)</li> <li>Emergency Preparedness Plan for Environmental Emergencies (《突發環境事件應急預案》)</li> <li>Hazardous Waste Management Plan (《危險廢物管理計劃》)</li> <li>Regulations on Environmental Protection Management (《環境保護管理規程》)</li> <li>Management System for Hazardous Waste Storage Areas (《危險廢物儲存間管理制度》)</li> <li>Preventive Measures and Emergency Preparedness Plan for Hazardous Waste Incidents (《危險廢物事故防範措施及應急預案》)</li> <li>Emergency Preparedness Plan for Environmental Incidents (《環境事件應急預案》)</li> </ul>	<ul style="list-style-type: none"> <li>Law on Prevention and Control of Environmental Pollution by Solid Waste of the People's Republic of China (《中華人民共和國固體廢物污染環境防治法》)</li> <li>Air Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國大氣污染防治法》)</li> <li>Detailed Rules for the Implementation of the Air Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國大氣污染防治法實施細則》)</li> <li>Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》)</li> <li>Detailed Rules for the Implementation of the Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法實施細則》)</li> <li>Marine Environment Protection Law of the People's Republic of China (《中華人民共和國海洋環境保護法》)</li> <li>Clean Production Promotion Law of the People's Republic of China (《中華人民共和國清潔生產促進法》)</li> <li>Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》)</li> <li>Environmental Protection Tax Law of the People's Republic of China (《中華人民共和國環境保護稅法》)</li> <li>Law on Prevention and Control of Pollution From Environmental Noise of the People's Republic of China (《中華人民共和國環境噪聲污染防治法》)</li> <li>Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》)</li> <li>Administrative Regulations of the People's Republic of China on the Prevention and Control of Marine Environmental Pollution Caused by Land-based Pollutants (《中華人民共和國防治陸源污染物污染損害海洋環境管理條例》)</li> </ul>



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ESG aspect	Policy	Laws and regulations
		<ul style="list-style-type: none"> <li>• Administrative Measures for Emergency Preparedness Plan and Filing for Environmental Emergencies of Enterprises and Institutions (Trial) (Huan Fa [2015] No. 4) (《企業事業單位突發環境事件應急預案備案管理辦法(試行)》(環發[2015]4號))</li> <li>• Decision of the Standing Committee of the National People's Congress on Amending the Clean Production Promotion Law of the People's Republic of China (Presidential Decree No. 54) (《全國人民代表大會常務委員會關於修改〈中華人民共和國清潔生產促進法〉的決定》(主席令第五十四號))</li> <li>• Beijing Environmental Protection Ordinance (《北京市環境保護條例》)</li> <li>• Administrative Measures for Environmental Protection for Pharmaceutical Industry (《醫藥工業環境保護管理辦法》)</li> <li>• Directory of National Hazardous Wastes (《國家危險廢物名錄》)</li> <li>• Environmental Noise Emission Standards for Industrial Enterprises at Plant Boundaries (《工業企業廠界環境噪聲排放標準》)</li> <li>• Administrative Regulations of Construction Project Environmental Protection (《建設項目環境保護管理條例》)</li> <li>• Technical Guidance for Environmental Risk Assessment of Construction Projects (Jiu 169-2018) (《建設項目環境風險評價技術指導》(舊169-2018))</li> <li>• Emission Standard for Water Pollutants for Pharmaceutical Industry of Mixing and Formulation Category (《混裝製劑類製藥工業水污染物排放標準》)</li> <li>• Environmental Engineering Terminology (《環境工程名稱術語》)</li> <li>• Emission Standard for Air Pollutants from Boilers (《鍋爐大氣污染物排放標準》)</li> <li>• Risk Classification Methodology for Enterprise Environmental Emergencies from Ministry of Ecology and Environment (環保部《企業突發環境事件風險分級辦法》)</li> </ul>



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ESG aspect	Policy	Laws and regulations
A2. Use of Resources	<ul style="list-style-type: none"> <li>Administrative Measures for Energy Conservation and Consumption Reduction (《節能降耗工作管理辦法》)</li> <li>Dangerous Goods Store Management System (《危險品庫管理制度》)</li> </ul>	<ul style="list-style-type: none"> <li>Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》)</li> <li>Clean Production Promotion Law of the People's Republic of China (《中華人民共和國清潔生產促進法》)</li> </ul>
A3. Environment and Natural Resources	<ul style="list-style-type: none"> <li>Hazardous Waste Management System (《危險廢棄物管理制度》)</li> <li>General Solid Waste Management System (《一般固體廢棄物管理制度》)</li> <li>Solid Waste Management System (《固體廢棄物管理制度》)</li> <li>Implementation Plan on Separation and Reduction of Domestic Waste (《生活垃圾分類減量實施方案》)</li> <li>Administrative Measures for Wastewater discharge and Noise (《廢水排放和噪音管理辦法》)</li> <li>Environmental Factors Identification, Evaluation, Prevention and Control Procedures (《環境因素識別評估及預防控制程序》)</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》)</li> </ul>
A4. Climate Change	<ul style="list-style-type: none"> <li>Environmental Risk Assessment Report (《環境風險評估報告》)</li> </ul>	<ul style="list-style-type: none"> <li>Administrative Measures for Carbon Emissions Trading (Trial) (《碳排放權交易管理辦法(試行)》)</li> </ul>



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ESG aspect	Policy	Laws and regulations
B1. Employment	<ul style="list-style-type: none"> <li>Human Resource Management System (《人力資源管理制度》)</li> <li>Staff Handbook (《員工手冊》)</li> <li>Staff Notes (《員工須知》)</li> <li>Compendium of Rules and Regulations (《規章制度彙編》)</li> <li>Remuneration and Benefits Management System (《薪酬福利管理制度》)</li> <li>Remuneration and Incentive Management System (《薪酬與激勵管理制度》)</li> <li>Performance Management System (《績效管理制度》)</li> <li>Staff Attendance Management System (《員工考勤管理制度》)</li> <li>Labour Contract Management System (《勞動合同管理制度》)</li> <li>Staff Departure Management System (《員工離職管理制度》)</li> <li>Administrative Personnel System (《行政人事制度》)</li> <li>Employee Lunch Subsidy Management System (《員工午餐補貼管理制度》)</li> </ul>	<ul style="list-style-type: none"> <li>Labor Law of the People's Republic of China (《中華人民共和國勞動法》)</li> <li>Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》)</li> <li>Employment Promotion Law of the People's Republic of China (《中華人民共和國促進就業法》)</li> <li>Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》)</li> <li>Tax Law of the People's Republic of China (《中華人民共和國稅法》)</li> <li>Beijing Wage Payment Regulations (《北京市工資支付規定》)</li> </ul>



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ESG aspect	Policy	Laws and regulations
B2. Health and Safety	<ul style="list-style-type: none"> <li>• Fire Safety Management System (《消防安全管理制度》)</li> <li>• Training Materials on Safety Protection of APIs (Active Pharmaceutical Ingredients) and Specific Operation (《原料藥安全防護及特定操作培訓教材》)</li> <li>• Safe Production and Labour Protection Management System (《安全生產和勞動保護管理制度》)</li> <li>• Emergency Preparedness Plan for Production Safety Incidents (《生產安全事故應急預案》)</li> <li>• Safe Production Management System (《安全生產管理制度》)</li> <li>• Safety Standardization Management System (《安全標準化管理制度》)</li> <li>• Occupational Health Management System and Operating Procedures (《職業衛生管理制度及操作規程》)</li> <li>• Pressure Vessel Management System (《壓力容器管理制度》)</li> <li>• Electrical Equipment Management System (《電器設備管理制度》)</li> </ul>	<ul style="list-style-type: none"> <li>• Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》)</li> <li>• Law of Occupational Disease Prevention and Control of the People's Republic of China (《中華人民共和國職業病防治法》)</li> <li>• Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》)</li> <li>• Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》)</li> <li>• Provisions on Production Safety Incident Reporting and Investigation (《生產安全事故報告和調查處理條例》)</li> <li>• Provisions on Work-Related Injury Insurance of the People's Republic of China (《中華人民共和國工傷保險條例》)</li> </ul>
B3. Development and Training	<ul style="list-style-type: none"> <li>• Training Management System (《培訓管理制度》)</li> <li>• Internal Training Lecturer Management System (《內部培訓講師管理制度》)</li> <li>• Staff Training Management System (《員工培訓管理制度》)</li> <li>• Staff Training and Assessment Implementation Rules (《員工培訓考核實施細則》)</li> </ul>	<ul style="list-style-type: none"> <li>• Labor Law of the People's Republic of China (《中華人民共和國勞動法》)</li> </ul>



ESG aspect	Policy	Laws and regulations
B4. Labour Standards	<ul style="list-style-type: none"> <li>Human Resource Management System (《人力資源管理制度》)</li> <li>Work Attendance and Vacation System (《考勤休假制度》)</li> <li>Staff Handbook (《員工手冊》)</li> <li>Compendium of Rules and Regulations (《規章制度彙編》)</li> <li>Administrative Personnel System (《行政人事制度》)</li> <li>Staff Attendance Management System (《員工考勤管理制度》)</li> <li>Labor Contract Management System (《勞動合同管理制度》)</li> </ul>	<ul style="list-style-type: none"> <li>Labor Law of the People's Republic of China (《中華人民共和國勞動法》)</li> <li>Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》)</li> <li>Law of the People's Republic of China on the Protection of the Minors (《中華人民共和國未成年人保護法》)</li> <li>Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》)</li> <li>Provisions on Employee Annual Paid Vacations (《職工帶薪年休假條例》)</li> </ul>



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ESG aspect	Policy	Laws and regulations
B5. Supply Chain Management	<ul style="list-style-type: none"> <li>• Quality System Assessment of Suppliers and Designated Supply Management System (《供貨商質量體系評估及定點供貨管理制度》)</li> <li>• Management System for the Procurement, Transportation and Warehousing of Narcotic and Psychotropic Substances (《麻醉、精神藥品採購運輸、倉儲管理制度》)</li> <li>• Qualified Fixed Supplier Manual (《合格定點供應商手冊》)</li> <li>• Standard Operating Procedures for Supplier Assessment and Approval (《供應商評估及批准標準操作規程》)</li> <li>• Material Procurement Management System (《物料採購管理制度》)</li> <li>• Management System for Material Procurement Contracts (《物料採購合同管理制度》)</li> <li>• Management System for Suppliers' Records (《供貨商檔案管理制度》)</li> <li>• Material Supply Management System (《物料供應管理制度》)</li> <li>• Procurement Management System (《採購管理制度》)</li> <li>• Supplier Management System (《供應商管理制度》)</li> <li>• Regulations on Supplier Audit Management (《供應商審計管理規程》)</li> <li>• Sales Department Management Regulations and Regulations for Sales Personnel Actions (《銷售部管理規定及營銷人員規定動作》)</li> <li>• Credit Management Regulations (《資信管理規定》)</li> <li>• Price Management System (《價格管理制度》)</li> <li>• Regulations on the Management of Goods Channeling (《竄貨管理規定》)</li> <li>• Sales Revenue Management System (《銷售收入管理制度》)</li> </ul>	<ul style="list-style-type: none"> <li>• Contract Law of the People's Republic of China (《中華人民共和國合同法》)</li> </ul>



ESG aspect	Policy	Laws and regulations
B6. Product Responsibility	<b>Product Health and Safety</b> <ul style="list-style-type: none"> <li>Supervision and Management System for the Implementation of the Principal Responsibility for the Quality and Safety of Pharmaceutical Products by Drug Marketing Authorization Holders (《藥品上市許可持有人落實藥品質量安全主體責任監督管理制度》)</li> <li>Quality Risk Management System (《質量風險管理制度》)</li> <li>Material Quality Management System (《物料質量管理制度》)</li> <li>Quality Management System for Intermediate Products and Products to be Packed (《中間產品、待包裝品質量管理制度》)</li> <li>Quality Management System for Finished Products (《成品質量管理制度》)</li> <li>Regulations on the Management of Flammable, Explosive, Corrosive and Other Dangerous Chemicals for Inspection (《檢驗用易燃、易爆、易腐蝕等危險化學品管理規程》)</li> <li>Regulations on Quality Incident Management (《質量事故管理規程》)</li> <li>Quality Review and Analysis Management System (《質量回顧分析管理制度》)</li> <li>Management System for Rework of Products (《產品返工管理制度》)</li> <li>Standard Operating Procedures for the Warehousing Management of Pharmaceutical Precursor Chemicals (《藥品類易製毒化學品倉儲管理標準操作規程》)</li> <li>Quality Incident Reporting and Handling Management System (《質量事故報告及處理管理制度》)</li> <li>Regulations on Safety Responsibility Management of Class II Psychotropic Substances (《二類精神藥品安全責任管理規程》)</li> </ul>	<ul style="list-style-type: none"> <li>Medicine Management Law of the People's Republic of China (《中華人民共和國藥品管理法》)</li> <li>Pharmacopoeia of the People's Republic of China (《中華人民共和國藥典》)</li> <li>Administrative Measures for Drug Registration (《藥品註冊管理辦法》)</li> <li>Administrative Regulations on Narcotic and Psychoactive Drugs (《麻醉藥品和精神藥品管理條例》)</li> <li>Good Manufacturing Practice for Narcotic and Psychoactive Drugs (《麻醉藥品和精神藥品生產質量管理規範》)</li> <li>Good Manufacturing Practice for Drugs (《藥品生產質量管理規範》)(GMP)</li> <li>Good Supply Practice for Drugs (《藥品經營質量管理規範》)(GSP)</li> <li>Administrative Measures for Purchase, Sales and Transportation of Precursor Chemicals (《易製毒化學品購銷和運輸管理辦法》)</li> <li>Code of Practice for the Quality Management of Pharmacovigilance (《藥物警戒質量管理規範》)</li> <li>Administrative Measures for the Supervision and Administration of Pharmaceutical Production (《藥品生產監督管理辦法》)</li> <li>Administrative Measures for Changes in Drugs after Launch onto the Market (《藥品上市後變更管理辦法》)</li> <li>Administrative Measures for Certification of Good Manufacturing Practice for Drugs (《藥品生產質量管理規範認證管理辦法》)</li> </ul>



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ESG aspect	Policy	Laws and regulations
	<ul style="list-style-type: none"> <li>• Regulations on the Management of Sales of Class II Psychotropic Substances (《二類精神藥品銷售管理規程》)</li> <li>• Regulations on the Management of Returned Class II Psychotropic Substances (《二類精神藥品退貨管理規程》)</li> <li>• Drug Recall Management System (《藥品召回管理制度》)</li> <li>• Management System for the Recall of Finished Products (《成品召回管理制度》)</li> <li>• Management System for Drug Tracing System (《藥品追溯體系管理制度》)</li> <li>• Management System for Monitoring and Reporting of Adverse Drug Reactions (《藥品不良反應監測和報告管理制度》)</li> <li>• Administrative Measures for Certification of Good Manufacturing Practice for Drugs (《藥品生產質量管理規範認證管理辦法》)</li> <li>• Management System for Pharmacovigilance Training (《藥物警戒培訓管理制度》)</li> <li>• Management System for Monitoring and Reporting of Drug Safety Information (《藥品安全性信息監測與報告管理制度》)</li> <li>• Management System for Periodic Safety Update Reports of Pharmaceutical Products (《藥品定期安全性更新報告管理制度》)</li> <li>• Management System for Pharmacovigilance Records (《藥物警戒檔案管理制度》)</li> <li>• Deviation Management System (《偏差管理制度》)</li> </ul>	



ESG aspect	Policy	Laws and regulations
	<ul style="list-style-type: none"> <li>• Deviation Handling Standard Operating Procedures (《偏差處理標準操作規程》)</li> <li>• Corrective and Preventive Actions Management System (《糾正和預防措施管理制度》)</li> <li>• Standard Operating Procedures for Laboratory Out of Specification and Out of Trend Results (《實驗室超標、超常處理標準操作規程》)</li> <li>• Retrospective Analysis Management System (《回顧性分析管理制度》)</li> <li>• Standard Operating Procedures for Retrospective Analysis (《回顧性分析標準操作規程》)</li> <li>• Management System of Work Control Products (Standard Products) (《工作對照品(標準品)管理制度》)</li> <li>• Management System of Water for Cultural Arts (《文藝用水管理制度》)</li> <li>• Management System of Production Date and Expiry Date Determination (《生產日期、有效期至確定管理制度》)</li> <li>• Management System of Production Time and Abnormal Situation Handling (《生產時限及異常情況處理管理制度》)</li> <li>• Corrective and Preventive Measures Management System (《糾正和預防措施管理制度》)</li> <li>• The Drug Quality Risk Management System (《藥品質量風險管理制度》)</li> <li>• Certification Management System (《驗證管理制度》)</li> </ul>	



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ESG aspect	Policy	Laws and regulations
	<b>Product Packaging</b>	
	<ul style="list-style-type: none"> <li>Filing Management System for Labels and Instructions on Packages (《標籤說明書包裝物備案管理制度》)</li> <li>Management System for the Design, Printing and Use of Drug Descriptions and Labels (《藥品說明書和標籤設計、印刷、使用管理制度》)</li> <li>Management System for Three-level Quality Management Network (《三級質量管理網管理制度》)</li> <li>Quality Authorized Person Management System (《質量授權人管理制度》)</li> <li>Quality Policy and Objectives Management System (《質量方針、目標管理制度》)</li> <li>Quality Records Management System (《質量檔案管理制度》)</li> <li>Regulations on the Management of Procurement of Special Pharmaceutical Materials (《特殊藥品物資採購管理規程》)</li> <li>Safety Management Regulations for the Warehouse of Finished Products of Special Drugs (《特殊藥品成品倉庫安全管理規程》)</li> <li>Standard Operating Procedures for Product Repackaging (《產品重新包裝標準操作規程》)</li> <li>Management System for the Sale of Compounded Preparations Containing Special Drugs (《含特殊藥品復方制劑銷售管理制度》)</li> <li>Management System of Product Lot Numbers and Lot Number Classification (《產品批號及批號劃分管理制度》)</li> </ul>	<ul style="list-style-type: none"> <li>Medicine Management Law of the People's Republic of China (《中華人民共和國藥品管理法》)</li> <li>Advertisement Law of the People's Republic of China (《中華人民共和國廣告法》)</li> </ul>



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ESG aspect	Policy	Laws and regulations
	<b>Customer Interests</b> <ul style="list-style-type: none"> <li>Customer Satisfaction Questionnaire Management System (《顧客滿意度調查管理制度》)</li> <li>Quality Complaint Handling and Management System (《質量投訴管理制度》)</li> <li>Regulations on Complaints Management (《投訴管理規程》)</li> <li>Return Management System (《退貨管理制度》)</li> <li>Regulations on Product Return Management (《產品退貨管理規程》)</li> <li>Standard Operating Procedures for Handling Returns of Finished Products (《成品退貨處理標準操作規程》)</li> <li>Regulations on the Management of Returned Class II Psychotropic Substances (《二類精神藥品退貨管理規程》)</li> <li>Customer File Management System (《客戶檔案管理制度》)</li> <li>Customer Qualification Confirmation and Customer File Management System (《客戶資質確認及客戶檔案管理制度》)</li> </ul>	<ul style="list-style-type: none"> <li>Law on Protection of Consumer Interests of the People's Republic of China (《中華人民共和國消費者權益保護法》)</li> <li>Administrative Measures for Drug Recalls (《藥品召回管理辦法》)</li> </ul>
	<b>Protection of Intellectual Property</b> <ul style="list-style-type: none"> <li>Intellectual Property Management System (《知識產權管理制度》)</li> <li>Technological Achievement Exchanges and Software Confidentiality Management System (《科技成果交流和軟件保密管理制度》)</li> <li>Corporate Confidentiality Management System (《公司保密管理制度》)</li> <li>New Drug and Generic Drug Research and Development Management System (《新藥仿製藥研製管理制度》)</li> <li>Management System of Shared Laboratory Inspection Equipment of the Group (《集團共用實驗室檢驗儀器管理制度》)</li> </ul>	<ul style="list-style-type: none"> <li>Patent Law of the People's Republic of China (《中華人民共和國專利法》)</li> <li>Law on Intellectual Property Rights of the People's Republic of China (《中華人民共和國知識產權法》)</li> <li>Trademark Law of the People's Republic of China (《中華人民共和國商標法》)</li> <li>Copyright Law of the People's Republic of China (《中華人民共和國著作權法》)</li> <li>Administrative Measures for the Administration of Drug Registration (《藥品註冊管理辦法》)</li> </ul>



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ESG aspect	Policy	Laws and regulations
B7. Anti-corruption	<ul style="list-style-type: none"> <li>Integrity and Self-regulation Rules (《廉潔自律準則》)</li> <li>Integrity Management Rules (《廉潔管理準則》)</li> <li>Integrity Management System (《廉潔管理制度》)</li> </ul>	<ul style="list-style-type: none"> <li>Company Law of the People's Republic of China (《中華人民共和國公司法》)</li> <li>Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》)</li> <li>Anti-Money-laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》)</li> <li>Interim Provisions on Prohibiting Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》)</li> </ul>
B8. Community Investment	<ul style="list-style-type: none"> <li>Community Investment Policy (《社區投資政策》)</li> </ul>	<ul style="list-style-type: none"> <li>Charity Law of the People's Republic of China (《中華人民共和國慈善法》)</li> <li>Law on Donations for Public Welfare of the People's Republic of China (《中華人民共和國公益事業捐贈法》)</li> </ul>



## XI. Reference to HKEx ESG Reporting Guide

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure	Section/Explanation
<b>A. Environment</b>			
<b>Aspect A1: Emissions</b>			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		Disclosed	VII. Environmental Aspect, X. List of Major ESG Policies and Regulations
KPI A1.1	The types of emissions and respective emissions data.	Disclosed	VII. Environmental Aspect, IX. ESG KPIs Overview
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	VII. Environmental Aspect, IX. ESG KPIs Overview
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	VII. Environmental Aspect, IX. ESG KPIs Overview
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	VII. Environmental Aspect, IX. ESG KPIs Overview
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Disclosed	VII. Environmental Aspect
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Disclosed	VII. Environmental Aspect



## Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure	Section/Explanation
<b>Aspect A2: Use of Resources</b>			
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.		Disclosed	VII. Environmental Aspect, X. List of Major ESG Policies and Regulations
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Disclosed	VII. Environmental Aspect, IX. ESG KPIs Overview
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Disclosed	VII. Environmental Aspect, IX. ESG KPIs Overview
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Disclosed	VII. Environmental Aspect
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Disclosed	VII. Environmental Aspect
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Disclosed	VII. Environmental Aspect, IX. ESG KPIs Overview
<b>Aspect A3: Environment and Natural Resources</b>			
General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.		Disclosed	VII. Environmental Aspect, X. List of Major ESG Policies and Regulations
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Disclosed	VII. Environmental Aspect



Subject Areas, Aspects, General Disclosures and KPIs		Disclosure	Section/Explanation
Aspect A4: Climate Change			
General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		Disclosed	VII. Environmental Aspect
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Disclosed	
B. Social			
Employment and Labour Practices			
Aspect B1: Employment			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Disclosed	VIII. Social Aspect, X. List of Major ESG Policies and Regulations
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Disclosed	VIII. Social Aspect, IX. ESG KPIs Overview
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Disclosed	VIII. Social Aspect, IX. ESG KPIs Overview
Aspect B2: Health and Safety			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		Disclosed	VIII. Social Aspect, X. List of Major ESG Policies and Regulations



## Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure	Section/Explanation
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Disclosed	VIII. Social Aspect, IX. ESG KPIs Overview
KPI B2.2	Lost days due to work injury.	Disclosed	VIII. Social Aspect, IX. ESG KPIs Overview
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Disclosed	VIII. Social Aspect
<b>Aspect B3: Development and Training</b>			
General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Disclosed	VIII. Social Aspect, X. List of Major ESG Policies and Regulations
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Disclosed	VIII. Social Aspect, IX. ESG KPIs Overview
KPI B3.2	The average training hours completed per employee by gender and employee category.	Disclosed	VIII. Social Aspect, IX. ESG KPIs Overview
<b>Aspect B4: Labour Standards</b>			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		Disclosed	VIII. Social Aspect, X. List of Major ESG Policies and Regulations
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Disclosed	VIII. Social Aspect
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Disclosed	VIII. Social Aspect



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Subject Areas, Aspects, General Disclosures and KPIs		Disclosure	Section/Explanation
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure Policies on managing environmental and social risks of the supply chain.		Disclosed	VIII. Social Aspect, X. List of Major ESG Policies and Regulations
KPI B5.1	Number of suppliers by geographical region.	Disclosed	VIII. Social Aspect, IX. ESG KPIs Overview
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Disclosed	VIII. Social Aspect
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Disclosed	VIII. Social Aspect
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Disclosed	
Aspect B6: Product Responsibility			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Disclosed	VIII. Social Aspect, X. List of Major ESG Policies and Regulations
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Disclosed	IX. ESG KPIs Overview
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Disclosed	VIII. Social Aspect, IX. ESG KPIs Overview
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Disclosed	VIII. Social Aspect



## Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs		Disclosure	Section/Explanation
KPI B6.4	Description of quality assurance process and recall procedures.	Disclosed	VIII. Social Aspect
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Disclosed	VIII. Social Aspect
<b>Aspect B7: Anti-corruption</b>			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		Disclosed	VIII. Social Aspect, X. List of Major ESG Policies and Regulations
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Disclosed	VIII. Social Aspect, IX. ESG KPIs Overview
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Disclosed	VIII. Social Aspect
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Disclosed	VIII. Social Aspect
<b>Community</b>			
<b>Aspect B8: Community Investment</b>			
General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Disclosed	VIII. Social Aspect, X. List of Major ESG Policies and Regulations
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Disclosed	VIII. Social Aspect
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Disclosed	VIII. Social Aspect, IX. ESG KPIs Overview



## XII. Feedback Form

Dear readers,

Thank you for reading this report! This is the ninth Environment, Social and Governance ("ESG") Report issued by the Company. Therefore, we sincerely wish that you could comment and provide your valuable suggestion on this report to help us improve it.

For suggestion on the ESG Report, please contact:

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Feedback Form on the 2024 ESG Report of Shenzhen Neptunus Interlong Bio-technique Company Limited

Name: \_\_\_\_\_

Organisation: \_\_\_\_\_

Position: \_\_\_\_\_

Contact No. \_\_\_\_\_

E-mail: \_\_\_\_\_

Your rating on this report: (Please tick the appropriate column))

☐Very good   ☐Good   ☐Average   ☐Bad   ☐Very bad



## Environmental, Social and Governance Report

Do you think whether this report has reflected fully important information of the Group on environmental, social and governance aspects?

Do you think whether the information disclosed in this report is clear, accurate and complete?

Do you think whether the content and style design of this report is easy to read?

Which part of this report are you most interested in?

What information you think is needed to know but not reflected in this report? What advice do you have for our environmental, social and governance report to be issued in future?