



国药集团
SINOPHARM

國藥控股股份有限公司

SINOPHARM GROUP CO. LTD.*

(A joint-stock limited company incorporated in the People's Republic of China with limited liability and carrying on business in Hong Kong as 國藥股份有限公司)
Stock Code: 01099



2024

Sustainability Report

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Definitions

In this Report, unless the context otherwise requires, the following terms shall have the following meanings.

“Company”, “Sinopharm Group” or “Sinopharm”	Sinopharm Group Co. Ltd.
“Group” or “we”	the Company and its subsidiaries
“CNPGC”	China National Pharmaceutical Group Co., Ltd.
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council
“ESG”	environmental, social and governance
“SFC”	the Securities and Futures Commission of Hong Kong
“HKEX”	the Stock Exchange of Hong Kong Limited
“CSRC”	the China Securities Regulatory Commission
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“ESG Reporting Guide”	Appendix C2 <i>Environmental, Social and Governance Reporting Guide</i> to the Listing Rules
“KPI”	Key performance indicators
"Dual Carbon", "Dual Carbon Goals" or "Dual Carbon Strategy"	China’s carbon peak and neutrality goals announced in 2020, that the nation’s carbon dioxide (CO ₂) emissions would peak before 2030 and carbon neutrality would be achieved by 2060
“Sinopharm Accord”	China National Accord Medicines Corporation Ltd.
“CNMC”	China National Medicines Corporation Ltd.
Sinopharm Reagent	Sinopharm Chemical Reagent Co., Ltd.
“Sinopharm Jiangsu”	Sinopharm Group Jiangsu Co., Ltd.
“Sinopharm Hainan”	Sinopharm Group Hainan Co., Ltd.
“Sinopharm Guizhou”	Sinopharm Group Guizhou Co., Ltd.
“Sinopharm Anhui”	Sinopharm Group Anhui Co., Ltd.

“Sinopharm Xuzhou”	Sinopharm Group Xuzhou Co., Ltd.
“CMDC”	China National Medical Device Co., Ltd.
“GuoDa Drugstore”	Sinopharm Holding GuoDa Drugstore Co., Ltd.
“Sinopharm Xingsha”	Sinopharm Xingsha Pharmaceuticals (Xiamen) Co., Ltd.
“Guorui Pharmaceutical”	China National Medicines Guorui Pharmaceutical Co., Ltd.
“Sinopharm Logistics”	Sinopharm Logistics Co., Ltd.
“Sinopharm Digital Technology”	Sinopharm Digital Technology (Shanghai) Co., Ltd.
“Shanghai OurChem”	Shanghai OurChem Bio-Technology Co., Ltd.
“Xinjiang GuoDa Drugstore”	Sinopharm Holding GuoDa Drugstore Xinjiang Co., Ltd.
“Sinopharm Shaanxi”	Sinopharm Group Shaanxi Co., Ltd.
“Sinopharm Shanxi”	Sinopharm Group Shanxi Co., Ltd.
“Sinopharm Sichuan”	Sinopharm Group Sichuan Co., Ltd.
“Sinopharm Aksu”	Sinopharm Xinjiang Xinte Pharmaceutical Co. Ltd.
“Discipline Inspection Committee”	the Discipline Inspection Committee of the Chinese Communist Party (CCP) at Sinopharm Group Co. Ltd.
“Legal and Compliance and ESG Committee”	the Legal and Compliance and Environmental, Social and Governance Committee of Sinopharm
“Sinopharm’s industrial enterprises”	Sinopharm’s subsidiaries which produce pharmaceutical products or chemical reagents, including Sinopharm Xingsha, Sinopharm Reagent (Shanghai OurChem), Guorui Pharmaceutical, etc.

About this Report

Report Introduction

Sinopharm Group Co., Ltd. is pleased to release the 2024 Sustainability Report (hereinafter referred to as the “Report”). This Report is aimed to disclose the efforts and performance on the aspect of environmental, social and governance of the Company and its subsidiaries in 2024, and respond to the key ESG issues concerned by stakeholders. This Report is published in Chinese and English versions. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

Reporting Scope

Reporting Period: Unless otherwise specified, the Reporting Period of this Report is from 1 January 2024 to 31 December 2024 (hereinafter referred to as the “Reporting Period”). In order to enhance the comparability and foresight of this Report, some contents have been extended.

Business Scope: Unless otherwise specified, this Report covers the principal businesses of the Group in 2024, including Sinopharm Group and its subsidiaries.

Reporting Guidelines

This Report is prepared in accordance with Appendix C2 *Environmental, Social and Governance Reporting Guidelines* (“ESG Reporting Guide”) of the *Listing Rules* of HKEX. This Report followed the reporting principles of Materiality, Quantitative, Balance and Consistency, as well as “mandatory disclosure” requirements and the “comply or explain” provisions listed in the ESG Reporting Guide.

- Materiality: The Group conducts materiality assessment to identify the extent of the impact of ESG-related issues on stakeholders, and ESG issues with high materiality have been responded to and disclosed in this Report.
- Quantitative: The Group presents ESG key performance indicators (KPIs) in a measurable manner where practicable, and this Report discloses the basis for calculating quantitative values and the statistical methodology.
- Balance: This Report provides objective facts and discloses both positive and negative indicators to present the Group’s ESG performance in an unbiased manner.
- Consistency: Unless otherwise stated, this Report uses the same statistical disclosure method as previous years, to ensure that the ESG data for the Reporting Period is comparable with historical data and future data. Changes in the statistical caliber of indicators will also be disclosed in this Report.

The preparation of this Report also abides by *the Global Reporting Initiative (“GRI”), the GRI Standards, the Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (“CASS-ESG6.0”) issued by China Academy of Social Sciences and the relevant content of the State owned Assets Supervision and Administration Commission of the State Council (SASAC)’s ESG Special Report Reference Indicator System for State Owned Enterprises Holding Listed Companies (“ESG Indicator System”) and ESG Special Report Reference Template for State Owned Enterprises Holding Listed Companies.*

Data description

The data and information in this Report are mainly derived from the Group's internal data collection system, work reports and publicly available information. Unless otherwise stated, the amounts shown in this Report are in RMB.

Reliability Assurance

The Board of Directors of the Company (hereinafter referred to as the "Board" or "Board of Directors") understand its responsibility for ensuring the authenticity and effectiveness of the information in this Report. The Board has reviewed this Report and confirmed that there are no false representations, misleading statements contained in this Report.

Dissemination Channel

This Report can be read and downloaded from the HKEX News websites of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk, and the Investor Relations section of the Company’s website at www.sinopharmgroup.com.cn.

Readers Feedback

If you have any comments or suggestions about this Report, please feel free to provide feedback through the website of the Company at www.sinopharmgroup.com.cn or the email address of the investor relations at sinopharm@wsfg.hk or ir@sinopharm.com, help us to make continuous improvement.



Chairman's Statement

Year 2024 marks a pivotal year for fulfilling the goals set in the 14th Five-Year Plan, and also serves as the starting point for Sinopharm to embark on a new journey from its 20th anniversary milestone. Over the past year, we have remained committed to our original aspiration of “All for Health, Health for All,” fully implemented the new development philosophy, and accelerated the establishment of a new development paradigm, with technological innovation driving high-quality corporate growth. With a deep commitment to national priorities, we regard safeguarding public health as our mission, actively serving the Healthy China initiative, ensuring the safety of people’s lives and health, and guaranteeing the emergency stockpiling and supply of pharmaceutical materials. We take the lead in driving industry transformation, maintaining a healthy pharmaceutical market order, and supporting the standardized use of medical insurance funds. We are dedicated to becoming a globally leading technology-driven and innovation-oriented provider of pharmaceutical and healthcare services, injecting strong momentum into high-quality economic growth, social progress, and the well-being of the people.

This year, we advanced green operations and completed the construction of our first zero-carbon demonstration park, creating a low-carbon pharmaceutical distribution chain. Sinopharm integrated green and low-carbon principles across its logistics operations—from project design, low-carbon transportation, energy-saving warehouse upgrades, and recyclable packaging to digital infrastructure development—leading the industry’s green transformation. We promoted green production and operations across the board, deepening the green foundation of high-quality development. By steadily reducing our operational carbon emissions and initiating Scope 3 emission accounting, we have taken concrete steps to support China’s Dual Carbon Strategy and build a solid green barrier for a healthy China.

This year, we focused on compliant operations, and consolidated the foundation of corporate governance by building a comprehensive risk prevention and control system. In response to increasingly stringent global pharmaceutical regulations, Sinopharm adhered to compliant operation as a core principle, refined our institutional framework, enhanced governance capabilities, and advanced the modernization of governance, thus ensuring long-term sustainability and setting a benchmark for Central SOEs. In ESG governance, we strengthened strategic leadership, leveraged the expertise of board members, and linked executive compensation to ESG performance, ensuring effective implementation of ESG strategies.

This year, we deepened reform and innovation while upholding quality assurance, and seized the opportunities of digital development. Sinopharm accelerated national integration and service transformation, leveraging the strengths of a Central SOEs in

technological innovation, industry leadership, and security support. We improved the accessibility and safety of drug and medical device supply, safeguarding the public’s medication safety and health. Moreover, we fast-tracked the “digital intelligence” upgrade of our pharmaceutical logistics supply chain. Through data strategy and technological innovation, we enhanced the efficiency and quality of our healthcare service system, continuously building a leading technology-driven integrated pharmaceutical and healthcare service platform that aligns with “what the country needs, what patients expect, what the industry trends toward, and what Sinopharm can deliver.”

This year, we remained committed to a people-oriented approach and the promotion of diversity and inclusion, working together to create sustainable value. Sinopharm actively practices the principles of Diversity, Equity and Inclusion, not only by creating a fair, safe, and comfortable working environment for employees, but also by fostering a positive and enjoyable atmosphere that blends happy work with joyful living, nurturing an uplifting and dynamic corporate culture. We value talent, cultivate it with care, and apply it with precision, deepening employees’ recognition of our corporate culture and enhancing employee care, thereby achieving the mutual growth and development of both employees and the Company. Through enhanced industry-academia-research cooperation and win-win partnerships with stakeholders across the value chain, we lead industry development and co-create sustainable value. By upgrading our supply chain service system, we aim to build a more resilient modern pharmaceutical distribution ecosystem, generating both environmental and social value. We have also actively participated in public welfare initiatives such as ensuring medicine supply, supporting rural revitalization, assisting people with disabilities and students in need, and making charitable donations. From medical aid to educational support, from emergency relief to long-term empowerment, we have fully demonstrated the responsibilities of a central state-owned enterprise in promoting harmonious social development.

Though the road ahead is long, we shall reach it step by step; though the task is arduous, it will surely be accomplished. 2025 marks both the final year of the 14th Five-Year Plan and the strategic planning phase of the 15th Five-Year Plan. Sinopharm will firmly adhere to the general principle of “strengthening compliance, controlling risks, stabilizing development, and promoting transformation,” uphold integrity and innovation, pursue excellence and strength, and strive to write a new chapter of high-quality development, contributing solid strength to global sustainable development.

Zhao Bingxiang
 Chairman and Secretary of the Party Committee

2024 ESG Highlights



External Appraisal



Top 100 of the 2024 China Listed Company Brand
Vitality Ranking

National Business Daily

ESG Achievements



Selected as "Industry Mover" in S&P Global's
Sustainability Yearbook (China Edition) 2024



Selected on the "Pioneer 100 Chinese ESG Listed
Companies (2024)" list



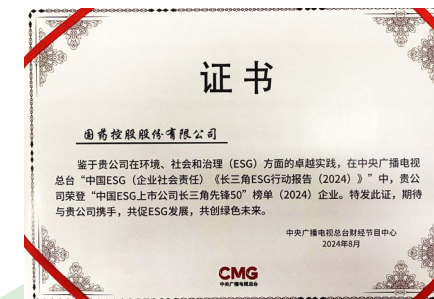
The 26th Hong Kong Stock "Golden Bull Award"

China Securities Journal, Beijing Fund Town



"Best Investor Relations Award" at the 2023 China
Financial Market

China Financial Market



Listed in the "Yangtze River Delta Top 50 Pioneer
ESG Listed Companies in China (2024)"



Winner of the "Excellence in ESG Governance
Award" at the Hong Kong ESG Reporting Awards
(HERA) 2024



Top 100 of the 2024 China Listed Company Brand
Value Ranking

National Business Daily



"20-Year Growth Benchmark Award for Listed
Companies" at the 14th Listed Company Reputation
Awards 2024

National Business Daily



Performance Highlight

ESG Governance

Launch the “National Pharmaceutical Sector Typical Cases Digital Platform Sub-Hall”, attracting over

800,000 cumulative learners

Coverage anti-corruption training

100%

Quality Control

Internal quality training sessions for employees

34,913 times

attendances

897,951

External quality training sessions for employees

2,876 times

attendances

25,323

Coverage of ISO 9001 quality system of secondary pharmaceutical distribution subsidiaries

100%

Product recalls due to quality, health, or safety issues related to the Group

0

Investments in safety production

RMB **72.6736** million

Innovation and Digitization

Won the “2024 National Medical Industry Digital Transformation Innovation Case”

36 cases

In the field of medical device services: new service-related patents granted

15 item

new service-related software copyrights obtained

74 item

Smart Supply Chain for Medical Deviceslaunched during the Reporting Period:

new SPD projects

110

new centralized distribution projects for individual hospitals

217

new centralized distribution projects for medical alliances/community health systems

10

Winner of the “Excellence in Digital Learning and Operation Award” at the 3rd Guanghua Cup (by Times Bright CreSuccess)



Sinopharm Xingsha was recognized as a high-tech enterprise in 2024



Sinopharm Digital Technology was awarded "the 2024 Digital Transformation Benchmark Case Award"



Performance Highlight

Green Development

The first carbon-neutral demonstration zone has been completed and obtained carbon neutral certification

Sinopharm participated in the development and release of three ESG and low-carbon management guidelines for the pharmaceutical industry: *Guidelines for ESG Evaluation System Construction and Management Practice in the Pharmaceutical Industry*, *Strategic Planning and Management Practice for "Zero-Carbon" in the Pharmaceutical Industry*, and *Green Supply Chain Construction under Dual Carbon Goals in the Pharmaceutical Industry*, and co-developed one group standard, *Guidelines for Smart Carbon-Neutral Industrial Parks: Planning and Electrical Design (Chinese-English bilingual)*

Scope 1 GHG emissions:

48,785.71 tons of CO₂e,

year-on-year decrease

10.84%

Scope 2 GHG emissions:

177,259.36 tons of CO₂e

year-on-year decrease

15.07%

ISO 14001 environmental management system certification coverage among industrial subsidiaries

100%

Received "2024 ESG Pioneer Leadership Award" from China Pharmaceutical Business Association



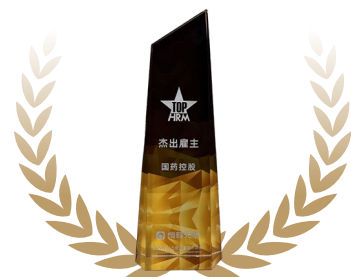
Humanistic Care

Recognized as an "Outstanding Employer of the Year 2024"

Employee training coverage

100%

Received "2024 Outstanding Human Resource Management Award"



Training coverage on anti-discrimination and anti-harassment

100%

Performance appraisal coverage for senior management and employees

100%

Social Contribution

Employee volunteer hours during the Reporting Period:

50,468 hours

Attendance of employees participating in volunteer activities during the Reporting Period:

6,793

Total charitable donations:

RMB **16.214** million

representing a year-on-year increase of

73.24%



About Sinopharm

Company Profile

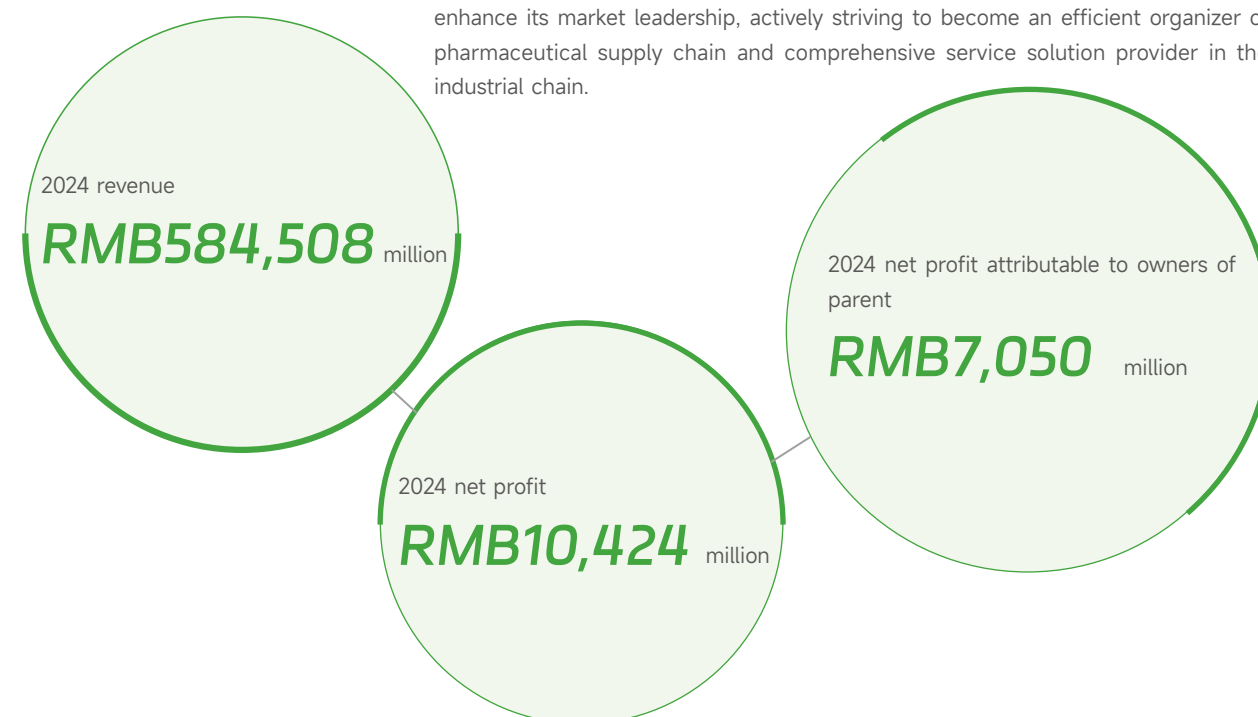
The Company established in January 2003 and listed on HKEX (stock code: 01099, HK) in September 2009, is a core subsidiary of China National Pharmaceutical Group Co., Ltd. and a top-rank wholesaler and retailer of pharmaceutical and healthcare products and medical devices, and a leading supply chain service provider in the PRC.

The Group is mainly engaged in pharmaceutical products and medical device distribution business. Leveraging on its nationwide distribution and delivery network, the Group provides comprehensive distribution, delivery, and other value-added services to domestic and foreign manufacturers and suppliers of pharmaceutical products, medical devices and consumables and other healthcare products, and also to downstream customers including hospitals, other distributors, retail drug stores and primary health services institutions.

Meanwhile, the Group manages its network of retail drug stores chain in major cities of China via direct operations and franchises to sell pharmaceutical and healthcare products to end customers. It has become a leader in China's pharmaceutical retail industry.

Besides, the Group is also engaged in the production and sale of pharmaceutical products chemical reagents and laboratory supplies, and actively engaged in the innovation of pharmaceutical, medical services and other health-related industries, to explore the synergistic development of its diversified businesses.

Taking advantage of its superior economies of scale, customer resources, network platforms and brand position, the Group will fully leverage on China's pharmaceutical and healthcare market which shows steady and healthy growth, and capture opportunities arising from healthcare reform to further consolidate and enhance its market leadership, actively striving to become an efficient organizer of pharmaceutical supply chain and comprehensive service solution provider in the industrial chain.



Sustainable Development Management

Sustainable Development Management

Sinopharm has always adhered to the corporate philosophy of "All for Health, Health for All", and is committed to becoming a premium technology-driven and innovative global pharmaceutical and healthcare service provider. We integrate the concept of sustainable development into the Company's strategy, corporate management, and production operations, actively fulfilling various economic, environmental, and social responsibilities.



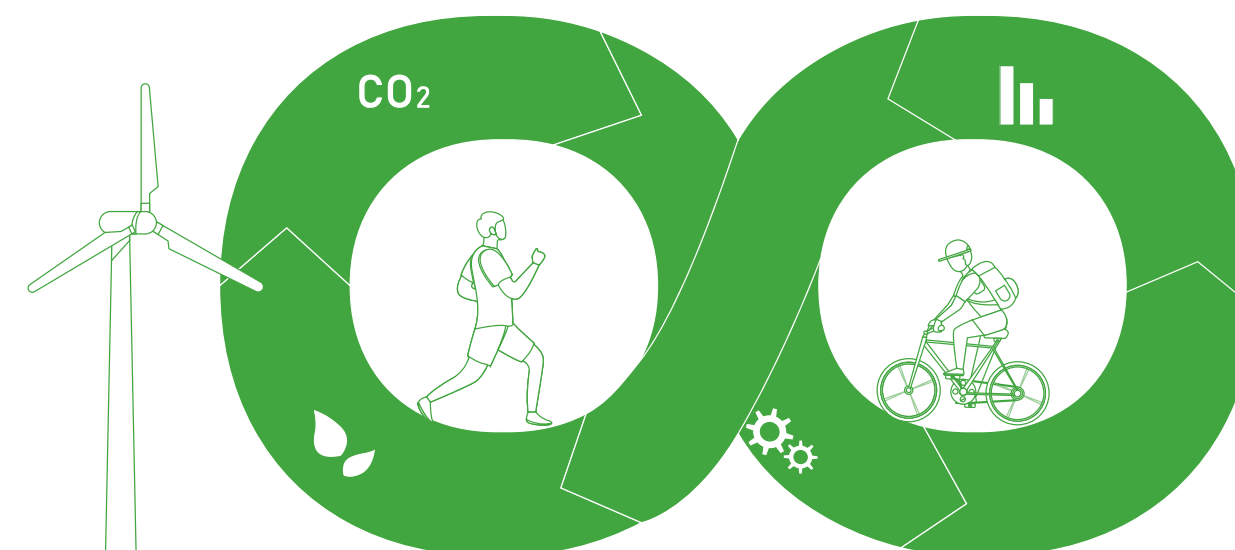
All for Health, Health for All

Interpretation: Health is to life what sunlight is to the sun; only with good health can life continue to flourish and shine. Health enriches life and makes it truly vibrant. "Caring for life, safeguarding health" is our noble mission, unwavering promise, and an endless pursuit. We are always by your side, with wholehearted care from beginning to end, and meticulous protection at every step.



Becoming a distinguished (technological and innovative) global pharmaceutical and healthcare service provider

Interpretation: We are fully committed to serving the Healthy China strategy, actively fulfilling the responsibilities of a centrally-administered pharmaceutical enterprise, and better meeting the growing demand of the people for a better life. Becoming a distinguished technological and innovative global pharmaceutical and healthcare service provider



Responding to the United Nations Sustainable Development Goals

Corresponding importance issues	Sinopharm's Action	Progress in 2024
<p>• Community participation contribution</p> 	<p>• Efforts will be made to promote the effective connection between the success of poverty alleviation and rural revitalization, with medical assistance and infrastructure investment as the entry points, to promote industrial development and ensure the basic livelihood of people in poverty-stricken areas</p>	<ul style="list-style-type: none"> • Total charitable donations: RMB 16.214million • Representing a year-on-year increase of 73.24%
<p>• Medical accessibility</p> <p>• Occupational Health and Safety</p> 	<ul style="list-style-type: none"> • Build SPS+ professional pharmacies and GuoDa Drugstore to improve the convenience of medical services and provide consumers with more professional medical services • Pay attention to rare disease groups, establish rare disease care centers, and provide full cycle care services such as medication treatment management, patient education, and disease course care for rare disease patients • Improve medical accessibility, promote the approval and listing of innovative drugs and the sinking of affordable drugs, allowing the public to enjoy more convenient and affordable medical services • Improve the occupational health management system, provide employees with sound welfare guarantees, implement safety production responsibilities, pay attention to occupational disease prevention and control, and safeguard employee occupational health and safety 	<ul style="list-style-type: none"> • Established rare disease care centers in 15 provinces • Set up 23 medical insurance service stations in seven provinces to provide comprehensive medical insurance consultation services • Continued to build SPS+ Sinopharm Professional Pharmacy, optimize drug supply, reduce medical costs, and support chronic disease management • Continued to ensure the supply of medicines in remote areas and in the event of major disasters • The number of companies certified by ISO 45001 occupational health and safety management system had reached 90
<p>• Community participation contribution</p> <p>• Drive industry development</p> 	<ul style="list-style-type: none"> • Pay attention to the education industry and regard safeguarding the right to education as an important area for rural revitalization assistance • Actively carry out industry university research cooperation, rely on industrial advantages, and jointly promote the development of higher education 	<ul style="list-style-type: none"> • Carried out industry university research cooperation with universities such as Tsinghua University, China Pharmaceutical University, Huaqiao University, Jiangnan University and Anhui Senior Technical School of Industry. • Participated in the formulation and publication of three industry guidelines and one group standard related to low-carbon development in the pharmaceutical sector
<p>• Diversity, Equity and Inclusion</p> <p>• Employee development and training</p> 	<ul style="list-style-type: none"> • Create a diverse and equal workplace environment, strictly implement regulations on maternity and lactation leave for female employees, and safeguard the legitimate rights and interests of female employees • Adhere to gender equality in the workplace, and support the career development of female employees 	<ul style="list-style-type: none"> • Female employee ratio: 61.94% • Organized women's rights protection lectures, holiday activities, and fitness clubs for female employees

Corresponding importance issues	Sinopharm's Action	Progress in 2024
<p>• Community participation contribution</p> 	<ul style="list-style-type: none"> • Support the construction of rural health systems, rely on business advantages to provide precise assistance, ensure the accessibility of medical care and medication for local residents, and assist in the development of rural health undertakings 	<ul style="list-style-type: none"> • Donated medical supplies to targeted assistance areas
<p>• Energy and water management</p> <p>• Addressing climate change</p> 	<ul style="list-style-type: none"> • Continued to promote the application of energy-saving equipment, increased the proportion of clean energy use, explored scenarios for clean energy applications, and built green pharmaceutical logistics infrastructure to reduce energy consumption 	<ul style="list-style-type: none"> • Improved resource utilization efficiency, increase the proportion of renewable energy usage, and optimize energy structure
<p>• Diversity, Equity and Inclusion Employee</p> <p>• Development and Training</p> <p>• Employee rights and benefits</p> 	<ul style="list-style-type: none"> • Provide and create employment opportunities, provide stable job opportunities for employees, and offer competitive compensation • Strictly abide by various laws and regulations, protect employee rights and interests, and standardize employment • Build a comprehensive talent training system to provide employees with broad growth opportunities 	<ul style="list-style-type: none"> • Employee training coverage rate:100% • Average training time:50.8 hours
<p>• Drive industry development</p> <p>• Intellectual property protection</p> 	<ul style="list-style-type: none"> • Actively respond to the "Digital China" strategy, promote digital transformation, encourage technological innovations, and expand innovation cooperation • Continuously enhance terminal service capabilities and innovative end-to-end supply chain solutions to empower medical terminal business development, leading industry advancement through high-quality service model innovation 	<ul style="list-style-type: none"> • Continuously promoted digital transformation and logistics integration construction • 36 cases were awarded the "2024 National Medical Industry Digital Transformation Innovation Case" • In the field of medical device services: 15 new service-related patents granted, 74 new service-related software copyrights registered

Corresponding
importance
issues

Sinopharm's Action

Progress in 2024

- Diversity, Equity and Inclusion
- Compliant operations
- Employee rights and benefits



- Strictly eliminate the occurrence of child labor, forced labor, and other behaviors, and provide equal employment and promotion opportunities for employees of different genders, ages, ethnicities, and backgrounds
- Proactively foster a diverse, equal, and inclusive workplace culture, respected the cultural traditions and living habits of ethnic minorities, and organized a variety of group activities

- No incidents of child labor, forced labor, or discrimination occurred throughout the year

- Community participation contribution



- Actively participate in public welfare activities, carried out pharmaceutical science popularization campaigns and other community-oriented services, cared for groups such as youth and the elderly, and contributed to the creation of harmonious community environments

- The total number of hours employees participated in volunteer activities: 50,468 hours
- 6,793 people participated in volunteer activities

- Product quality and safety
- Responsible marketing
- Compliant operations
- Safety production



- Advocate for sustainable production and consumption, and encourage the use of green and environmentally friendly packaging materials
- Practice the concept of responsible marketing, carry out various marketing activities in accordance with the law and regulations, and provide responsible marketing training to employees

- No major negative events that affected customer health and safety
- Zero product recalls due to quality, health, or safety issues related to the Group

- Addressing climate
- Energy and water management
- Hazardous waste disposal and management
- Pollutant emission management



- Actively respond to the national Dual Carbon Strategy, formulate and promote the development strategy of green logistics, and promote the orderly implementation of key projects
- Build a green pharmaceutical logistics infrastructure, optimizing energy structure, build a digital management platform, and improve production and transportation efficiency
- Promote the construction of green supply chains and encourage suppliers to use more environmentally friendly raw materials

- The first carbon-neutral demonstration zone has been completed and obtained carbon neutral certification

Sustainable Development Management

ESG Governance Architecture

Under the promotion of the Legal and Compliance and ESG Committee, Sinopharm continues to strengthen communication with internal and external stakeholders and implement various ESG initiatives. Sinopharm has established a three-level ESG governance framework consisting of the Board of Directors, Legal and Compliance and ESG Committee, and ESG Working Group, and fully incorporates ESG responsibilities into the scope of responsibilities of various levels of organizations to ensure that ESG-related work is carried out in a standardized and orderly manner. The Legal and Compliance and ESG Committee of the Company is chaired by Mr. Yu Weifeng, an independent non-executive director, with Mr. Zhao Bingxiang, a non-executive Director, and Mr. Lian Wanyong, an executive Director, participate as members.

The ESG Working Group under the Legal and Compliance and ESG Committee is responsible for implementing ESG policies and objectives. The ESG Working Group is led by the vice president of the Company, and is composed of multiple department heads, including the office (the Party committee office and board office), operation and risk management department (safety and environmental protection department), quality management department, legal and compliance department, Party committee organization department (human resources department, reform office), Party affairs department (Party committee publicity department), logistics management center, globe sourcing & supply chain service center, digital management department etc. In 2024, the working group was expanded to include the strategic development department and the finance and capital department to support ESG strategic planning and financial impact assessment, and to jointly promote the implementation of ESG initiatives.

The Board of Directors reviews and makes decisions on ESG-related matters, including climate change response, through Board meetings on an annual basis. The Legal and Compliance and ESG Committee convenes one to two special meetings each year to formulate and evaluate ESG governance strategies and risk response plans, ensuring the effectiveness of ESG-related decisions made by the Board. In addition, we actively use quantitative and qualitative evaluation to measure the implementation of ESG work. ESG responsibilities and indicators have been fully integrated into the Legal and Compliance and ESG Committee's scope of authority and are linked to the annual performance evaluation of directors and executives to ensure the efficient implementation of sustainable development goals. The quantitative ESG targets cover key environmental indicators such as energy consumption data and carbon emissions control, while qualitative requirements include the development of compliance systems and the enhancement of internal governance. According to the performance-linked remuneration mechanism, if any red-line incidents such as safety accidents or major quality events occur, all performance-based bonuses will be deducted in full. If certain targets are not met, the variable remuneration will be proportionally reduced. In addition, the variable portion of senior management compensation is directly tied to ESG assessment results, aiming to strengthen both incentives and constraints, promote continuous improvement in ESG performance, and ensure effective management and implementation of ESG initiatives. Meanwhile, the Legal and Compliance and ESG Committee regularly evaluates and assesses the execution and implementation of ESG initiatives by the ESG Working Group.

Board of Directors

The Legal and Compliance and ESG Committee

- Research and formulate the ESG management approach, targets and strategies of the Company, review and confirm the priorities of the ESG issues of the Company
- Consider and review the ESG management approach, targets and strategies of the Company and make suggestions thereon; evaluate the adequacy and effectiveness of the ESG structure of the Company on a regular basis
- Research, analyze and identify the Company's risks and opportunities arising from ESG issues, review the changes in the nature and severity of the Company's risks in major ESG issues on a regular basis, review the Company's performance in response to the relevant risks, and propose improving strategies
- Oversee and evaluate the Company's ESG performance, review and monitor the performance and progress toward relevant ESG targets, propose improving strategies
- Review the Company's ESG compliance status and review the Company's annual ESG Report
- Evaluate and assess the execution and implementation of relevant work by the ESG Working Group

ESG Working Group:

- Assist the Legal and Compliance and ESG Committee in setting ESG management goals
- Collect and report on the management of various ESG indicators of Sinopharm, and organize the preparation and release of annual ESG reports
- Responsible for the specific implementation of ESG related policies and goals

Board Statement

The Board is the highest governance body for ESG issues of the Company and has overall oversight responsibility for ESG governance strategies and reporting, as well as overseeing ESG strategies and management policies formulation, ESG risk management, and ESG target assessment. The Board oversees and manages Sinopharm's ESG governance through its Legal and Compliance and ESG Committee, and regularly listens to the report on sustainability strategies, progress and performance.

The Legal and Compliance and ESG Committee is responsible for identifying relevant ESG risks and opportunities, as well as reporting the performance regarding risk management to the Board for review. During the Reporting Period, the Board evaluated the importance of ESG issues from a business risk perspective, and confirmed the results of the materiality assessment, to ensure our ESG work focusing on material ESG issues. For the process of Board assessment, prioritization, and management of important environmental, social, and governance-related matters, please refer to the "Addressing climate change", "Risk Management" and "Stakeholder Communication" sections of this Report, which are also parts of this Board Statement.

In addition, the Legal and Compliance and ESG Committee is responsible for studying and formulating ESG objectives related to the Company's business and tracking and reviewing ESG performance and progress. The Board regularly listens to reports on ESG target management and considers and reviews the progress regarding ESG targets, which are closely related to business development, including compliance management, product and service quality, and safety production.

To further enhance the comprehensive ability level of the Board, the Company actively encouraged Board members to participate in professional training programs to improve their skills. During the Reporting Period, Board members participated in a written study on anti-corruption training and special training sessions on the New Regulations and Related Party Transaction of HKEX provided by external professional bodies. In addition, the Company also timely updates the latest relevant legal and regulatory documents to the Board for reference and research, continuously strengthening the compliance awareness and performance ability of the board members.

Stakeholder Engagement

Stakeholder Communication Methods

We always attach importance to the communication and exchange with all stakeholders, and fully realize that the opinions of stakeholders play an important role in improving the ESG management level of the company and creating positive value for the society. Sinopharm establishes contacts with stakeholders through various channels, timely disclosing relevant information such as policy updates, daily operations, development changes, and special changes to all stakeholders, understanding their expectations and opinions on the Company's sustainable development, and using this as an important reference for optimizing ESG management and carrying out ESG special activities. Our stakeholders include shareholders and investors, employees, clients, government and regulatory agencies, etc. Our communication channels are not limited to the official website of Sinopharm, WeChat official account, performance press conferences, online or offline investor conferences, employee forums, etc.

Stakeholders	Concerns and expectations	Method of Communication
 Shareholders and investors	<ul style="list-style-type: none">• Compliance operation• Economic performance• Corporate governance• Quality and safety of products• Customer service and satisfaction• Risk management	<ul style="list-style-type: none">• General meetings• Meetings of the investors and roadshow• The Company's official website publishing• Annual report and announcements• Sustainability Report• Investor communication mailbox
 Employees	<ul style="list-style-type: none">• Employee compensation and benefits• Occupational health and safety• Employee development and training• Diversity, Equity and Inclusion	<ul style="list-style-type: none">• Union activities• Employee forum• Employee party• Manager's mailbox• Volunteer activities• Daily Communication
 Customers	<ul style="list-style-type: none">• Privacy and data security• Quality and safety of products• Intelligent property protection• Compliance operation• Customer service and satisfaction• Business innovation and digital management• Medical accessibility	<ul style="list-style-type: none">• Customer satisfaction survey• Regular visits• Industry exhibitions and forums• Customer Service center/hotline
 Government and regulators	<ul style="list-style-type: none">• Compliance operation• Hazardous waste disposal and management• Pollutant emissions and management• Occupational health and safety• Quality and safety of products• Privacy and data security	<ul style="list-style-type: none">• High-level meetings• Seminars• Compliance report
 Suppliers and other partners	<ul style="list-style-type: none">• Supply chain sustainable management• Quality and safety of products• Customer service and satisfaction• Responsible marketing• Compliance operation	<ul style="list-style-type: none">• Seminars and meetings• Marketing summits• Supplier evaluation• Field visit• Daily communication• Sustainability Report
 Media	<ul style="list-style-type: none">• Business innovation and digital management• Drive industry development• Occupational Health and Safety• Compliance operation	<ul style="list-style-type: none">• Press releases and announcements• Media events
 Communities and the public	<ul style="list-style-type: none">• Privacy and data security• Information security management• Medical accessibility• Community involvement and contribution	<ul style="list-style-type: none">• Press releases and announcements• Voluntary activities• Charity/public service activities
 Industry associations and other non-governmental organizations	<ul style="list-style-type: none">• Quality and safety of products• Compliance operation• Drive industry development	<ul style="list-style-type: none">• Industry exhibitions and forums• The Company's official website publishing• Company report

Analysis of Material Issues

Sinopharm attaches great importance to the impact of the environment, society, and economy on the Company's operations and stakeholders, actively identifies important issues related to Sinopharm, evaluates and updates the important issues every year and conducts stakeholder questionnaire survey every two years, and the Legal and Compliance and ESG Committee and the Board of Directors review the annual analysis results of important issues.

In 2024, based on disclosure and rating standards, Sinopharm formed a database of material issues based on its own business characteristics and operational status, and drew on the experience and practices of global peers. In addition, the impact of various issues on the company's finance is integrated to form a dual importance matrix with both financial importance and impact importance, which is reviewed by the Legal and Compliance and ESG Committee and the Board of Directors.

Update of Material Issues

A comprehensive review of the results of the 2023 materiality assessment and the update to ensure the sustainability of the issue, mainly referring to the combination of

- The progress and achievements of Sinopharm's ESG work in 2024
- The focus of internal and external stakeholders and capital markets on the sustainable development of Sinopharm
- The main standards and initiatives for ESG report disclosure include the ESG Reporting Guide of HKEX, GRI standards, and the ESG Indicator System of SASAC
- Sustainable development practices and ESG development trends of leading domestic and international peers

Materiality Assessment

Impact materiality assessment

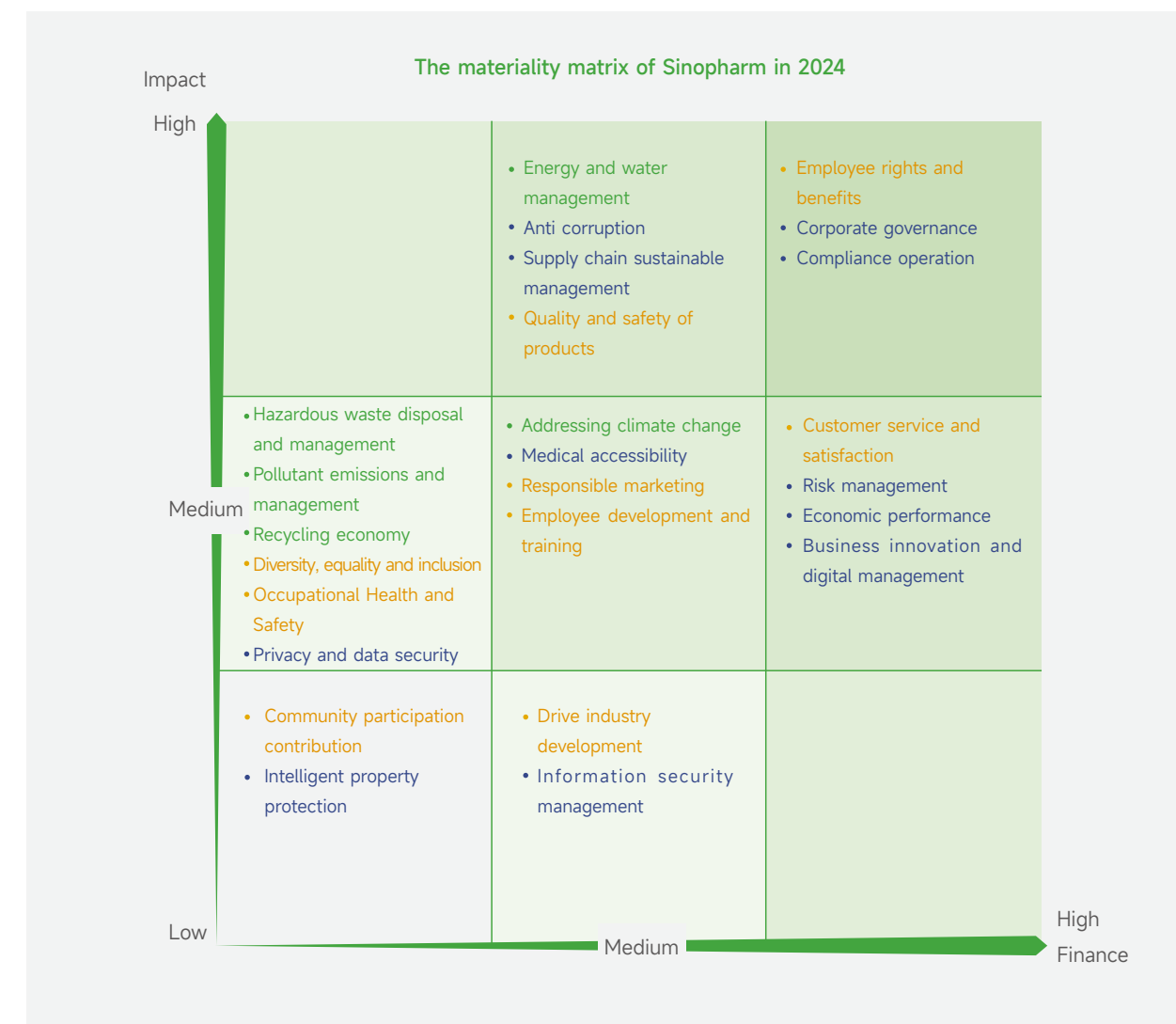
- Based on the stakeholder survey results of the previous year, the annual update of the impact materiality issues is conducted through offline stakeholder interviews

Financial materiality assessment

- In collaboration with experts from the finance and strategic development departments, the current and potential financial impacts of each topic were assessed based on the "likelihood of financial impact occurrence" and the "magnitude of financial impact."

Formation of materiality matrix

- Identify the degree of impact of issues from the dimensions of "impact materiality assessment" and "financial materiality assessment", and rank the issues to form an materiality matrix. The matrix result has been reviewed by the Board of Directors.



Environment

- Energy and water management
- Hazardous waste disposal and management
- Pollutant emissions and management
- Recycling economy
- Addressing climate change

Society

- Quality and safety of products
- Employee rights and benefits
- Diversity, equality and inclusion
- Occupational Health and Safety
- Responsible marketing
- Employee development and training
- Customer service and satisfaction
- Community participation contribution
- Drive industry development

Governance

- Anti corruption
- Supply chain sustainable management
- Corporate governance
- Compliance operation
- Privacy and data security
- Medical accessibility
- Risk management
- Economic performance
- Business innovation and digital management
- Intelligent property protection
- Information security management

Driving industry's ESG development

Industry Standard Setting

In 2024, the Group adhered to integrating sustainable development goals into the project design and planning, actively fulfilled the central corporate social responsibility, and contributed to the high-quality development of the pharmaceutical industry through the overall requirements of "intelligence, green, and low carbon". The Group has continuously achieved new results in the development of industry standards and has participated as an industry leader in the development and promotion of a number of key issues and standards.

Case Sinopharm deepens its low-carbon commitment and promotes standards development



In November 2024, Sinopharm, as a key initiator and major participant, supported the ESG sub-committee of the China Pharmaceutical Business Association in officially releasing three industry guidelines: *Guidelines for ESG Evaluation System Construction and Management Practice in the Pharmaceutical Industry*, *Strategic Planning and Management Practice for "Zero-Carbon" in the Pharmaceutical Industry*, and *Green Supply Chain Construction under Dual Carbon Goals in the Pharmaceutical Industry*. These documents provide professional references for the development of green pharmaceutical supply chains and promote low-carbon development across the entire lifecycle of logistics parks. *The ESG Information Disclosure Guidelines* for the first time systematically standardize the disclosure framework for environmental, social and governance information of pharmaceutical enterprises, helping them to enhance transparency and credibility; the *"Zero Carbon" Strategic Planning Guidelines* provide technical routes and cost analysis models for pharmaceutical enterprises to formulate a carbon-neutral pathway, accelerating the industry's low-carbon transformation; and the *"Green Supply Chain Construction Guide"* promotes carbon reduction along the entire supply chain by integrating upstream and downstream resources to create a green ecosystem for the pharmaceutical industry.

In March 2024, the group standard *Guidelines for Smart Carbon-Neutral Industrial Parks: Planning and Electrical Design (Chinese-English bilingual)* (T/IGEA001-2022), completed with Sinopharm's assistance, was officially put into effect, offering guidance for the smart and low-carbon development of the industry.

The implementation of these standards and the launch of related initiatives signify Sinopharm's role as a frontrunner in industry standardization and a facilitator of benchmarking among peer enterprises, further promoting the overall quality enhancement of the sector.



China Pharmaceutical Distribution Industry Annual Conference



Industry Guidelines and Standards

Efficient Compliance Operation

The Group continues to strengthen its institutional foundation by enhancing its legal compliance framework, reinforcing the implementation of systems, strengthening risk controls, raising compliance awareness across the organization, and fostering a culture of integrity. These efforts have contributed to establishing a clean and compliant business environment, thereby ensuring systematic and rule-based internal control and laying a solid foundation for efficient and compliant operations.

The Group actively responds to the compliance supervision requirements of the SASAC, has completed self-inspection of trade management, and advanced its business model transformation. Subsidiaries at all levels have actively responded to regulatory requirements and taken initiative to enhance internal systems.

Leveraging digital systems, the Group has embedded trading rules into its business processes and built a long-term prevention and control mechanism, thereby significantly improving the accuracy and effectiveness of risk controls. Going forward, Sinopharm will continue to enhance its digital internal control capabilities, further strengthening ESG-related risk management through dynamic governance. At the same time, the Group will keep promoting a culture of trade compliance and risk awareness, laying a more solid foundation for high-quality development.

Case Comprehensive trade compliance enhancement and risk control capability building



In 2024, the Group actively responded to regulatory requirements issued by the SASAC of the State Council, and comprehensively promoted standardized trade management. The Company developed the *Key Training Materials for Trade Compliance Risk Control*, which systematically clarified key processes and compliance requirements in trade operations, laying a solid foundation for enhancing trade management capabilities.

As of the end of the Reporting Period, a total of 88,449 person-times participated in training, achieving 100% coverage across all subsidiaries. The training was delivered both online and offline. Online training was conducted via the "Sinopharm Cloud Learning" platform, covering multiple business lines with comprehensive and targeted content. Post-training assessments were required for all courses, and only participants who passed the tests were deemed to have completed the training, ensuring the effectiveness of the training programs.

Case Sinopharm supplier blacklist mechanism



In 2024, in accordance with national regulations and guidance, Sinopharm established a compliance framework extending across the entire supply chain. The Group implemented a supplier qualification review system and enhanced its blacklist mechanism, prohibiting business dealings with non-compliant suppliers.

In May 2024, building on its efforts to address fictitious trade, Sinopharm required all subsidiaries to review and consolidate lists of disqualified suppliers involved in such activities. In October, all subsidiaries were asked to propose recommendations for the formulation of the Implementation Rules on the Management of Supplier Misconduct based on their operational characteristics. This move aims to institutionalize the supplier blacklist mechanism, with implementation planned in 2025, which will establish a long-term, routine dynamic management mechanism for high-risk suppliers.

Featured Topic

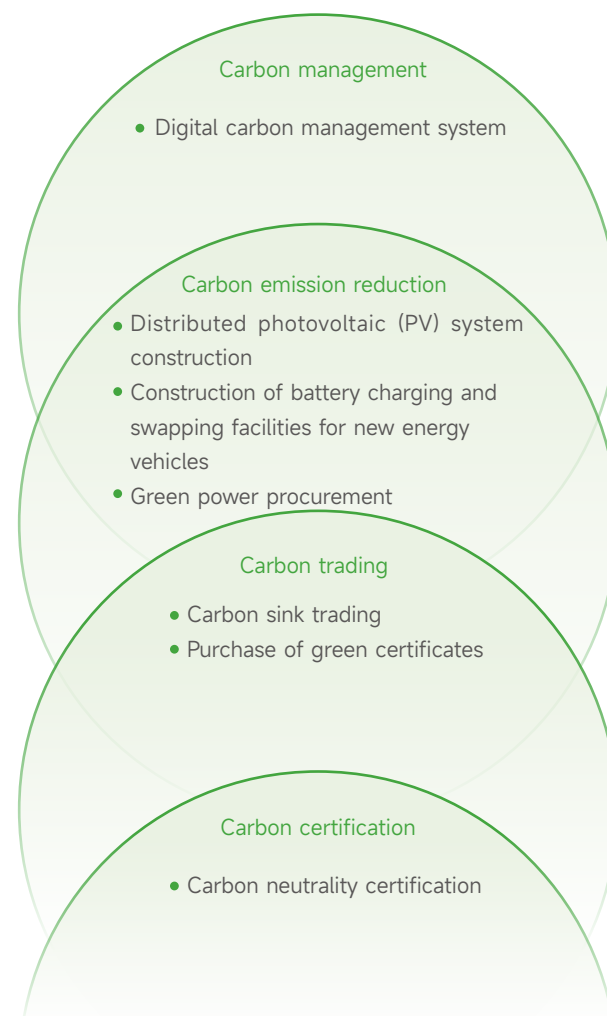
Advancing Green Logistics to Build an Ecological Barrier for a Healthy China

As environmental issues become increasingly critical and sustainability goals advance, green logistics has emerged as a key driver of industrial transformation and upgrading. Sinopharm actively responds to China's Dual Carbon Strategy by developing carbon-neutral logistics parks and green pharmaceutical distribution chains, promoting low-carbon and integrated development of the pharmaceutical logistics industry. The Group places high importance on ESG integration and accelerates the green transformation of pharmaceutical logistics through green initiatives such as forward-thinking design, digital empowerment, green transportation, and warehousing, thereby contributing to the construction of a Healthy China.

Sinopharm's First Carbon-Neutral Logistics Park

Sinopharm constructed its first carbon-neutral demonstration park by developing a carbon management system and green energy infrastructure, supplemented by carbon trading for offsetting. The Group has identified the implementation path for achieving carbon neutrality in logistics parks, setting an example for sustainable infrastructure development in the pharmaceutical distribution industry.

Pathway to Achieve a Zero-Carbon Park



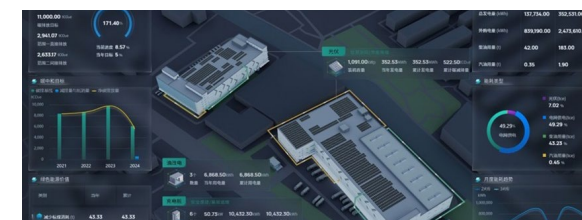
Case

Carbon neutrality achieved through multi-dimensional measures in the redevelopment of Sinopharm's logistics park

The redevelopment project of the Shanghai Kangning Road Park of Sinopharm Logistics in Jing'an District, is a flagship practice of Sinopharm's green and low-carbon development. By implementing a series of measures—rooftop photovoltaic (PV) power generation, use of new energy vehicles, digital carbon management systems, and green credit offsets—the park achieved carbon neutrality certification in December 2024, becoming a benchmark for the green transformation of the pharmaceutical logistics industry. This accomplishment significantly reduced carbon emissions and provided a replicable model for achieving zero carbon in the sector, demonstrating Sinopharm's leadership in advancing China's Dual Carbon Goals.

Digital Carbon Management System

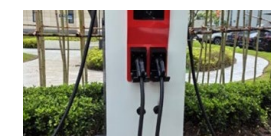
The Group collects and integrates organizational carbon data from pharmaceutical logistics and warehousing facilities, and continuously monitors carbon emissions using a digital carbon management platform, enabling real-time identification and dynamic management of emission sources.



Energy and Carbon Management Platform for Carbon-Neutral Logistics Parks

New Energy Vehicle (NEV) Charging Infrastructure

To meet the urban distribution needs for delivering pharmaceuticals and medical devices using electric NEV trucks, the park installed EV charging stations and launched pilot operations for battery-swapping light-duty trucks. These initiatives explore the application of clean energy in pharmaceutical logistics distribution and lay the foundation for energy-saving and carbon-reduction goals toward full carbon neutrality.



Charging Facilities



Battery-Swapping Station for Trucks



PAS2060:2014 Verification Statement for Organizational Carbon Neutrality

ISO 14068-1:2023 Carbon Neutrality Certification

Rooftop PV System

The park employs a distributed rooftop photovoltaic system using a "self-consumption with surplus fed to the grid" model. Commissioned in the first half of 2024, the PV system generated 708,000 kWh of green electricity that year. By 2025, the annual output is expected to reach 1,060,000 kWh, equivalent to saving 386 tons of standard coal, reducing 1,070 tons of CO₂ and 32 tons of SO₂ emissions annually, or planting 698 trees.



Photovoltaic Carports



Rooftop PV

Green Credits

By leveraging green credit mechanisms such as renewable energy certificates and carbon sink offsets, the park offset residual emissions from fossil-fuel-based electricity, diesel generators, and refrigerant leakage during HVAC maintenance, achieving full carbon neutrality in 2024, and received third-party certifications under PAS2060:2014 and ISO 14068-1:2023 standards.

In its Phase II redevelopment, the park will further enhance its energy-saving and carbon-reducing capacity by upgrading HVAC systems, high-efficiency air handlers, and smart indoor units, continuously raising its green and low-carbon performance.

Design-Led Approach to Building a Low-Carbon Pharmaceutical Distribution Chain

Upholding the philosophy of green development, Sinopharm integrates ESG design principles into project planning right from the early design stage, ensuring their implementation throughout the planning and operational phases. ESG principles are embedded across all processes, driving the development of a low-carbon pharmaceutical distribution chain. During project operations, Sinopharm actively assumes social responsibility and demonstrates its role as a central SOE in sustainable development.

ESG Design Philosophy

Sinopharm systematically reviewed and consolidated the outcomes of ESG-related design practices. It analyzed and optimized each design stage in terms of environmental, social, and governance aspects and compiled a dedicated *ESG Design Report*. Based on the positioning of each construction project, the Group provided applicable technical recommendations to guide the ESG design and implementation in a scientific and practical manner.



Green Logistics Transportation

The Group actively promotes the use of new energy vehicles (NEVs) in pharmaceutical logistics and distribution. It has launched pilot operations of battery-swapping light-duty trucks and electric refrigerated trucks, continuously exploring the application of clean energy in the logistics of pharmaceuticals. As of the end of the Reporting Period, Sinopharm Logistics operated over 160 electric NEV trucks for normal-temperature pharmaceutical distribution across China.



New Energy Trucks



Green and Energy-Saving Warehousing

The Group promotes green warehousing by gradually incorporating green building design concepts into ongoing construction projects. It has launched pilot projects to assess embodied carbon in buildings and is advancing the planning and construction of integrated systems for photovoltaic, storage, and charging infrastructure, as well as low-carbon logistics parks. Through optimization of building design and operations management, Sinopharm is reducing energy consumption and carbon emissions in warehousing operations, thus driving green and low-carbon development across the industry.

Case Warehouse renovation at Sinopharm Logistics Chongqing Co., Ltd.



In 2024, Sinopharm Logistics Chongqing Co., Ltd. enhanced the insulation thickness of the logistics center's exterior walls, significantly improving the thermal performance of the buildings and reducing electricity consumption in temperature-controlled warehouses. This initiative reduced both energy use and carbon emissions related to refrigerant leakage, providing a practical and effective solution for implementing green, low-carbon development and contributing to the achievement of sustainability goals.

Green Circular Materials

The Group actively promotes the reuse of packaging materials and gradually increases the proportion of green packaging. It has fully implemented plastic pallets at major provincial logistics centers to replace traditional wooden pallets, improving durability and reducing wood consumption, thereby advancing the green and low-carbon transformation of the pharmaceutical logistics sector.

Case Promoting circular use of packaging materials at Sinopharm Logistics



In 2024, Sinopharm Logistics implemented circular reuse measures at the Kangning No. 2 Warehouse, reusing over 400 used cardboard boxes per day on average. This initiative significantly reduced packaging waste, lowered resource consumption, and cut the carbon footprint of warehousing operations. It also demonstrated the company's active efforts in resource recycling and sustainable development, offering a replicable and scalable technical pathway for the industry's green transition.



Cardboard Box Recycling at Kangning No. 2 Warehouse – Sinopharm Logistics

Empowering Green Development with Digital Intelligence

Sinopharm places great emphasis on the application of digital technologies across business scenarios and continues to promote the "digital intelligence" upgrade of the pharmaceutical logistics supply chain. Intelligent dispatch functions have been integrated into the digitalization process to optimize transportation, improve load rates, and enhance automation, thus reducing energy consumption and carbon emissions while improving operational efficiency and lowering costs.

Case Smart operations initiative by Sinopharm Logistics in Shanghai



In its Shanghai operations, Sinopharm Logistics collected and analyzed transportation and distribution demands and constraints across various stages, including delivery time requirements, multi-point delivery volume, temperature control standards, and specific regulations for narcotic drug transportation. Leveraging intelligent dispatch features and employing modeling and big data analytics, the Company provided optimized route planning, routing strategies, and load planning solutions to enhance transportation efficiency and resource utilization. The generated intelligent dispatch plans were further refined through manual adjustment and review to ensure the accuracy and applicability of the optimization outcomes.

By continuously applying information technology and intelligent algorithms, Sinopharm Logistics achieved refined coordination and optimization of vehicles, goods, and personnel throughout the logistics process, ensuring high efficiency, speed, and safety in transportation and distribution.

According to estimates, the application of intelligent dispatch led to:

Reduce the total transportation cost by about	Reduce the number of delivery orders by about	Increase the loading rate by about	Increase the efficiency of dispatch work by about
10%	5%	10%	30%

Case Construction of Sinopharm Logistics Shenzhen Liguang Smart Logistics Center



In October 2024, the Sinopharm Logistics Shenzhen Liguang Smart Logistics Center officially commenced operations. Dedicated to advancing digital transformation, this logistics center aims to build a smart warehousing and logistics facility that sets a national benchmark for intelligent pharmaceutical logistics.

Closely aligned with the rapid evolution of modern logistics and diversified customer needs, the center has invested in a wide range of automated logistics equipment. Through precise calculations and simulation testing, it ensures seamless and efficient integration of all automation systems across multi-floor structures. In the full-process system integration testing, each stage from inbound, storage, sorting, to outbound was fully automated and intelligent, resulting in a 260% increase in full-case picking efficiency per labor hour, and a 100% increase in split-case picking efficiency, significantly improving accuracy and operational timeliness.

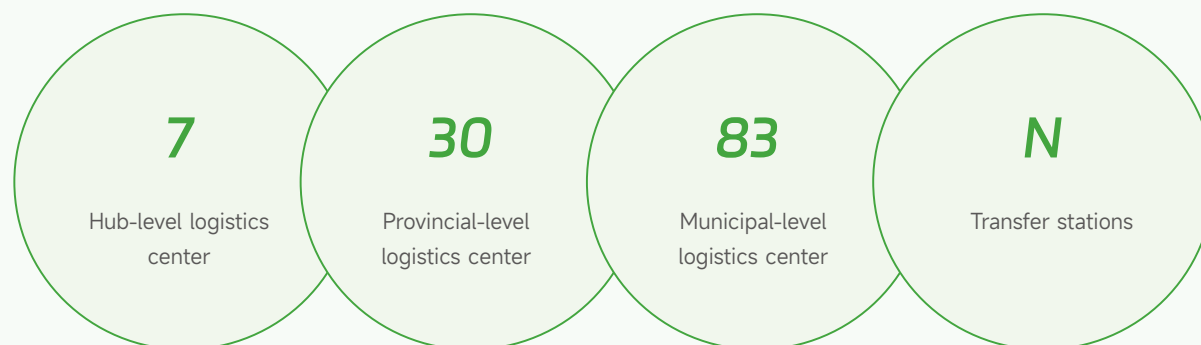


Sinopharm Logistics AI Visual Recognition – Robotic Arm with Intelligent Control Technology for Picking

Integrated Logistics Network

Sinopharm is accelerating the planning and construction of a nationwide logistics infrastructure network and key logistics hubs, building an end-to-end integrated logistics operation system that covers the entire pharmaceutical ecosystem. Based on data analysis and simulations, the Group adopted a “7+30+83+N” architecture to build its pharmaceutical logistics infrastructure. This multi-warehouse collaboration system—including hub-level, provincial-level, municipal-level, and transfer centers—significantly enhances the overall efficiency of Sinopharm’s pharmaceutical logistics network. On the foundation of this integrated logistics network, the Group continues to optimize warehousing and distribution processes for both self-operated and third-party businesses to meet energy-saving and carbon-reduction goals, advancing the green and low-carbon transformation of pharmaceutical logistics and contributing to the sustainable development of the industry.

“7+30+83+N” Integrated Logistics Operation System



The Group is continuously advancing the intensive construction of seven major pharmaceutical logistics hubs to meet the needs of cross-business operations, including drug distribution, medical devices, and pharmaceutical retail. By enhancing the warehousing and distribution capacity of these hubs, Sinopharm aims to reduce the energy consumption and carbon emissions per unit of pharmaceutical logistics operations, while ensuring high reliability and accessibility of logistics services. As a central SOE, the Group actively fulfills its responsibility in supporting national strategies and building a pharmaceutical emergency response system.

Emergency Supply Capacity

Large pharmaceutical logistics hubs serve as “reservoirs” within the overall warehousing network. Each hub project is designed for highly efficient operations and dual-functionality in both regular and emergency supply scenarios, ensuring business continuity and rapid response capabilities.

Risk Diversification Capability

Relying on Sinopharm’s integrated management model, the nationwide multi-warehouse collaborative system not only improves efficiency but also effectively disperses risk, significantly enhancing the safety and stability of the pharmaceutical logistics network and regional medical supply security.

Disaster Resilience

During the design and construction phases of logistics hubs, full consideration was given to extreme weather conditions such as snow loads in cold regions, typhoons, and heavy rainfall. Reinforced disaster-resilient infrastructure reduces operational risks and ensures the security and stability of the pharmaceutical supply chain.

Case Significant improvement in transport Efficiency through Sinopharm Logistics integrated network



In 2024, Sinopharm Logistics Chongqing Airport Medical Warehouse launched integrated operation pilots and optimized dispatching models, resulting in a 45% reduction in vehicle dispatch frequency and a substantial decrease in carbon emissions.

Sinopharm Logistics actively promoted the deployment of new energy vehicles, accelerated standardization of infrastructure construction, and adopted centralized procurement and unified warehouse standards during implementation, maximizing equipment utilization and continuously supporting the carbon emission reduction targets set for the end of 2025.

Green Logistics Goals and Progress

The Group continues to advance its green logistics development goals and achieved notable milestones in 2024.

By 2025		
Goal	Progress	Actions in 2024
Reduce CO ₂ emissions per million-case logistics throughput in major logistics parks by 10%–15% compared to 2022 levels	In progress	Continued year-on-year decrease in CO ₂ emissions per million-case logistics throughput compared to 2023
Establish two certified zero-carbon warehouses/parks	In progress	First carbon-neutral logistics park (Shanghai Kangning Road Park of Sinopharm Logistics) completed and put into operation

Sinopharm is actively pursuing its goal of reducing CO₂ emissions per million-case logistics throughput in major logistics parks by 10%–15%. By digitally deducing the planning of the warehouse network, optimizing the rational layout of the logistics centers, realizing the intensive construction of the warehousing department, and effectively reducing the wastage of land and other resources, the Group will achieve the goal of improving the operational efficiency by approximately 7% to 8%. In terms of resource optimization, Sinopharm continues to enhance its digital decision-making capabilities and reduce per-unit carbon emissions through multi-warehouse coordinated operations and improved load rates.

Looking ahead, the Group will further develop carbon-neutral logistics parks by leveraging its carbon management system, building green energy infrastructure, and adopting green credit offset mechanisms, accelerating the formation of a green logistics ecosystem and contributing to the sustainable development of the pharmaceutical logistics industry.

Featured Topic

Embracing Healthcare Reform and Upholding Compliance as the Foundation for a Healthy China

In 2024, regulatory authorities such as the National Healthcare Security Administration (NHSA) continued to strengthen oversight of medical insurance funds and healthcare services. These efforts have effectively accelerated the standardization of clinical practices in medical institutions and compliance in the retail sale of reimbursable medicines, ensuring proper utilization of healthcare funds and further purifying the ecosystem of the healthcare and pharmaceutical industries.

During the Reporting Period, Sinopharm actively responded to the calls and initiatives of the NHSA and its supervisory bodies by fully promoting the application of drug traceability codes in healthcare reimbursement monitoring, demonstrating its strong commitment and proactive participation in healthcare reform. Beyond compliance with external policies, the Group focused on internal compliance governance within its retail pharmacies. Leveraging effective management of the retail pharmacy model and technological tools, Sinopharm actively educated the public on healthcare reimbursement policies to ensure the safe, rational, and efficient use of medical insurance funds. This effort safeguards the interests of all stakeholders and highlights the Group's strong sense of self-discipline and corporate responsibility.

Building a Drug Traceability System

A robust drug traceability system plays a vital role in ensuring the safety of medication for the public. In full alignment with the requirements of the NHSA and the National Medical Products Administration regarding standardized application of drug traceability codes, Sinopharm has taken full responsibility for tasks such as assigning, scanning, and uploading codes with a high sense of accountability.

The Group advocates for strict accountability across all stages. At the production end, it ensures traceability codes are affixed to the smallest retail packaging units and that mapping relationships among large, medium, and small packaging units are accurately established and uploaded to the national healthcare information platform. In the distribution phase, Sinopharm ensures uninterrupted scanning across the supply chain so that all drug traceability codes are fully scanned and remain traceable end-to-end. At the point of sale, the Group's retail pharmacies serve as the "last mile," ensuring accurate code scanning of all drugs dispensed to patients and promoting self-disciplined compliance with traceability requirements. These efforts support the proper use of healthcare funds and safeguard the safety of medication access for the public.

Case

GuoDa Drugstore promote the implementation of traceability codes for healthcare reimbursement monitoring



During the Reporting Period, GuoDa Drugstore significantly enhanced drug traceability management by establishing a full life-cycle supervision system and strictly enforcing the "all-codes-scanned" principle to ensure the authenticity and accuracy of traceability data. Through digital system upgrades and data validation mechanisms, information management capabilities were improved. Terminal-level controls at retail stores were strengthened, and customer-end scanning procedures were standardized to prevent fraudulent claims. An internal self-inspection mechanism was established, and stores proactively cooperated with regulatory checks while fulfilling their "whistleblower" responsibilities, thereby safeguarding healthcare funds and protecting patients' rights to safe medication.

Traceability Code Collection and Validation Workflow at GuoDa Drugstore

Store push notifications

- Staff scan pharmaceutical traceability codes to extract key drug information; once verified, a sales order is generated and uploaded to the healthcare reimbursement platform
- Enhances payment efficiency and accuracy, strengthens pharmaceutical supervision, and improves customer satisfaction
- Provides a solid foundation for safe drug usage and reliable medical services for patients

O2O (online-to-offline) services

- During the reconciliation of healthcare orders on the mobile terminal of the Sinopharm e-commerce platform, staff input traceability codes as per standard procedures to ensure transaction accuracy and compliance
- Improves transparency and accuracy in pharmaceutical management, further enhancing customer satisfaction

Chronic disease services

- Upon settlement of chronic disease services, the system automatically generates and prints dispensing slips. Staff then prepare medications accordingly and verify accuracy and compliance by scanning traceability codes

Other business activities

- During returns, duplicate and accuracy checks are performed by entering the traceability code
- During inter-store transfers, the receiving store enters the traceability code, which automatically synchronizes the information to the sending store
- During outbound logistics, the system automatically generates scan information for the outbound shipment and creates a traceability code relationship table for large, medium, and small packaging
- During inventory management, traceability codes are automatically entered after approval of loss and gain reports, ensuring accurate reflection of inventory changes

We will continue working with stakeholders to uphold order in the pharmaceutical market and protect the integrity of the healthcare security system, contributing the industry's strength to the national Healthy China initiative.



Ensuring the Safe Use of Medical Insurance Funds

To bridge the “last mile” for the public in accessing healthcare services and to further strengthen grassroots medical insurance service capabilities, Sinopharm has leveraged its SPS+ specialty pharmacies to establish healthcare service stations. These stations improve accessibility and affordability of medication for the public and help ensure rational and compliant use of medical insurance funds, thus securing the safety of healthcare resources.

Case Creating a new healthcare service model to safeguard fund utilization



As of the end of the Reporting Period, 23 healthcare service stations had been established across seven provinces by SPS+ specialty pharmacies. These stations upgraded in-store medical insurance consultation services into a comprehensive support platform, offering services such as policy interpretation and assistance with insurance procedures. This allows patients and community residents to understand and utilize healthcare resources accurately, compliantly, and conveniently. The principle of “healthcare service stations at the front line” has been realized, significantly enhancing insured citizens’ sense of security, satisfaction, and wellbeing, and contributing to the high-quality development of the healthcare security system.



SPS+ Professional Pharmacy Healthcare Service Station



Enhancing Internal Capacity Building

In response to the NHSA’s mandate to strengthen healthcare fund supervision and ensure fund security, Sinopharm proactively fulfilled its role as a leading enterprise in the pharmaceutical industry amidst ongoing reform. By focusing on internal management, the Group improved its ability to manage healthcare fund oversight in a standardized and systematic manner, upheld compliant development, and set an example for the industry.

During the Reporting Period, the Group launched the construction of its healthcare fund management mechanism, established and cultivated a team of professional and principled healthcare fund compliance supervisors, and organized themed lectures on healthcare fund compliance to strengthen internal governance and build a strong defense line for fund safety.

Case Sinopharm hosts thematic training on healthcare fund compliance



In November 2024, Sinopharm, in collaboration with the Huangpu District Healthcare Security Administration, held a specialized training session on healthcare fund compliance. A total of 51 employees from Sinopharm Headquarters and key subsidiaries participated. The training focused on the operation and management of designated retail pharmacies, offering in-depth interpretation from both policy and regulatory perspectives. The initiative aimed to enhance compliance in retail business operations and set an industry benchmark.



Thematic Training on Healthcare Fund Compliance

Looking ahead, Sinopharm will continue to uphold a strong sense of responsibility and mission, play a leading role in the ongoing healthcare reform process, and contribute to the healthy and orderly development of the pharmaceutical industry.

01

Prioritizing Responsibility, Strengthening the Foundation of Governance

The Group continues to deepen its ESG management system, laying a robust foundation for enhancing governance effectiveness. Based on a sound ESG governance framework, the Board of Directors has further strengthened its strategic supervision and decision-making responsibilities on ESG matters while facilitating a coordinated mechanism between the management and business units to achieve the enhancement of governance effectiveness and deepen the implementation of integrity and compliance framework. We remain steadfast in fulfilling our social responsibilities, continuously optimizing the quality of healthcare services, and promoting coordinated development of both the society and the industry.

Highly material issues addressed in this chapter:

- Compliance Operations
- Corporate governance

Highlights in this chapter:

- Issued regulatory documents, including the Anti-Monopoly Compliance Management Guidelines
- Launched the digital platform "Exhibition of Typical Cases in the National Pharmaceutical Sector," with over **800,000** cumulative user engagements.
- Anti-corruption training coverage rate: **100%**
- Online legal compliance training coverage rate: **100%**



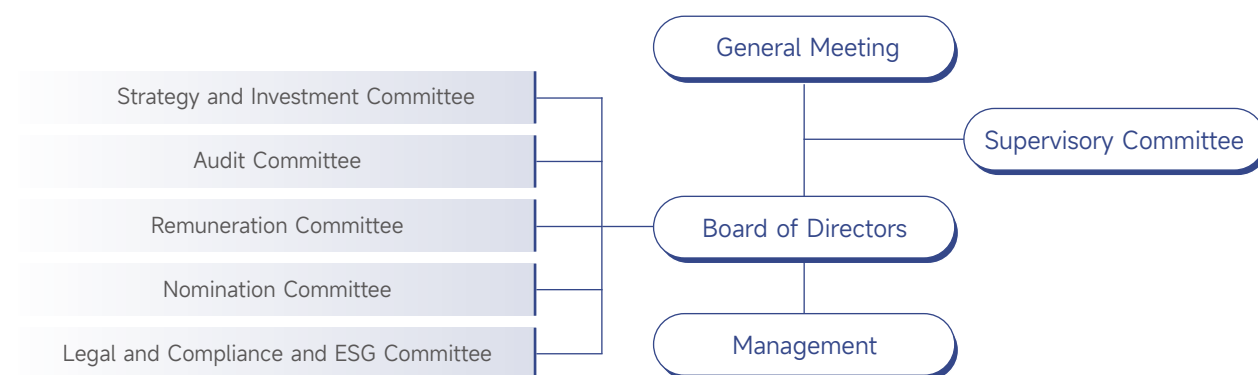
Corporate Governance

Sinopharm has established the *Articles of Incorporation* as the fundamental document regulating its operations. The General Meeting of Shareholders, the Board of Directors, the Supervisory Committee, and all specialized committees perform their duties in strict accordance with the Articles and applicable laws and regulations. Through continuous improvements in governance transparency and decision-making efficiency, the Company safeguards shareholders' rights and interests and creates long-term, stable value. Sinopharm is committed to advancing governance modernization to support its high-quality and sustainable development.

Governance Structure

Sinopharm strictly complies with laws, regulations, and regulatory requirements such as the *Company Law of the People's Republic of China*, the *Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)* of SFC, and the *Listing Rules of HKEX*, continuously optimizes its corporate governance system, and provides guarantees for the stable and sustainable development of the Company. Sinopharm has established the General Meeting of shareholders as the highest authority, with the subordinate Supervisory Committee performing supervisory duties and the Board of Directors as the decision maker. The Supervisory Committee and the Board of Directors are appointed by the General Meeting of shareholders, and the Board of Directors employs the Management as the executive body. The Board has established the Strategy and Investment Committee, Audit Committee, Remuneration Committee, Nomination Committee, and Legal and Compliance and ESG Committee to provide professional advice for the Board in making decisions¹.

Corporate Governance Framework of Sinopharm



In 2024, a total of **15** board meetings were held

Each year, Sinopharm convenes regular meetings of the Board and its committees. In 2024, a total of 15 board meetings were held. In addition, the Board members actively participate in specialized training in compliance management and anti-corruption for listed companies, continuously enhancing their professional capabilities to better support the Company's strategic decision-making. During the Reporting Period, Sinopharm organized two thematic training sessions for the Board, including a written anti-corruption training session.

¹ For more information, please visit the official website of China National Pharmaceutical Group Corporation - Investor Relations - Corporate Governance section.

2024 Sinopharm Board Committee Meetings

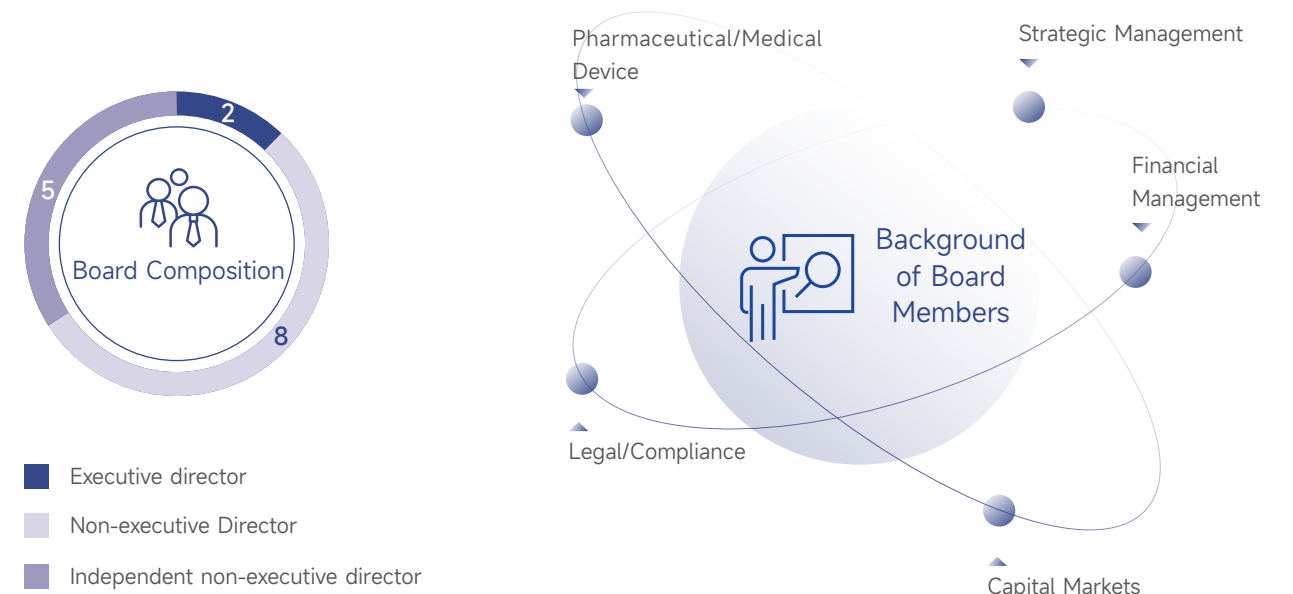


Board Diversity

Sinopharm attaches great importance to the diverse experiences and backgrounds of its directors. We have formulated the *Sinopharm Board Diversity Policy*, upholding the principle of talent-oriented employment and valuing a broad range of diversity factors including, but not limited to, gender, age, culture and race, educational background, industry experience, skills and expertise, professional knowledge, and work experience. As of the end of the Reporting Period, the Board of Directors of Sinopharm consists of fifteen directors (including one female director), comprising eight non-executive directors and five independent non-executive directors. The current 15 directors of the Company are professionals in industries such as pharmaceuticals, management, finance, law, and capital markets.

Sinopharm has established measurable targets for board diversity and continues to promote their implementation. In order to achieve sustainable and balanced development, the Group will be committed to enhancing the overall diversity of the members of the Board in the long run. The Company plans to achieve an average female representation of no less than 20% on the board of directors of the Company and its secondary subsidiaries nationwide before the end of the sixth term of the Board.

For detailed information on the Company's corporate governance work in 2024, please refer to the "Corporate Governance Report" section of the 2024 annual report of Sinopharm.



Risk Management

Sinopharm continues to strengthen its "three lines of defense" risk management framework, further consolidating its foundation for stable and robust operations and advancing the achievement of sustainable development goals. The Board of Directors, as the highest decision-making body for risk management and internal control of the Company, is fully responsible for establishing and improving the Group's risk and internal control systems. The Audit Committee under the Board conducts regular audits on the effectiveness of these systems and provides ongoing supervision of external audit work to ensure the effective and comprehensive implementation of risk management and internal control measures throughout the Company.

Sinopharm has established specialized departments and units to support risk management efforts, including the Operations Risk Management Department (Safety and Environmental Protection Department), Legal and Compliance Department, Audit Center, and Discipline Inspection Committee. These departments report regularly to the Audit Committee on the progress of the work and submit management objectives and improvement plans to provide strong assurance for the Company's stable operations. Moreover, the Company conducts a comprehensive annual assessment of its risk management and internal control systems. In response to the evolving internal and external environment, it performs in-depth analyses of multiple risk factors, including strategic, financial, market, operational, legal, and ESG-related risks. For two consecutive years, Sinopharm has incorporated ESG-related (including climate) risks into its overall risk management process. Climate risk, human resources risk, and information security risk have also been included in the Company's risk identification list, and potential ESG risks are thoroughly reviewed during the annual risk assessment process to ensure proactive and effective response.

The Company strictly complies with the requirements of laws, regulations, and normative documents such as the *Company Law of the People's Republic of China*, the *Listing Rules*, and the *Internal Information Disclosure Guidelines* of SFC. Sinopharm regularly releases annual/mid-term/quarterly (if applicable) reports, performance announcements, and sustainability reports to ensure that all parties fully understand the financial and non-financial performance of the Company.

To ensure the standardized operation of the Company and safeguard the legitimate rights and interests of shareholders, creditors, and other stakeholders, the Company continues to strengthen information disclosure management and has formulated the *Sinopharm Listed Company Information Disclosure Management System* to standardize compliance procedures such as the content, scope, standards, and approval requirements of information disclosure by listed companies, strengthen the control of connected transactions and insider information, and improve the compliance management of listed companies in the Group.

Meanwhile, Sinopharm places a strong emphasis on investor relations. Through various transparent, timely, and effective communication and exchanges with investors, the Company seeks to enhance investor confidence, elevate its market reputation, and support its long-term sustainable development.

Case Sinopharm's 2024 Capital Market Engagement Activities



In 2024, under the regulatory requirements of HKEX and the SFC, and with reference to the SASAC's *Work Plan for Improving the Quality of Listed Companies Controlled by Central Enterprises* and CSRC *Guidelines No. 10 for the Regulation of Listed Companies—Market Value Management*, Sinopharm further enhanced the quality of information disclosure and shareholder communication and frequently carried out a diverse array of capital market engagement activities.

Overview of Activities:

No.	Activity Type	Description	Number of Activities	Outcomes
1	Investor Briefings	Conducted regular quarterly performance disclosures and investor briefings to ensure timely and comprehensive market communication	78 sessions	Facilitated in-depth engagement with investors, enhancing their understanding of the Company's operations
2	Investment Summit Engagements	Actively participated in investment summits hosted by domestic and international investment banks, including Goldman Sachs, CICC, and UBS	16 sessions	Strengthened the Company's reputation and influence in the capital markets
3	On-site Research Visits	Organized on-site visits for domestic and international investors to specialized pharmacies, SPD projects, logistics systems, and IT systems	14 sessions	Deepened investors' understanding and assessment of the Company's business operations
4	Analyst Engagements	Continued to strengthen regular interactions and relationship management with analysts and investors	17 institutions	Enhanced market expectation management and reinforced recognition of the Company's investment value through professional channels

By strengthening information disclosure transparency, organizing on-site investor visits to showcase business innovation achievements, and maintaining in-depth engagement with professional analysts, the Company has effectively enhanced investor confidence and market recognition. These initiatives have not only garnered valuable insights and support from capital market professionals but have also significantly elevated the Company's brand influence, further reinforcing its industry leadership.

Party Building

In 2024, Sinopharm continuously followed the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and fully implemented the guiding principles from the 20th CPC National Congress and the second and third plenary sessions of the 20th CPC Central Committee. The Company maintained the correct direction of corporate operation and development and actively fulfilled its responsibilities of a central pharmaceutical enterprise. The Party Committee of Sinopharm played a leading role in "steering direction, managing the overall situation, and ensuring implementation" and ensured that all political responsibilities for full and rigorous Party self-governance were fulfilled. Sinopharm upheld the profound integration of Party building and business operations, fully leveraged the leading and exemplary role of primary-level Party organizations and Party members, and brought together and led the cadres and employees to overcome difficulties and advance reform and innovation, to ensure the Company's stable and orderly operations, laying a more solid foundation for high-quality development.

Case Strengthening Party Leadership of Sinopharm to Advance Corporate Governance Modernization



Key Measures and Implementation:

1. Conducted theoretical study programs through offline thematic training sessions covering Party members and management personnel at all levels, aligning ideologies and fostering consensus to ensure correct business direction.
2. Strengthened Party's overall leadership by studying and developing a list of major business decisions to clarify the responsibilities and boundaries of the Party Committee, Board of Directors, and the Management, thereby further advancing the modernization of the Company's governance capabilities. To better leverage the supporting role of technological innovation, industrial control, and safety, the Party Committee conducted focused discussions and research on key priorities such as integration of procurement, logistics, and financial resources and digital transformation, as well as on major issues such as defusing risk in key areas and strengthening penetrating supervision, so as to ensure and promote high-quality corporate development.
3. Enhanced management talent development by improving the mechanisms for selection, cultivation, management, and appointment to further reinforce the process of selecting and nurturing management personnel; launched organizational optimization initiatives to advance functional reforms and structural adjustments, providing robust organizational support for the Company's high-quality growth.



Compliance Management

The Group adheres to the concept of integrity, innovation, and compliance with the law, strictly complying with laws and regulations such as the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, the *Compliance Management Measures for Central Enterprises*, and the *Interim Provisions on Prohibiting Commercial Bribery*. During the Reporting Period, the Company reported no violations of any relevant laws or regulations.

Sinopharm has established a "Two Systems, Two Mechanisms" compliance management system, which includes compliance management institutional system, compliance management organizational system, compliance risk management mechanism, and compliance cultural construction mechanism. The Company regularly reviews and improves its compliance management system and supervises its subsidiaries to promote compliance management system construction. It also strengthens the effectiveness of compliance management at all levels, ensuring that compliance risk control is in line with the Company's business development goals. These efforts safeguard the Company's continuous standardized operations and help achieve its high-quality development.

Two Systems

Compliance Management Institutional System
Compliance Management Organizational System

Two Mechanisms

Compliance Risk Management Mechanism
Compliance Culture Construction Mechanism

Compliance System

Sinopharm has established a standardized and sound compliance management institutional system. In 2024, the Company formulated and issued the *Anti-Monopoly Compliance Management Guidelines*, and revised and released the *Legal Compliance Management System*, the *Compliance Operations Manual (2024 Edition)*, and the *Major Compliance Issues Prevention and Control List*. These documents are updated and improved regularly based on legal and regulatory requirements and the Company's internal compliance management situation, and are promoted to all employees across the Group to ensure effective dissemination and implementation. During the Reporting Period, the Group continued to strengthen the construction of "Three Lines of Defense" for compliance management, enhance the compliance management system, and optimize the operational mechanisms of compliance management to ensure the efficient functioning of compliance systems across all secondary subsidiaries.

Progress in 2024

Institutional system

- *Anti-Monopoly Compliance Management Guideline and Legal Compliance Management System*
- *Compliance Operations Manual (2024 Edition)*
- *Major Compliance Issues Prevention and Control List*

Management system

- Established the "Case-Based Management, Quality Improvement and Effectiveness Advancement" working group under the Group's Leading Group for the Rule of
- Developed an effective and functional liaison mechanism

In terms of organizational systems, Sinopharm has established a top-down compliance management organizational structure to ensure that the responsibilities and obligations are continuously fulfilled by the governance, management, and execution levels. The sound organizational structure provides a solid guarantee for the effective implementation of compliance work. In 2024, the Group established a fixed liaison office to coordinate and report statistics on regulatory cases, administrative penalties, and related enforcement actions. This office is also responsible for collecting internal case information, monitoring progress, and ensuring the timely submission of case updates and risk alerts.

 Governance Level	 Mangement Level	 Execution Level
The Board of Directors has established the Legal and Compliance and ESG Committee, which is fully responsible for and guides the legal and compliance management of the Company.	The Company established a Compliance Committee, with the Chairman of the Board and the Secretary of the Party Committee serving as the director, the President of the Company and the Chief Legal Counsel (also serving as the Chief Compliance Officer) serving as vice directors, and other senior executives and heads of relevant functional departments serving as members. The legal compliance department acts as the leading management department for compliance.	Each department conducted compliance management work according to its corresponding functions, and appointed compliance administrators to liaise with the leading compliance management department.

Compliance Mechanism

The Company has established a comprehensive compliance risk management mechanism, including five aspects: compliance risk identification and control mechanism, compliance review and reporting mechanism, compliance inspection and rectification mechanism, compliance accountability mechanism, and compliance management performance evaluation mechanism. In 2024, the Company did not find any corruption lawsuits filed against the Company or its employees that have been concluded.

Compliance risk identification and control mechanism
Regularly analyze and evaluate risk importance indicators, establish a Key Compliance Issue Prevention and Control List, and control risks based on their likelihood, impact, and potential consequences
Compliance review and reporting mechanism
Conduct compliance reviews of major decisions, economic contracts, etc.; various professional lines within the company, such as internal audit, legal, and discipline inspection, establish a coordinated supervision mechanism; the leading compliance department regularly
Compliance inspection and rectification mechanism
Regularly develop compliance inspection plans, conduct compliance investigations on subsidiary companies annually (including on-site compliance inspections and legal research), supervise the development of rectification plans, and ensure the establishment of a regular rectification and tracking mechanism.
Compliance accountability mechanism
Every year, sign the Compliance and Integrity Responsibility Agreement with various departments and subsidiaries, establish a punishment mechanism for violations, clarify the scope of responsibility for violations, and refine punishment standards.
Compliance management performance evaluation mechanism
Incorporate the compliance management situation into the annual comprehensive assessment, and deduct performance from departments or individuals that generate compliance management risk events.

Case Sinopharm's Compliance Risk Management Mechanism




Amid increasingly stringent regulatory requirements in the global pharmaceutical industry, Sinopharm upheld its core principle of compliance-based operations, and continuously strives to develop a refined legal and compliance framework to provide robust support for the long-term sustainable development of the Company. In 2024, Sinopharm organized a series of professional specialized training programs for legal and compliance personnel and employees from business departments across the Group and its subsidiaries. These include online training on the *Company Law of the People's Republic of China*, SASAC's "Rule of Law" Lectures Series, and specialized courses on corporate compliance and governance. These initiatives aimed to ensure that employees remain up to date with the latest legal and regulatory requirements while enhancing their ability to perform compliance responsibilities.


In 2024, Sinopharm organized a total of three company-wide legal and compliance training sessions, covering topics such as compliance risk prevention, case analysis, and compliance management practices, which further cultivated a strong culture of compliance across the Company. To further strengthen compliance awareness among frontline business personnel, Sinopharm conducted 16 targeted training sessions specifically for its marketing teams, with a total of 873 participants and 17 cumulative training hours. These sessions effectively covered project team members, human resources, finance staff, and compliance liaisons, ensuring that business operations fully comply with both internal and external regulatory standards.

Business Ethics

Adhering to business ethics and creating a fair and just business environment is not only the responsibility of enterprises, but also an important foundation for creating long-term commercial value. Sinopharm has formulated the *Measures for the Management of Disciplinary Inspection Commission Complaints and Problem Clues and the Anti-Commercial Bribery Guidelines*, which apply to all employees and business partners (suppliers, etc.) of the Company, and clearly prohibit commercial bribery. In addition, the Company attaches great importance to establishing and improving a reporting mechanism. In accordance with the relevant requirements of HKEX, the Company has formulated the Reporting Policy, which clearly stipulates the Reporting requirements, reporting scope, investigation process, and whistleblower protection measures.

In 2024, Sinopharm formulated the *2024 Accountability Statement on Party Conduct and Integrity Building*, further reinforcing ethical conduct standards and consolidating the Company's responsibilities in corporate integrity and ethical practices. This accountability statement clearly outlines the responsibilities and obligations of management personnel at all levels regarding integrity, self-discipline, compliant operations, and anti-corruption to ensure the deep integration of an integrity culture throughout the Company and promote a more transparent and standardized business environment. Meanwhile, the implementation of this statement effectively enhances ethical awareness, strengthens risk prevention and control capabilities, and empowers the Company's efficient operations and sustainable development.

 Reporting email of Sinopharm: whistleblow@sinopharm.com

 The whistleblower can also report through letters, visits, phone calls, and other means

Sinopharm encourages employees, customers, suppliers, and other partners to report any improper behavior that violates business ethics standards or laws and regulations. The Company accepts anonymous reports and strictly maintains the confidentiality of the whistleblowers' information. Any form of retaliatory action is strictly prohibited to ensure transparency and smoothness in the Reporting channel. The Company willingly subject itself to supervision from all relevant stakeholders. For complaints under review, the Audit Committee receives regular or special reports and has the authority to access and supervise the progress and outcomes of the Reported matters and their handling at any time.

The Reporting and Handling Process of Sinopharm's Reporting Policy



Reporting retaliation prevention measures:

- All reasonable steps should be taken to ensure that whistleblowers are treated fairly, including avoiding unfair dismissal, victimization, or unjustified disciplinary action.
- The Group reserves the right to take appropriate action against any person who retaliates or threatens to retaliate against an honest whistleblower.



Integrity Building

The Company regularly delivers compliance and anti-corruption training for the Board of Directors, the management, and employees, including thematic lectures, case studies, and compliance assessments, committed to promoting a culture of integrity across all levels of the Company. Each year, the Company updates and issues the *Accountability Statement on Party Conduct and Integrity Building*, which outlines key annual focus areas for integrity efforts and clearly defines the corresponding responsibilities of relevant personnel, thereby ensuring the effective implementation of integrity initiatives.

During the Reporting Period, members of the Board of Directors have studied materials related to advancing strict Party self-governance and promoting clean and compliant operations by Sinopharm. The Company also engaged in communication meetings with suppliers to ensure their compliance with various regulatory requirements.

In 2024, Sinopharm carried out the themed cultural campaign “Breeze of Integrity in April”, which featured a series of activities including case-based integrity reflection meetings, visits to the digital platform of “Exhibition of Typical Cases in the National Pharmaceutical Sector”, and themed Party lectures on integrity. These activities aimed to enhance the Party consciousness and disciplinary education of Party members, cadres, and employees, while strengthening their legal and compliance awareness. Additionally, Sinopharm leveraged its official website and office building display screens to broadcast integrity-themed micro-videos and promotional materials, thereby cultivating a pervasive culture of integrity across the Company.

In 2024, Sinopharm:



Held 3 anti-corruption warning education conferences, covering

27,000 cadres



Delivered anti-corruption training sessions to

108,217 participants



Reached

100%

coverage rate for anti-corruption training



Issued more than

40

articles on typical cases and integrity-related alerts through WeChat official accounts

Case

Launch of the digital platform of “Exhibition of Typical Cases in the National Pharmaceutical Sector”



In 2024, Sinopharm launched the digital platform of “Exhibition of Typical Cases in the National Pharmaceutical Sector”, presenting corruption cases involving 20 pharmaceutical production and distribution enterprises. The platform was made accessible across all levels of the Group, including the management and all the employees, facilitating centralized learning and fostering a comprehensive culture of integrity. Within nine months of its launch, the platform recorded over 800,000 visits and more than 80,000 comments.



Overview of the Sinopharm's Digital Exhibition on Integrity Education

02

Excellence in Quality, Innovation-Driven Development

The Group is committed to enhancing the accessibility of healthcare and fulfilling its social responsibilities as a central enterprise in the pharmaceutical sector. We align closely with the implementation of the "Healthy China" national strategy and meets the evolving health needs of the public. By improving the quality control system across the entire chain of pharmaceuticals and medical devices, we strengthened the quality awareness of all employees, achieving comprehensive life-cycle management of products and services. We drive the upgrade of the pharmaceutical and healthcare service system through technological innovation, continuously building an industry-leading, technology-driven comprehensive pharmaceutical and healthcare service platform.

Highly material issues addressed in this chapter:

- Product quality and safety

Highlights in this chapter:

- Employee training coverage rate: **100%**
- **100%** Coverage of ISO 9001 quality system of secondary subsidiaries
- Customer satisfaction: **99.57%**, reflecting a year-on-year increase of **0.7%**



Product Quality Management

Quality Management System

Product quality is the lifeline of the enterprise and the foundation for sustaining its long-term development and operations. We place great emphasis on quality management by continuously improving the quality management system and strictly controlling the quality of pharmaceuticals and logistics. The Company is committed to fostering a strong quality culture. We have taken multiple measures to ensure quality and safety, effectively preventing potential quality and safety risks in the procurement, storage, and transportation processes.

Sinopharm has a dedicated quality management department and has established a quality management system covering the entire product lifecycle. This system includes standardized quality management systems, internal review mechanisms, setting quality risk management goals, building a quality management culture, and providing quality management training. Sinopharm promptly reviewed and revised its quality management system documents in response to the latest national regulations, internal and external quality inspection feedback, and actual business needs. This ensured that the system documents continuously comply with the latest regulatory requirements, effectively meeting practical work demands. In 2024, Sinopharm revised relevant systems in a timely manner based on regulations such as the *Measures for the Supervision and Management of the Quality of Drug Operation and Use* and the *Quality Management Standards for Medical Device Operation*, further strengthening quality management across the Company's various business sectors.

During the Reporting Period, Sinopharm has:

Added
5 new quality management rules

Revised
43 existing quality management documents

The Group continues to advance the construction of the ISO 9001 integrated quality management system, comprehensively strengthening quality management efforts. In 2024, Sinopharm provided comprehensive guidance to subsidiaries at all levels during the annual supervision and audit process, completing the annual supervision and audit for Sinopharm and its 13 subsidiaries, and expanding to include 4 newly added subsidiaries. As of the end of the Reporting Period, the Group's ISO 9001 integrated quality management system has been implemented across 76 companies. It covered 100% of the secondary subsidiaries of pharmaceutical distribution, and continues to involve subsidiaries below the secondary level, driving the comprehensive improvement of the Company's overall quality management level. In line with the Group's strategic objectives and the need for high-quality development, the Group has developed differentiated quality target responsibility agreements covering 42 secondary subsidiaries. These agreements involve areas such as pharmaceutical distribution, logistics, medical devices, and pharmaceutical manufacturing. The Group has promoted the signing of *Quality Target Responsibility Agreements* by subsidiaries at all levels, ensuring that quality responsibilities are implemented at each level, with a signing rate of 100%.

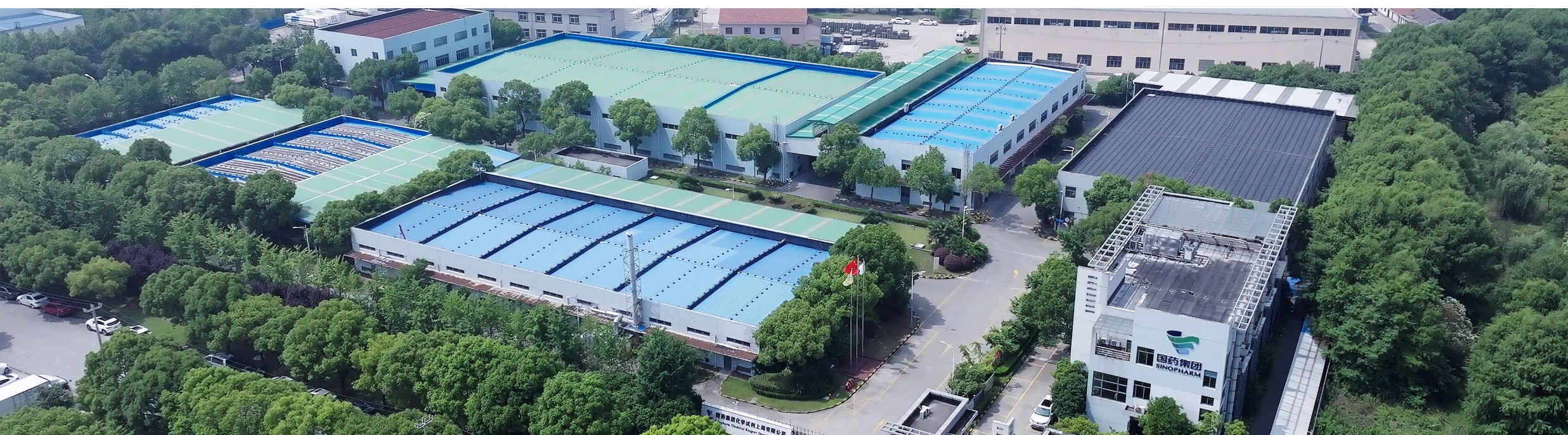
During the Reporting Period, the Group has:

76 companies under the ISO 9001 integrated certification system

100% secondary subsidiaries under ISO 9001 quality management system

100% signing rate of *Quality Target Responsibility Agreement* for secondary subsidiaries

82 subsidiaries completing quality audits



In addition, the Group attaches great importance to quality risk management and regards it as an important component of quality management. Sinopharm, based on the business type, scale, and scope of operations of each subsidiary, as well as public opinion and regulatory conditions, regularly assesses the risks and formulates an annual audit plan. In 2024, the Group completed quality audits for a total of 82 subsidiaries, providing corrective guidance and continuously tracking the implementation of corrective actions. This ensures that quality issues are effectively resolved and comprehensively prevents operational quality risks. For quality incidents that have already occurred, Sinopharm strictly follows the *Management Measures for Quality Event Accountability* and implements quality management assessment requirements. During the Reporting Period, Sinopharm did not encounter any major quality issues.

Pharmaceutical Quality Management

The Group continues to strengthen the construction of the pharmaceutical quality management system, strictly implements various safety measures, and effectively safeguards drug safety to protect the life and health of the public. Sinopharm strictly abides by laws and regulations such as the *Drug Administration Law of the People's Republic of China*, the *Vaccine Administration Law of the People's Republic of China*, the *Regulations on the Supervision and Administration of Drug Operations and Use Quality*, the *Implementation Regulations of the Drug Administration Law*, the *Quality Management Standards for Drug Operations*, the *Drug Recall Management Measures*, the *Medical Device Supervision and Administration Regulations*, and the *Medical Device Business Quality Management Standards*. Sinopharm has formulated policies such as the *Drug Transportation and Delivery Management Regulations*, the *Carrier Management Regulations*, the *Drug Acceptance Management Regulations*, the *Drug Receipt Management Regulations*, and the *Drug Storage Management Regulations* to standardize the safety and quality management of the entire process of drugs from transportation to delivery, and then to storage. In response to the recall incident resulting from drug quality, Sinopharm has formulated the *Procedures for Drug Recall and Retrieval Management*, the *Sales Return Management Regulations*, and other systems. In case of emergency, the recall process should be initiated as soon as possible, and relevant suppliers and manufacturers should be immediately notified to communicate, requiring them to actively cooperate in handling product quality related matters and minimize the scope of impact to the maximum extent.

During the Reporting Period



Sinopharm **did not** experience any recall events caused by its own safety, health, or quality issues. We have actively cooperated with pharmaceutical manufacturers to complete four drug recall operations², all of which have been properly handled.

At the same time, Sinopharm timely issues new or revised internal management systems in accordance with the latest laws, regulations, and business development. In 2024, Sinopharm revised the Company's quality management system documents as a whole in accordance with relevant laws and regulations, such as the *Measures for the Supervision and Administration of the Quality of Pharmaceutical Operations and Use*.

The Group undergoes quality inspections by pharmaceutical regulatory authorities and third parties³. In cases where major deficiencies are found during the inspection process, the Group continuously tracks the external audit results and rectification progress of companies at all levels, ensuring that corrective actions are effectively implemented. This helps reduce quality risks, comply with local regulatory requirements, and continuously improve the Group's quality management standards.

During the Reporting Period, the Group has:



Conducted
6,205
internal self-inspections
of drug quality



Received
5,069
times of supervision and
inspection by regulatory
authorities



Received
1,179
times of inspection by
third parties

² In 2024, Sinopharm cooperated in carrying out 4 recall operations involving 76 batches, none of which were caused by Sinopharm's own quality issues. All 4 recalls were due to quality issues with the pharmaceutical products from the manufacturers. Sinopharm strictly complies with relevant regulations and internal management systems, maintaining a highly responsible attitude towards patients. Relying on its strong supply chain and logistics management capabilities, the Company promptly completed the recall of drugs with quality issues in full cooperation with pharmaceutical companies.

³ A third party refers to inspections conducted by entities other than pharmaceutical regulatory authorities, such as supplier audits.

Logistics Quality Management

Standardized product transportation is one of the key links to ensure product quality. For logistics quality management, Sinopharm has formulated management systems such as the *Cold Chain Commodity Management Regulations*, the *Transportation and Delivery Management Regulations*, the *Vaccine Carrier and Distribution Management Regulations*, and the *Temperature Control Product Transportation Management Regulations*. At the same time, measures such as conducting innovative project research, promoting industry-university cooperation projects, implementing employee training, promoting collaborative business mode, and refining logistics management have been taken to further enhance the level of logistics quality management in enterprises.



Innovation research

- Organized and carried out quality management innovation projects such as thermometer management optimization projects



Training and education

- Invited industry experts from consulting firms and auditing agencies to provide training on regulatory changes, job qualifications, and high-risk issues to improve employee quality and risk awareness



Multi warehouse collaboration

- Cooperated with the Shanghai Drug Evaluation and Verification Center, participated in the preparation and release of the *Management Standards for Multi warehouse Coordination and Collaborative Operations of Drugs*, established unified standards for multi-warehouse operations in multiple regions of Shanghai, Zhejiang, Jiangsu, and Anhui, and jointly promoted the development of multi-warehouse collaborative businesses



Delicacy management

- Set up specialized vehicles for anesthetic drugs, psychotropic drugs, and other special drugs, and implemented a two-person handover system for all special drugs
- Created a special drug delivery app and used it to verify the handwriting of the recipient after delivery is completed

In addition, the Group continues to promote logistics integration construction. Focusing on logistics infrastructure, service levels, cost control, and the digital transformation of operational management, we aim to comprehensively enhance logistics operational efficiency. The Company actively promotes the development of multiple digital logistics and transportation management platforms, such as the Internet of Things, order management systems, and integrated warehousing and distribution platforms. This continuously enhances the digital management capabilities of logistics and transportation, further improving overall logistics efficiency and quality.

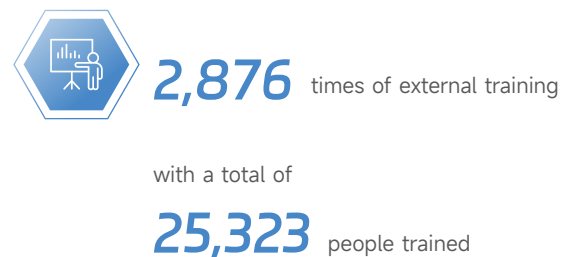


Quality Culture Development

We have always been committed to promoting quality culture construction within the Company. With quality concepts as the core, we have cultivated employee quality awareness, formed cohesion and centripetal force within the Company, and promoted employees at all levels to consciously fulfill quality obligations.

The Group continuously organizes diversified quality training activities to strengthen employees' quality awareness and improve their quality management capabilities. During the Reporting Period, the Company provided systematic quality training to all employees and conducted diversified specialized training for quality management personnel, comprehensively enhancing the professional capabilities of quality staff and effectively ensuring the Company's quality management standards.

During the Reporting Period, the Group has:



Case The Group Organized the 2024 "Quality Month" Series of Training Sessions

During the Reporting Period, in order to promote the development of a quality compliance culture and enhance the professional qualifications of quality personnel, we continued the tradition of organizing the "Quality Month" series of training sessions. This further expanded the team of quality auditors and deepened the understanding of quality personnel within the Group. It laid a solid foundation for cultivating the Group's quality compliance culture, improving the overall quality management level of the Company, and supporting the Company's high-quality development.



Xiangying Quality Manager Training



Quality System Auditor Certification Training



Press Conference for the "Quality Management Team Achievement Competition"



Award Ceremony for the "Quality Management Team Achievement Competition"

During the Reporting Period, the Group has won:



Quality-Related Honors of the Group



Ensuring Medicines Accessibility

Leveraging a well-established modern logistics system, the Group continuously strengthens the supply guarantee for urban and rural areas nationwide, as well as various pharmaceutical resources, ensuring smooth and uninterrupted pharmaceutical distribution. At the same time, the Group actively promotes the market launch of innovative drugs, accelerates the transformation and upgrading of retail, and enhances product and service quality to provide more comprehensive and efficient medical service for a wide range of customers.

Caring for Rare Disease Communities

Our SPS+ professional pharmacies have established **18** rare disease care centers in **15** provinces across the country

The Group has always adhered to the original mission of "caring for life, protecting health," ensuring the safety of medication use, and the health of the people. We continuously optimize resource allocation and service systems to promote the "Healthy China" strategy, enhancing the sense of gain and happiness of the people. We pay close attention to the rare disease community and actively address issues such as low medication accessibility and limited medical resources faced by this Group of people. We continue to provide innovative solutions for rare diseases and proactively offer recommendations to policymakers, thereby promoting the implementation of relevant policies and industry development. This helps ensure that rare disease patients no longer suffer from the challenges of being "rare" and receive more equitable and comprehensive medical support.

As of the end of the Reporting Period, our SPS+ professional pharmacies have established 18 rare disease care centers in 15 provinces across the country, improving medication accessibility for rare disease patients and reducing the financial burden they face during the treatment process.



Guangdong Rare Disease Care Center



Gansu Rare Disease Care Center



Sichuan Rare Disease Care Center



Fujian Rare Disease Care Center



Case "Rare Disease Day" Special Live Broadcast

In February 2024, on Rare Disease Day, SPS+ professional pharmacies hosted a special live broadcast event, further enhancing public awareness of the challenges faced by the rare disease community. The event promoted in-depth discussions and the achievement of consensus across society on the treatment of rare diseases and improvements in related policies. In addition to providing professional medication assurance and personalized drug consultation services, the rare disease care centers promote greater attention to the medical needs of the rare disease patient community through continuous social awareness campaigns and support.



"Spread love together, let the 'rare' be seen" – Special Live Broadcast

Building a Professional Pharmacy System

The Group continues to build the SPS+ professional pharmacy system, enhancing medical accessibility through technological innovation, professional services, and resource optimization. It plays a vital role in chronic disease management, medication convenience, and cost control, providing patients with more efficient and accessible healthcare solutions.



Enhancing Medical Accessibility

- By utilizing a compliant prescription transfer platform to handle prescriptions from hospitals, we have ensured that patients can easily access the medications they need.
- By utilizing full cold chain delivery and other technologies, we have addressed the medication challenges faced by patients in remote areas or those with limited mobility.



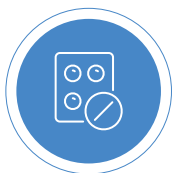
Optimizing Pharmaceutical Supply

- By expanding the pharmaceutical product catalog, we have offered a wider range of medication options to meet the diverse medical needs of patients.
- We have reduced the pressure on hospital medication reserves by optimizing resource allocation, ensuring a stable medication supply.



Enhancing patient adherence

- Through patient follow-up centers, we have provided full-course management services to help patients adhere to proper medication regimens.
- By evaluating medication-related issues and managing drug treatment plans, we have promptly addressed problems such as drug interactions and side effects, thereby improving treatment outcomes and enhancing patient adherence.



Reducing medical expenses

- With comprehensive medical insurance qualifications, we have reduced the economic burden on patients and promoted healthcare equity.
- Through intelligent management and green delivery, we have reduced operational costs, which indirectly benefits patients.



Supporting chronic disease management

- We provide long-term follow-up services for patients with chronic diseases, such as dermatology, hyperlipidemia, hypertension, and hyperglycemia, ensuring they receive continuous and professional medication guidance.



Promoting the decentralization of medical resources

- Through specialized services and technical support, we have addressed the shortages in grassroots medical resources, improving overall healthcare accessibility.

Ensuring Pharmaceutical Supply

The platform offers a wide variety of products, with over

110,000

items available online

Leveraging the Group's extensive business network and robust logistics and distribution system, the B2B platform of Sinopharm continuously promotes the delivery of pharmaceutical resources to grassroots levels, effectively reducing the cost of medication for the public and significantly improving the accessibility of medical services. The platform offers a wide variety of products, with over 110,000 items available online. These include OTC medicines, prescription drugs, medical devices, and health products, comprehensively meeting the diverse health needs of the public. By building a comprehensive and efficient supply-demand network, the platform has not only optimized the circulation of pharmaceuticals but also made a positive contribution to promoting the equitable distribution of medical resources and enhancing primary healthcare services.

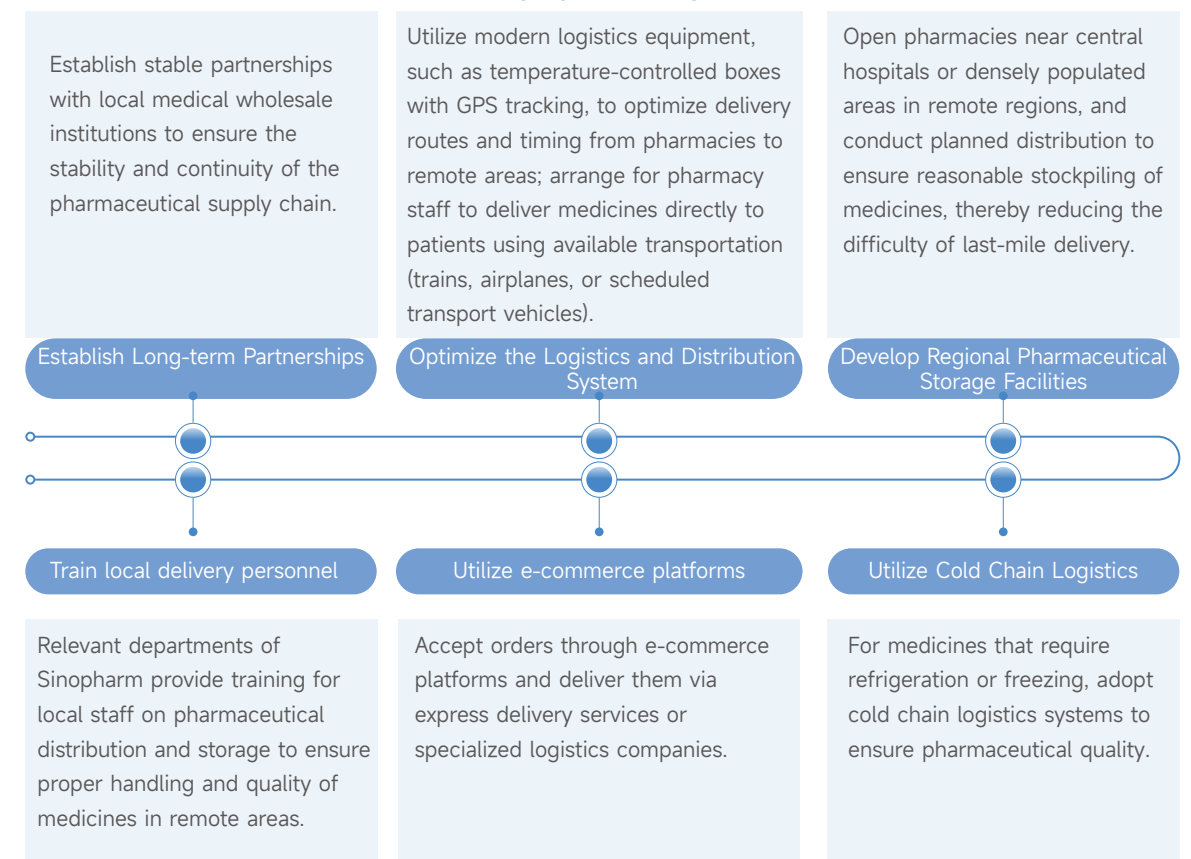
Upholding the principle that "health knows no boundaries," the Group regards ensuring the pharmaceutical supply in remote areas as a key part of its corporate social responsibility. Through optimizing the supply chain system, innovating distribution models, and strengthening regional cooperation, Sinopharm has effectively addressed the challenges of pharmaceutical supply in remote regions, significantly improving access to medical services and providing strong support for the health and well-being of local residents.

Case Comprehensive Pharmaceutical Distribution in Remote Areas by Xinjiang GuoDa Drugstore



As a leading pharmaceutical retail chain in Xinjiang, Xinjiang GuoDa Drugstore is dedicated to enhancing the efficiency and accessibility of drug distribution, with particular attention to ensuring the supply of medicines in remote areas.

Pharmaceutical Distribution Support Measures for Remote Areas by Xinjiang GuoDa Drugstore



During the Reporting Period, the Group also explored the application scenario of "low-altitude logistics plus emergency pharmaceutical delivery" to respond swiftly to urgent medical treatment needs and ensure the accessibility of emergency medicines for critically ill patients.

Case Sinopharm Successfully Conducts First Low-Altitude Drone Delivery of Emergency Medicines



In July 2024, a professional drone carrying 10 boxes of emergency medicines for cardiac arrest smoothly took off from the warehouse at Sinopharm Logistics' Suzhou Distribution Center. Eleven minutes later, the drone landed steadily on the rooftop of the destination's outpatient building, successfully completing the airborne delivery of emergency medicines. Compared with traditional delivery methods, the use of precisely mapped aerial routes shortened the delivery distance by 44% and improved delivery efficiency by 50%–70%, gaining valuable treatment time for emergency patients.



Inaugural Ceremony of the First Drone Delivery of Emergency Medicines

Customer Rights Protection

The quality of pharmaceutical products and services is closely related to public health. The Group always adheres to the business service philosophy of "customer first", continuously improves the quality of products and services, and safeguards customer rights. Sinopharm advocates responsible marketing, actively listens to customer demands, constantly optimizes the service experience, and continuously enhances customer satisfaction, all while taking concrete actions to safeguard public health.

Customer Service Management

The customer categories of the Group mainly include distributors, medical institutions, and retail customers. To enhance customer experience, Sinopharm follows the *Customer Satisfaction Management Regulations* and collects customer needs and feedback through various channels, such as on-site visits and written questionnaires. The collected data is regularly summarized and analyzed to form the *Customer Satisfaction Analysis Report*. Based on the issues identified from customer feedback in the survey results, Sinopharm conducts a thorough analysis to identify the root causes, develops corrective and preventive measures, enhances service quality, and effectively meets the diverse needs of customers.

During the Reporting Period, the number of complaints received by the Company regarding product and service quality was

0

In order to further improve the quality of customer service, Sinopharm has established a transparent and efficient complaint channel and formulated a series of management regulations, such as the *Quality Inquiry Management Regulations* and the *Customer Complaint Handling Management Regulations*, to ensure that customer complaints can be responded to and processed in a timely manner. Customers can provide feedback and complaints through various means such as phone, fax, letter, and on-site visits.

Upon receiving a valid complaint, the Company will immediately initiate the complaint investigation and handling process by completing a complaint investigation and handling form. Relevant departments will be organized to jointly analyze the root cause of the complaint, formulate and implement corrective measures to ensure timely resolution, and prevent the recurrence of similar incidents.

During the Reporting Period, the number of complaints received by the Company regarding product and service quality was 0, highlighting its high standards and outstanding performance in service and quality management. However, Sinopharm fully recognizes the importance of continuous improvement and remains committed to enhancing service efficiency in customer interactions and further elevating its overall service standards.

During the Reporting Period, Sinopharm:



Conducted satisfaction surveys covering
181 customers



Achieved a customer satisfaction rate of
99.57%

Representing a
0.7% increase compared to the previous year and meeting the customer satisfaction target set for the Reporting Period

Responsible Marketing

The Group strictly abides by laws and regulations such as the *Advertising Law of the People's Republic of China*, the *Drug Administration Law of the People's Republic of China*, and the *Regulations on the Management of Drug Instructions and Labels*. It strictly prohibits false or misleading advertising to ensure that all advertisements, promotional slogans, labels, and marketing content are in full compliance. The Group advocates responsible marketing and, through the *Compliance Manual*, clearly outlines that employees must remain vigilant against false advertising and fulfill their obligations to prevent unfair competition during marketing activities. It ensures that all marketing practices — including market research, academic activities, clinical follow-ups, and commercial maintenance — are conducted in full compliance, thereby upholding responsible marketing toward patients, clients, and other contractual partners across the industry chain. The Group is committed to ensuring that all marketing activities comply with applicable national laws, regulations, and industry standards. It guarantees that marketing information is truthful and reliable, prohibits any exaggeration of product performance or efficacy, and does not conceal important information.

In 2024, Sinopharm revised and issued the *Retail Sector Medical Insurance Compliance Management System*, setting more stringent and detailed requirements for its subsidiary retail companies in areas such as medical insurance management, system development, implementation, and violation accountability. The revision strengthens the control over major marketing activities of subsidiaries to ensure compliant marketing practices.

Guorui Pharmaceutical has developed the *Marketing Personnel Behavior Compliance Management Regulations and the Customer Management Regulations*, which clearly define the advertising compliance requirements for marketing personnel in their business activities. Through continuous compliance training for the sales team, regular checks on sales processes and behaviors, and ongoing improvements in management practices, responsible and effective marketing operations are continuously ensured. Shanghai OurChem, Guorui Pharmaceutical, Sinopharm Xingsha, and other companies consistently adhere to the principles of responsible marketing in their marketing activities. They actively implement relevant measures to ensure that consumers have an economic, reasonable, and safe pharmaceutical experience.

Sinopharm Responsible Marketing Initiatives

Conduct quality marketing compliance audits before issuing marketing campaign plans

Regularly provide compliance training to marketing personnel to strengthen their sense of responsibility

Link marketing compliance with daily performance evaluations of marketing personnel

Carry out regular management and supervision in daily sales activities

Sinopharm accepts compliance audits conducted by professional third-party agencies appointed by upstream manufacturers every year and conducts detailed compliance checks and risk assessments on a monthly basis according to the types of marketing activities. Random cost audits and unannounced inspections are carried out to ensure the legality and compliance of all business activities.

Case

GuoDa Drugstore Advertising Compliance Training

In January 2024, GuoDa Drugstore conducted training on the key points of advertising compliance for "three products and one device" (drugs, medical devices, dietary supplements, and formula food for special medical purposes). Middle management and employees from relevant departments of GuoDa Drugstore and its subsidiaries actively participated in this training, comprehensively learning professional knowledge related to advertising compliance and effectively implementing responsible marketing awareness among marketing personnel. The training was attended by approximately 200 participants both online and offline.



GuoDa Drugstore Advertising Compliance Training

Technology-Driven Innovation

Digital Transformation

Digital transformation and technological innovation serve as internal driving forces for the sustainable development of enterprises. The Group fully implements the national innovation-driven development strategy and promotes the integration of the digital economy with the real economy. By vigorously advancing digital transformation and integrated logistics development, accelerating the application of innovative achievements, and fostering an innovation-oriented culture, Sinopharm continues to strengthen its core competitiveness in the "digital pharmaceutical supply chain", demonstrating its leadership within the industry.

Digital transformation is a key enabler for coordinating the integration of technology, business, and data, improving collaborative management and service levels, and unlocking the Company's growth potential. The Group is actively embracing the opportunities of digital development by formulating clear digital transformation strategies and goals, vigorously promoting the implementation of key projects, and injecting new momentum into the Company's high-quality development.

The Group recognizes that in the wave of digital transformation, data has become a key resource for corporate competitiveness. In 2024, Sinopharm released the *Data Strategy*, which outlines a detailed strategic direction and road map for the Group's future digital development. It addresses strategic vision, objectives, positioning, and layout and divides implementation into three phases: infrastructure and promotion, long-term governance, and analytical insights, to be carried out step by step.

Sinopharm Data Strategy



During the Reporting Period, Sinopharm Digital Technology, as a national high-tech enterprise, made notable progress in digital transformation:

- Obtained 6 software copyrights and received 2 awards.
- The project *Building New Quality Productivity: Establishing an Enterprise-Level PaaS Technology Platform* was recognized as a Model Case of Digital Transformation in the 2024 National Pharmaceutical Industry Digital Transformation Innovation Case Collection initiative.
- The project *Integrated E-Invoice Service Platform for the Pharmaceutical Distribution Industry* received funding from the 2024 Shanghai Urban Digital Transformation Special Fund.



Certificate of Digital Transformation Award of Sinopharm Digital Technology

In 2024, the Group focused on achieving logistics visualization and order digitalization, realizing end-to-end transparency and real-time KPI monitoring. These efforts significantly improved operational efficiency and customer service, setting a new benchmark for a modernized supply chain.

Case Phase I of the Supply Chain Control Tower Project



In 2024, the Group set key objectives around "full-process logistics visualization, customer order digitalization, and full life-cycle traceability of orders". It successfully completed the construction of 57 logistics digitalization modules, which were launched and applied in Beijing, Shanghai, Guangdong, Hubei, Chongqing, and other regions.

By standardizing data and achieving real-time integration, the Group ensures full-process transparency and visualization of orders, with real-time monitoring and visualization of key performance indicators. It provides systematic and comprehensive governance over core operational metrics, quickly identifies and analyzes anomalies, and precisely tracks every stage and detail of order execution. These efforts significantly enhance logistics management efficiency and customer service experience, setting a new benchmark for modern supply chain operations.

Case IoT (Internet of Things) Management Platform Project



In 2024, the Group focused on the core objective of "enhancing the perception and insight of logistics operations through the full data collection and intelligent analysis of IoT devices". It completed the construction of all 19 functional modules and achieved the full integration of 33,185 IoT devices across 7 major hub companies (Beijing, Shanghai, Guangdong, Hubei, Chongqing, Xinjiang, Shenyang), with an online device rate reaching 66.53%. The system provided an average of 174,200 IoT data services per month, offering precise data support for business operations.

By initially establishing a nationwide IoT sensing network, Sinopharm has built a comprehensive IoT infrastructure service system. This network enables unified connectivity and efficient management of various terminals in automated equipment and supply chain logistics, ensuring the timeliness and comprehensiveness of data collection. It enhances the perception capabilities of national logistics control in areas such as equipment status, operational processes, and anomaly alerts, while significantly optimizing smart analysis and decision-support capabilities, providing a solid technical foundation for integrated logistics operations across the country.

Innovative System Building

Establishing a sound innovation mechanism and fostering a positive innovation environment are key to achieving sustainable innovation and improving development quality for enterprises. The Group insists on using technological innovation as a driving force, deeply advancing its digital transformation strategy, and accelerating the development of digital management capabilities for its business. Through the construction of large and middle platforms, Sinopharm fully promotes digital transformation, realizing full-process logistics visualization, full life-cycle traceability of orders, efficient optimization of business resource allocation, and continuous improvement of service quality, thereby injecting new momentum into business innovation and transformation. At the same time, the Group will actively explore the application and practice of AI technology in business scenarios such as supply chain management, smart logistics, and terminal services, empowering business decision-making and quality control processes.

In terms of deepening industry-academia-research collaboration, Sinopharm actively engages in close cooperation with research institutes, university laboratories, and other innovation platforms to jointly advance technological research and development, enhancing Sinopharm's core competitiveness in the field of scientific research and innovation. By establishing an open cooperation platform, Sinopharm has efficiently integrated cutting-edge academic knowledge and technological reserves with market data and application scenarios from the industry, accelerating the transformation and application of scientific and technological achievements.

In 2024, the Group established strategic partnerships with universities such as Tsinghua University and China Pharmaceutical University, as well as several Class A tertiary hospitals and pharmaceutical companies. By jointly undertaking national-level projects and co-building joint laboratories, the Group integrates cutting-edge academic research with clinical needs in the industry, successfully advancing multiple innovative drugs into the clinical trial stage. At the same time, leveraging its nationwide supply chain network, Sinopharm rapidly transforms scientific research achievements into accessible healthcare services at the grassroots level, significantly improving the equity of pharmaceutical resources.

2024 University-Industry Collaboration Practice

Subsidiaries of Sinopharm	Collaborating Entities	Collaboration Project Details
CNMC	China Pharmaceutical University	Joint PhD Training Program
Guorui Pharmaceutical	State-owned Assets Supervision and Administration Commission of the State Council (SASAC), Ministry of Education of the People's Republic of China (MOE), Ministry of Industry and Information Technology (MIIT)	University-Industry Partnership Activities
Guorui Pharmaceutical	Anhui Industrial Senior Technical School	Joint Training of High-Skilled Talent through the "New Apprenticeship System"
Sinopharm Xingsha	Huaqiao University	Probiotic Project Research and Development
Sinopharm Reagent	East China University of Science and Technology	Product Technology Breakthrough and Process Development
Sinopharm Reagent	China Pharmaceutical University	Technological Innovation and Talent Development
CMDC	The Electrical Engineering Department of Tsinghua University, the National Innovation Center for Advanced Medical Devices and other 11 units	Establishment of a Joint Innovation Base

Case

Sinopharm Xingsha Promotes the Green Transformation of the Vitamin Industry through Technological Innovation



As a time-honored Chinese brand, Sinopharm Xingsha focuses on technological innovation and leverages synthetic biology technology to support the green and efficient development of the vitamin industry. Its strategic product, "XingSha D® Vitamin D Drops", has topped the list of non-prescription vitamin products in China for five consecutive years.

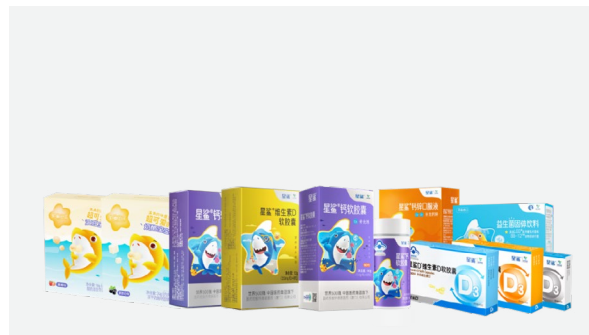
Microbial Fermentation Synthesis: Traditional vitamin production often relies on chemical extraction or synthesis, which presents issues such as high energy consumption and pollution. Sinopharm Xingsha is driving the upgrade of production methods through microbial fermentation and synthetic biology technology. For example, the traditional production of Vitamin B6 requires the use of highly corrosive reagents, while the biological fermentation method is milder and more environmentally friendly. The production of Vitamin B5 has shifted from chemical synthesis to biological fermentation, establishing the world's first green production line. Additionally, the production of Vitamin E has achieved low cost, high efficiency, and low pollution through the application of synthetic biology technology.

Transforming the "Cell Factory": Sinopharm Xingsha has utilized biotechnology such as gene editing to transform its "cell factory", fermenting the production of vitamins using low-cost raw materials to improve production efficiency. At the same time, the team successfully developed a gene editing tool applicable to *Sinorhizobium meliloti*, transplanting the Vitamin B12 synthesis pathway into *Escherichia coli*, significantly shortening the production cycle. This series of innovations not only aligns with the Dual Carbon Goals but also provides new insights for the sustainable development of the vitamin industry.



Science and Technology Daily Reports on Sinopharm Xingsha Technological Innovation Achievements

Sinopharm Xingsha Vitamin Product Series



Intellectual Property Protection

While promoting technological innovation, the Group actively creates a culture of intellectual property protection. In accordance with laws and regulations such as the *Trade Mark Law of the People's Republic of China*, the *Advertising Laws of the People's Republic of China*, and the *Patent Law of the People's Republic of China*, we have formulated the *Sinopharm Patent Management Measures* and *Sinopharm Trademark Management Measures*, continuously strengthening intellectual property management.

The Group strictly adheres to laws and regulations and respects third-party intellectual property rights, while consistently upholding an open and inclusive approach to actively foster R&D innovation, committed to creating a dynamic and creative innovation atmosphere. The Group has established and improved the intellectual property management system, actively safeguarding the legitimate rights and interests of its intellectual property and ensuring the effective utilization and reasonable returns of innovative achievements.

Information Security Management

Information security is the key component for enterprises in terms of protecting sensitive data, maintaining trust and reputation, mitigating social risks, and improving corporate governance. The Group attaches great importance to network security, actively responds to the legal and regulatory requirements of the country, and strictly abides by laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Regulation on Protecting the Security of Critical Information Infrastructure* and relevant laws and regulations. Sinopharm has formulated the *Sinopharm Network Security Management Measures* and the *Information System Access Control Management Standards*, and a series of regulations to ensure the standardization and effectiveness of information security and data protection.

Sinopharm further improved its information security system in 2024 by releasing and implementing a series of regulations, such as the *Data Security Management System*, the *Data Quality Management System*, the *Personal Information Security Management Measures*, the *Specifications for Data Classification and Grading Standards*, and the *Specifications for Data Asset Coding*. These policies clarify the security responsibilities and management requirements for each department, aiming to enhance network security capabilities and emergency response readiness. Through these measures, the Group continuously strengthened its information security management capabilities, effectively reduced network security risks, and ensured the stability and sustainability of corporate operations.

Case

Sinopharm Conducts Information Security Training



In September 2024, Sinopharm launched a specialized training program on personal information security management and data classification and grading at the Sinopharm Institute of Innovation and Development, adopting a "Training + Assessment" model to enhance employees' effective learning of information security expertise, strengthen awareness of personal information protection, and improve capabilities in data security management. 1056 people participated in this training.



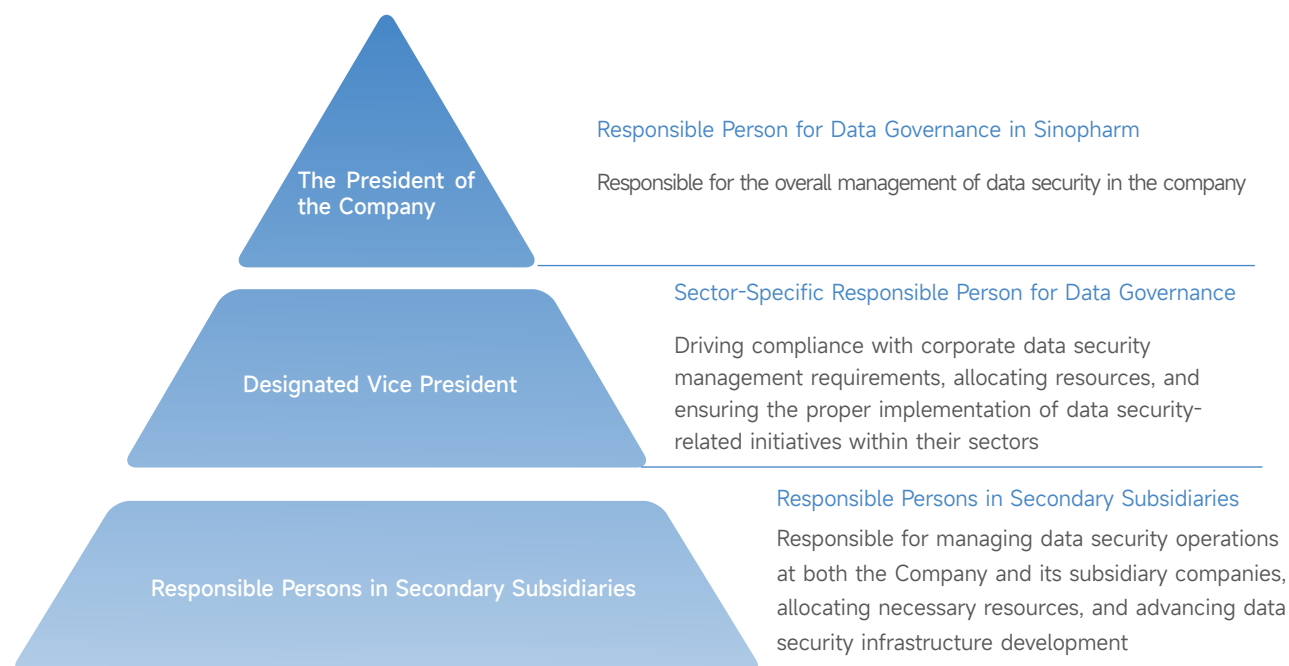
Training Course on Information Security

Data Privacy and Security

The Group places high importance on data privacy and security, clearly defines the responsibilities and processes for network security management, and vigorously drives improvement of the information security management system. These measures ensure close collaboration across all organizational levels in practical operations, effective implementation of security management requirements, and further mitigation of potential network security risks.

In accordance with corporate policies, the President of the Company serves as the Responsible Person for Data Governance in Sinopharm, overseeing the data security management across the Company. The designated Vice President acts as the Sector-Specific Responsible Person for Data Governance, responsible for driving compliance with data security management requirements within their functional scope, allocating resources, and ensuring the proper implementation of data security initiatives in their sectors. Responsible persons in secondary subsidiaries are accountable for managing data security operations at both their subsidiary and subsidiary companies, allocating necessary resources, and advancing data security infrastructure development.

Governance Structure of Data Security in Sinopharm



Meanwhile, the Group continuously enhances its emergency response readiness, ensuring the ability to swiftly respond to sudden network security incidents and safeguard the Company's core network infrastructure from interference, damage, or unauthorized access. The Company has established emergency plans and incident response procedures, with disaster recovery plans for core business systems being tested through drills at least once annually.

- Conducting information security self-assessments and compiling security inspection reports;
- Strengthening network security safeguards and organizational safeguards by enhancing security awareness campaigns, conducting vulnerability scanning, and performing application penetration testing to advance system-wide risk identification and rectification;
- Conducting regular security reinforcement initiatives, including security vulnerability remediation, weak password enhancement, and sensitive data desensitization;
- Launched a network security leakage prevention test, conducted a comprehensive investigation of network security vulnerabilities, and discovered and repaired more than 1,700 network security vulnerabilities, thus enhancing the level of security protection.

The Group strictly implemented the classified cybersecurity protection system in 2024, continuously strengthening the management mechanisms and technological infrastructure development of its network security framework, ensuring corporate data is safeguarded against leakage, theft, or tampering, and guaranteeing the stable operation of network services.



During the Reporting Period, the Group recorded **0** network security incidents, achieving its annual target

The Group completed a cybersecurity consulting and planning project during the Reporting Period, delivering a comprehensive solution and development plan for network security infrastructure development over the next three years. These efforts further strengthened the protection of network and data assets, ensuring their integrity, availability, and confidentiality, and providing a robust security foundation for the stable and sustainable development of the enterprise.

Customer Privacy Protection

The Group attaches great importance to the protection of consumer personal information. We have formulated a user privacy policy, clearly informing users of its specific clauses, and obtaining itemized authorization and consent from them. At the same time, we clearly state in our privacy policy various business functions and the types of personal information collected, personal information disposal rules, and user rights protection. The privacy policy would clearly state the purpose, method, and scope of collection, and support users to cancel accounts, correct, or delete personal information. In terms of business system data storage, the Group strictly encrypts and stores customers' private information in full compliance with regulatory requirements.

We regularly inspect the implementation of privacy policies and have set up a user privacy breach appeal channel to protect customers' legal rights. In addition, we organize relevant departments and subsidiaries to regularly conduct information security self-inspections and reinforcement work, participate in information security attack and defense drills regularly, and continuously improve technical measures and management mechanisms. These measures improve the level of information security protection comprehensively and establish a robust barrier to ensure data security compliance and confidentiality integrity.

During the Reporting Period, Sinopharm signed Data Processing Agreements (DPAs) and supplementary DPAs with subsidiaries to further strengthen information security initiatives and continuously enhance security protection capabilities, thereby clarifying legal liabilities and implementing relevant security measures.

During the Reporting Period, the Group has:



Experienced **no** incidents of consumer personal information leakage



Conducted **5** data security training sessions on data security



Organized specialized training sessions for information and network security officers, with a total of

320 participants

Case

Sinopharm Develops "User Authorization Notification" Mini Program



In 2024, to enhance customer privacy protection, we developed the "User Authorization Notification" mini program. This program provides users with convenient operation and query channels, ensuring that personal information is authorized voluntarily by users on the premise of fully understanding the privacy policy. Simultaneously, in business system data storage, we strictly adhere to legal and regulatory requirements by encrypting and storing sensitive information, thereby comprehensively safeguarding user data security and privacy.

03

Low Carbon Practices, Addressing Climate Change

Amid the intensifying global climate crisis and frequent extreme weather events, the impacts of climate risks on ecological systems, economic stability, and social development have become increasingly pronounced. We have consistently positioned climate action as a core issue of our sustainable development strategy, actively fulfilling environmental responsibilities and advancing the green transition of pharmaceutical logistics services.

In 2024, the Group deepened climate risk management by refining risk analysis frameworks and enhancing response strategies, thereby strengthening operational resilience across its business networks. We accelerated innovation in green operational models, proactively exploring emerging opportunities under climate change challenges and leading industry-wide low-carbon development.

Highly material issues addressed in this chapter:

- Energy and water resource management
- Circular economy

Highlights in this chapter:

- Greenhouse gas emissions (Scope 1) decreased by **10.84%**
- Greenhouse gas emissions (Scope 2) decreased by **15.07%**
- Greenhouse gas emissions intensity (per unit) decreased by **8.05%**
- **100%** ISO 14001 Environmental Management System certification rate for industrial enterprises
- The first carbon-neutral demonstration zone of Sinopharm was completed and certified
- Implement environmental goals such as energy use, carbon emissions, and pollutant emissions



Addressing Climate Change

Amid mounting challenges posed by climate change to global sustainable development, we uphold corporate social responsibility and deeply integrate climate governance into our strategic framework. By continuously optimizing business operations to reduce dependency on natural resources and mitigate environmental impacts, the Group has established a climate risk assessment system, proactively seized opportunities in low-carbon transition, and accelerated the green upgrade of its intelligent pharmaceutical logistics network. In alignment with the updated climate-related disclosure rules under the HKEX *ESG Reporting Guide and the IFRS S2 Climate-related Disclosures* issued by the International Sustainability Standards Board (ISSB), the Group has formulated a three-year climate action plan. This plan systematically deploys implementation pathways across four pillars: Climate-related Governance Structure, Strategy, Risk Management, and Targets. Through phased goal-setting and dynamic monitoring mechanisms, the Group is steadily enhancing both climate resilience and operational efficiency, setting a practical benchmark for green and low-carbon transformation in the pharmaceutical distribution industry.

Governance

The Group has deeply implemented the national Dual Carbon Strategy, conducted an in-depth analysis of climate risks and opportunities, continued to promote the development and construction of green pharmaceutical logistics infrastructure, and integrated the concept of green and low-carbon into enterprise operation and development. The Board of Directors regularly reviews the progress of the sustainable development strategy during board meetings, assesses climate-related risks and opportunities, and establishes a closed-loop management mechanism for climate actions, thereby ensuring the process of carbon reduction complies with regulatory requirements and achieves phased targets.

The Group has established a green and low-carbon development working group, with the Vice President of the Company serving as the team leader, and relevant department heads such as the logistics management center, operational risk management department (safety and environmental protection department), work offices (the Secretary of the Party Committee office and board office) and finance department serving as team members to implement the specific execution work of green and low-carbon development goals.

The Group's Climate Change Governance Structure

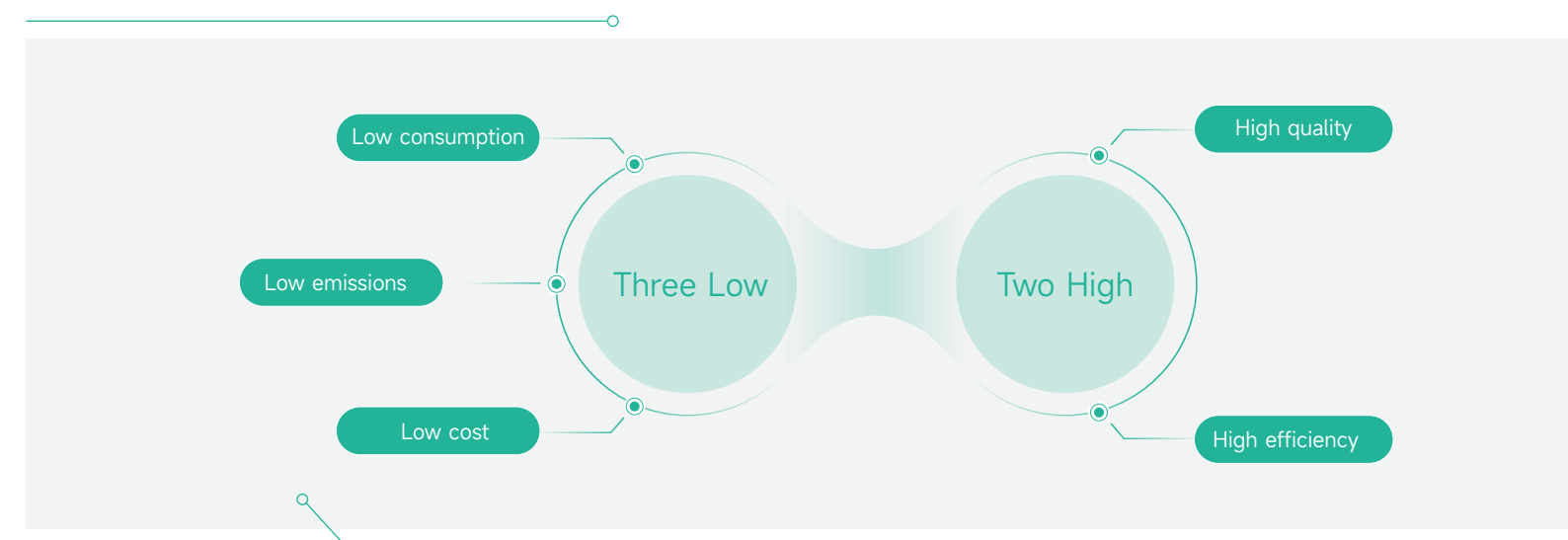


Strategy

To effectively oversee and manage the progress of climate-related personnel in fulfilling their responsibilities, climate-related metrics are linked to the annual performance evaluations of executives, with a proportional impact on variable compensation, thereby ensuring the effectiveness of the Group's climate strategies and measures.



The Group also conducts casual sessions with external experts to share the latest insights on climate-related risks and opportunities, organizes sustainability and climate-focused training programs, and mandates the participation of Board members, ensuring alignment with emerging trends and regulatory compliance requirements in climate governance.

As a leading pharmaceutical logistics enterprise, the Group actively promotes the green development strategy and focuses on the innovation and development of green logistics. We are committed to building a "Three Low and Two High" green logistics enterprise, continuously providing green services of high quality and high efficiency while promoting low consumption, low emissions, and low cost. From the two directions of "system construction" and "green project construction", the Group improves carbon emission data management and green building certification and promotes the transformation and application of green energy-saving technologies, infusing the concept of sustainable development into every operational process. The Group adheres to the principle of balancing mitigation and adaptation in addressing climate change, driving the development of environmentally friendly logistics systems by formulating a green logistics strategy.






By integrating macro-environmental factors, industry policies, and corporate business dynamics, the Group identifies climate-related risks and opportunities and has formulated targeted response strategies based on the assessment outcomes. A multi-tiered evaluation framework spanning short-term (0-3 years), mid-term (3-5 years), and long-term (5-10 years) time frames has been established to assess these risks and opportunities, enabling the development of flexible and forward-looking risk management measures. This approach ensures effective adaptation under diverse climate scenarios while capturing green development opportunities.

Climate-related Risks

Risk Type	Climate-related Risks	Impact on Business Model and Value Chain	Potential Financial Impact	Impact Duration ⁴	Response Strategies
Physical Risk	 Acute risk	Extreme weather, such as rainstorms, floods, typhoons, etc	<ul style="list-style-type: none">• Extreme weather causes disruptions in logistics transportation, damage to inventory of drugs and equipment, and business interruption	<ul style="list-style-type: none">• Revenue decreases• Fixed asset value decreases	Short-term <ul style="list-style-type: none">• Conduct warehousing and logistics site selection planning through data analysis, taking into account the geographical location conditions of the site selection• Develop a hub-level, full-scale pharmaceutical logistics center with enhanced risk prevention capabilities• Conduct climate analysis on ongoing projects and develop extreme climate response plans;• Carry out green building renovation and construction to improve the seismic and flood resistance capabilities of logistics and warehousing• Conduct real-scenario disaster drills to test emergency response mechanisms and cross-functional collaboration capabilities comprehensively
	 Chronic risk	The temperature slowly rises	<ul style="list-style-type: none">• Increase the storage cost of drugs, equipment, and other products• Harm employee health and prolonged exposure to extreme heat may cause fatigue, heatstroke, and other physical discomforts, thereby reducing work efficiency• For cold chain distribution and storage facilities for specialized pharmaceuticals impacted by extreme heat events, refrigerant consumption increases	<ul style="list-style-type: none">• Increased operational costs• Decreased revenue	Medium-term Long-term <ul style="list-style-type: none">• In the design and construction of cold chain facilities, adverse factors such as high temperature should be considered, and reasonable backup and design redundancy of refrigeration facilities should be done technically, thereby ensuring uninterrupted operations during extreme heat events• Automated operations reduce employees' exposure to extreme heat events, thereby decreasing working hours

⁴ This Report defines a duration of 0-3 years as short-term, 3-5 years as mid-term, and more than 5 years as long-term.

Risk Type	Climate-related Risks	Impact on Business Model and Value Chain	Potential Financial Impact	Impact Duration ⁴	Response Strategies
Transformation risk	 Policy and legal risk	More stringent low-carbon regulatory and environmental protection requirements for existing products and services	<ul style="list-style-type: none">• In order to meet increasingly strict regulatory requirements, operational costs increase	<ul style="list-style-type: none">• Increased operational costs	Medium-term Long-term <ul style="list-style-type: none">• Respond to the requirements of the national Dual Carbon Strategy and formulate relevant strategies and goals• Carry out carbon emission monitoring and inventory to ensure that carbon emissions comply with relevant standards• Strengthen greenhouse gas data collection capabilities through the building of the data middleware
	 Technical Risk	Enhance R&D costs for low-carbon transformation	<ul style="list-style-type: none">• Operational requirements: Enhance R&D efforts and adoption of low-carbon technologies, as well as increased utilization of renewable energy	<ul style="list-style-type: none">• Increased operational costs	Short-term Medium-term Long-term <ul style="list-style-type: none">• Optimize resource allocation and improve delivery efficiency through digitization and resource-efficient management, reducing greenhouse gas emissions.• Proactively invest in renewable energy applications to mitigate energy costs
	 Reputation Risk	Negative perceptions of high emissions may arise from stakeholders	<ul style="list-style-type: none">• With the increasing attention of stakeholders towards green and low-carbon, companies need to invest more resources to promote low-carbon transformation and communicate their efforts to the public• Investor confidence may decline due to negative evaluations, leading to higher financing cost	<ul style="list-style-type: none">• Increased operational costs	Short-term Medium-term Long-term <ul style="list-style-type: none">• Improve information disclosure in areas such as greenhouse gas emissions and carbon reduction target review• Establish diversified communication channels with stakeholders to address carbon reduction concerns and gradually build a green corporate brand image

Climate-Related Opportunities

Opportunity Type	Sources of Climate-Related Opportunities	Potential Financial Impact	Response Strategies
Resource Utilization Efficiency	Application of digital technologies and energy-saving equipment	Decreased operational costs	<ul style="list-style-type: none">• Optimize logistics and warehousing efficiency through data analysis• Develop smart logistics parks and carbon management systems• Upgrade to energy-efficient lighting and equipment
Energy Sources	The use of clean energy can mitigate risks from rising fossil fuel prices and greenhouse gas emissions	Decreased operational costs	<ul style="list-style-type: none">• Promote the development and adoption of clean energy projects such as photovoltaics and new energy vehicles
Market	Growth in green logistics to meet stakeholder demands	Increased revenue Reduced operational costs	<ul style="list-style-type: none">• Establish low-carbon pharmaceutical logistics models through green warehousing, transportation, and packaging, enhancing competitiveness in green logistics

Risk Management

The Group continuously enhances climate risk management by refining processes for risk identification, assessment, and mitigation. We actively capitalize on climate-related opportunities and strengthen resilience to climate change.

Climate-Related Risk Management Process



At the same time, climate-related risks have been integrated into the Company's overall risk management framework, with systematic evaluations and responses conducted regularly⁵.

Indicators and Targets

The Group is committed to mitigating global warming by setting green logistics targets, optimizing energy efficiency, reducing carbon emissions, and strengthening climate adaptation measures⁶.

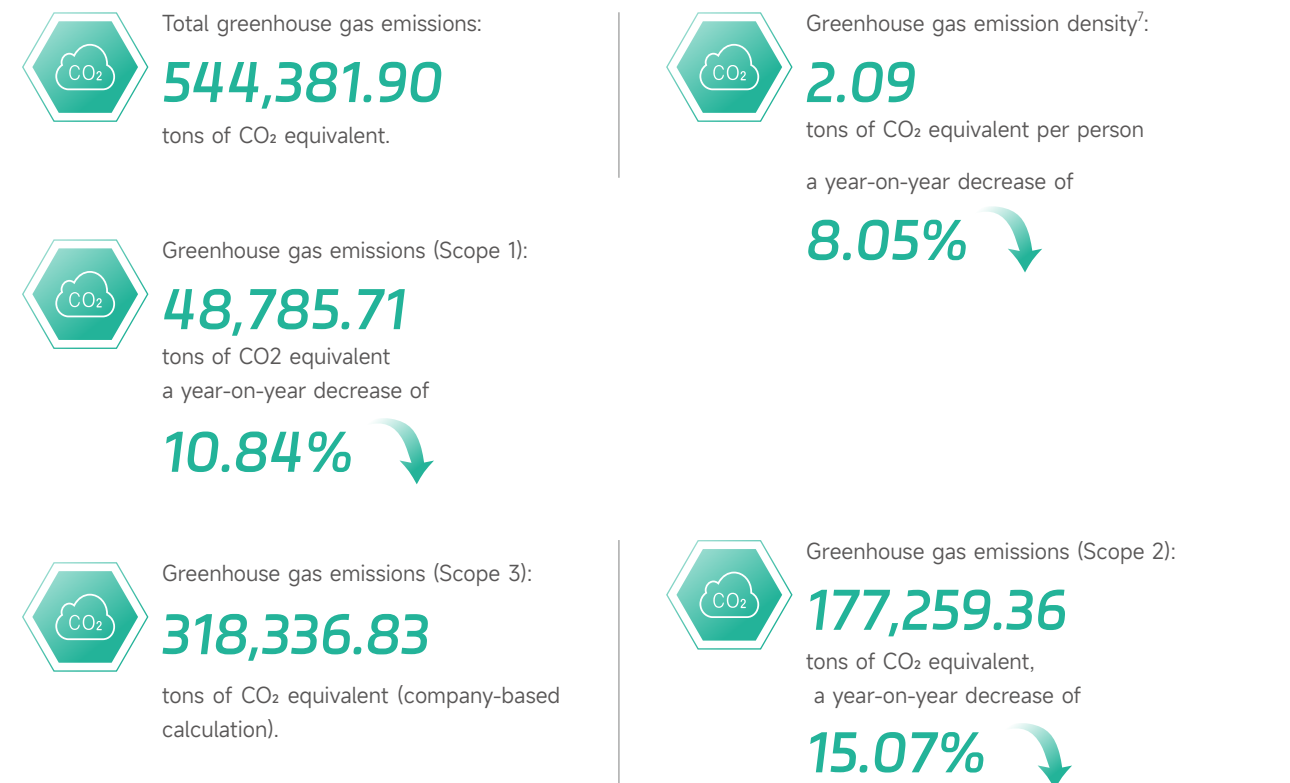
⁵For details on the comprehensive risk management process, refer to the "Risk Management" section in Chapter 01: "Responsibility Management – Strengthening Governance Foundations."

⁶For specific content and progress on green logistics targets, refer to the chapter "Featured Topic: Advancing Green Logistics to Build an Ecological Barrier for Healthy China"

Indicators Management: Comprehensive oversight of climate-related metrics ensures effective implementation of climate strategies. Scope 3 Emissions Calculation: The Group is progressively expanding greenhouse gas emissions (Scope 3) calculations to identify high-emission segments and set targeted carbon reduction goals, laying a data foundation for upstream and downstream decarbonization efforts.

During the Reporting Period, the Group calculated greenhouse gas emissions (Scope 3) for employee commuting and business travel. Future efforts will expand the scope of Scope 3 calculations.

During the Reporting Period, the Group has:



Units within the Group actively implemented energy-saving and carbon-reduction initiatives in production, operations, and office settings, adopting multiple measures to reduce total greenhouse gas emissions. During the Reporting Period, Guorui Pharmaceutical launched the "2024 Comprehensive Quality Improvement and Energy-Saving Carbon Reduction Action," with implemented measures expected to save 200,000 kWh of electricity annually and reduce CO₂ emissions by 111 tons.

The Group has formulated a three-year climate change plan to systematically address related challenges. Future efforts will strengthen climate goals and indicator management systems, clarify phased tasks, and ensure the effective implementation of response measures. The Company will continue to enhance transparency in climate and environmental disclosures and actively communicate with stakeholders to jointly advance the green and low-carbon transition.

⁷Total greenhouse gas emission density = (Scope 1 greenhouse gas emissions + Scope 2 greenhouse gas emissions)/Total number of employees on duty.

Environmental Management System

68 enterprises within the Group obtained ISO 14001 certification

with 100% coverage of industrial enterprises

The Group strictly adheres to the laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Soil Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, and the *Regulations on the Administration of Sewage Discharge Permits*, and has formulated a series of environmental management and energy conservation and emission reduction related systems such as the *Environmental Protection Management Regulations*, the *Clean Production Management Regulations*, the *Hazardous Waste Management Systems*, the *Supervision and Assessment Management Measures for Environmental Protection and Energy Conservation*, the *Implementation Rules on Environmental Protection and Energy Saving and Emission Reduction Management* etc. At the same time, based on the updates of environmental protection laws and regulations and the actual business situation, it continuously improves and revises internal systems to ensure that the emissions of various pollutants meet national and regional standards. During the Reporting Period, the Group has not violated any relevant laws and regulations. The Group will continue to adhere to national laws and regulations and implement measures to improve environmental performance.

The Group maintains an ISO 14001 Environmental Management System, formulating internal environmental policies based on operational characteristics to systematically advance energy-saving and emission-reduction goals. It manages emissions and pollution sources through multi-dimensional controls and conducts regular hazard inspections and remediation in accordance with internal systems such as the *Enterprise Sudden Environmental Incident Risk Assessment Guidelines* and the *Energy-Saving and Environmental Protection Target Responsibility Letter*. During the Reporting Period, 68 enterprises within the Group obtained ISO 14001 certification, with 100% coverage of industrial enterprises.

The Group has established an energy-saving and environmental protection leadership group with the president of the Company as the Group leader and the senior leadership team as Deputy Group Leader to ensure the orderly implementation of environmental protection initiatives We promote the implementation of the environmental protection target responsibility system, sign the *Energy Conservation and Environmental Protection Responsibility Letter* with our subsidiaries every year, and inspect the implementation of relevant environmental protection indicators on a quarterly basis to ensure the effective implementation of energy conservation and environmental protection management measures.

In 2024, the Group aligned with the national Dual Carbon Strategy and annual environmental protection plans, fully implementing green policies through technological upgrades, training, pollution reduction, and compliance operations to achieve phased results in energy efficiency improvement and environmental compliance.

Category	Environmental events	Pollutant emissions	Waste discharge
2024 Environmental Goals	Zero ⁸ environmental liability incidents of general or higher severity	100% ⁹ compliance in wastewater, exhaust gas, and noise emissions	100% ¹⁰ compliant disposal of hazardous waste

Case

CMDC Environmental Management



During the Reporting Period, CMDC, in line with the annual priorities of Sinopharm Holdings, developed detailed work plans and established specialized task forces for supervision and implementation. As of the end of the Reporting Period, CMDC conducted 181 environmental inspections during the Reporting Period, promptly addressing issues to ensure effective implementation of energy-saving and environmental protection measures.

⁸Environmental liability incidents are determined in accordance with the *National Emergency Plan for Sudden Environmental Incidents*.

⁹Wastewater, exhaust gas, and noise emissions comply with national or local standards.

¹⁰Hazardous waste is disposed of in compliance with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*.

Comprehensive Green Operations

Resource Management

Amid intensifying fossil fuel consumption and climate change challenges, green operation is critical to sustainable development. As industry pioneers, we adhere to the principle of "Green Development, Low-Carbon Future," driving innovation, resource optimization, and process improvements to minimize environmental impact and create long-term value.

The Group adheres to the principle of "saving first", formulates energy-saving and emission reduction systems, carries out water-saving actions, promotes the application of high-tech, integrates energy-saving concepts into daily operation, and monitors the progress of annual energy-saving and emission reduction work through energy consumption indicators. During the Reporting Period, the Group achieved its annual energy-saving and consumption-reduction targets and received widespread recognition.

Oriented toward refined energy management, the Group has established an intelligent energy management platform to achieve efficient coordination and real-time control, fully tapping into energy-saving potential.

Case Guorui Pharmaceutical Deepens the Application of Energy Management Platform



Guorui Pharmaceutical leveraged its established energy management platform to achieve full-process management and monitoring of energy from "source-network-load-storage-charging-operations." Through this platform, Guorui Pharmaceutical can track energy production, transmission, consumption, and storage in real time, optimize energy usage efficiency, and reduce operational costs. Additionally, the platform enables precise statistics on energy consumption and carbon emissions, providing data support for formulating scientific energy-saving and carbon-reduction strategies.



Guorui Pharmaceutical's Energy Management Platform

The Group mainly uses municipal water supply in its business operations, and there is no issue of seeking suitable water sources. In terms of water resource utilization, the Group aims to "continuously save water and gradually improve water efficiency." The subsidiary industrial enterprises actively promote measures such as water equipment renovation and wastewater reuse in production and operation. The Group also practices the concept of circular economy by advancing factory and equipment upgrades, implementing comprehensive energy-saving improvements for production equipment, infrastructure, and vehicles.

2024 Energy and Water Conservation Initiatives

Shanghai OurChem

- Replaced outdated pure water systems to enhance water production efficiency, saving electricity and water resources, with an estimated annual water saving of 2,100 tons.
- Replaced four old air conditioners with energy-efficient models, saving an estimated 0.1802 kWh of electricity annually.
- Partial reuse of steam condensate for landscaping, reducing landscaping water usage by 415 tons.

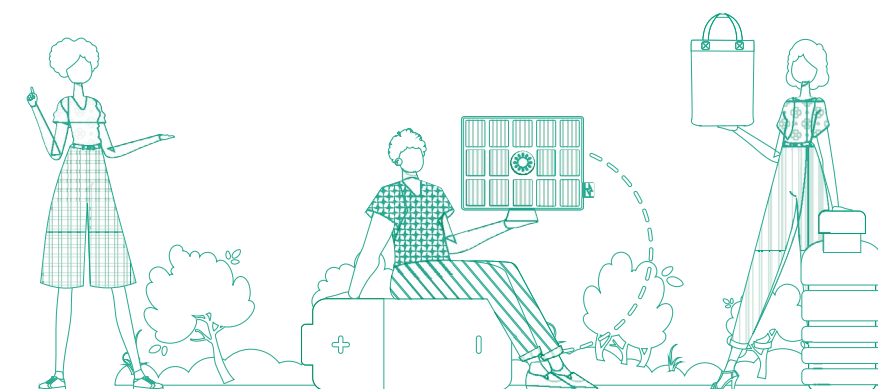
Sinopharm Xingsha

- Replaced workshop lighting with 240 energy-efficient lamps, saving 0.9 tons of standard coal annually.
- Phased out old motors and added one variable frequency drive, saving an estimated 26.55 tons of standard coal annually.
- Prioritized low-energy production lines during scheduling, optimized operating parameters and timing for high-power equipment such as refrigeration units, and monitored major energy-consuming devices to avoid inefficient operation.
- Installed solar-powered streetlights around administrative office buildings and actively utilized clean energy.

Guorui Pharmaceutical

- By utilizing the existing "full-reuse" wastewater treatment system and adopting the method of "rain-sewage diversion and clean-polluted water separation", the wastewater collection has been classified and treated based on quality. In 2024, Guorui Pharmaceutical treated and recycled 177,000 tons of sewage, saving 600,000 yuan in water charges.

For the use of packaging materials, we have gradually promoted the "3R mode" - Reduce, Reuse, and Recycle - to comprehensively reduce the use of disposable packaging materials. Among them, Sinopharm Logistics actively uses recycled cartons and recycled plastic pallets to continuously improve the recycling rate of packaging materials and reduce the waste of packaging-related materials.



Pollutant Management

The Group focuses on pharmaceutical distribution, medical device distribution, and pharmaceutical retail as its main businesses, with no significant impact on the environment and natural resources. It also implements the *Supervision and Assessment Management Measures for Environmental Protection and Energy Conservation* for its subsidiaries, strictly controls pollutant emissions, conducts regular environmental testing and risk investigation, and eliminates all environmental pollution incidents.

For exhaust gas and wastewater, the Group aims to achieve 100% standard emissions, strictly implements management in accordance with the requirements of the pollution discharge permit, equips industrial enterprises with exhaust gas disposal devices and sewage treatment systems, and regularly follows up on upgrades and renovations to achieve continuous waste reduction and ensure environmental safety.

Pollutant Management Measures of Sinopharm in 2024

Exhaust Gas

- All industrial enterprises under the Group have retrofitted existing exhaust systems with activated carbon scrubbers to further remove volatile organic compounds and odorous gases from emissions, achieving effective pollutant emission reduction and improving ambient air quality.

Wastewater

- Shanghai OurChem ensures the stable operation of wastewater treatment facilities through rigorous routine operation and maintenance management. In response to production variations, the Company performs operational adjustments to the wastewater treatment system, guaranteeing effluent discharge in full compliance with environmental regulations.
- Guorui Pharmaceutical has implemented a graded treatment and advanced purification process with a “full-reuse” wastewater treatment system. All production wastewater, domestic sewage, and initial rainwater runoff are comprehensively collected, achieving zero external discharge.

Hazardous waste

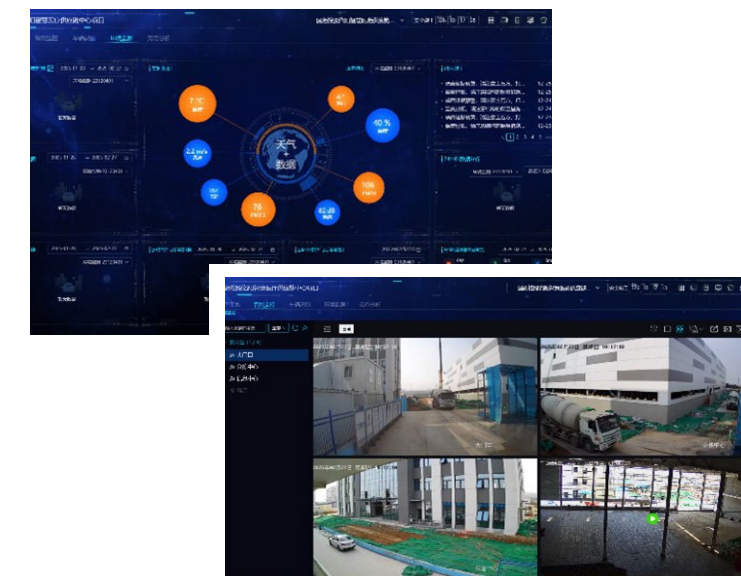
- Guorui Pharmaceutical has implemented standardized sampling platforms for rooftop hazardous waste exhaust treatment systems, ensuring that emission sampling processes meet criteria for accuracy, reliability, and repeatability.

Our hazardous and fixed waste classification storage and compliance processing rate reached **100%**

In regard to hazardous waste, the Group aims to maintain a 100% compliance rate in handling hazardous waste and gradually reduce the emission of hazardous waste per unit. It strictly adheres to the *Regulations on the Management of Hazardous Waste* to establish a sound management system and procedures for hazardous waste management and supervises and assesses related waste management tasks. The Group strictly implements a chemical management system in daily production inspections, with third-party compliance audits validating operational adherence. Newly constructed laboratories are equipped with leak-proof designs to systematically prevent environmental risks. During the Reporting Period, our hazardous and fixed waste classification storage and compliance processing rate reached 100%.

Case Smart Construction Site System Monitors Pollutants in Real Time

In 2024, the Group has fully launched the smart construction site system for the Hunan and Luoyang projects. The smart construction monitoring platform provides real-time surveillance of micro climatic parameters (including temperature and humidity) and air quality indices such as PM2.5, PM10 concentrations, fugitive dust emissions, and noise exposure levels. Integrated threshold-triggered alert mechanisms enable immediate notification of regulatory excrescences, which is conducive to relevant staff to quickly take pollution prevention and control measures.



Hunan and Luoyang Smart Construction Site System

At the same time, the Company integrated environmental protection concepts into employee training, continuously enhancing the professional competence and ecological awareness of personnel.

Case Sinopharm Xingsha Conducts Multiple Environmental Training

In 2024, Sinopharm Xingsha institutionalized a sustainable development philosophy, implementing multi-tiered environmental competency programs. This strategic initiative systematically elevates employees' environmental awareness and technical proficiency. During the Reporting Period, Sinopharm Xingsha organized environmental training for new employees, cleaner production audit training, standardized hazardous waste management training, emergency response training for sudden environmental incidents, and public awareness campaigns on energy conservation and emission reduction. With a total of 773 person-times trained throughout the year, these activities have laid a solid foundation for the Company's green development and the enhancement of its environmental management system.



Sinopharm Xingsha Conducts Environmental Training for New Staff



Guorui Pharmaceutical Organizes Cleaner Production Audit Training Program

Advocating Green Office

The Group advocates for green office methods, integrating green concepts into daily office activities through various measures such as carrying out anti-waste activities, strengthening resource conservation supervision, and optimizing energy-saving equipment.

During the National Energy Conservation Promotion Week and National Low Carbon Day, the Group actively carried out low-carbon promotion activities such as energy conservation, emission reduction, efficiency enhancement, and consumption reduction using the Company's outdoor screens and office hall promotional screens; posted reminder diagrams of water conservation, electricity conservation and the advisory ranges of air-conditioning temperature; modified the top lights of fire stairs by using voice-activated lights; implemented double-sided printing of documents in daily office work; to address the phenomenon of food waste, implemented the practice of using CDs by posting posters, launched lightweight packages, and encouraged packaging. In addition, the Company property management personnel are also arranged to patrol the building, check whether there are any unmanned areas with lights constantly on and water flowing in the building, and turn off water and electricity in a timely manner. In order to effectively promote energy conservation and build resource-saving and environmentally friendly enterprises, the Group continued to replace hardware facilities in office areas, use induction faucets, and renovate high-power-consuming lighting equipment.

The Group optimizes the management of office vehicles by reducing the number of official vehicles, standardizing vehicle management, and planning vehicle routes reasonably, to improve vehicle efficiency and reduce greenhouse gas emissions. The Group strictly managed and used vehicles in daily operations in accordance with the *Management of Official Vehicles* and the *Regulations on the Use of Official Vehicles*. Due to the nature of its operations involving a large-scale vehicle fleet, the Group continuously optimizes exhaust emission controls and fuel consumption management measures to reduce energy costs and greenhouse gas emissions.

Sinopharm conducts energy conservation and environmental protection awareness education and training programs through multiple channels, online and offline, while subsidiaries simultaneously strengthen policy interpretation and regulatory compliance training to ensure employees fully grasp relevant standards and compliance requirements.

To promote the philosophy of energy conservation, emissions reduction, and green operations, and to build a robust low-carbon operational environment, Sinopharm has issued the *Circular on Energy Conservation and Consumption Reduction*. This document advocates and regulates green office practices across three key areas: electricity conservation, water conservation, and material savings, with randomized inspections and internal circulars to ensure full implementation of sustainable workplace measures.

Sinopharm - Circular on Energy Conservation and Consumption Reduction

Electricity Conservation

- Use lighting reasonably, adhere to the principle of "turn on one less light, save one kilowatt-hour of electricity", and put an end to the phenomenon of "lights always on" and "no one on". Make sure to "turn off the power when you leave", and be sure to turn off the power of lights, air conditioners, computers, printers and other equipment when you leave work.
- According to the season and actual needs, adjust the air-conditioning temperature reasonably: $\geq 26^{\circ}\text{C}$ (summer) / $\leq 20^{\circ}\text{C}$ (winter).
- It is strictly forbidden to use high-power electrical appliances such as electric heaters that may pose safety hazards.

Water Conservation

- Prevent "always-flowing water" and make sure the water stops when people leave.
- Use water supply facilities correctly and take good care of water-using equipment (faucets, water dispensers, etc.); if you find any water supply facilities are damaged, you should report them for repair immediately.

Saving Materials Like Paper

- Implement paperless office operations by fully utilizing digital tools such as Office Automation (OA) systems, WeCom, and email platforms.
- All documents shall be printed double-sided by default; color printing access shall be strictly controlled and limited to essential purposes only.

Case

Energy Conservation and Environmental Protection Culture Construction



During the Reporting Period, the Group actively promoted environmental protection knowledge through various channels such as publicity campaigns and training, creating a green and eco-friendly cultural atmosphere. Subsidiaries also contributed by posting awareness posters, playing educational videos, and other means to enhance employees' awareness of energy conservation and environmental protection, as well as to disseminate professional knowledge related to energy-saving and environmental protection.



Sinopharm Xingsha Energy Conservation Awareness Week Cultural Construction



Guorui Pharmaceutical Distributed Eco-friendly Bags to Employees

04

Putting People First, Upholding an Inclusive Workplace

Talent serves as the core driving force for corporate sustainable development and the strategic cornerstone for consolidating competitive advantages. We adhere to the "people-oriented" philosophy, establish equitable talent selection mechanisms, foster a safe, equal and inclusive workplace environment, build a clear career development system, fully unleash employees' innovative potential, and realize mutual growth and win-win collaboration between the enterprise and its workforce.

Highly material issues addressed in this chapter:

- Employee Rights & Welfare

Highlights in this chapter:

- Employee training coverage rate: **100%**, with average training hours per capita: **50.8 hours**
- Sinopharm anti-discrimination and anti-harassment training coverage rate: **100%**
- Number of companies certified with ISO 45001 Occupational Health Management System: **90**
- Assisted nearly **4,000** employees in need, with allocated assistance funds totaling nearly RMB **2million**



Employee Rights Protection

The Group upholds the principle of equal talent development, implements the philosophy of mutual growth and achievement between the enterprise and employees, and fosters an open and inclusive work environment. We are committed to establishing and rigorously enforcing comprehensive employee rights protection mechanisms, opposing employment discrimination, while ensuring employee rights through scientific compensation incentive mechanisms and a comprehensive benefits system.

Equal Employment

We strictly comply with laws and regulations including *Labor Law of the People's Republic of China*, *Labor Contract Law of the People's Republic of China*, *Law of the People's Republic of China on Safeguarding the Rights and Interests of Women*, *Law of the People's Republic of China on the Protection of Minors*, *Provisions on the Prohibition of Using Child Labor*, and *Regulation on the Employment of the Disabled*, and have established management systems such as Recruitment and Employment Management Procedures covering recruitment/dismissal, equal opportunities, diversity, anti-discrimination, and working hours to regulate recruitment principles and processes. In 2024, we continued optimizing the cadre selection, cultivation, management and appointment mechanisms, further standardizing and institutionalizing cadres management and supervision procedures. During the Reporting Period, the Group had no incidents of legal or regulatory violations.

We adhere to the recruitment principles of "internal-external integration, fair competition, merit-based selection, and optimal hiring", comply with international standards including the *Universal Declaration of Human Rights*, resolutely oppose discrimination based on gender, nationality, race, religious belief, sexual orientation, marital status or other factors, legally verify employee information, and strictly prohibit any occurrence of child labor or forced labor. In accordance with national laws, we have established multiple attendance systems for employees in different positions based on job nature, including the standard working hour system (maximum daily working hours not exceeding 8 hours), comprehensive calculation-based working hour system, and flexible working hour system. Furthermore, we explicitly stipulate that employees may terminate labor contracts at any time if the company employs violence, threats, or illegal restrictions on personal freedom to coerce labor, or violates the *Labor Contract Law of the People's Republic of China*. Any identified violations shall be strictly addressed through established procedures with disciplinary actions imposed on responsible personnel. During the Reporting Period, the Group had no incidents of child labor or forced labor employment.

Case Workplace Etiquette Training



In 2024, we implemented specialized training on workplace anti-harassment and anti-discrimination through workplace etiquette courses delivered via an online-offline hybrid approach. The Group conducted 50 workplace etiquette and compliance training sessions totaling 76.1 training hours, with cumulative participation reaching 1,946 employees trained.



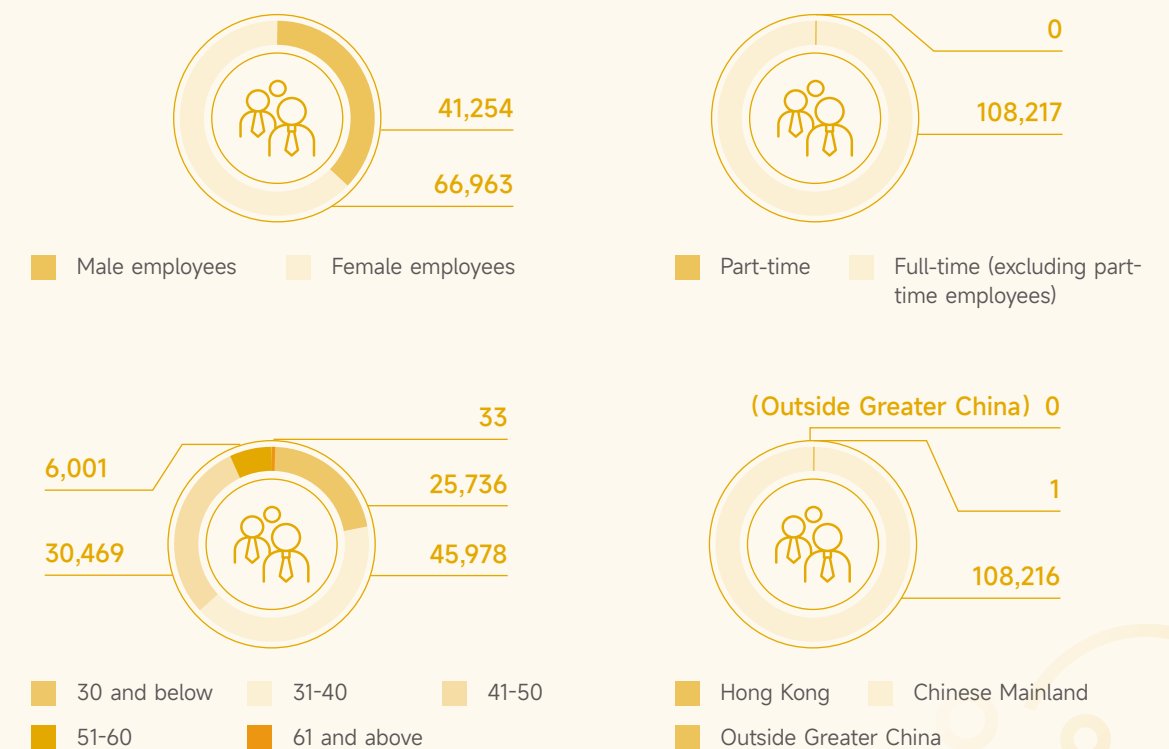
2024 51job "Outstanding Employer" Award



2024 Liepin "Outstanding Contribution to Human Resources" Award

In 2024, we continued building comprehensive recruitment channels and actively participated in various talent exchange fairs and recruitment events to attract young talents and high-end professionals. Additionally, we proactively fulfilled the social responsibility of central SOEs in promoting employment development by recruiting 1,292 university graduates of 2024, injecting substantial outstanding talents and innovative vitality into the enterprise.

The total workforce reached 108,217 employees, with headcount distribution by gender, employment category, age group and region as follows:





Female representation in senior management

30.07%

Female representation in management at

46.12%



Ethnic minority employees totaled

7,697

Accounting for

7.1% of the workforce

Salary and Benefits

In 2024, the Group recruited **60** new employees with disabilities

As of the end of the Reporting Period, the Group employed **500** persons with disabilities

To better attract, motivate and retain corporate talents, we have established a comprehensive and industry-competitive compensation and benefits system, formulated regulations including the *Compensation Management Regulations*, with equal pay for equal work as the fundamental principle to ensure standardized and equitable compensation distribution. Furthermore, we strictly implement national statutory leave policies, guaranteeing employees full access to annual leave, personal leave, sick leave, marriage leave, maternity leave, parental leave, and all statutory holidays. In accordance with updates to national laws and regulations, we have promptly revised provisions regarding leave durations such as maternity leave and parental leave in the *Attendance and Leave Management Procedures*, thereby safeguarding the rights of female employees.

Simultaneously, we actively cultivate a diverse, equitable and inclusive workplace atmosphere. During the Reporting Period, the Group had no overseas employment engagements. We prioritize employees with disabilities by maintaining a workforce inclusion rate of no less than 1.5 total employees, while providing full contributions to the five social insurances and one housing fund as well as annual care funds for disabled employees in compliance with local regulations. In 2024, the Group recruited 60 new employees with disabilities. As of the end of the Reporting Period, the Group employed 500 persons with disabilities. We also focus on ethnic minority employees, encouraging cross-cultural integration and respectful communication while fully honoring diverse ethnic cultures and living customs. In multi-ethnic regions such as Xinjiang and Ningxia, we operate halal canteens that accommodate dietary requirements of ethnic minority employees while delivering warm dining services to enhance their workplace well-being.

Democratic Communication

The Group prioritizes the Employees' Congress system to address employee needs and ensure unimpeded communication channels. Employees may submit requests through face-to-face communication, telephone communication, internal office systems, or consult/raise issues via online platforms including the employee self-service portal.

The Company has established comprehensive employee grievance, complaint and reporting mechanisms. Employees may or provide feedback through channels such as the CEO mailbox, email, labor union, Employees' Congress, and consultative meetings. The Company strictly prohibits retaliation to effectively protect the rights of complainants and whistleblowers from infringement.

Case

Sinopharm 2024 Employee Consultative Meeting



In January 2024, Sinopharm convened its 2024 Employee Consultative Meeting. During the consultation session, the company's labor union groups proposed recommendations on optimizing corporate governance, improving working environments, enhancing professional competencies, and strengthening service support. Attending executives and department heads provided point-by-point responses to employees' urgent and difficult concerns, and initiated follow-up implementation plans.



Sinopharm Employee Consultative Meeting

Promoting Talent Development

Career Development

The Group places paramount emphasis on employee career development, dedicating efforts to build a robust career development system that provides diversified growth opportunities and platforms. Through continuous optimization of the talent development ecosystem, we ensure alignment between employee competencies and corporate growth demands, thereby achieving synchronized organizational-individual advancement and value co-creation.

The Company continuously refines promotion and evaluation mechanisms, establishing *Employee Training Management Regulations*, *Headquarters Employee Grade Promotion Management Regulations*, *Reserve Talent Development Program*, *Management Measures for Senior Executives of Subsidiaries and Middle Managers of Headquarters*, and *Temporary Assignment Management Regulations* to provide equitable career advancement pathways. We conduct quarterly and annual employee performance evaluations. During the Reporting Period, aligned with corporate development objectives, the Company continued optimizing assessment methodologies and rigor, refined evaluation criteria and year-end bonus allocation mechanisms, intensified incentives for high-performing employees, thereby fully mobilizing workforce initiative and creativity.



2024 executives and employees performance evaluation coverage rate

100%

During the Reporting Period, we continued to advance competency modeling for key positions. Focusing on the four dimensions of "knowledge and experience, work performance, capabilities and qualities, and personality traits," we defined job objectives and responsibilities for key positions to establish competency models. Differentiated assessment indicators were developed for employees at various levels and positions, forming a more targeted evaluation system. We maintained timely updates to quarterly assessment data, organized evaluation implementation, enhanced the fairness and effectiveness of assessments, and effectively leveraged the incentivizing role of performance evaluations. Additionally, we optimized human resource allocation and continued to build talent pools across different professional levels. Adhering to the "dual-driver" cultivation system that combines "knowledge accumulation" with "practical experience," we promoted the deployment of reserve talents and internal mobility, ensuring the healthy and sustainable development of our talent pipeline.

Talent Cultivation

To effectively enhance employees' knowledge reserves and skill accumulation, we formulated a comprehensive talent development strategy and established a robust training system based on this foundation, including mechanism safeguards, resource development, and program operations.

The Group Training Ecosystem



1 session of the Flying Eagle Financial Director Training Program

4 sessions of the Soaring Eagle Program for middle-level managers

4 sessions of the Elite Eagle Series Program for key employees

In 2024, we continued to advance the cultivation of management talents and professional talents. Through course development, training organization, and employee rotation exchanges, we further enhanced employees' management and operational capabilities, accelerated talent growth, provided talent reserves for the company's business development, and enabled employees to better adapt to and understand the company's strategic direction. During the Reporting Period, the Group organized the "Eagle Series" professional talent development programs, including 1 session of the Flying Eagle Financial Director Training Program, 4 sessions of the Soaring Eagle Program for middle-level managers, and 4 sessions of the Elite Eagle Series Program for key employees, all conducted through centralized training to unify operational thinking and enhance professional competencies.

Cultivation Type	Cultivation Purpose	2024 Training Status
Management Talent Cultivation (Reserve Talent Cultivation)	Promote the management talent echelon development for Sinopharm and its subsidiary companies	Training content covers leadership, team building, etc., accompanied by online class meetings and book analysis activities. As of the end of 2024, the talent pool totals 1,708 individuals
Professional Talent Cultivation	Conduct high-quality training programs based on business line requirements to strengthen professional talent development	Organized 59 professional-line training sessions with approximately 330,000 participations. Content covered business lines including quality, operations, safety & environmental protection, finance, HR, procurement, IT, audit, and data management

Case Sinopharm University-Enterprise Joint Talent Cultivation Program



We extensively select high-quality resources, expand channels for academic education, and actively promote the "Master's Program in Sinopharm - Part-time Master's Program at Renmin Business School," organized by CNPGC. In 2024, over 100 employees from Sinopharm participated in this program. This collaborative education initiative organically integrates the university's continuing education with corporate training, leveraging the strengths of both parties to innovate cooperation models, thereby directly and effectively supporting corporate development and enhancing employees' competencies.

Case Sinopharm Professional Pharmacist Training



To enhance the pharmaceutical expertise and service capabilities of pharmacists at Sinopharm's SPS+ Professional Pharmacies and improve store service quality, Sinopharm launched the "SPS+ Professional Pharmacy Pharmaceutical Care Services" initiative. This included the creation of the "Psoriasis Series" (10 courses) and the "Hypertension Series" (18 courses), covering disease overviews, medication knowledge, and key pharmaceutical care practices. Three phases of Sinopharm starred pharmacist certification project were organized, with 720 certifications issued. As of the end of the Reporting Period, the Group had over 10,000 licensed pharmacists.

Case Sinopharm Hosts Jingying Phase II Procurement Manager Training Program



In August 2024, Sinopharm conducted the "Jingying Phase II" procurement manager training program, focusing on themes such as modern pharmaceutical supply chain management, cost control, and strategic procurement. The training was delivered through formats including thematic lectures, case studies, and interactive workshops.



Sinopharm "Jingying Phase II" Procurement Manager Training Program

the Group developed
441 online courses

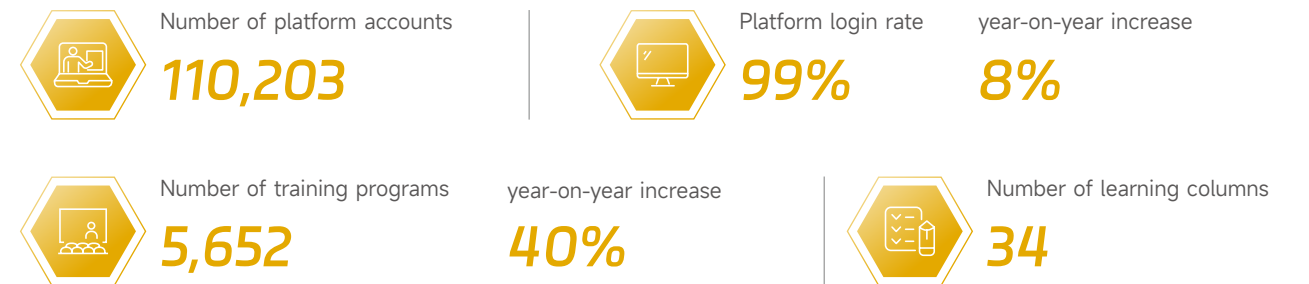
representing a year-on-year increase of
54.19%

The Group regularly conducts training needs and effectiveness surveys. At the end of each year, we collect departmental requirements through face-to-face interviews and online surveys, formulate annual training plans accordingly, and communicate progress updates with departments mid-year. Additionally, post-training satisfaction surveys are administered to gather employee feedback for timely course optimization.

In 2024, the Group developed 441 online courses (including 354 self-developed/ collaborative courses and 87 externally sourced), representing a year-on-year increase of 54.19%. To refine the internal trainer development mechanism, we launched the "Golden Sunflower National Lecturer Certification Program" and conducted the "Engaging Pedagogy - Guided Curriculum Design" specialized training (36 participants). Leveraging the annual Teachers' Day brand initiative "Return of the Great Sage," we hosted the 2024 National Internal Trainer Offline Symposium (79 participants).

Building on course development, we enhanced the "Sinopharm Cloud Learning" online platform by updating 11 existing modules and adding 8 new ones, achieving an 8% year-on-year growth in user login rates. The Group also developed and deployed a "Training Data Dashboard," which visualizes training metrics through digital displays, including terminal usage statistics, annual login counts, and self-developed course rankings, thereby enhancing data transparency and stimulating employee learning engagement.

2024 Annual Development Status of "Sinopharm Cloud Learning" Online Learning Platform:



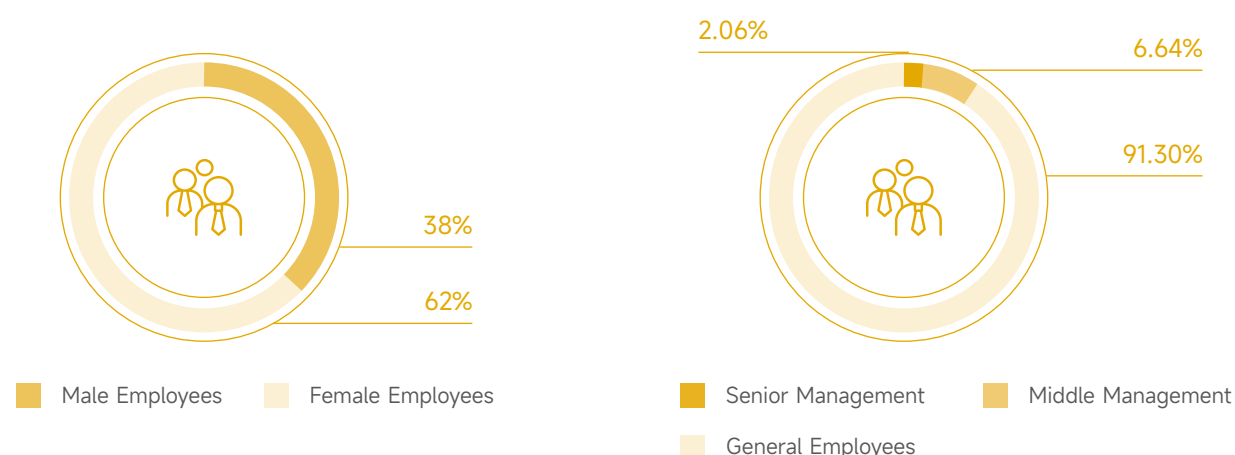
The 3rd Digital Intelligence Guanghua Cup "Excellence in Digital Learning Operations Award"

Additionally, the Company continues to strengthen industry-academia-research collaboration, maintaining robust thematic partnerships with medical schools and universities in talent cultivation, consistently advancing industry-education integration. Simultaneously, we provide employees with academic advancement resources, with nearly 100 employees participating in on-the-job master's programs. During the Reporting Period, we implemented the Engineering Master's and Doctoral Joint Cultivation Program, with 1 employee has been admitted to the part-time doctoral program.

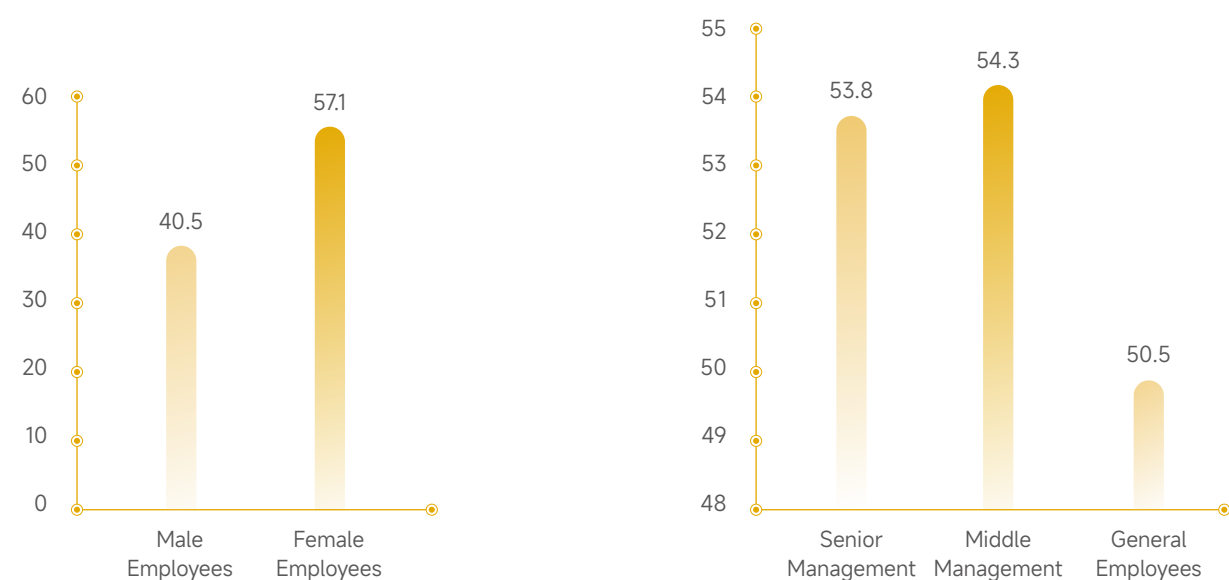
In 2024



Training participation percentages by gender and employee category:



Average training hours per employee by gender and employee category:



Occupational Health Protection

The Group consistently prioritizes employees' occupational health and safety, continuously improving occupational health and safety management standards to ensure the safety of production environments. By establishing a safety management system, conducting regular safety training, and strictly implementing safety measures, we guarantee that employees work in safe and healthy conditions, thereby consolidating the foundation for the enterprise's sustainable development.

Occupational Health Management

with **90** companies obtaining ISO 45001 certification

with the number of newly reported occupational disease cases remaining at **0** during the Reporting Period

To safeguard employees' occupational health, the Group strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* conducting regular occupational disease risk inspections at workplaces. We continue advancing the occupational health and safety management system development, with 90 companies obtaining ISO 45001 certification. Through occupational health surveys and workplace occupational hazard factor monitoring, we identify occupational disease risk points, implement intervention and rectification measures for detected hazards, thereby reducing occupational disease incidence risks, improving working environments, and minimizing potential occupational hazards.

The Group is equipped with sufficient health and safety protection facilities, including automated external defibrillators (AED), automatic fire suppression and alarm systems, combustible gas detectors, and anti-electrocution facilities, all of which undergo annual testing and maintenance. Simultaneously, we conduct regular occupational health checkups for employees, with the number of newly reported occupational disease cases remaining at 0 during the Reporting Period.

Additionally, we operate the "Sinopharm Health Lecture Series," organizing regular health seminars that invite authoritative experts to provide detailed explanations on practical knowledge areas such as workplace health and common disease prevention, thereby enhancing employees' self-care awareness.



Case Sinopharm Jiangsu Conducts Occupational Health and Safety Training



In May 2024, Sinopharm Jiangsu organized the "Occupational Health and Safety" training program. The Occupational Health Expert Director demonstrated emergency response protocols through real-world case studies and hands-on drills, while disseminating scientific knowledge on epidemic prevention, common occupational disease prevention, and emergency management methods.



Sinopharm Jiangsu Conducts "Occupational Health and Safety" Training

Protecting Mental Health

The Group also prioritizes employees' mental health by continuously implementing the Employee Assistance Program (EAP). The EAP includes salon activities, mental health check-ups, on-site counseling sessions, and remote one-on-one coaching, all designed to help employees alleviate psychological stress, resolve mental health issues, and foster healthy, harmonious, and comprehensive development for both the enterprise and its workforce.

Case Sinopharm Anhui Organizes EAP Activities for Young Employees



In 2024, Sinopharm Anhui conducted the "Walk with Sunshine, Safeguard the Soul" themed EAP activities for young employees. Through expert-led sessions, psychological counseling, and interactive games, these initiatives aimed to elevate employees' mental health awareness.



Sinopharm Anhui Organizes EAP Activities for Young Employees

Work Safety Management

The Group steadfastly adheres to the work safety principle of "Safety First, Prevention Foremost, Comprehensive Governance," continuously refining the work safety management system and strengthening resource allocation for safety initiatives. During the Reporting Period, we formulated the *Standardization Guidance Manual and Assessment Criteria for Work Safety in Pharmaceutical Logistics*, enhancing institutional frameworks across multiple dimensions including "regulatory compliance, practical feedback, and risk prevention." We rigorously verified the qualifications of "four personnel categories" at critical operational junctures and consolidated team-level safety development. Concurrently, we reinforced the

work safety accountability mechanism, achieving full compliance with the Group's Work Safety Responsibility Agreement signing during the Reporting Period. We implemented rigorous tracking evaluations of subsidiaries aligned with work safety objectives, establishing a "comprehensive horizontal and vertical responsibility network" to ensure timely rectification of identified issues.

To effectively mitigate safety risks, the Group has established a dual prevention mechanism of "risk pre-control and hazard prevention," implementing categorized management of production subsidiaries based on risk levels. In 2024, the Group quarterly reported hazard identification data through the Work Safety Statistical System, precisely identifying 10,570 hazard sources. Refined control measures were implemented according to risk levels, successfully preventing major safety incidents proactively and ensuring robust risk governance. During the Reporting Period, no major production safety accidents occurred.

In 2024, the Group strengthened its traffic safety management and established relevant systems and norms, with particular emphasis on the construction of a digital platform for transport vehicle safety. Through the implementation of the installation of anti-fatigue driving systems in subsidiaries at all levels and the enhancement of information-based equipment such as the intelligent monitoring system, the Group realized instant monitoring and risk warning of transport vehicles, which significantly enhanced the safety of the transportation process and provided solid production safety through the empowerment of science and technology.

During the Reporting Period, the Group:



Second-tier subsidiaries' Work Safety Responsibility Agreement signing rate

100%



Safety inspections conducted

11,051



Rectification completion rate

100%

Additionally, we enhance work safety standards through facility and equipment upgrades, intensified specialized inspections, and emergency drills, while advancing safety culture development and educational training to strengthen all employees' safety awareness. Simultaneously, we continuously monitor extreme weather conditions' potential impacts on work safety, initiating corresponding emergency response plans through graded activation based on affected areas and hazard severity levels.

Case Sinopharm Conducts Safety Inspection



In September 2024, Sinopharm Party Committee Deputy Secretary and President Lian Wanyong led a team to conduct safety inspections at several subsidiaries of Sinopharm. The inspections focused on critical areas including pump rooms, equipment rooms, computer rooms, archives, office spaces, and canteens. They assessed the staffing situation in key positions during the National Day holiday and outlined specific requirements for safety production, as well as for the preparation of emergency supplies and distribution services during the holiday period.



Sinopharm Conducts Safety Inspection

Employee Care

The Group allocates several million yuan annually to implement the "Practical Initiatives for Employees" program, prioritizing group cultural and sports activities, employee assistance for those in need, and women employee care initiatives, ensuring tangible implementation of welfare measures. The Company values employee contributions, strives to create a balanced work-life environment, and hosts diverse cultural and sports activities, including the "Joyful Mid-Autumn Celebration" Garden Fair, the "Heartwarming Dumpling Event on Winter Solstice" traditional activity, and the Top Ten Singers Competition. Furthermore, the Company operates an employee fitness center offering weekly fitness classes, regularly organizes badminton, basketball, and football club activities, hosts Shanghai "Shendong Cup" and "Li-Ning Cup" badminton team competitions, and conducts health walking/running campaigns, fostering a comprehensive health-oriented employee culture with full participation.

Enriching Employee Life

The Company values employee contributions, dedicates efforts to fostering a balanced work-life environment, and organizes diversified cultural and sports activities including the "Joyful Mid-Autumn Celebration" Garden Fair, the traditional "Heartwarming Dumplings on Winter Solstice" event, and the Top Ten Singers Competition. Furthermore, the Company operates an employee fitness center offering weekly fitness classes, regularly organizes club activities such as badminton, basketball, and football, hosts Shanghai "Shendong Cup" and "Li-Ning Cup" badminton team tournaments, and conducts health walking/running campaigns, thereby building a healthy, vibrant, and inclusive employee culture while enriching staff lives. In 2024, the Sinopharm Reagent Trade Union was successfully selected as a Shanghai municipal-level "Employee Quality of Life Enhancement" pilot unit.



◀ Sinopharm Employees Participating in Calligraphy & Seal Engraving Workshop



▶ Sinopharm 2024 Annual Employee Health Walk & Run Campaign



▶ Sinopharm Hainan Hosts Inaugural Employee Sports Games

Employee Assistance Programs

The Group continuously advances the "One-Day Charity Donation" initiative, regularly visits and supports employees in need, establishes a mutual support system, and fully safeguards employees' rights and interests. In 2024, the Company provided assistance to nearly 4,000 employees, allocating approximately 2 million yuan in support funds.



Sinopharm Xuzhou "Employees in Need" Care Initiative

Retired Veteran Care

To uphold the Chinese traditional virtue of respecting and caring for the elderly, the Group conducts visits and care initiatives for retired veterans, delivering heartfelt care to senior colleagues, attentively listening to their aspirations and suggestions for the Company, while extending festive greetings and sincere wishes.



Sinopharm Reagent Retired Veterans Care Initiative



Sinopharm Shanxi Retired Veterans Care Initiative



Sinopharm Jiangsu Retired Veterans Care Initiative



Sinopharm Shaanxi Retired Veterans Care Initiative

Female Employee Support

The Group ensures the protection of women's rights while providing equal career development opportunities for female employees and implementing supportive measures in daily management. In 2024, the Company established women-exclusive fitness clubs, organized the "Celebrating 'Us'" Women's Day themed event, and launched specialized initiatives such as the "Guardians of Blooming Years" women's rights protection lectures. Regarding parental leave, the Company adheres to Shanghai's relevant policies, granting both parents 5 days of paid parenting leave annually before their child turns three years old.



Female Employees Participating in Yoga Club Activity



"Celebrating 'Us' | Unique, Not Alone" Women's Day Event



05

Safeguarding Health, Empowering Social Value

The Group steadfastly fulfills corporate social responsibilities, commits to driving high-quality industry development, and builds a sustainable supply chain system to enhance pharmaceutical product accessibility. As a leading enterprise in pharmaceutical logistics, we prioritize safeguarding public health and societal well-being, fully supporting the national healthcare security system development. Through optimizing service capabilities and operational efficiency, we provide convenient and affordable healthcare products and services to broader populations, earnestly executing social responsibilities to foster sustainable development across the industry and society.

Highly material issues addressed in this chapter

- Sustainable Supply Chain Management

Highlights in this chapter:

- Employee volunteer hours: **50,468** hours
- Employees participating in volunteer activities: **6,793**
- Total philanthropic donations: RMB **16.214** million, reflecting a **73.24%** increase



Collaborative Development of Industries

The Group maintains close monitoring of industry trends and developments while actively participating in relevant initiatives. As a leading industry player, we leverage scale advantages and network coverage capabilities to engage in industry forums and standard-setting processes, sharing practical insights to advance holistic industry progress and enhance healthcare accessibility. Concurrently, we adhere to an open collaboration philosophy, partnering with industry stakeholders to foster robust and high-quality development of the healthcare sector, jointly creating enduring societal value.

Leading Industry Development

As a leading enterprise in the pharmaceutical distribution industry, the Group actively engages in policy research and formulation, providing expert recommendations based on industry practices. In 2024, Sinopharm Accord participated in drafting Shenzhen's *Operational Service Standards for Specialized Prescription Pharmacies*, a group operational standard that was approved for development, marking Guangdong Province's first specialized prescription pharmacy operational service standard. Additionally, the Company contributed to multiple national pharmaceutical regulation drafting initiatives, offering professional proposals leveraging decades of operational expertise.

Case Sinopharm Participates in China International Import Expo



In November 2024, as a core subsidiary of CNPGC, Sinopharm attended the CIEE for the seventh consecutive year as a member of the Central State-Owned Enterprise Procurement Delegation. The company forged new partnerships with multiple world-leading life sciences and medical device enterprises, securing intended cooperation agreements totaling over USD950 million. Additionally, Sinopharm signed cooperation framework agreements with Gilead Sciences and Novo Nordisk, inaugurating collaborative ventures. Through its "Partnership for Shared Success, Future through Collaboration" approach, Sinopharm is engaging in extensive global collaborations, introducing cutting-edge international technologies and products to advance high-quality development in healthcare and enhance public health and well-being.



Sinopharm Participates in China International Import Expo

Case Sinopharm Participates in Pharmaceutical Research Initiative



In May 2024, the research project *Application of AI+UDI in Medical Device Adverse Event Monitoring*, initiated by the China Association for Drug Regulation and undertaken by Sinopharm Shanghai Biopharmaceutical Co., Ltd., successfully held its inaugural meeting. The project aims to enhance the efficiency and quality of medical device adverse event monitoring through AI and Unique Device Identification (UDI) technologies, providing innovative solutions for intelligent regulation and automated reporting, thereby advancing the optimization and modernization of China's medical device adverse event surveillance system.



Sinopharm Engages in Pharmaceutical Research Initiative

Win-Win Cooperation

The Group anchors itself as a core industrial chain hub, coordinating with local governments, academic research institutions, and upstream/downstream enterprises to build a collaborative ecosystem. This initiative drives cross-sector synergy, develops a competitive industrial chain system with strategic depth, achieves mutual development success, and facilitates the implementation of the "Healthy China 2030" national strategy.



Sinopharm Forges Strategic Collaboration with Cross-Industry Partners

Supply Chain Management

As the "Pharmaceutical Distribution Industry Integrator," the Group positions sustainable supply chain development at its strategic core. The Group continuously enhances collaborative synergies with upstream and downstream industrial chain partners, optimizes end-to-end operational systems to achieve value co-creation, and collaborates with stakeholders to build a more resilient modern pharmaceutical distribution ecosystem.

Supply Chain Innovation and Development

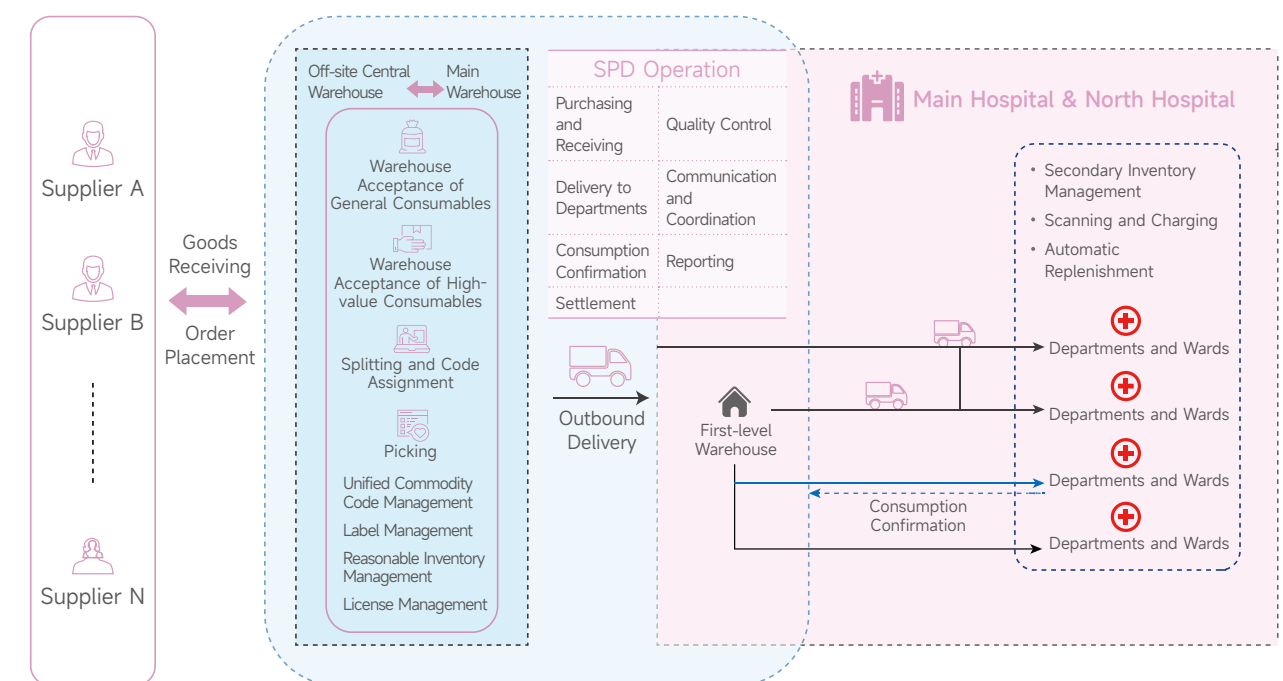
The Group continuously drives innovation and upgrading of its supply chain service system, leveraging pharmaceutical-medical device synergy to establish the SPD model. Through technological empowerment, the Group accelerates development across business sectors including centralized distribution, in-hospital logistics, and intelligent support services.

The SPD model implements "one-code-per-item" management from hospital central warehouses to departmental secondary storage through refined management, full-process traceability, intelligent replenishment, and inventory management systems. This expands governance coverage to all medical consumables while effectively reducing hospital inventory and enhancing the safety, timeliness, and risk resilience of material supply. Concurrently, SPD operators have established a comprehensive lifecycle management mechanism for medical devices, elevating supply chain efficiency and operational quality.

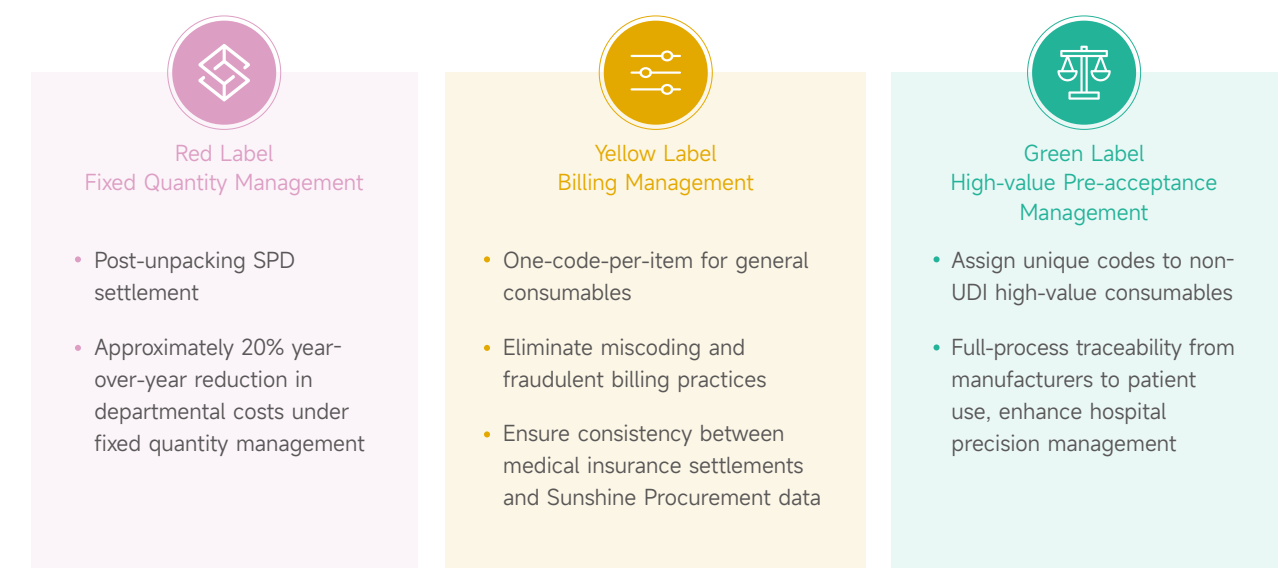
In terms of safety, the SPD model embeds a rigorous quality control system that enforces mandatory management of certification validity periods and authorization chains, thereby reducing medical risks and disputes while ensuring supply timeliness and safety. Simultaneously, through digital platforms and professionalized management, the model effectively reduces human error rates, enhances operational precision, complies with medical insurance billing reforms, expands scan-based payment application scenarios, and comprehensively improves hospital management efficiency.

The SPD model elevates medical product quality and safety while reducing resource waste and carbon emissions through precision controls and intelligent technologies, optimizing social benefits and service coverage. It drives industry standardization and industrial synergy development, supports healthcare reform policy implementation, strengthens hospital infection control systems, enhances corporate operational efficiency and market competitiveness to achieve cost optimization, while providing patients with efficient medical services that shorten wait times and reduce expenses. Ultimately, it creates multi-stakeholder value across environmental protection, social welfare, industrial advancement, corporate growth, and patient benefits.

SPD Model Service Scenario Diagram



Label Types and Functions in SPD Mode



As of the end of the Reporting Period, regarding smart medical device supply chain initiatives:



The Group has expanded smart medical device supply chain projects covering various healthcare institutions across

30 provinces



Total project count increased by **337** compared to the end of 2023

Including **110** new SPD projects

217 new centralized distribution projects for individual hospitals

10 new centralized distribution projects for medical consortia

Six Major Advantages of SPD Model

Product Quality Enhancement

- Achieve refined management
- Full-process traceability
- Intelligent replenishment and inventory management
- Improve supply chain efficiency and management quality

Safety Enhancement

- Rigorous quality control
- Reduce medical risks and disputes
- Ensure timely and safe supply
- Reduce human errors

Environmental & Social Impact Reduction

- Reduce resource waste
- Lower carbon emissions
- Enhance social benefits

Industry Development Promotion

- Promote industry standardization
- Facilitate industrial collaboration
- Support policy implementation
- Strengthen hospital infection control capabilities

Operational Efficiency Improvement

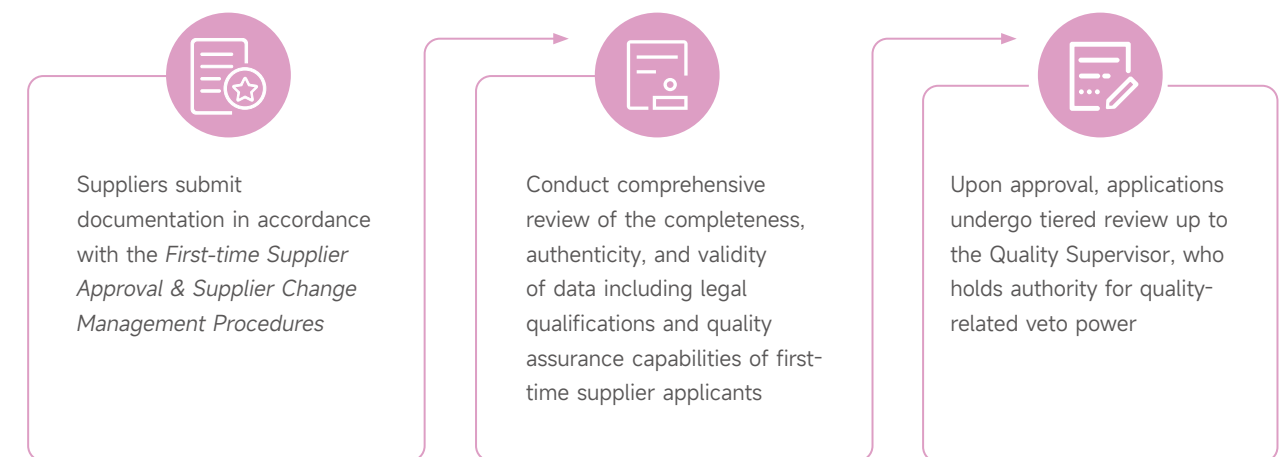
- Increase operational efficiency
- Reduce operational costs
- Minimize manual labor input
- Improve work efficiency
- Enhance market competitiveness

Patient Service Experience Enhancement

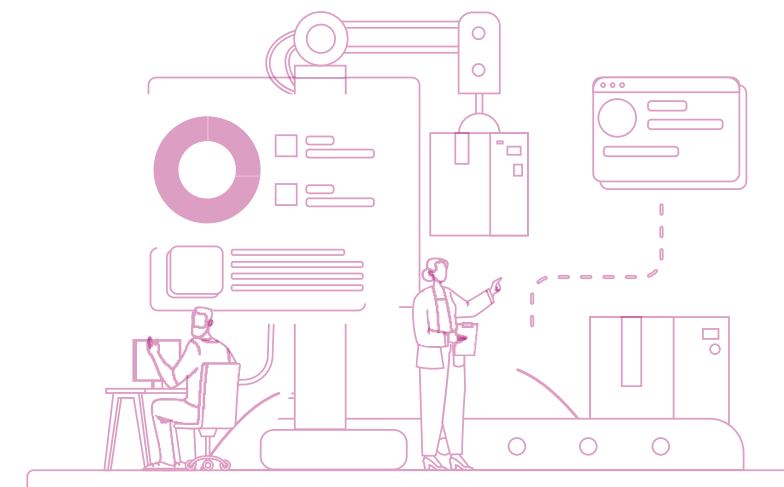
- Improve healthcare service quality
- Shorten waiting times
- Reduce medical expenses

Supply Chain Management System

The Group strictly complies with national and local laws and regulations, regularly updating and implementing procurement management systems including *Procurement Management Procedures*, *Procurement Return Management Procedures*, *Bidding Procurement Regulations*, and *Re-evaluation Management Procedures for Qualified Suppliers*. The Company continuously advances integrated platform development, establishing a closed-loop supplier management mechanism encompassing enterprise qualification verification, quality inspection, secondary review, and risk management. During the Reporting Period, new *Procurement Regulations* and *Trade Business Procurement Management Rules* were introduced, while revisions were made to *First-time Supplier Approval & Supplier Change Management Procedures* and *Supplier Qualification Review System*, strengthening credential verification and background checks for supplier onboarding and modifications. Additionally, CMDC innovatively launched the FLI+ Medical Consumables Data Intelligence Analytics Platform, leveraging SPD medical device supply systems and clinical-supply chain data convergence to deepen supply chain research and industrial practices in clinical settings, driving continuous digital-intelligent transformation of procurement processes.



Sinopharm Supplier Review Process



During the supplier qualification phase, we review suppliers' business licenses, production approvals, product registration certificates, inspection reports, and other credential documents, conducting on-site audits as needed. Building upon this process, we require primary suppliers to additionally provide secondary suppliers' business licenses, permits, and other certification documents to ensure their qualifications, quality standards, and other critical parameters comply with first-time supplier approval and engagement criteria.

In 2024, Sinopharm

During the Reporting Period, the Group engaged



Supplier supervision and review management coverage rate

100%



Suppliers across pharmaceutical, retail, and medical device sectors

45,863



The Group strictly enforces relevant engagement protocols for

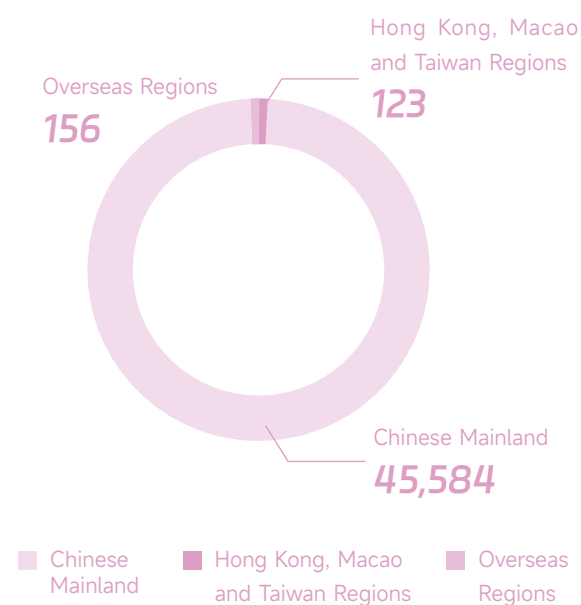
100% of suppliers in accordance with internal regulations



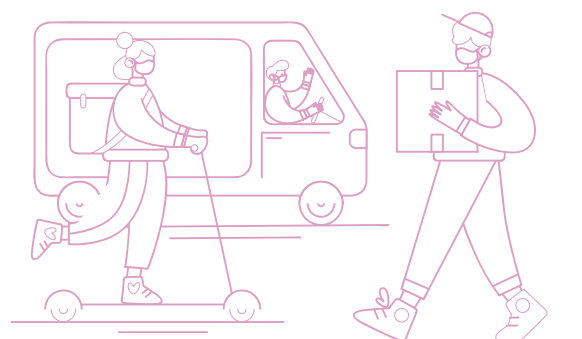
Mainland China-based suppliers accounted for

99.4% of the total

Number of Suppliers



Furthermore, we prioritize supply chain risk management by monitoring risks through measures such as signing quality assurance agreements with suppliers, establishing supplier evaluation systems, and reviewing suppliers' *System Survey Forms*. These efforts reduce the probability of risk events. For identified non-compliance issues, we provide timely feedback and urge suppliers to collaborate on quality and service improvements.



Business Ethics Risks

We strictly prohibit corruption in the supply chain. In accordance with the requirements of the *Compliance Manual*, relevant clauses are included in contracts, or the *Code of Conduct for Business Partners* is established. Anti-corruption and integrity training is actively conducted and promoted.

Safety and Labor Risks

The company strictly fulfills contractual obligations with contractors, ensuring timely and full payment of salaries and equipment/material fees. At the project level, safety responsibility agreements are signed with contractors, their safety production licenses are reviewed, project safety supervision teams are established, daily safety inspections are organized, safety-specific meetings are held, and a safety production responsibility system is implemented to prevent potential risk incidents.

Quality Risks

Based on quality assurance agreements with suppliers, we have established a supplier re-evaluation mechanism to periodically review and identify/evaluate related risks. If substandard pharmaceuticals are identified, they will be managed and destroyed in accordance with the *External Service Provider Management Procedures*, following green and environmentally friendly principles for disposing of non-compliant drug inventories.

Environmental Compliance Risks

We practice responsible procurement principles, prioritizing green and environmentally friendly products and services. Regular supervision and inspections are conducted to monitor suppliers' environmental compliance.

Sustainable Supply Chain Development

We continuously improve our sustainable supply chains, strengthen value chain synergistic effects, drive suppliers to fulfill social responsibilities and advance ESG practices, collaborate with partners to build responsible supply chains, and deliver robust support for the global healthcare industry.

Case

Sinopharm Tianjin Participates in "Green Supply Chain" Themed Salon Event



In 2024, Sinopharm Tianjin participated in the "Green Supply Chain" themed salon event organized by the ESG Committee of the China Pharmaceutical Commerce Association, actively promoting and implementing the concepts and practical experience of green zero-carbon park construction to advance sustainable development goals.



Sinopharm Tianjin delivers a keynote address at the "Green Supply Chain" themed salon

Meanwhile, to further promote green development in the supply chain, we encourage suppliers to actively use eco-friendly, green, and low-consumption materials in cold chain recyclable packaging materials and packaging cartons. Furthermore, the company insists on procuring environmental standard-certified copy paper to minimize environmental impacts from daily office operations.

Active Social Contribution

The Group adheres to the philosophy of "Caring for Life, Safeguarding Health," earnestly fulfilling the social responsibilities of a central state-owned enterprise. We are committed to enhancing the inclusiveness and accessibility of pharmaceutical services by ensuring drug supply security and supporting the national healthcare system development, thereby providing the public with convenient, reliable, and medical services to advance societal health and well-being.

The Group strictly complies with laws and regulations including the *Law of the People's Republic of China on Donations for Public Welfare*, establishing and implementing the *External Donation Management Regulations* to standardize philanthropic activities through governance of donation scopes, budget management, approval processes, implementation oversight, and donation monitoring.

During the Reporting Period, the Group actively participated in public welfare initiatives such as pharmaceutical supply guarantee programs, disability assistance and educational support campaigns, and charitable donations, continuously contributing to social harmony and development.

During the Reporting Period



Securing Pharmaceutical Supply

The Pharmaceutical Supply Guarantee System constitutes a core component of the nation's deepening healthcare reform and serves as a critical pillar within the basic medical and healthcare system. The Group actively responds to national healthcare reform initiatives, prioritizes medication accessibility, and has established a multi-dimensional collaborative supply system. Through product category expansion and operational efficiency enhancement, we have strengthened supply assurance capabilities and fulfilled our responsibility as guardians of public medication safety.

The Group has implemented multiple measures to ensure pharmaceutical supply



Case

Sinopharm Aksu Fully Guarantees the Supply Drugs for Earthquake Relief

In January 2024, Sinopharm Aksu swiftly mobilized its resources to respond to the 7.1 magnitude earthquake that struck Aksu, Xinjiang. The company promptly activated its emergency plans, assumed social responsibility, and coordinated both internal and external resources to provide comprehensive support for earthquake relief. Leveraging its resource advantages, Sinopharm Aksu delivered rescue services and medical assistance to the affected areas. According to preliminary statistics, nearly 200 customers were served in a single day following the disaster, along with the distribution of 2,000 units of conventional and emergency medications. Additionally, Sinopharm Aksu partnered with drug suppliers to donate pharmaceuticals valued at RMB50,000 and other supplies worth over RMB20,000 to the local communities, demonstrating care and compassion for the impacted population.



Sinopharm Aksu Distributes Supplies for Earthquake Relief

Case

Sinopharm Hainan Ensuring Pharmaceutical Supply During Typhoon

In September 2024, when Super Typhoon "Mojie" made landfall in Wenchang, Hainan, Sinopharm Hainan activated comprehensive response protocols to secure medical supply chains. The subsidiary implemented a 24/7 duty system in critical zones, with emergency personnel conducting triage inspections of all "safety checkpoints", "security perimeters", and "emergency access points" to reinforce flood prevention measures prior to the typhoon's arrival. Despite transport disruptions and power grid instability, the company maintained secure storage protocols for cold chain pharmaceuticals and executed timely distribution, thereby ensuring medication integrity and supply chain continuity.



Sinopharm Hainan Emergency Personnel Conducting Building Safety Inspection Prior to Typhoon

Case

Sinopharm Ensuring Pharmaceutical Supply During Extreme Low-Temperature Conditions



In February 2024, multiple regions across the country experienced low-temperature, freezing, and snowy weather conditions. Sinopharm subsidiaries nationwide implemented rigorous accountability protocols and detailed operational measures, sparing no effort to maintain pharmaceutical supply chains while ensuring medication transport safety. Through collaborative reinforcement of pharmaceutical supply lines, the company upheld its central SOE responsibilities in safeguarding critical healthcare infrastructure.



Sinopharm Guizhou Conducting Acceptance Inspection of Incoming Pharmaceuticals Under Extreme Low-Temperature Conditions

Assist in Rural Revitalization

The Group actively implements the series of decisions and deployments made by the higher party committees on rural revitalization, vigorously carries out industrial support, develops special agricultural economy, strengthens the construction of grass-roots party organizations and so on, and seeks development, promotes people's livelihoods, and steadily increases the income of the local people, and purchases agricultural products out of poverty for more than 4,430,000 yuan in the whole year of 2024 and sells and purchases agricultural products on behalf of the Group at a price of 772,700 yuan, contributing central enterprises to the national rural revitalization strategy.

During the Reporting Period, the Group's:



Total philanthropic contributions amounted to

RMB **16.214** million



Investment in rural revitalization assistance RMB

RMB **7.92** million



Representing a year-on-year increase of

73.24%



Investment in designated assistance areas RMB

RMB **2.51** million



Case

Sinopharm Sichuan Advancing Designated Poverty Alleviation Initiatives in Hongqi Village, Wanyuan City



As the designated assistance enterprise for Hongqi Village in Wanyuan City, Sichuan Province, Sinopharm Sichuan has continuously implemented poverty alleviation efforts in the village since 2021. Since then, Sinopharm Sichuan has invested over RMB1.70 million and dispatched two Party-member cadres to serve as First Secretaries in Hongqi Village. The initiatives comprehensively support the village's development across five key areas: industrial support, employment assistance, consumption-driven initiatives, talent cultivation programs, and social conduct transformation.



Sinopharm Sichuan Developing and Implementing Chinese Medicinal Materials Industrial Support Model



Sinopharm Sichuan Establishing the Inspirational Merit Awards and Educational Assistance Program

Appendix

Responsibility Performance Table

A. Environmental Performance¹¹

Category	Indicators	Unit	2023	2024
Emission ¹²	Nitrogen oxides (NOx)	Ton	161.34	148.62
	Sulfur oxides (SOx)	Ton	0.33	0.29
	Particulate matter	Ton	14.91	13.75
	Chemical oxygen demand (COD) *	Ton	0.85	0.54
	Biochemical oxygen demand (BOD) *	Ton	0.48	0.27
	Ammonia nitrogen *	Ton	0.06	0.09
Greenhouse Gas Emissions ¹³	Direct GHG emissions (Scope 1) ¹⁴	Ton CO ₂ e	54,715.05	48,785.71
	Indirect GHG emissions (Scope 2) ¹⁵	Ton CO ₂ e	208,700.22	177,259.36
	Indirect GHG emissions (Scope 3) ¹⁶	Ton CO ₂ e	-	318,336.83
	Total GHG emissions	Ton CO ₂ e	263,415.27	544,381.90
	Direct GHG emissions intensity (Scope 1)	Ton CO ₂ e /person	0.47	0.45
	Indirect GHG emissions intensity (Scope 2)	Ton CO ₂ e /person	1.80	1.64
	GHG emissions intensity	Ton CO ₂ e /person	2.27	2.09

¹¹Data denoted by * correspond to a data collection scope of Sinopharm’s industrial enterprises. The data collection scope for other data is the Group.

¹²NOx, SOx, and particulate matter emissions were from vehicle use of the Group in 2024, and were calculated by referring to the Appendix II of *How to Prepare an ESG Report* published by HKEX.

¹³The calculation of greenhouse gas emissions for the year 2024 was conducted with reference to the *Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (Revised Edition)* (GHG Protocol).

¹⁴Scope 1 greenhouse gas emission sources include gasoline, diesel, and natural gas, with the relevant emission factors based on the *Guidelines on the GHG Emission Accounting and Reporting for Land Transport Enterprises (Trial)*.

¹⁵Scope 2 greenhouse gas emission sources include outsourced power and steam. The outsourced heat emission factors refer to the *Guidelines on the GHG Emission Accounting and Reporting for Land Transport Enterprises (Trial)*, and the outsourced power emission factors refer to the national average carbon dioxide emission factors of *2021 Electricity CO₂ Emission Factor*.

Category	Indicators	Unit	2023	2024
Energy Use	Diesel consumption	MWh	133,209.42	123,263.62
	Gasoline consumption	MWh	71,934.12	57,755.16
	Natural gas consumption	MWh	7,742.94	8,855.72
	Total direct energy consumption	MWh	212,886.48	189,874.50
	Intensity of direct energy consumption	MWh/person	1.84	1.75
	Purchased electricity	MWh	350,224.70	311,247.30
	Purchased heat	MWh	22,644.12	25,868.84
	Total indirect energy consumption	MWh	372,868.82	337,116.14
	Intensity of indirect energy consumption intensity	MWh/person	3.22	3.12
	Total energy consumption	MWh	585,755.30	526,990.64
Resource Use	Intensity of energy consumption	MWh/person	5.05	4.87
	Total amount of water consumption	Cubic meter	917,950.80	869,771.58
	Water consumption intensity	Cubic meter /person	7.92	8.04
	Carton/box*	Ton	3,561.00	2,741.10
	Packing bottle*	Ton	2,482.00	2,037.40
	Total packaging material consumption*	Ton	6,043.00	4,778.50
	Intensity of packaging material consumption*	Ton/person	3.84	3.41
	Total amount of non-hazardous waste	Ton	945.28	691.90
Solid Waste ¹⁷	Non-hazardous waste generation Intensity	Ton/person	0.01	0.01
	Total amount of hazardous waste*	Ton	160.42	159.73
	Hazardous waste generation intensity*	Ton/person	0.11	0.11

¹⁶The accounting boundary for Scope 3 greenhouse gas emissions is defined by the Company. The emission sources include employee commuting and business travel. The emission factor for employee commuting refers to the *Guidelines on the GHG Emission Accounting and Reporting for Land Transport Enterprises (Trial)*, while the emission factor for business travel refers to the carbon emission calculator published by the International Civil Aviation Organization (ICAO) and the China Environmental Extended Input-Output Database (CEEIO).

¹⁷Non-hazardous mainly includes office waste. Hazardous waste mainly includes laboratory waste liquids, waste mineral oil, and waste drugs generated during production and operation activities of the industrial enterprises.

B. Social Performance¹⁸

Category	Indicators	Unit	2023	2024
Employment	Total number of employees	Person	115,959	108,217
	Number of male employees	Person	43,443	41,254
	Number of female employees	Person	72,516	66,963
	Number of full-time employees	Person	115,959	108,217
	Number of part-time employees	Person	0	0
	Number of employees aged 30 and below	Person	32,240	25,736
	Number of employees aged 31-40	Person	47,929	45,978
	Number of employees aged 41-50	Person	29,593	30,469
	Number of employees aged 51-60	Person	6,061	6,001
	Number of employees aged 61 and above	Person	136	33
	Number of employees in Chinese Mainland	Person	115,958	108,216
	Number of employees in Hong Kong	Person	1	1
	Number of total departing employees	Person	21,618	20,888
	Number of male departing employees	Person	6,842	6,479
	Number of female departing employees	Person	14,776	14,409
	Number of departing employees aged 30 and below	Person	8,923	7,073
	Number of departing employees aged 31-40	Person	7,294	6,995
	Number of departing employees aged 41-50	Person	4,043	4,349
	Number of departing employees aged 51-60	Person	1,257	2,153
	Number of departing employees aged 61 and above	Person	101	318

Category	Indicators	Unit	2023	2024
Employment	Number of departing employees in Mainland China	Person	21,618	20,888
	Number of departing employees in Hong Kong	Person	0	0
	Total employee turnover rate ¹⁹	%	15.7	16.2
	Turnover rate of male employees	%	13.6	13.6
	Turnover rate of female employees	%	16.9	17.7
	Turnover rate of employees aged 30 and below	%	21.7	21.6
	Turnover rate of employees aged 31-40	%	13.2	13.2
	Turnover rate of employees aged 41-50	%	12.0	12.5
	Turnover rate of employees aged 51-60	%	17.2	26.4
	Turnover rate of employees aged 61 and above	%	42.6	90.6
	Turnover rate of employees in Chinese Mainland	%	15.7	16.2
	Turnover rate of employees in Hong Kong	%	0.0	0.0
	Signing rate of labor contract	%	100	100
	Signing rate of collective contract	%	56.1	56.10
Occupational Health and Safety	New occupational disease cases	Person	1	0
	Total investment in workplace safety	RMB 10,000	7,727	7,267.36
	Participants in occupational health and safety training	Person-time	431,086	523,346
	Participants in emergency drills	Person	51,812	57,031
	Number of work-related fatalities **	Person	0	0
	Rate of work-related fatalities ** ²⁰	%	0	0
	Number of work-related fatalities over the past three years **	Person	0	0
	Rate of work-related fatalities over the past three years **	%	0	0
	Lost workdays due to work injury	Day	11,848	13,450

¹⁸Data denoted by ** correspond to a data collection scope of the Company. The data collection scope for other data is the Group.

¹⁹Starting from 2024, the formula for calculating the employee turnover rate is revised to: Turnover rate of employees in each category = number of leaving employees in the category /total number of employees in the category * 100%; due to the updating of the methodology, the employee turnover rate for 2023 has been adjusted retrospectively by the same caliber.

²⁰Rate of work-related fatalities= number of work-related fatalities /number of employees*100.

Category	Indicators	Unit	2023	2024
Employees' Training	Total employees trained	Person	115,959	108,217
	Training rate of employees	%	100	100
	Number of male employees trained	Person	43,443	41,254
	Number of female employees trained	Person	72,516	66,963
	Number of senior management trained	Person	2,406	2,228
	Number of middle management trained	Person	7,796	7,189
	Number of staff trained	Person	105,757	98,800
	Training rate of male employees	%	37.5	38.1
	Training rate of female employees	%	62.5	61.9
	Training rate of senior management	%	2.1	2.1
	Training rate of middle management	%	6.7	6.6
	Training rate of staff	%	91.2	91.3
	Average training hours of employees	Hour	64.9	50.8
	Average training hours of male employees	Hour	44.6	40.5
	Average training hours of female employees	Hour	77.0	57.1
	Average training hours of senior management	Hour	41.2	53.8
	Average training hours of middle management	Hour	51.8	54.3
	Average training hours of staff	Hour	66.3	50.5
Supply Chain Management	Total number of suppliers	/	40,364	45,863
	Number of suppliers in Chinese Mainland	/	40,248	45,584
	Number of suppliers in Hongkong, Macao and Taiwan	/	31	123
	Number of overseas suppliers	/	85	156
	Rate of suppliers implementing internal regulations	%	100	100

Category	Indicators	Unit	2023	2024
Quality Management**	Number of recalled products for safety and health reasons	Batch	157	0
	Percentage of total products recalled for safety and health reasons	%	0.249	0
	Number of products and service related complaints received	Case	0	0
	Customer satisfaction	%	98.87	99.57
Anti-Corruption	Number of concluded legal cases regarding corrupt practices	Case	0	0
	Participants in anti-corruption training	Person-time	115,959	108,217
Community Investment	Total hours of volunteer activities	Hour	49,648	50,468
	Participants of volunteer activities	Person-time	5,238	6,793
	Total amount of donations	RMB 10,000	935.92	1,621.40

HKEX ESG Reporting Guide Content Index

A. Environmental

General Disclosure & KPI		Indicator Description	Relevant Chapter
Aspect A1: Emissions			
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 emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green Operations, Addressing Climate Change: Environmental Management System
KPI	A1.1	The types of emissions and respective emissions data.	Green Operations, Addressing Climate Change: Green Operations Appendix: Responsibility Performance Table
	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).	Green Operations, Addressing Climate Change: Green Operations Appendix: Responsibility Performance Table
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Operations, Addressing Climate Change: Green Operations Appendix: Responsibility Performance Table
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Operations, Addressing Climate Change: Green Operations Appendix: Responsibility Performance Table
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	Green Operations, Addressing Climate Change: Environmental Management System, Green Operations
	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.	Green Operations, Addressing Climate Change: Green Operations
Aspect A2: Use of Resources			
General Disclosure		Policies on the efficient use of resources, including energy, water and other raw materials.	Green Operations, Addressing Climate Change: Green Operations
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).	Green Operations, Addressing Climate Change: Green Operations Appendix: Responsibility Performance Table

General Disclosure & KPI		Indicator Description	Relevant Chapter
KPI	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Green Operations, Addressing Climate Change: Green Operations Appendix: Responsibility Performance Table
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Featured Topic: Advancing Green Logistics to Build an Ecological Barrier for Healthy China Green Operations, Addressing Climate Change: Green Operations
	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.	Green Operations, Addressing Climate Change: Green Operations
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Appendix: Responsibility Performance Table
Aspect A3: The Environment and Natural Resources			
General Disclosure		Policies on minimising the issuer's significant impacts on the environment and natural resources.	Green Operations, Addressing Climate Change: Green Operations
KPI	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Operations, Addressing Climate Change: Green Operations
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.	Green Operations, Addressing Climate Change: Addressing Climate Change
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.	Green Operations, Addressing Climate Change: Addressing Climate Change

B. Social

General Disclosure & KPI		Indicator Description	Relevant Chapter
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.	People-Centered Approach to Uphold an Inclusive Workplace: Employee Rights Protection

General Disclosure & KPI		Indicator Description	Relevant Chapter
KPI	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	People-Centered Approach to Uphold an Inclusive Workplace: Employee Rights Protection Appendix: Responsibility Performance Table
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix: Responsibility Performance Table
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.	People-Centered Approach to Uphold a Inclusive Workplace: Health and Safety
KPI	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the Reporting year.	Appendix: Responsibility Performance Table
	B2.2	Lost days due to work injury.	Appendix: Responsibility Performance Table
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	People-Centered Approach to Uphold an Inclusive Workplace: Health and Safety
Aspect B3: Development and Training			
General Disclosure		Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	People-Centered Approach to Uphold an Inclusive Workplace: Promoting Talent Development
KPI	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	People-Centered Approach to Uphold an Inclusive Workplace: Promoting Talent Development Appendix: Responsibility Performance Table
	B3.2	The average training hours completed per employee by gender and employee category.	People-Centered Approach to Uphold an Inclusive Workplace: Promoting Talent Development Appendix: Responsibility Performance Table
Aspect B4: Labour Standards			
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.	People-Centered Approach to Uphold an Inclusive Workplace: Employee Rights Protection
KPI	B4.1	Description of measures to review employment practices to avoid child and forced labour.	People-Centered Approach to Uphold an Inclusive Workplace: Employee Rights Protection
	B4.2	Description of steps taken to eliminate such practices when discovered.	People-Centered Approach to Uphold an Inclusive Workplace: Employee Rights Protection

General Disclosure & KPI		Indicator Description	Relevant Chapter
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure		Policies on managing environmental and social risks of the supply chain.	Caring for health, Empowering Social Value: Supply chain management
KPI	B5.1	Number of suppliers by geographical region.	Caring for health, Empowering Social Value: Supply chain management Appendix: Responsibility Performance Table
	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.	Caring for health, Empowering Social Value: Supply chain management Appendix: Responsibility Performance Table
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Caring for health, Empowering Social Value: Supply chain management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Caring for health, Empowering Social Value: Supply chain management
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.	Quality as a Priority, Driving Innovation and Development: Product Quality Management, Customer Rights Protection
KPI	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality as a Priority, Driving Innovation and Development: Product Quality Management Appendix: Responsibility Performance Table
	B6.2	Number of products and service related complaints received and how they are dealt with.	Quality as a Priority, Driving Innovation and Development: Customer Rights Protection Appendix: Responsibility Performance Table
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Quality as a Priority, Driving Innovation and Development: Technology-Driven Innovation
	B6.4	Description of quality assurance process and recall procedures.	Quality as a Priority, Driving Innovation and Development: Product Quality Management
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Quality as a Priority, Driving Innovation and Development: Customer Rights Protection

General Disclosure & KPI		Indicator Description	Relevant Chapter
Aspect B7: Anti-corruption			
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.	Prioritizing Responsibility, Strengthening the Foundation of Governance: Compliance Management
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.	Prioritizing Responsibility, Strengthening the Foundation of Governance: Compliance Management Appendix: Responsibility Performance Table
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Prioritizing Responsibility, Strengthening the Foundation of Governance: Compliance Management
	B7.3	Description of anti-corruption training provided to directors and staff.	Prioritizing Responsibility, Strengthening the Foundation of Governance: Compliance Management Appendix: Responsibility Performance Table
Community			
Aspect B8: Community Investment			
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.	Caring for health, Empowering Social Value: Active Social Contribution
KPI	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Caring for health, Empowering Social Value: Active Social Contribution
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Caring for health, Empowering Social Value: Active Social Contribution Appendix: Responsibility Performance Table

The SASAC's ESG Special Report Reference Indicator System for State Owned Enterprises Holding Listed Companies Index Table

Indicator Description		Relevant Chapter
Disclosure Content		Chapter
Environmental		
Primary indicators	Secondary indicators	
Resource consumption	Water resources	Featured Topic: Advancing Green Logistics to Build an Ecological Barrier for Healthy China Green Operations, Addressing Climate Change: Environmental Management System, Green Operations Appendix: Responsibility Performance Table
	Material	Featured Topic: Advancing Green Logistics to Build an Ecological Barrier for Healthy China Green Operations, Addressing Climate Change: Environmental Management System, Green Operations Appendix: Responsibility Performance Table
	Energy	Featured Topic: Advancing Green Logistics to Build an Ecological Barrier for Healthy China Green Operations, Addressing Climate Change: Environmental Management System, Addressing Climate Change Appendix: Responsibility Performance Table
	Packing material	Featured Topic: Advancing Green Logistics to Build an Ecological Barrier for Healthy China Green Operations, Addressing Climate Change: Environmental Management System, Green Operations Appendix: Responsibility Performance Table
Pollution prevention	Wastewater	Green Operations, Addressing Climate Change: Green Operations Appendix: Responsibility Performance Table
	Waste gas	Green Operations, Addressing Climate Change: Green Operations Appendix: Responsibility Performance Table
	Solid waste	Green Operations, Addressing Climate Change: Green Operations Appendix: Responsibility Performance Table
Climate change	Greenhouse gas emissions	Featured Topic: Advancing Green Logistics to Build an Ecological Barrier for Healthy China Green Operations, Addressing Climate Change: Addressing Climate Change Appendix: Responsibility Performance Table
	Emission reduction management	Featured Topic: Advancing Green Logistics to Build an Ecological Barrier for Healthy China Green Operations, Addressing Climate Change: Green Operations Appendix: Responsibility Performance Table

Indicator Description		Relevant Chapter
Climate change	Environmental equity transactions	Featured Topic: Advancing Green Logistics to Build an Ecological Barrier for Healthy China Green Operations, Addressing Climate Change: Addressing Climate Change Appendix: Responsibility Performance Table
	Climate risk management	Featured Topic: Advancing Green Logistics to Build an Ecological Barrier for Healthy China Green Operations, Addressing Climate Change: Addressing Climate Change Appendix: Responsibility Performance Table
Biodiversity	The impact of production, services, and products on biodiversity	Featured Topic: Advancing Green Logistics to Build an Ecological Barrier for Healthy China Green Operations, Addressing Climate Change: Environmental Management System
Resource and environmental management system measures	Formulation of low-carbon development goals and strategic measures	Green Operations, Addressing Climate Change: Addressing Climate Change
	Resource management measures	Green Operations, Addressing Climate Change: Green Operations, Advocating Green Office
	Energy conservation and carbon reduction statistical monitoring and assessment reward and punishment system	Green Operations, Addressing Climate Change: Addressing Climate Change
	Green environmental protection actions and measures	Green Operations, Addressing Climate Change: Addressing Climate Change, Green Operations
	Green and low-carbon certification	Green Operations, Addressing Climate Change: Addressing Climate Change
	Legal and compliant environmental field	Green Operations, Addressing Climate Change: Environmental Management System
Social		
Primary indicators	Secondary indicators	
Employee rights	employee recruitment and employment	People-Centered Approach to Uphold a Inclusive Workplace: Employee Rights Protection Appendix: Responsibility Performance Table
	Employee compensation and benefits	People-Centered Approach to Uphold a Inclusive Workplace: Employee Rights Protection
	Employee health and safety	People-Centered Approach to Uphold a Inclusive Workplace: Occupational Health and Safety Appendix: Responsibility Performance Table
	Employee development and training	People-Centered Approach to Uphold a Inclusive Workplace: Promoting Talent Development Appendix: Responsibility Performance Table
	Employee satisfaction	People-Centered Approach to Uphold a Inclusive Workplace: Occupational Health and Safety Appendix: Responsibility Performance Table

Indicator Description		Relevant Chapter
Product and service management	Product safety and quality	Quality as a Priority, Driving Innovation and Development: Product Quality Management Appendix: Responsibility Performance Table
	Customer service and benefits	Quality as a Priority, Driving Innovation and Development: Customer Rights Protection Appendix: Responsibility Performance Table
	Innovative development	Quality as a Priority, Driving Innovation and Development: Technology-Driven Innovation Appendix: Responsibility Performance Table
Supply chain security and management	Supply chain management	Caring for health, Empowering Social Value: Supply chain management Appendix: Responsibility Performance Table
	Supply chain energy conservation management	Caring for health, Empowering Social Value: Supply chain management
Social contribution	Tax payment situation	/ (Please refer to the 2024 annual report of Sinopharm)
	Community co construction	Caring for health, Empowering Social Value: Active Social Contribution
	Activities for public good	Caring for health, Empowering Social Value: Active Social Contribution Appendix: Responsibility Performance Table
	National strategic response	Caring for health, Empowering Social Value: Active Social Contribution
Governance		
Primary indicators	Secondary indicators	
Governance strategy and organizational structure	Governance strategy and process	About the Company: Corporate Governance Sustainable development Management: Sustainable Development Governance
	Organizational structure and functions	About the Company: Corporate Governance
	Salary management	About the Company: Corporate Governance
Standardize governance	Internal control	Prioritizing Responsibility, Strengthening the Foundation of Governance: Compliance Management
	Clean construction	Prioritizing Responsibility, Strengthening the Foundation of Governance: Compliance Management Appendix: Responsibility Performance Table
	Fair competition	Prioritizing Responsibility, Strengthening the Foundation of Governance: Compliance Management

Indicator Description		Relevant Chapter
Investor relationship management and shareholder equity ²¹	Investor relations management	Prioritizing Responsibility, Strengthening the Foundation of Governance: Corporate Governance
	Shareholders’ equity	Prioritizing Responsibility, Strengthening the Foundation of Governance: Corporate Governance
	Creditor’ s rights and interests	Prioritizing Responsibility, Strengthening the Foundation of Governance: Corporate Governance
Transparency of information disclosure ²²	Information disclosure system	Prioritizing Responsibility, Strengthening the Foundation of Governance: Corporate Governance
	Quality of information disclosure	Prioritizing Responsibility, Strengthening the Foundation of Governance: Corporate Governance
Compliant operations and Risk management	Compliant operations	Featured Topic: Embracing Healthcare Reform and Upholding Compliance as the Foundation for a Healthy China Prioritizing Responsibility, Strengthening the Foundation of Governance: Compliance Management
	Risk management	Prioritizing Responsibility, Strengthening the Foundation of Governance: Corporate Governance

²¹For more information, please refer to the 2024 annual report of Sinopharm.

²²For more information, please refer to the 2024 annual report of Sinopharm.

Readers’ Feedback Form

Dear readers:

Hello!

Thank you for taking time to read the Sinopharm Group Co. Ltd. 2024 Sustainability Report (hereinafter referred to as the “Report”). We would like to express our sincere gratitude to you for your valuable comments and suggestions on this Report to help improve our work.

For the following questions, please tick your choice appropriately

Option	Score				
1. Your overall satisfaction evaluation of this Report	<input type="checkbox"/> Very good	<input type="checkbox"/> Good	<input type="checkbox"/> General	<input type="checkbox"/> Poor	<input type="checkbox"/> Very Poor
2. This Report fully responds to and discloses issues of concern to stakeholders	<input type="checkbox"/> Very good	<input type="checkbox"/> Good	<input type="checkbox"/> General	<input type="checkbox"/> Poor	<input type="checkbox"/> Very Poor
3. The information and data disclosed in this Report are clear, accurate and complete	<input type="checkbox"/> Very good	<input type="checkbox"/> Good	<input type="checkbox"/> General	<input type="checkbox"/> Poor	<input type="checkbox"/> Very Poor
4. This Report comprehensively and accurately reflects the significant impact of Sinopharm Group on the economy, society and environment	<input type="checkbox"/> Very good	<input type="checkbox"/> Good	<input type="checkbox"/> General	<input type="checkbox"/> Poor	<input type="checkbox"/> Very Poor
5. The logic main line, language text and layout design of this Report are clear and readable	<input type="checkbox"/> Very good	<input type="checkbox"/> Good	<input type="checkbox"/> General	<input type="checkbox"/> Poor	<input type="checkbox"/> Very Poor

Please provide a brief answer to the following questions:

1. Which parts of this Report are you most satisfied with?

2. Is there any issues that you are concerned about but has not been disclosed in this Report?

3. What other opinions or suggestions do you have for this Report?

You can give feedback on the questionnaire by mail, email or fax, or make a direct call. Your opinions and suggestions will be fully considered.

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