



康臣藥業集團有限公司
CONSUN PHARMACEUTICAL GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)
股份代號 Stock Code : 1681



2024

Environmental, Social and Governance (ESG) Report

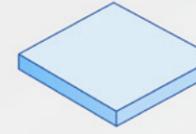
CONSUN PHARMACEUTICAL GROUP LIMITED

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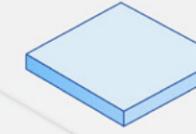


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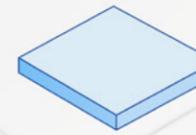
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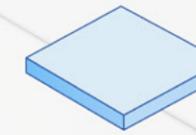
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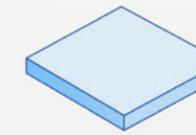
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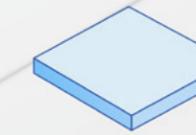


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About the Report

Welcome to the ninth Environmental, Social and Governance Report the ("ESG Report" or the "Report") published by Consun Pharmaceutical Group Limited (01681.HK) the ("Company") and its subsidiaries (collectively referred to as "Consun Pharmaceutical", "Consun" or the " Group" or "we"). The Report aims to disclose our environmental, social and governance ("ESG") related management approaches, performance, and latest developments throughout 2024 across various sections of the Report.

Reporting Scope

The reporting scope of the Report covers the principal business of Consun Pharmaceutical, including its main subsidiaries: Guangzhou Consun Pharmaceutical Co., Ltd. ("Guangzhou Consun"), Consun Pharmaceutical (Inner Mongolia) Co., Ltd. ("Inner Mongolia Consun"), Guangxi Yulin Pharmaceutical Group Co., Ltd. ("Yulin Pharmaceutical"), Consun Pharmaceutical (Horgos) Co., Ltd. ("Horgos Consun"), and Guangzhou Consun Drug Research Co., Ltd. Unless otherwise stated, the reporting period of the Report covers 1 January 2024 to 31 December 2024 (the "Reporting Period").

Reporting Guideline

The Report has been compiled by the four reporting principles of the Appendix C2 Environmental, Social and Governance Reporting Guide ("ESG Guide") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("SEHK"), namely materiality, quantitative, balance, and consistency.

- »» **Materiality:** The Report disclosed the process of identifying important ESG factors and the criteria chosen, and also disclosed the engagement of important stakeholders.
- »» **Quantitative:** The Report disclosed the standards, methods, assumptions, calculation references and sources of conversion factors used for reporting emissions and energy use.
- »» **Balance:** The Report presents the Group's ESG performance objectively and the application of the relevant principles is reflected in the respective chapters of the Report. The Report has complied with all mandatory disclosure requirements and the 'comply or explain' provisions.
- »» **Consistency:** The Report disclosed changes in statistical methods or key performance indicators.

Access to the Report

The Report has been prepared in Traditional Chinese and English respectively, if there is any contradiction or inconsistency between the two versions, the Traditional Chinese version shall prevail. The Report has been published electronically, which can be downloaded from Consun Pharmaceutical's website.



[Consun Pharmaceutical Official Website](https://www.chinaconsun.com/)

Please scan or access:

<https://www.chinaconsun.com/>

Confirmation and Approval

The Company's board of directors (the "Board") is responsible for identifying and evaluating ESG-related risks and ensuring that appropriate and effective risk management and internal control systems are in place. At the same time, the Board has overall responsibility for the Group's ESG strategy and reporting. The Report was approved by the Board on 26 March 2025.

Feedback

We value your comments and feedback, and appreciate you contacting us through:

 **Tel:** (86) 20-82264529

 **E-mail:** ir@chinaconsun.com

 **Address of the Headquarter:** 71, Dongpeng Avenue Eastern section, Guangzhou Economic and Technological Development District, Guangzhou, PRC

 **Liaison Office in Hong Kong:** Room 803, Wing On Plaza, 62 Mody Road, Tsim Sha Tsui, Kowloon

Chairman's Speech

“

I am honoured to share the Group's achievements and sustainable development progress in 2024 through the Report with all stakeholders. Meanwhile, on behalf of the Group, I would like to express my sincere gratitude to all partners, customers, and employees who have supported our sustainable development journey.

”

In 2024, our country continued to refine the ESG development framework for the pharmaceutical industry. A series of policies were successively introduced, including the National Climate Change Health Adaptation Action Plan and the Key Tasks for Deepening Healthcare System Reform 2024, which clarified the strategic direction for green and low-carbon transformation, requirements for improving pharmaceutical accessibility, and strengthening public health infrastructure, while also enabling the pharmaceutical industry to achieve high-quality development under policy support and create new paradigms.

The Group has persevered on its path of sustainable development, accumulating substantial achievements. In 2024, we were honoured to receive multiple awards including the "Corporate Social Responsibility Model Award" and "ESG Model Enterprise Award." These awards are not only the crystallisation of our team's dedicated efforts, but also an important milestone leading the enterprise toward new horizons. We look forward to advancing hand in hand with our partners, suppliers, employees, and all sectors of society, moving from excellence to distinction, to jointly build a better tomorrow.

Upholding Environmental Responsibility, Committed to Green Ecology

Recently, the nation advocates building "new quality productive forces," which means achieving qualitative leaps in productivity and economic transformation through innovation-driven development, structural optimisation, and efficiency improvements, powered by new technologies such as digitalisation, intelligence, and green development. The Group embraces this sustainable development concept, dedicating itself to improving green and low-carbon processes, enhancing operational efficiency, and strengthening enterprise competitiveness. In 2024, the Group's Production and Quality Management Centre coordinated four production bases located in Guangzhou (Guangdong), Yulin (Guangxi), Tongliao (Inner Mongolia), and Horgos (Xinjiang), completing various cost-reduction and efficiency-enhancement projects. These projects covered various areas including equipment upgrades, process optimisation, and energy efficiency improvements, resulting in annual production energy savings exceeding ten million yuan. Meanwhile, we systematically advanced our climate change governance and information disclosure efforts, including conducting climate risk and opportunity analyses, as well as improving governance structures. We continue to deepen our climate transition strategy, contributing more significantly to achieving the "dual carbon" goals and the vision of global environmental protection.

Practicing Integrity and Responsibility, Safeguarding Social Welfare

In line with the compliance operation trends in the pharmaceutical industry, the Group's Compliance Management Centre collaborates with various business departments to comprehensively advance the compliance system through precise coordination and diverse measures. We consistently ensure that business operations comply with national laws, regulations, and industry ethical standards, achieving stable corporate development through high responsibility, integrity, and commitment. Meanwhile, the Group continuously improves product quality, ensuring that each product can be taken with confidence by patients, putting into practice the product philosophy of "High Technology, High Efficiency, High Quality." Furthermore, we uphold the charitable principle of "Do Our Best to Help Others Succeed," benefiting society through more charitable acts. Consun Yixingshe ("康臣益行社") has been dedicated to spreading love and care. In 2024, through multiple initiatives such as "Yilutongxing" ("益路同行"), "Support for the Disabled," and "Consun Jieyi Class," ("康臣结益班") we focused on disseminating early disease prevention knowledge, improving grassroots medical care standards, and helping vulnerable social groups. We continue to deeply fulfill our social responsibilities, helping to build a warmer and more harmonious society.

Inheriting Traditions While Innovating for the Future, Methodically Providing Effective Medicines for the Well-being of the People

The Group adheres to the corporate mission of "Inheriting traditions, innovating for the future, and providing effective medicines for the well-being of the people" and the corporate vision of "Building a Nephrology Flagship and Becoming a First-class Pharmaceutical Enterprise Leading in Multiple Specialties." We have always been committed to the inheritance and innovation of traditional Chinese medicine culture. On one hand, the Group's various academic departments maintain rapid growth momentum in their main prescription drugs and OTC products for nephrology, women's and children's health, and imaging, with overall performance exceeding expectations, demonstrating the enterprise's excellent development resilience and social responsibility. On the other hand, the Group's R&D centre continuously accelerates innovation, successfully transforming the Chinese medicine preparation for diabetic nephropathy from China-Japan Friendship Hospital, with multiple innovative drug products obtaining clinical approval certificates, which are expected to provide new treatment options for patients with chronic kidney disease.

Looking ahead, facing the complex and changing market environment and increasingly fierce competition, the Group will meet challenges and seize opportunities with a forward-looking perspective and firm steps for strategic planning. We plan Consun's future around five dimensions: "Value Consun, Innovative Consun, Digitalised Consun, Humanistic Consun, and Shared Consun," building core competitiveness through three pillars: "Product Excellence, Scientific Marketing, and Organizational Transformation" to achieve the Group's high-quality development "from excellence to brilliance." We will firmly maintain an attitude of innovation-driven, open and win-win, sustainable development, serving human health with practical actions, allowing the "Light of Consun" to illuminate the beautiful blueprint of social progress and harmonious development.

Chairman of the Board, An Meng



26 March 2025

About Consun

Consun Pharmaceutical is a modern pharmaceutical enterprise that integrates research and development ("R&D"), production and marketing of modern Chinese medicines and medical imaging contrast mediums. Consun Pharmaceutical was founded in 1997 and publicly listed on the Main Board of SEHK on 19 December 2013. We own multiple subsidiaries engaged in pharmaceutical production and R&D, and operate well-known brands such as Consun and Yulin. We established four production bases in Guangzhou (Guangdong), Yulin (Guangxi), Tongliao (Inner Mongolia), and Horgos (Xinjiang), with its business spanning over 30 countries and regions. Additionally, it has a "high-quality, specialised, and professional" marketing team covering both hospital and OTC markets, with a service network that extends across the entire nation.



Horgos, Xinjiang



Yulin, Guangxi



- 2024 Outstanding Contribution Enterprise for High-Quality Economic Development in Yuzhou District
- 2024 Manufacturing Industry Champion Enterprise in Guangxi Zhuang Autonomous Region
- "Specialised, Refined, Distinctive, and Innovative" Small and Medium-Sized Enterprise in Guangxi Zhuang Autonomous Region
- Municipal-Level Smart Factory in Yulin City

Tongliao, Inner Mongolia



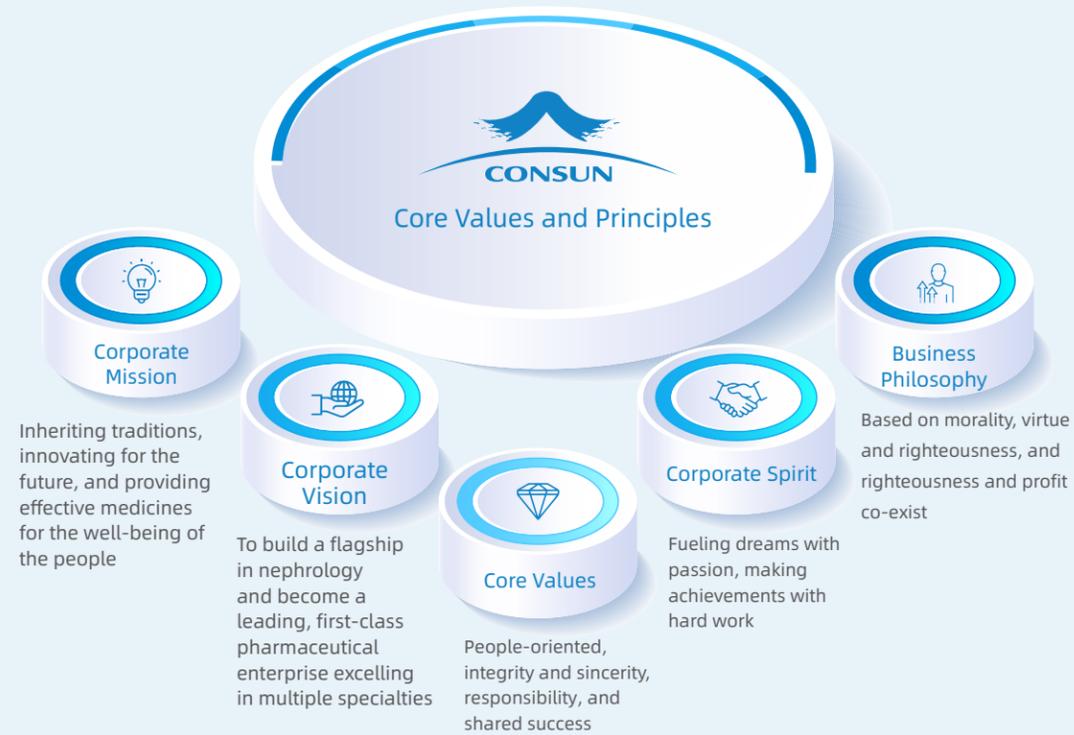
- "Glorious Star" Advanced Collective in Tongliao City
- "Innovative" Small and Medium-Sized Enterprise in Inner Mongolia Autonomous Region
- Key Private Enterprise in Tongliao City

Guangdong, Guangzhou



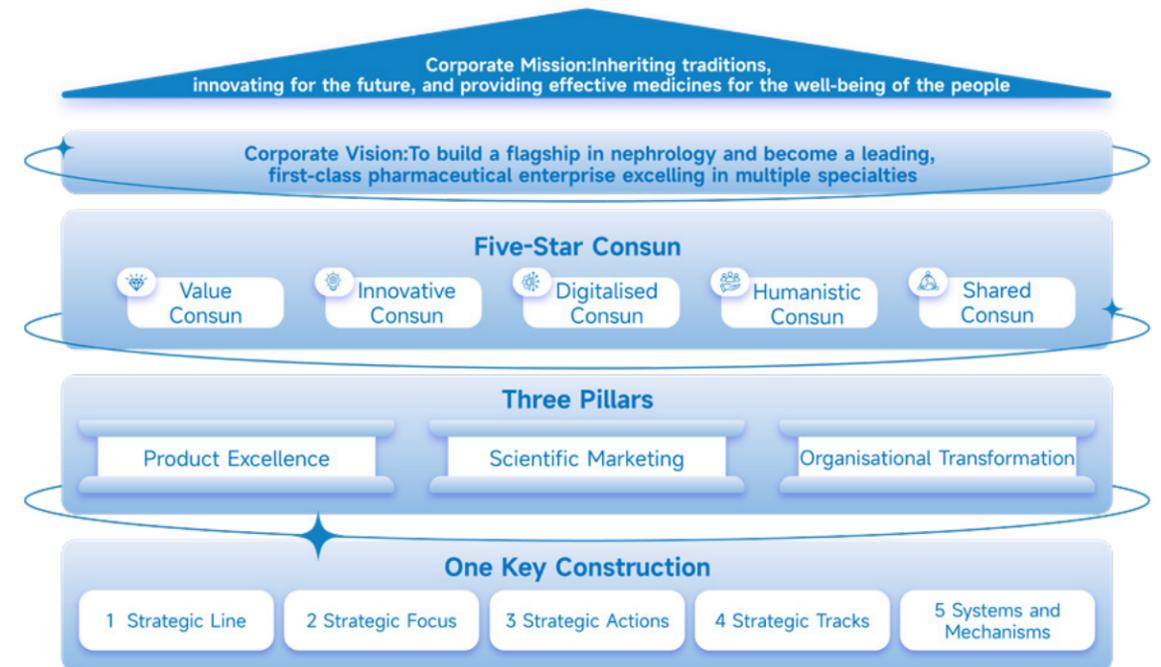
- 15 Consecutive Years of Excellence in High-Tech Enterprise Achievement Award
- Historical Member Unit of the Guangdong Traditional Chinese Medicine Association

Consun Culture and Concept System



Consun StarVision Strategy

"New Era · New Strategy · New Consun." In 2024, the Group, with a forward-looking perspective and determined steps, successfully completed its ten-year strategic planning. Looking ahead, Consun Pharmaceutical will adhere to its mission of inheriting traditions, innovating for the future, and providing effective medicines for the well-being of the people. The Company aims to build a great Group in the modern pharmaceutical industry and create the highest-quality premium pharmaceutical brand.



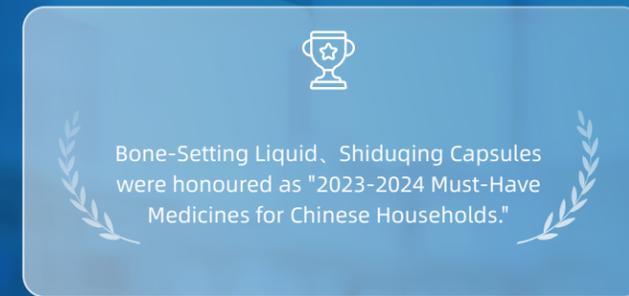
Company Product

Consun Pharmaceutical, with nephrology as its flagship, offers a product line covering multiple fields, including chronic kidney disease treatment, imaging diagnostics, women's and children's health, as well as injury and pain relief, dedicated to providing doctors and patients with high-quality, highly effective, and highly compliant medications to improve human quality of life. During the Reporting Period, the Group's products were featured at various domestic and international expos and academic conferences, receiving numerous accolades, which fully demonstrated the capacity and influence of Consun Pharmaceutical.

Varieties	Chinese herbology varieties	Western medicine varieties	varieties entered the national essential medicine list	varieties entered the national medical insurance
141	62	79	33	70



Product Honour

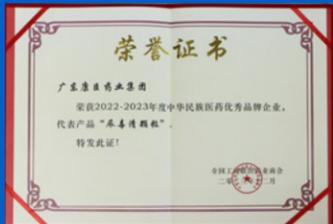


Consun 2024



January

Guangzhou Consun and Yulin Pharmaceutical were both honored with the title of "Outstanding Brand Enterprises in Chinese Ethnic Medicine for 2022-2023."



March

Yulin Pharmaceutical received two prestigious awards at the 2024 International Health Industry (Chongqing) Expo: Apart from the "Consumer Acclaimed Product" award for Shiduqing Capsules and Yulin Pharmaceutical also received the "Star Partner Award".



April

Yulin Pharmaceutical received three prestigious honours at the 2024 Wuzhen Health Conference: its product Shiduqing Capsules and the "Zhenggu China - Pain Relief Without Worries" large-scale public welfare brand campaign were awarded the "Xihu Award: Most Popular Star Product Among Pharmacies" and the "Xihu Award: Innovative Marketing Case," respectively. Additionally, Yulin Pharmaceutical was granted the title of "VIP Strategic Partner Enterprise."



June

Consun Pharmaceutical once again ranked 22nd on Menet's "Top 100 Chinese Traditional Medicine Companies" list. At the same time, Consun® Uremic Clearance Granule have been featured on the "China Pharmaceutical Brand List" for eight consecutive years.



August

Consun Pharmaceutical successfully entered the "2024 Top 50 Comprehensive Competitiveness in Chinese Patent Medicine Industry" list at the 17th Health Industry (International) Ecology Conference. Uremic Clearance Granule were honored on the "2024 Health Industry Brand List" and received the industry's highest accolade, the "Siip Gold Award."

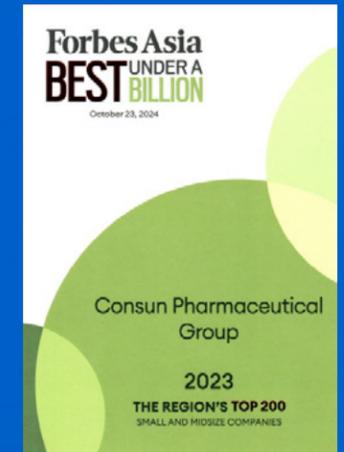


As one of the first "Time-Honoured Chinese Brands" recognized by the Ministry of Commerce, Yulin Pharmaceutical has been listed on the "2024 Top 40 Time-Honoured Chinese Medicine Brands" ranking.



October

Consun Pharmaceutical was named one of the "2023 Forbes Asia's 200 Best Under A Billion" companies.



Practising Responsibility

Consun Pharmaceutical is committed to firmly implementing its sustainable development management policies, driving comprehensive development in the ESG field with a top-down approach. At the same time, we emphasise maintaining close connections with stakeholders, understanding their expectations for the Group's development direction, and actively responding to their concerns.

ESG Governance Structure

Consun Pharmaceutical has established an ESG governance structure led and overseen by the Board, ensuring unified planning and management of the Group's ESG initiatives, integrating ESG management into the Group's strategies and decision-making processes, and comprehensively advancing the Group's sustainable development efforts.



Based on the above structure, the Group has clearly defined the organisational functions of the Committee and the Working Group to ensure the effective implementation of ESG management, as well as the control and mitigation of ESG risks.

The Group places great emphasis on governance responsibilities and performance related to climate change issues. In line with the SEHK's "Climate Information Disclosure Guidance" and the "International Financial Reporting Standard- Sustainability Disclosure Standard S2 ("IFRS S2") - Climate-Related Disclosures" framework, we have developed a Climate Change Governance Handbook. The roles and responsibilities associated with managing climate-related risks and opportunities have been incorporated into the *Terms of reference of the Environmental, Social and Governance Committee of the Board of Directors*. Looking ahead, we will continue to enhance our ability to identify, assess, and respond to climate risks, laying a solid foundation for achieving low-carbon transition and sustainable development goals.



High-Potential Pharmaceutical Enterprise Award



Most Valuable Pharmaceutical and Medical Company Award

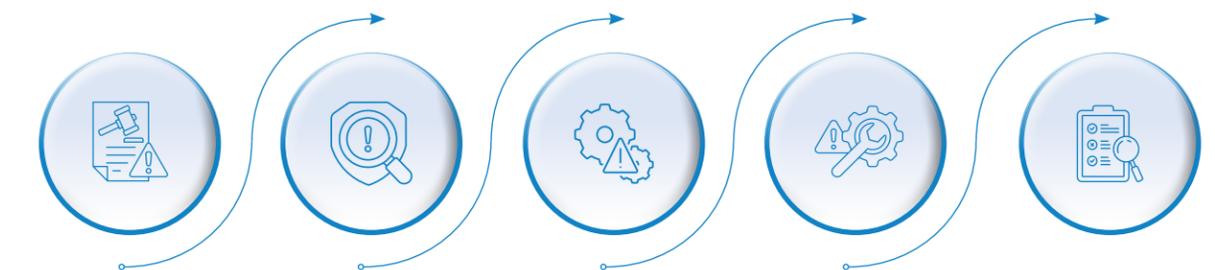
ESG Target Principles

Based on the operational characteristics of each production base, the Group has established qualitative management goals and indicators for air pollutant emissions, greenhouse gas emissions, waste discharge, energy usage, and water resource usage. To continuously monitor the implementation of ESG goals, the production bases of the Group submit annual environmental goal records to report on progress and performance. The Board and the ESG Committee regularly evaluate and supervise the achievement of these environmental goals, adjusting targets and optimizing management measures as needed to ensure the effective implementation of the Group's sustainable development strategy. For details on the Group's goal execution during the Reporting Period, please refer to the chapter "Environmental Stewardship at Consun Upholding Sustainable Value".

ESG Risk Management and Control

To continuously enhance the Group's risk resilience, we conduct regular ESG risk assessments. By referencing international and industry sustainability analysis reports, and considering the characteristics of the pharmaceutical industry along with the Group's actual operational conditions, we systematically identify and evaluate ESG-related risks. We also regularly track the effectiveness of risk management efforts, making timely adjustments and optimising management strategies to ensure the continuous improvement and effective operation of the risk management system.

ESG Risk Assessment Process



Through trend analysis and understanding the ESG development directions relevant to the pharmaceutical industry, update the ESG risk database	Invite relevant risk management departments to assess identified ESG risks	Based on analysis results, identify and prioritise ESG risks	Review the internal management of ESG risks	The Board confirms the results of the ESG risk assessment
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During the Reporting Period, we reviewed 18 potential risks across key areas such as environment, operations, and technology, with a particular focus on emerging risks arising from changes in the market environment. Based on the assessment results, the Group identified five ESG risks that are relatively significant to its operations and business. We have reviewed the internal management measures for these risks and their effectiveness to ensure that we remain adaptable and maintain competitiveness and resilience in a constantly evolving market environment.

ESG Risks	Potential Impacts	Corresponding Chapter of Countermeasures
 <p>R&D and Innovation</p>	<p>The process of developing and bringing a medicine to market involves preclinical research, clinical trials, regulatory submissions, approval for production, and other steps. This process is characterised by high investment, multiple stages, long cycles, and significant risks, making it susceptible to unpredictable factors. Additionally, if the progress or direction of medicine development does not align with future market demand, or if newly launched medicine face weak sales due to intensified competition, it may impact the recovery of initial investments and the realisation of economic benefits. This, in turn, could adversely affect the Group's profitability and overall development.</p>	<ul style="list-style-type: none"> • R&D Innovation • Mutual Prosperity at Consun Collaborating for Industry Growth
 <p>Cybersecurity</p>	<p>Cybersecurity incidents may affect the stability of business operations, potentially causing data breaches and other events that harm the company's reputation, lead to economic losses, and expose the company to risks such as legal actions or fines.</p>	<ul style="list-style-type: none"> • Protection of Rights and Interests
 <p>Employment and Employee Rights</p>	<p>During business operations, including supply chain management and customer management, there may be instances of violations of employee rights, such as child labour, forced labour, workplace discrimination, and harassment. These issues could lead to a loss of trust between employers and employees, damaging the Group's reputation and public image. Additionally, if the company is unable to recruit sufficient talent, it may be unable to support normal business operations.</p>	<ul style="list-style-type: none"> • Employee Management • Caring for Employees
 <p>Intellectual Property Management</p>	<p>The pharmaceutical industry places a strong emphasis on research and development. If an enterprise neglects intellectual property management and fails to systematically manage patents, trademarks, and proprietary products, technologies, inventions, and improvements, it may face significant risks. This includes closely monitoring patent protection periods, taking alternative measures to protect patents nearing expiration, renewing trademarks about to expire, and implementing confidentiality controls for R&D and production personnel with access to drug formulations. Neglect in these areas could result in the unauthorized use of others' intellectual property, leading to legal disputes, or imitation by competitors, ultimately causing a loss of core competitiveness.</p>	<ul style="list-style-type: none"> • Protection of Intellectual Property
 <p>Business Ethics</p>	<p>Governments are increasingly strengthening regulations on illegal activities such as corruption and bribery. If a company fails to properly monitor and manage such issues, leading to instances of corruption or bribery involving employees or clients, it could result in significant financial losses or legal risks and severely damage the company's reputation.</p>	<ul style="list-style-type: none"> • Anti-Corruption and Stable Operations
 <p>Geopolitics and Trade Disputes</p>	<p>Geopolitical issues and trade disputes can impact various aspects, including supply chain stability, R&D investment, market access, regulatory policies, and the investment environment. In certain countries and regions, the supply of raw materials may become restricted. Additionally, policies related to pharmaceutical regulation, clinical trials, and other areas may change, potentially affecting the global investment environment for the pharmaceutical industry.</p>	<ul style="list-style-type: none"> • Quality Management • Sustainable Supply Chain Management

Stakeholder Engagement

The support and participation of stakeholders are crucial to the sustainable development of the Group. We are committed to actively listening to and responding to the opinions and suggestions of stakeholders through diverse communication channels. By establishing a regular communication mechanism, we can not only understand the concerns and demands of various parties in a timely manner but also make targeted adjustments and improvements to the Group's sustainability strategies, achieving mutually beneficial and positive development.

Diversified Communication Platforms

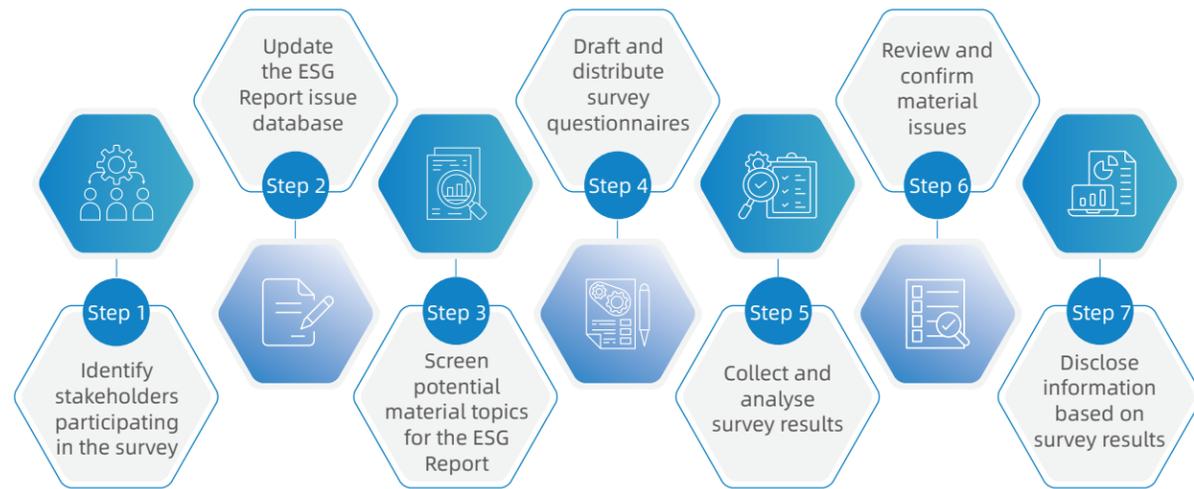
To ensure effective communication and engagement, we have identified key stakeholder groups that have a significant impact on the Group's development, including shareholders and investors, employees, customers, suppliers, governments and regulatory authorities, communities, and the public. Based on the characteristics and needs of these different groups, we adopt diverse communication methods to maintain transparency and timeliness of information while receiving stakeholders' expectations and demands regarding the Group.

Key Stakeholders	The Group's Communication Channels	Expectations of the Group	Frequency of Communication
 <p>Government and Regulatory Authorities</p>	<ul style="list-style-type: none"> • Participation in government projects • Passing qualification reviews • Submission of work reports 	<ul style="list-style-type: none"> • Compliance with laws and regulations • Strengthening pharmaceutical R&D 	<ul style="list-style-type: none"> • Regular or ad hoc
 <p>Investors (Shareholders)</p>	<ul style="list-style-type: none"> • Shareholders' meetings • Information disclosure • Investor consultation meetings • Roadshows 	<ul style="list-style-type: none"> • Sound corporate operations and reduced operational risks • Good investment returns • Transparent information disclosure 	<ul style="list-style-type: none"> • Regular, ad hoc, or ongoing
 <p>Customers</p>	<ul style="list-style-type: none"> • Customer satisfaction surveys • Customer complaint management • Daily customer communication 	<ul style="list-style-type: none"> • Access to safe and high-quality medicines • Affordable medicines • Diverse product offerings • Consumer rights protection 	<ul style="list-style-type: none"> • Regular or ongoing
 <p>Employees</p>	<ul style="list-style-type: none"> • Trade unions • Providing training and development platforms • Group publications • Employee events 	<ul style="list-style-type: none"> • Favorable working environment • Promising career prospects 	<ul style="list-style-type: none"> • Regular, ad hoc, year-round, or bi-monthly
 <p>Suppliers</p>	<ul style="list-style-type: none"> • Establishing supplier management systems • Supplier audits 	<ul style="list-style-type: none"> • Mutual benefits and win-win cooperation 	<ul style="list-style-type: none"> • Ongoing
 <p>Industry Peers</p>	<ul style="list-style-type: none"> • Participation in or hosting of industry forums • Participation in industry associations • Mutual visits and exchange 	<ul style="list-style-type: none"> • Promotion of industry development 	<ul style="list-style-type: none"> • Ad hoc
 <p>Community and General Public</p>	<ul style="list-style-type: none"> • Information disclosure • Participation in or hosting of community activities • Social welfare and volunteer activities 	<ul style="list-style-type: none"> • Serving the community • Engagement in public welfare 	<ul style="list-style-type: none"> • Ad hoc or ongoing

Materiality Assessment

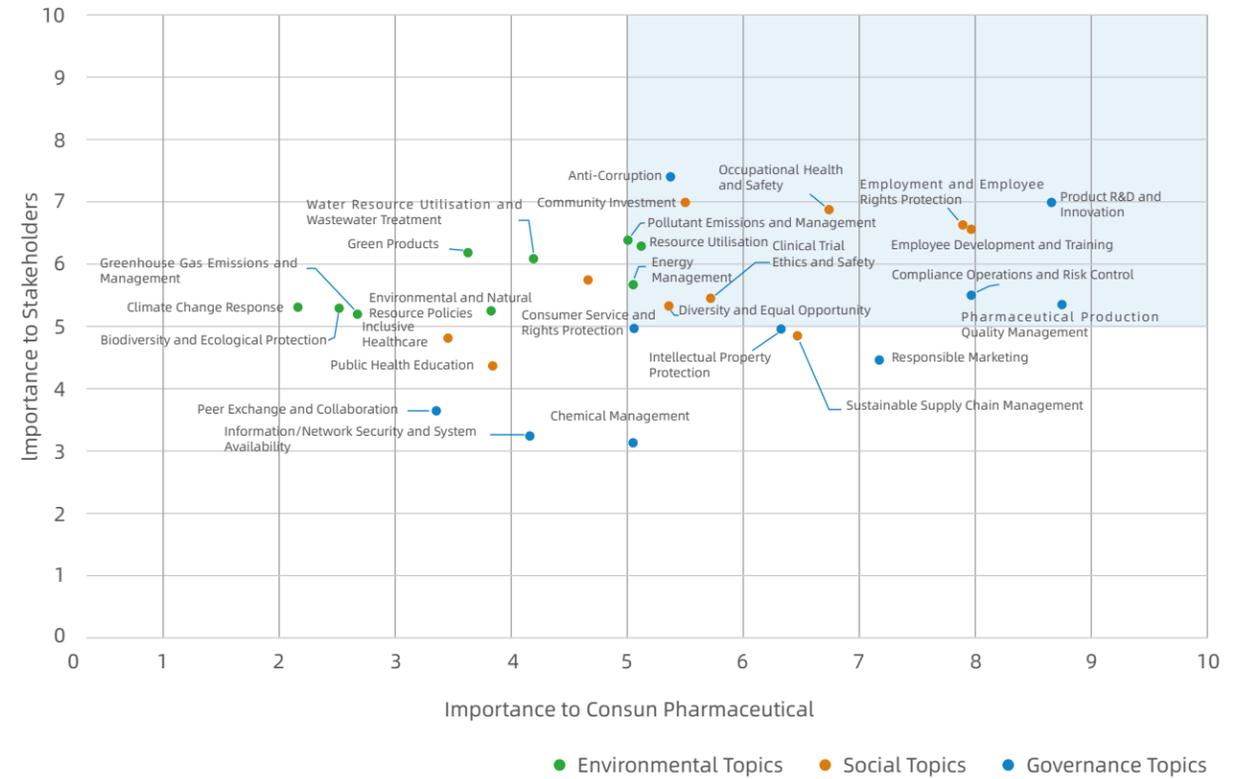
The Group routinely conducts annual materiality assessments to identify key areas of focus for its sustainable development. During the Reporting Period, the Group referred to international standards or guidelines, the ESG Guidelines, and industry-specific business characteristics and peer practices to identify and update its material issues database. By conducting internal and external stakeholder surveys, the Group gained a deep understanding of the priorities and concerns of different parties and systematically analysed the survey results to determine the year's material issues. To ensure the accuracy and comprehensiveness of the assessment, members of the Board were also involved in the research process and reviewed the assessment results.

Stakeholder Survey and Materiality Assessment Process



During the Reporting Period, we identified 29 ESG topics that are highly relevant to the Group. Based on the Board's assessment of the ESG topic database, we evaluated and confirmed the level of materiality for each ESG topic. Among these, 13 topics were classified as highly material.

ESG Materiality Matrix



Highly Material Topics	Response Section
• Product R&D and Innovation	• R&D Innovation
• Compliance Operations and Risk Control	• Anti-Corruption and Stable Operations
• Employment and Employee Rights Protection	• Employee Management
• Employee Development and Training	• Talent Development
• Anti-Corruption	• Anti-Corruption and Stable Operations
• Pharmaceutical Production Quality Management	• Quality Management
• Occupational Health and Safety	• Health and Safety
• Resource Utilisation	• Waste Management
• Pollutant Emissions and Management	• Emission Management
• Clinical Trial Ethics and Safety	• Protection of Rights and Interests
• Diversity and Equal Opportunity	• Employee Management
• Energy Management	• Energy Conservation
• Community Investment	• Corporate Responsibility at Consun Co-creating a Better Community



Anti-Corruption and Stable Operations

Since 2023, regulatory oversight in the domestic pharmaceutical industry has become increasingly stringent, making compliance a critical issue for promoting the sustainable and healthy development of pharmaceutical enterprises. Guided by the Group's "Strengthen Compliance" operational policy, the Group strictly complies with the laws and regulations of its operating locations, including but not limited to the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Pharmaceutical Administration Law of the People's Republic of China*, and the compliance management norms for the Pharmaceutical Industry, among other anti-corruption-related laws and regulations. The compliance management centre works closely with various business lines to advance compliance initiatives through multiple measures. These include establishing a compliance organisational structure, improving compliance systems, optimising operational mechanisms, fostering a culture of compliance, and strengthening supervision and evaluation mechanisms. These efforts have significantly enhanced the Group's risk resistance capacity and laid a solid foundation for stable operations and long-term development. We have established a three lines of defense mechanism for risk management, effectively identifying, assessing, monitoring, and responding to various risks through a collaborative and progressive approach. During the Reporting Period, the Audit and Supervision Department organized multiple professional training sessions and awareness campaigns, conducted audits targeting issues arising in operational processes, and promoted stable corporate operations.

Under the internal control supervision mechanism, Consun Pharmaceutical has formulated a series of anti-corruption policies as benchmarks, supplemented by measures such as monitoring, reporting, and training. These efforts comprehensively combat illegal activities related to bribery, extortion, fraud, and money laundering, while raising awareness of integrity and lawfulness among all employees. During the Reporting Period, the Group did not receive any lawsuits involving employee corruption or violations of business ethics.

Policy Formulation

We have established a robust corporate governance structure, including the Audit Committee, Remuneration Committee, and Nomination Committee, to evaluate and provide recommendations on significant matters such as the remuneration and benefits of the Board and senior management. Additionally, the Group has developed a series of rules and regulations, including:

- ◆ *Internal Audit Management System*
- ◆ *Accountability Management Measures*
- ◆ *Marketing Audit Work Management Regulations*
- ◆ *Employee Code of Conduct*
- ◆ *Business Partner Code of Conduct*
- ◆ *Interim Management Measures for Violation Investigation and Handling*
- ◆ *Compliance Guidelines for Preventing Commercial Bribery Risks in Pharmaceutical Enterprises*

All policies, guidelines, and codes of conduct related to employee behaviour are published on the OA platform to ensure that all employees are informed and strictly adhere to the updated regulations.

Supervision

A dedicated department has been established to conduct irregular inspections and supervision to audit improper behaviour.

Reporting

The Group has implemented an employee complaint and reporting management system and provides multiple channels for reporting, including telephone, email, letters, face-to-face meetings, fax, and the OA platform. Employees and stakeholders are encouraged to actively participate in supervision and report any violations of compliance policies. This fosters a fair, just, and transparent corporate culture.



Promotion of Whistleblowing Channels

Training

To enhance employee awareness of anti-corruption and encourage adherence to ethical standards, the Group provides anti-corruption education and training to the Board and employees at all levels on an irregular basis.



Inner Mongolia Consun



Yulin Pharmaceutical



Guangzhou Consun



Horgos Consun

The Group's compliance management centre regularly conducts compliance training activities for employees through both online and offline methods. These trainings cover legal knowledge and compliance requirements relevant to the daily operations of various departments. During the Reporting Period, the Group organised multiple anti-corruption training sessions, with a total attendance of approximately 2,000 participants.



Systematic Compliance Construction Seminars by Consun Pharmaceutical



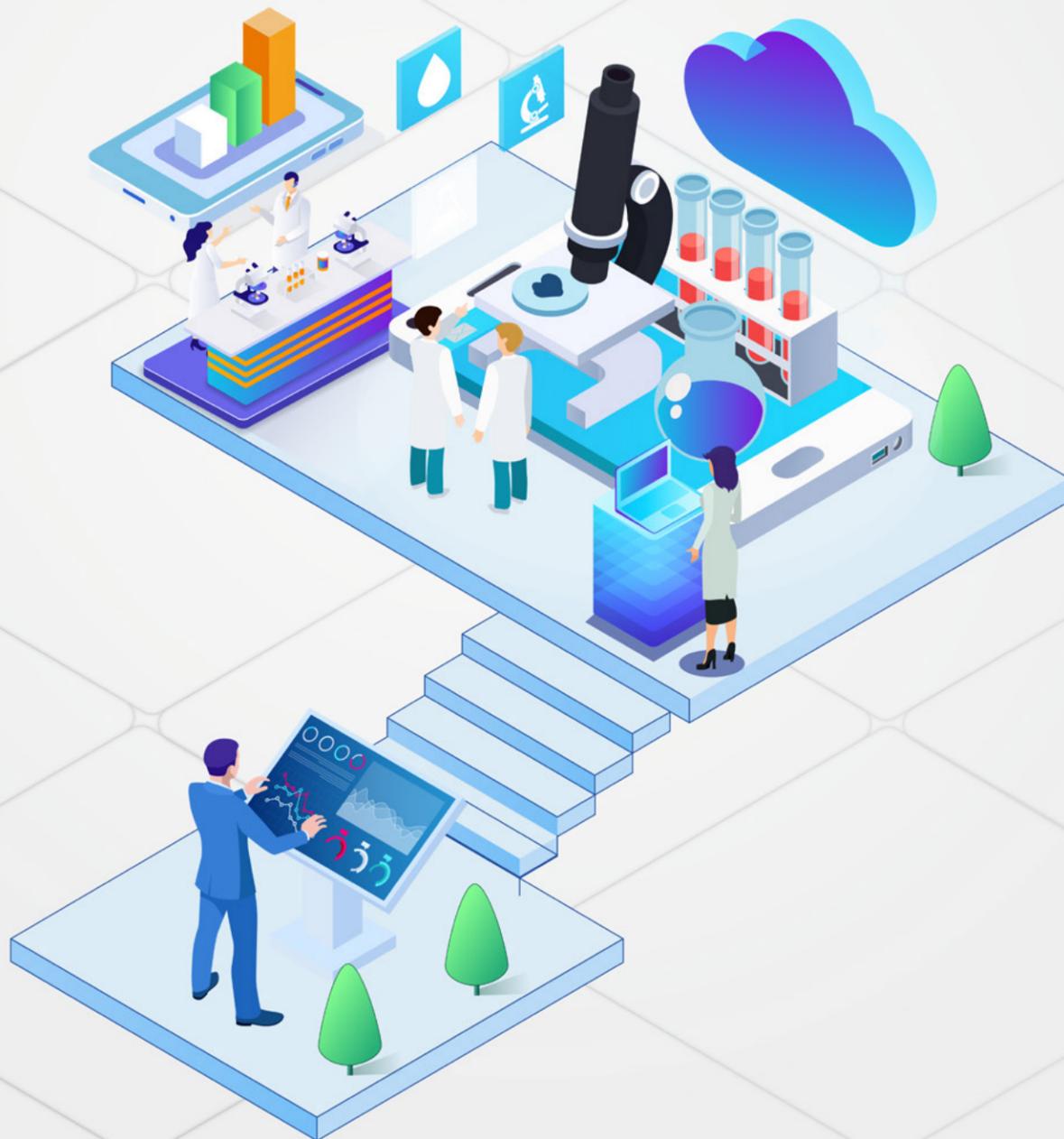
Legal Knowledge and Compliance Training for Marketing



Legal Knowledge and Compliance Training for Non-Marketing

Innovation at Consun Leading the Future of R&D

As an innovation leader in the pharmaceutical industry, we are anchored in the mission of "Inheriting traditions, innovating for the future, and providing effective medicines for the well-being of the people," striving to provide consumers with exceptional and reliable products and services. The Consun Pharmaceutical team brings together cutting-edge global technologies and professional talent, with all divisions working collaboratively to deepen research and development innovation, thereby delivering greater value to our customers and contributing to the development of China's healthcare industry. In addition, we are committed to safeguarding our customers' rights. By maintaining strict control over the supply chain, rigorously implementing quality standards in the production process, and optimising the construction of service systems, we embed quality and trust into every product and service we offer.



R&D Innovation

Consun Pharmaceutical follows an R&D strategy that emphasizes both independent research and outsourced collaboration, aligning closely with national pharmaceutical development strategies. While respecting traditional Chinese medicine theories, we actively promote modern technological innovation and have undertaken 47 national, provincial, and municipal science and technology projects. We have established the market access and government affairs centre, Business Development (BD) Department, and the product management committee to coordinate product strategy planning, market demand analysis, and R&D direction guidance. This ensures that product development aligns with the company's overall strategy, improves R&D efficiency, and reduces internal communication costs. The team regularly monitors changes in industry and market information, providing timely feedback on policy regulations, market trends, and product updates through the *Industry Information Weekly Report* and the *Industry Information Monthly Report*. This ensures that product development remains customer- and market-focused.



To further promote technological innovation and the transformation of research achievements, the Group has established in-depth industry-university-research collaborations with renowned universities such as Tsinghua University, Hong Kong Baptist University, South China University of Technology, and Southern Medical University. These partnerships fully integrate the advantages of academic research resources and corporate technical practices. So far, Consun Pharmaceutical has built a comprehensive R&D innovation system and achieved significant milestones in intellectual property accumulation and academic research:

Academic Papers



Published over

820 academic papers in total

27 papers indexed by SCI

R&D Capabilities



1 Postdoctoral Research Workstation



1 Provincial Engineering Technology Research Centre



1 Provincial Technology Innovation Centre



1 Provincial Enterprise Research and Development Centre



2 Provincial Enterprise Technology Centres

During the Reporting Period, the drug evaluation department completed 8 projects related to the establishment and evaluation of platforms for kidney disease, liver disease, and orthopedics, including the development and evaluation of IgA animal models, alcoholic hepatitis models, and osteoarthritis models. The R&D team also successfully published two SCI papers on Uremic Clearance Granule and Yishen Huashi Particles, providing high-level evidence for the clinical safety of nephrology products.

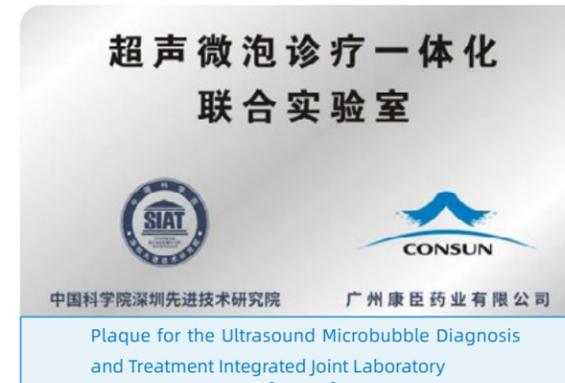


Drug evaluation department completed

8

projects related to the establishment and evaluation

During the Reporting Period, we continued to accelerate the pace of new drug development and technological innovation, deepened strategic cooperation, and actively built an open and collaborative innovation ecosystem. Several of the Group's research achievements and innovative technologies were successfully introduced to the global stage, contributing professional expertise to the advancement of pharmaceutical science and technology.



March

Li Yu, Secretary-General of the World Federation of Chinese Medicine Societies (WFCMS), and his delegation visited Consun Pharmaceutical Group for research. During the visit, the WFCMS and the Group signed a strategic cooperation framework agreement to promote comprehensive and multidimensional collaboration between the two parties.



June

The latest research findings on the effects and mechanisms of Yulin Pharmaceutical's Chickweed Herb Capsules in intervening in liver cirrhosis were presented in poster form at the 59th Annual Meeting of the European Association for the Study of the Liver (EASL) in 2024. During the Reporting Period, research results related to Chickweed Herb Capsules were successively showcased at the 92nd European Atherosclerosis Society (EAS) Congress, the 59th EASL Annual Meeting, and the 75th Annual Meeting of the American Association for the Study of Liver Diseases (AASLD), highlighting the unique charm of traditional Chinese medicine to the world.



June

The expert validation meeting for the druggability research of the Group's R&D Centre's innovative formulation project, the "Drug-Loaded Microbubble Project," was held at the Group's headquarters. This project will be the Group's first independently developed integrated diagnosis and treatment product, marking a significant milestone.



July

As the top priority among the Group's ten key annual tasks, the Iohexol Injection 100ml:32g, Iopromide Injection 100ml:62.34g, and 100ml:76.89g have been approved by the National Medical Products Administration and are regarded as having passed the consistency evaluation.

国家药品监督管理局 药品注册证书	国家药品监督管理局 药品注册证书	国家药品监督管理局 药品注册证书
通用名称: 碘克沙醇注射液 名称拉丁文: Iohexol Injection	通用名称: 碘普罗胺注射液 名称拉丁文: Iopromide Injection	通用名称: 碘普罗胺注射液 名称拉丁文: Iopromide Injection
剂型	剂型	剂型
规格	规格	规格
注册分类	注册分类	注册分类
药品有效期	药品有效期	药品有效期
处方管理类别	处方管理类别	处方管理类别

October

The Group and China-Japan Friendship Hospital held a signing ceremony for the patent and technology transfer agreement of "Qi Jian Granules (Tangshen Formula)" during the "China-Japan Friendship Hospital Achievement Transformation Signing Ceremony and Second Technology Achievement Promotion Conference." The transformation of the hospital's proprietary formulation, "Qi Jian Granules," not only addresses gaps in current treatment methods but also brings new hope for the future management of diabetic nephropathy.



The Chairman of the Board and President, An Meng, led the team in attending the 21st World Congress of Chinese Medicine. During the conference, Chairman An delivered an academic report titled "The Role of Traditional Chinese Medicine in Treating Advantageous Diseases of Traditional Chinese Medicine: A Case Study of Uremic Clearance Granules."



November

The Group held a launch ceremony for two new products: Kangbixian® Iohexol Injection and Kangyouxian® Iopromide Injection. The release of these two new CT contrast agents marks the achievement of a product portfolio combining high-concentration CT contrast agents and iso-osmolar CT contrast agents in Consun Pharmaceutical's imaging pipeline, providing customers with a wider range of medication options.



December

The Group signed a cooperation agreement with Zhongda Hospital, affiliated with Southeast University, to jointly establish the "Consun-Southeast University Kidney Innovation Research Centre." This partnership aims to strengthen scientific research, new drug development, and the transformation of achievements in the field of nephrology.



Protection of Intellectual Property

We regard intellectual property (IP) as the cornerstone of innovation and strictly comply with laws and regulations that significantly impact the Group, including the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Criminal Law of the People's Republic of China*, the *Civil Code of the People's Republic of China*, and the *Anti-Unfair Competition Law of the People's Republic of China*. The Group actively implements relevant provisions such as the Detailed Rules for the Implementation of the Patent Law of the People's Republic of China, the Regulations for the Implementation of the Copyright Law of the People's Republic of China, and the Regulations for the Implementation of the Trademark Law of the People's Republic of China. Internally, we have established a series of policies and procedures, including the *Intellectual Property Management Measures*, to clearly define the norms for IP usage and management responsibilities.

We prioritise the protection of patents and have developed patent protection management systems based on the *Patent Law of the People's Republic of China and its implementation rules*. These systems standardize patent application strategies, maintenance, and full lifecycle management, promoting technological innovation and the creation of proprietary IP. This drives advancements in production technology, enhances the company's core competitiveness, and improves economic efficiency. The Group adheres to principles of timeliness, confidentiality, unified management, division of labour, and orderly regulation in managing IP rights, including trademark rights, copyrights, patent rights, and trade secrets. For example, we have established a trademark management ledger to ensure timely registration, renewal, licensing filings, and other protective measures for the Group's trademarks. This also allows us to expand the scope of trademark protection. Additionally, we continuously monitor market dynamics to assist in anti-counterfeiting efforts and rights protection.



Patent Authorisations

A total of **47** patent authorisations

13 international patent authorisations



Safety and Participant Protection in Clinical Trials

Clinical trials are a fundamental and crucial step in the development of pharmaceuticals. As such, the Group places great importance on the safety of clinical trials and is committed to protecting the rights of participants. During the clinical trial process, we strictly comply with laws and regulations that significantly impact the Group, including the Drug Administration Law of the People's Republic of China, the Administrative Measures for Drug Registration, and the Good Clinical Practice for Drugs. This ensures that trials are conducted in compliance with regulations, with high quality, safety, and adherence to research ethics.

Value at Consun Crafting Excellence in Quality

"Inheriting traditions, innovating for the future, and providing effective medicines for the well-being of the people" represents the Consun Pharmaceutical's enduring mission. We forge the promise behind every product through rigorous craft standards, innovative technical research and development, and lean production management. From raw material selection to finished product delivery, Consun Pharmaceutical implements quality control throughout the entire process, not only meeting customer needs but also exceeding industry expectations, always creating excellent quality and peace of mind experiences.



Quality Management

- All production lines have obtained Good Manufacturing Practice (GMP) certification.
- The first pharmaceutical enterprise in China to receive a new drug certificate and production approval for magnetic resonance imaging (MRI) contrast agents.
- The National Medical Products Administration referenced the Group's quality standards to establish the national quality standards for gadopentetate dimeglumine injection.

Quality Management System

Consun Pharmaceutical regards ensuring medicine quality as its top responsibility. We always prioritize the health and safety of patients and ensure medicine quality through a well-established pharmaceutical quality management system. The Group strictly complies with laws and regulations that are significantly impactful on the Group and related to product health and remediation methods, including the *Drug Administration Law of the People's Republic of China*, the *Regulations for the Implementation of the Drug Administration Law of the People's Republic of China*, and the *Good Manufacturing Practices for Drugs (2010 version)*. We have established a rigorous drug quality control system, which includes institutional documents such as *Drug Quality Management System Management Procedures*, *Drug Quality Control System Management Procedures*, *Drug Quality Assurance System Management Procedures*, *Quality Risk Management Procedures*, and *Drug Release Management Procedures*.



Training on Changes Related to Physicochemical Methods and General Principles in the Chinese Pharmacopoeia



TOC Training



Specialised Training on GMP Reinterpretation-Quality Management



Specialised Training on GMP Reinterpretation-Material Management



Specialised Training on GMP Reinterpretation-Production Management



Specialised Training on GMP Reinterpretation-Equipment Management

The senior management of the Group assumes ultimate responsibility for pharmaceutical production quality management and fosters an environment of full participation to ensure the effective operation of the quality management system. This ensures the establishment and implementation of an effective pharmaceutical quality management system capable of achieving quality objectives. The management is responsible for participating in the design, implementation, monitoring, and maintenance of the management system, allocating resources, establishing authorities, creating effective communication processes, and reviewing management performance. These efforts establish a top-down strict monitoring model for the Group's pharmaceutical quality management system. We also emphasize the continuous improvement and deepening of the quality management system throughout the entire product lifecycle. Through quality management measures such as audits and evaluations, risk control, and quality improvements, we ensure the efficient operation of the quality management system.



In 2024, all production sites underwent a total of

18

external supervisory inspections and internal audit inspections, all of which were successfully passed



Yulin Pharmaceutical successfully passed the TGA certification for the

79

batches of drugs were sampled and evaluated by the national drug authority, all meeting regulatory requirements



Yulin Pharmaceutical successfully passed the TGA certification for the

11

consecutive times

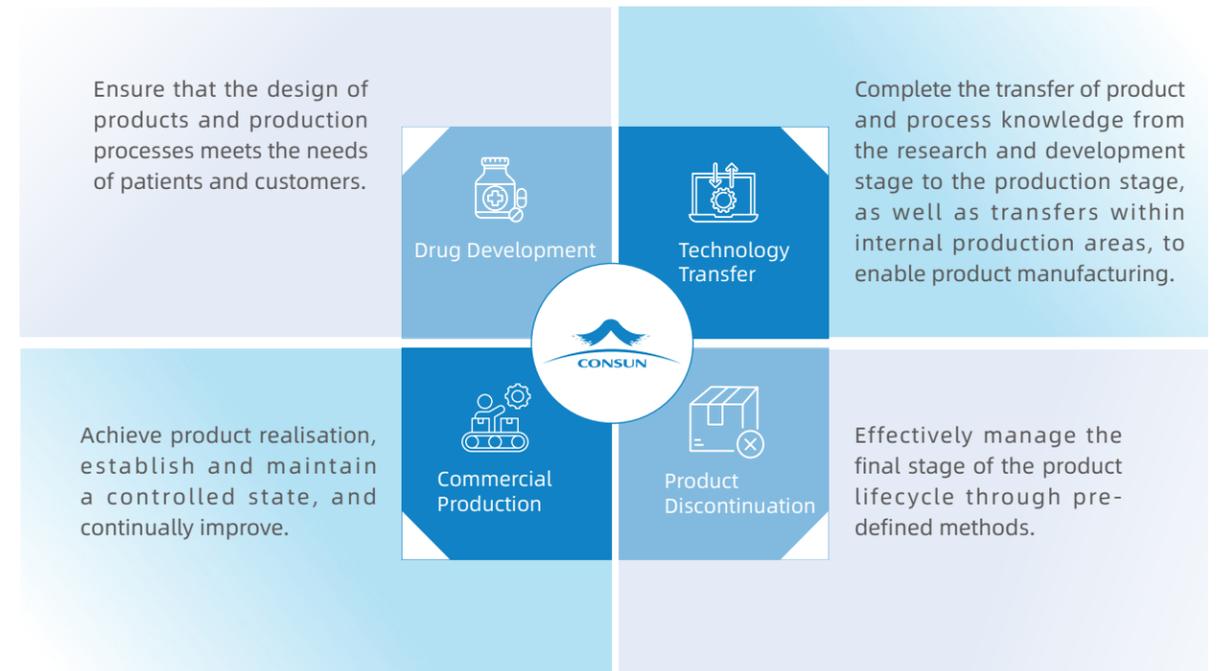


Yulin Pharmaceutical sent a team to participate in the Guangxi Workers' Vocational Skills Competition and won second place in the Pharmaceutical Preparation Competition

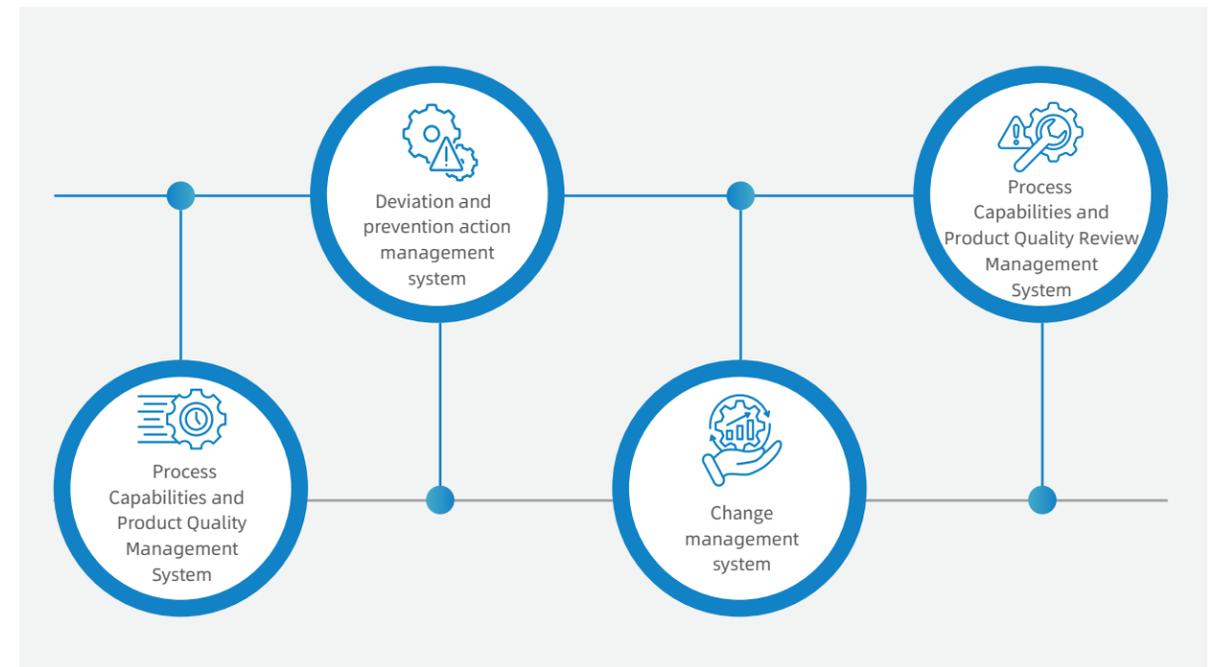


Participated in the 2024 "Guangxi Skilled Workforce, Industrial Revitalisation" Guangxi Workers' Vocational Skills Competition and won both the championship and first runner-up in the Pharmaceutical Preparation category

In the *Management Procedures for the Pharmaceutical Production Quality Management System*, we have clearly defined the construction of the pharmaceutical quality management system, product technology transfer, product production, and product discontinuation. Throughout the product lifecycle, we adopted a proactive or retrospective approach to systematically evaluate, control, communicate, and review quality risks. We have established quality objectives for each stage of the lifecycle to ensure the effective implementation of quality management measures for product management.



To ensure that drug quality meets the predetermined standards under the pharmaceutical quality management system, we have established four pharmaceutical quality management subsystems. These systems further strengthen the control of the internal pharmaceutical quality management framework, promote continuous improvement of the internal quality management system, and ensure that drug quality requirements and controls stay up-to-date.



During the Reporting Period, Consun Pharmaceutical actively carried out employee training and skill enhancement activities under the theme of "Learning for All, Improvement for All," effectively promoting the implementation of quality management culture across all operational aspects of the Group



The Sixth "Quality Month" Activity at Each Site

Various sites launched a series of "Quality Month" activities, including quality exchange meetings, online quiz competitions, special inspections, and training sessions. These diverse activities aimed to deepen the understanding of quality management concepts. During this period, several management members were invited to deliver thematic lectures on topics such as digital transformation, pharmaceutical standards management, cleaning management, and laboratory monitoring priorities. These efforts effectively enhanced employees' awareness of quality management and their professional skills.



Quality Month Summary and Commendation Conference



Digital Transformation Thematic Training



Quality Story Video Contest



Quality Month Regulatory Knowledge Competition

Protection of Rights and Interests

High-Quality Services and Consumer Rights Protection

The Group consistently upholds the service philosophy of "Wholehearted Dedication, Ultimate Excellence," striving to expand domestic and international markets through refined marketing strategies and efficient market operations. We adopted a marketing model of "deep distribution, market segmentation, and classified management," establishing over 70 contact points across 31 provinces, municipalities, and autonomous regions in China, thereby forming a nationwide sales and service network. At the same time, our products were exported to more than 30 countries and regions worldwide, earning a strong reputation and competitiveness in international markets. This networked market layout not only enhances our ability to quickly respond to market demands but also enables us to provide consumers with more convenient and thoughtful services.

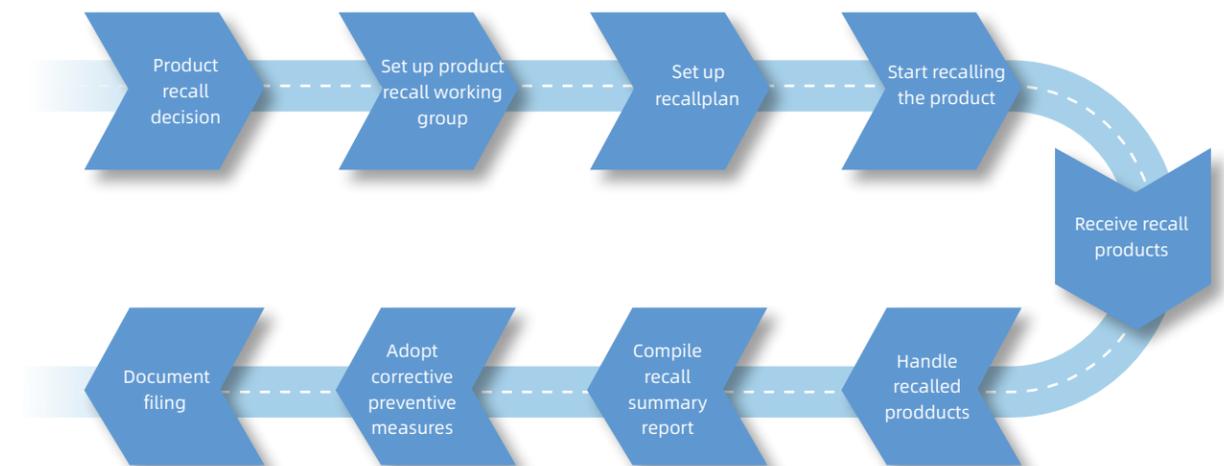


Product Recall Management

To identify and assess risks during drug use, ensure the safety, efficacy, and rational use of medications, and protect public health, we have established a dedicated pharmacovigilance department. This department is responsible for risk monitoring and prevention throughout the entire drug lifecycle, from research and development to market launch and withdrawal, ensuring drug safety at all stages.

In terms of policy development, the Group has formulated policies such as the Product Recall Management Procedures, Product Rework Management Procedures, and Product Reprocessing Management Procedures to ensure the rapid and effective recall of any batch of products with potential safety hazards from the market when necessary, guaranteeing the effectiveness of recall operations. To standardise the Group's drug recall procedures and enable proactive product returns, we revised the Drug Recall Standard Operating Procedures during the Reporting Period. This has resulted in a recall management system led by the heads of each site, with collaboration among departments such as the Quality Authorized Person, Production Management, Supply and Storage, Sales, and Quality Management.

The full process of the product recall procedure is as follows:



During the Reporting Period, the Group did not have any product recalls due to product safety or health-related issues.

Listening to Consumer Feedback

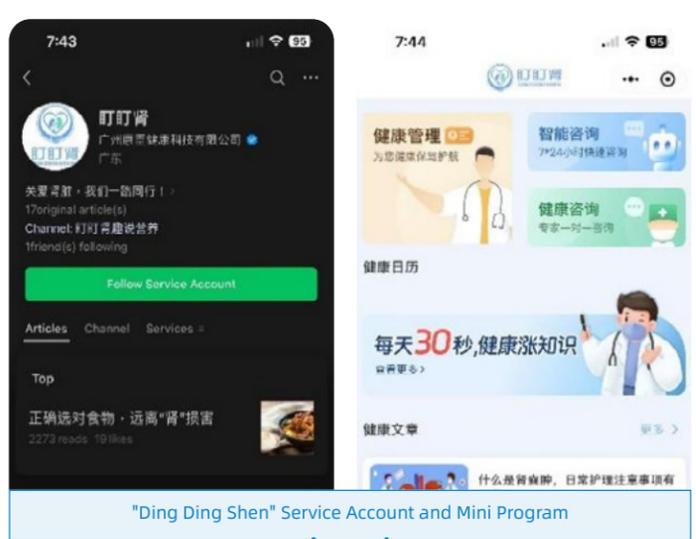
Consun Pharmaceutical is committed to establishing a comprehensive customer service system, leveraging multiple channels such as hotline services, social media, and professional platforms to actively listen to and promptly respond to consumer needs. The Group provides real-time services to patients through the chronic disease management 400 hotline and patient WeChat groups. With the "Ding Ding Shen" ("叮叮肾"), chronic disease management platform and various public accounts, we are able to stay informed about patients' conditions and feedback, enabling us to continuously improve the quality of our services and enhance consumer trust and satisfaction with the Group.

During the Reporting Period, the Group continued to implement the Hotline Call Management Regulations, ensuring efficient communication with consumers while providing patients with personalized care and attention. According to the regulations, all personnel associated with the chronic disease management platform must strictly follow the hotline call guidelines, and any matters requiring follow-up must be promptly reported to the relevant departments to ensure timely handling and successful resolution of issues.

Smart Healthcare Service Platform

"Ding Ding Shen" is the Group's smart healthcare service platform that integrates multiple functions, such as electronic health management and medication follow-up reminders, to assist users in digitising and tracking their health data in real-time. The platform also features an intelligent inquiry system and online consultations with professional physicians, providing users with timely medical guidance.

Additionally, the service account regularly shares kidney health information, early prevention tips, and dietary and lifestyle guidance for common diseases. This helps users establish healthy lifestyle concepts and effectively cultivate good habits.

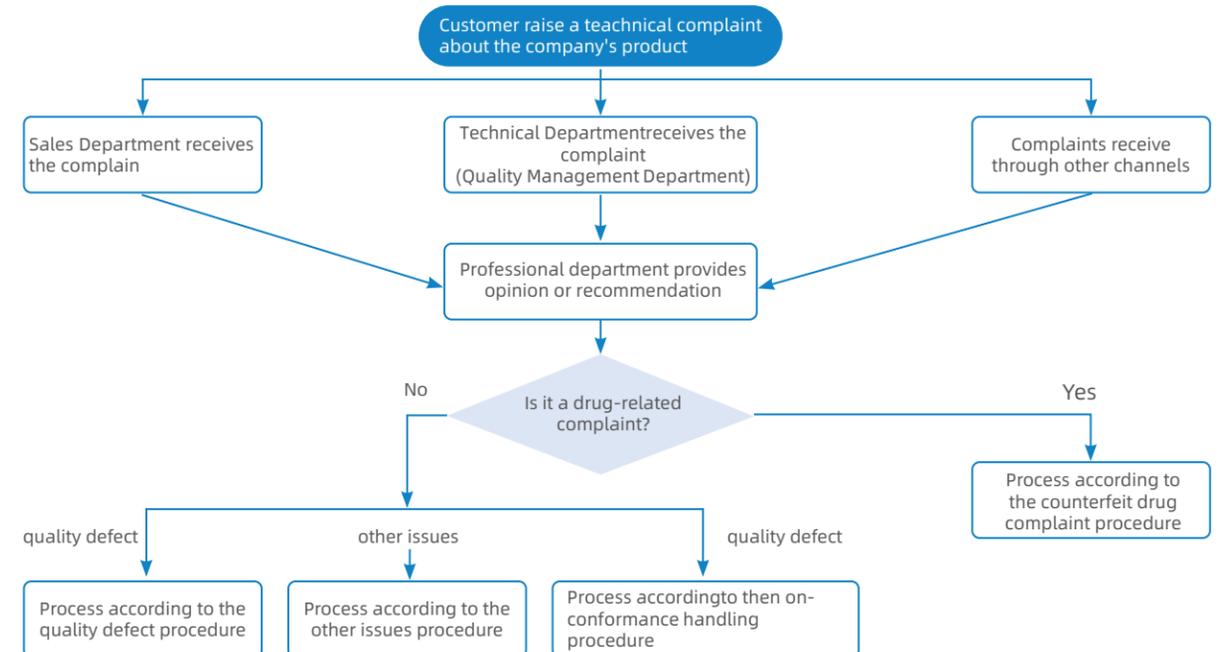


"Ding Ding Shen" Service Account and Mini Program



Patient Response Mechanism

The Group places great importance on addressing patient complaints regarding product quality. To standardise the response and handling process for product quality complaints, ensure the smooth progression of patient complaint procedures, and maintain the company's brand image and market reputation, the Group has formulated the *Customer Complaint Handling Management Regulations* in accordance with the *Consumer Protection Law of the People's Republic of China* and related regulations.



During the Reporting Period, the Group received a total of 15 product complaints. We promptly addressed these complaints and successfully resolved all consumer concerns through timely communication and proactive engagement.

Information Security

The Group strictly regulates the protection of customers' and patients' personal privacy. Based on the *Civil Code of the People's Republic of China* and other privacy-related laws, as well as laws and regulations that significantly impact the Group, we have formulated the *Patient Information Management Process*. Additionally, through policies such as the *Group Employee Conduct Management System* and the *Notice on Regulating the Use of the Group's Office Systems*, we enforce employees' confidentiality obligations and ensure data security and privacy protection. We have also clarified processes for accessing and protecting patient information while carefully assigning access permissions to further safeguard patient privacy. The Group has installed encryption software on computers handling sensitive information to prevent the leakage of patients' personal data. Moreover, we conducted compliance assessments on information security for suppliers. Such assessments include a thorough evaluation of high-defense services deployed in cloud computing models (IaaS/PaaS/SaaS), strengthening multi-layered encryption for critical data, and signing confidentiality agreements to further reinforce the protection of data privacy.

The Group has established a professional information security team responsible for managing information security, data development, and the construction of IT architecture. Through systems such as the Data Centre Management Measures, Data Backup Management Measures, and Information Security Emergency Response Management Measures, we have developed a network security risk management system that effectively improves the ability to identify and efficiency to respond to potential information security threats. Given the rapid development of artificial intelligence in the healthcare sector and its associated privacy challenges, the Group closely monitors regulatory developments and newly issued laws and regulations in the healthcare industry and will promptly adjust our internal strategies and processes to ensure our privacy protection measures and technological advancements consistently align with regulatory requirements and industry standards.

Advertising and Product Labelling

The Group is committed to providing consumers and the public with advertising that aligns closely with the Group's reality. When designing product labels and conducting external promotions, we prioritize authenticity and accuracy to protect consumer rights. The Group strictly adheres to laws and regulations significantly impacting its operations, such as the *Drug Administration Law of the People's Republic of China*, the *Advertising Law of the People's Republic of China*, and the *Measures for the Examination of Drug Advertisements*, in the production of product promotions and advertisements. All drug-related advertisements are approved by provincial drug regulatory authorities to ensure compliance. Yulin Pharmaceutical has established the Advertising Placement Management Regulations to implement oversight and management of advertisements, ensuring the authenticity, completeness, and effectiveness of all published advertisements.

In addition, the Group strictly follows the *Drug Administration Law of the People's Republic of China*, the *Measures for the Administration of Drug Registration*, and the *Provisions for Drug Instructions and Labels* when generating drug labels. This prevents the inclusion of unclear, misleading information or wording. At the same time, we have formulated the *Packaging Material Management Procedures* to regulate the management of packaging materials, such as printing, labels, and instructions, ensuring that all printed information on drug packaging is accurate and error-free.



Sustainable Supply Chain Management

Supply chain management is critical to the Group's production efficiency and the stability and reliability of product quality. Through a comprehensive sustainable supply chain management system, we actively promote refined management and full-process optimisation across our supply chain partners. We collaborate closely with suppliers, implement stringent selection and evaluation mechanisms, and develop comprehensive strategies to address potential risks. This ensures that every stage, from raw material procurement to product delivery, meets the highest standards. At the same time, we focus on the sustainable development of the supply chain, actively advocating ESG principles and encouraging supply chain partners to fulfil their social responsibilities, building a responsible supply chain ecosystem.

Procurement Process and Risk Management

The stability and high quality of raw material supplies are essential to the sustainability of our business operations. The Group has formulated the *Supplier Management System*, *Material Supplier Management Procedures*, *Material Procurement Standard Operating Procedures*, and *Procurement Quality Control Management Measures* to regulate the procurement processes and methods for materials, ensuring the quality of purchased materials. Additionally, the Group has introduced the Procurement Risk Management System to strengthen risk management in raw material procurement. We analyse the risk levels of six identified procurement risk categories and develop and implement corresponding risk management measures to ensure the quality of our products and the stability of the supply chain.



Based on internal regulations, we fully implement the requirements and processes for supplier selection and evaluation, choosing qualified suppliers and managing them in a standardized manner to ensure they provide the Group with compliant materials and services. We prioritise suppliers who have established quality systems in accordance with national (or international) standards and have obtained relevant certifications. For key materials, equipment, and other critical items, we assess suppliers' production capabilities and quality assurance systems. At the same time, we place great emphasis on the environmental and safety factors related to the services and products provided by suppliers. This includes evaluating whether their facilities, product safety, and quality comply with relevant regulatory standards. Materials related to GMP are strictly managed in accordance with system regulatory requirements. The procurement and logistics management centre, in collaboration with the quality management department, conducts regular and ad-hoc audits of suppliers, evaluates their sustainability, and ensures timely replacement of underperforming suppliers.



Number of suppliers (by supplier registration location)			
Guangdong	127	Sichuan	12
Shanghai	49	Tianjin	11
Zhejiang	45	Fujian	8
Xinjiang	40	Hubei	7
Jiangsu	36	Hunan	7
Liaoning	35	Shaanxi	7
Guangxi	35	Chongqing	5
Inner Mongolia	32	Jiangxi	5
Shandong	28	Jilin	4
Beijing	18	Shanxi	2
Anhui	16	Gansu	2
Henan	12	Guizhou	1
Hebei	12		

¹The procurement department, according to the types of suppliers and the nature of procurement activities, follows corresponding procurement procedures as per established practices.

Supplier Management



Supplier Preliminary Evaluation

- Collect relevant information (e.g. quality, service, delivery schedule, price, and proof that key equipment complies with regulatory and safety requirements as a basis for supplier selection.
- Review and confirm whether the procured materials, key equipment, etc., meet legal and safety requirements.



Sample Provision

- For purchasing production materials (e.g. raw materials, auxiliary materials, packaging materials) under GMP requirements, notify suppliers to provide samples for testing.
- Conduct tests in accordance with quality standards and issue inspection reports.



On-Site Supplier Audit

- Classify purchased materials into three levels (A, B, C) based on their impact on product quality and apply corresponding control measures.
- Conduct on-site evaluations of suppliers providing critical and major materials, completing the Supplier Audit Report.



Establishing the Approved Supplier List

- After completing site evaluation forms or audit reports, sign quality assurance agreements with suppliers and include them in the Approved Supplier List.

Supplier Audits and Evaluations



- Develop annual audit and evaluation plans, adjusting supplier ratings based on evaluation results.
- Supplier audits cover quality, delivery schedules, service, and price levels.
- Require suppliers with problems or non-compliance issues to implement corrective actions. The Supplier Evaluation Team confirms the submitted corrective measures.
- Remove suppliers with serious issues or unresolved problems from the Approved Supplier List.

Supplier Monitoring



- Monitor supplier qualifications, delivery schedules, quality, and information.
- Procurement personnel check supplier information quarterly via the National Enterprise Credit Information Publicity System and the National Medical Products Administration. Notify the Quality Management Department to audit and evaluate suppliers with negative records.



GMP Material Management Training



Value Stream and PDCA Improvement Method Training

Green Procurement

To achieve the goal of establishing a green supply chain, the Group incorporates green and sustainable development requirements into the procurement processes of the headquarters and subsidiary companies, including supplier selection and product choices. We require suppliers to have optimized waste and wastewater treatment solutions in their production processes and prohibit collaboration with suppliers that have significant negative impacts on the environment or society. In addition, the Group prioritizes the use of environmentally friendly products, such as packaging made from eco-friendly materials, low-energy consumption, and low-emission products. We support replacing plastic packaging materials with paper-based alternatives and procuring LED lights to replace fluorescent tubes. Through these measures, we aim to encourage suppliers to actively adopt environmentally friendly practices in their production and operations, prioritize the use of green materials, and promote the fulfilment of environmental responsibilities by suppliers.



Caring for People at Consun Building a Happy Workplace

Talent is the foundation of Consun Pharmaceutical's sustained competitiveness and the driving force behind the Group's continuous progress. On our journey of innovation and advancement, we value the growth of every member of the Consun team and are committed to continuously improving talent development mechanisms, providing diverse learning and development opportunities. At the same time, we sincerely respect the value of every employee, fostering a fair, open, and inclusive work environment. This fully embodies our business philosophy of "Respecting People, Developing People, and Empowering People."



Employee Management

Consun Pharmaceutical strictly complies with the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, and other laws and regulations related to compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, other benefits and welfare, prevention of child labour and forced labour that have significant impact on the Group. We have established internal management policies such as Recruitment Management System, Employee Handbook, Employee Labor Contract Management System, New Employee Onboarding Management Regulations, Employee Resignation Management Regulations, Attendance Management System, Promotion Management Methods, and Employee Behaviour and Reward and Punishment Management Regulations. To continuously improve the Group's employee management system, we have also comprehensively revised key policies, such as simplifying attendance approval processes, optimising overtime management, adding new types of leave, and revising allowance standards, to carry out related work more scientifically and reasonably, improving management efficiency and employee happiness index. During the Reporting Period, the Group did not notice any significant violations related to labour laws and regulations that would have a significant impact on the Group.

Recruitment



- The Group has established and continuously improves recruitment-related management systems such as the Recruitment Management System to standardise the recruitment process.
- The Group scientifically defines and strictly implements the recruitment process, focusing on professionalism and humanisation throughout the process, improving candidate experience and enhancing the Group's brand building.
- We conduct recruitment activities through diversified recruitment platforms and select suitable candidates through processes such as interviews. We sign labor contracts with hired employees to protect the rights and interests of both the Group and employees.

Labour Standards



- The Group strictly complies with labour standards and laws and regulations such as the Provisions on Prohibiting the Use of Child Labour, prohibiting the employment of child labour. During the recruitment process, we thoroughly review the identity information of applicants, such as checking their identity cards, to avoid the risk of mistakenly hiring child labour due to false information.
- According to the Employee Labor Contract Management System and New Employee Onboarding Management Regulations, the Group signs labor contracts with each new employee, ensuring that employees join based on the principles of equality and voluntariness, avoiding the occurrence of forced labor.
- If violations are noticed, depending on the severity, suspension pending investigation or immediate termination of contract will be implemented.
- As at the end of the Reporting Period, the Group has not experienced any incidents of child labour or forced labour.



Dismissal

The Group's Employee Labour Contract Management System specifies the conditions, requirements, and processes for terminating the labour contract between both parties. The Human Resources Centre can veto decisions to dismiss employees that do not meet requirements, protecting employee rights.



Compensation

The Group has established competitive compensation management policies such as the Compensation and Benefits Management System. We combine work performance with salary bonuses. According to categories of position, we set up monthly, quarterly, semi-annual or annual performance bonuses to motivate, attract, and retain outstanding employees, laying the human resource foundation for the Group's long-term development.



Working Hours and Leave

- The company has established the Employee Handbook, Attendance Management System, and Group Welfare Allowance Management System based on actual circumstances, standardising employee working and leave time, fully protecting employees' basic rights.
- Working hours: 5-day, 8-hour system, with some positions adopting flexible work arrangements based on their different nature.
- Leave: Weekly rest days, statutory holidays, annual leave, marriage and funeral leave, maternity leave, paternity leave, work injury leave, medical leave, sick leave, personal leave, special leave, etc.



Promotion Path

- The Group provides equal promotion opportunities for employees based primarily on employee capabilities and work performance standards, ensuring the standardisation and fairness of the promotion management process.
- Through a combination of key performance indicators and work goal setting assessments, we list employees with excellent performance and capabilities in the reserve cadre list, giving priority consideration for promotion and development.

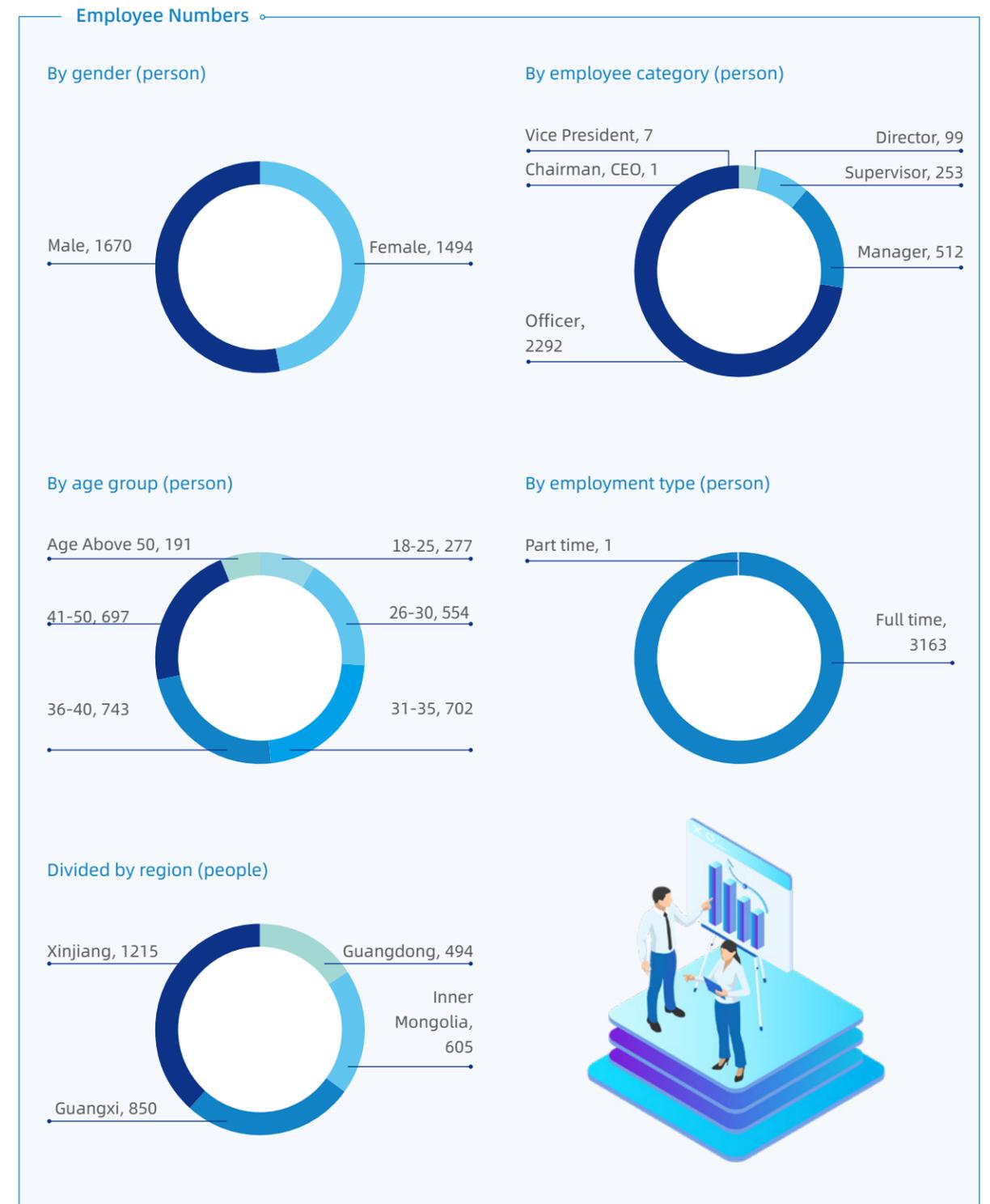


Equal Opportunity and Anti-discrimination

- The Group promotes employee diversity and provides equal work opportunities, prohibiting discrimination based on race, ethnicity, nationality, religious belief, and gender.
- The Group strictly complies with relevant national, provincial, and operational location regulations, actively ensuring labor protection and healthcare for female employees.

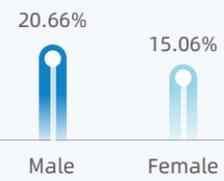
Employee Overview

As at the end of the Reporting Period, the Group had a total of 3,164 employees. The following shows statistics of employee numbers and employee turnover categorised by different types:



Employee Turnover Rate²

By gender (percentage)



By region (percentage)



By age (percentage)



²The calculation method for turnover rate is: number of departing employees in this category / total number of employees in this category * 100%.

Caring for Employees

Consun Pharmaceutical has always adhered to the team philosophy of "same heart, same virtue, symbiosis and co-creation." We have formulated and implemented multiple internal policies for employee care. To standardise the Group's welfare system, we have established various employee welfare measures through the "Welfare Allowance Management System," including daily lunch subsidies, transportation and commuting allowances, annual physical examinations, mutual medical insurance, commercial accident insurance, and holiday bonuses. These are aimed at closely connecting employees with the Group as a community of common interests, further stimulating employees' work enthusiasm. We also conduct various activities through the labour union, reaching into employees' lives and safeguarding their rights. We have implemented a share subscription plan that allows employees to share in the company's development results.

The Group is committed to creating value through communication and actively explores diverse forms of exchange to provide employees with broader opportunities for expression and participation. We have established multiple channels to collect employee feedback on company culture, benefits, and career development, including regular employee satisfaction surveys, department service evaluations, and Group IP image design questionnaires through the OA system, as well as two-way communication via enterprise WeChat and face-to-face exchanges. In addition, we have set up dedicated reporting channels to support employees in reporting workplace misconduct including bullying, abuse of power, discrimination, and unfair treatment. The Group regularly publishes internal company magazines such as Consun People and Consun Management Monthly Journal, inviting contributions from various departments to share work experiences and insights. This platform builds bridges for exchange between employees, enhances mutual understanding, and creates a harmonious and positive corporate atmosphere. During the Reporting Period, we also held strategic thinking and consensus meetings, inviting more than 100 middle and senior managers to participate. Many creative ideas and concepts proposed by employees have been incorporated into the Group's strategic planning, fully embodying the value concept of "co-creation, co-building, and sharing."



Employee Mental Health

In July, the Group jointly established the Yuexin'an Enterprise Peace of Mind Station with the Guangzhou Huangpu District Social Construction Promotion Association. Through government-enterprise cooperation, we built a professional mental health service platform, providing employees with comprehensive, multi-level psychological care and support. The Peace of Mind Station regularly holds psychological lectures and provides psychological counseling services, helping employees deal with work-related stress and challenges while maintaining mental health.



Financial Support for Employees' Children's Education

Yulin Pharmaceutical held a "Golden Autumn Education Assistance" activity, awarding scholarships to employees' children. This initiative aims to reduce the educational burden on employees' families while encouraging students to study hard and pursue excellence.



During the Reporting Period, the Group and its various bases carried out diverse employee activities, enriching employees' leisure and cultural lives, and enhancing the cohesion and sense of happiness among all employees.



Outstanding Employees Sent to Western Europe for Visits and Learning



"March 8th" Women's Day Warmth and Care Flower-giving Activity



2024 Huangpu Marathon Race



Employee Birthday Party



Children's Day Parent-Child Activity



Yulin Pharmaceutical 2024 Employee Sports Meet



Mid-Autumn Festival Carnival Party



Employee Mental Health Knowledge Lecture



Health Education from the Department of Preventive Medicine



Retirement Consolation Activity



Employee Recuperation Activity

Talent Development

Consun Pharmaceutical is committed to building a professional, career-oriented team of high-quality talent. Through a systematic talent development strategy, we continuously enhance our team's comprehensive strength. Through improved talent selection, training, and appointment mechanisms, we have formed and continuously optimise our performance evaluation system and career development paths. In talent cultivation, the Group adopts a tiered, multi-level training model, constructing a comprehensive talent pipeline management system. Through the closed-loop management mechanism of "selection, training, utilisation, cultivate, retention and exit" we achieve coordinated advancement of organisational building and talent development.

The Group has also established specific human resource development management methods, position qualification and promotion management systems, fully meeting the career development needs of employees at various positions and levels.

Employee Qualification Certificate Management

A system that standardises the management of qualifications required for each position, ensuring that all company employees, especially those in specialised positions, hold the corresponding professional certificates and professional qualifications. For employees obtaining professional titles and occupational qualifications, we also have relevant reward provisions to stimulate employees' learning enthusiasm.

New Employee Training Management Measures

The new employee onboarding training model includes four stages: introduction training, online learning and company+online training, departmental mentor training+group new employee centralised training, and probation assessment. Content covers corporate culture, rules and regulations, professional job requirements and other aspects, ensuring new employees thoroughly master the knowledge and skills required for their positions through different training methods.

Mentor and Internal Trainer Management Measures

Clarifies the selection, management, cultivation, and assessment of internal and external training talent to ensure the professionalism, teaching quality, and enthusiasm of the training team, continuously improving training quality.

Personnel Further Education Management Regulations

Uses incentive methods to encourage management personnel to effectively improve their comprehensive capabilities and educational levels through academic education and non-academic education, cultivating talent for key positions.

During the Reporting Period, we provided employees with various training activities, including topics involved in business operations such as information management, strategic thinking, interpretation of laws and regulations, and pharmaceutical research and development. Through diverse learning formats, we comprehensively enhanced employees' professional competence.

2024 New Recruits Training Camp

The Human Resources Centre organised 7 sessions of the New Recruit Training Camp activities for newly hired employees, helping new members gain a deeper understanding of the company's development history, corporate culture, and core values, master company management systems, job skills, and business skills, and quickly integrate into the corporate family.



Yuanlikang Detonation Camp

The Women's and Children's Market Department, in conjunction with the Human Resources Centre, conducted a three-month "Battle Camp" for the 3.0 Detonation Project targeting 35 regional managers in the Women's and Children's Division. Using a combination of "themed training + practical tasks + sharing exchanges," this program combined training with combat situations to enhance participants' marketing planning capabilities.



2024 Medical Open Courses 2.0

The Medical Open Courses were coordinated by the Medical Department with assistance from the Human Resources Centre. The courses were open to all Group employees and covered knowledge about various kidney diseases and anemia in different population groups, empowering the Group's product research, development, and marketing.



Employee Fun Sports Day

Horgos Consun held a fun sports day for employees with the theme "Consun Vitality, Sports with Me." The event aimed to strengthen cohesion among employees through colorful sports activities, improve team spirit, and promote employee physical and mental health.



Production Specialised Training

Consun Pharmaceutical's various production bases regularly organise specialised production training, covering standardised operation of production processes, equipment use and maintenance, quality control standards, safety production measures, and GMP compliance requirements, ensuring employees master the latest production skills and safety standards.





Total training hours of the Group

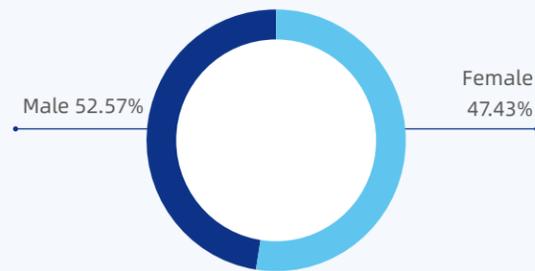
90,980.25 Hours

Average training hours per person reached

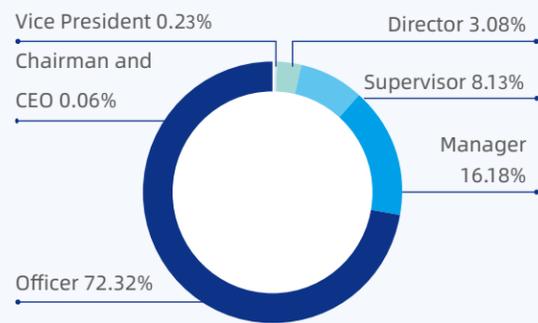
28.75 Hours

Percentage of Employee Trained³

By gender (person)



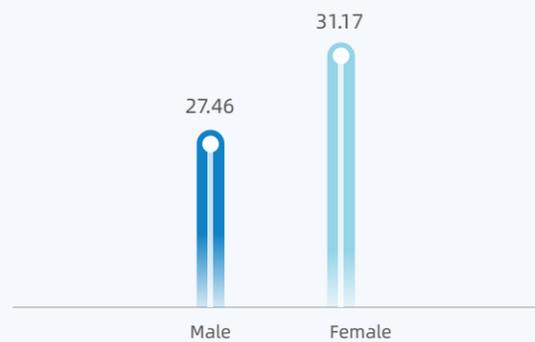
By employee category (person)



³The calculation method for percentage of trained employees: employees in the relevant category/total trained employees*100%.

Average Training Hours of Employees⁴

By gender (hours)



By employee category (hours)



⁴The calculation method for average training hours of employees in relevant categories: total training hours of employees in a specific category/number of employees in that specific category.

Health and Safety

The Group places high importance on occupational health and safety, committed to providing employees with a safe working environment. The Group strictly complies with laws and regulations such as the Production Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, and the Provisions on the Supervision and Administration of Occupational Health in the Workplace, implementing safety protection measures in production work and daily operations to safeguard employee health and safety. During the Reporting Period, the Group experienced 3 work-related safety accidents, with a total of 294 working days lost due to work injury.

Since the Group's main operating locations include production workshops, laboratories, and office areas, we have developed a series of targeted occupational health and safety management documents to control different occupational health and safety risks. We have formulated and implemented the Compilation of Safety Production Management Systems and Employee Health Management Procedures to regulate occupational health and safety matters during operations. The Group has established a safety production leadership team responsible for providing safety production education to employees under the production management department, formulating detailed rules for safety production implementation and operating procedures, implementing safety production supervision and inspection, and implementing the Group's various safety directives to ensure production safety.

Safety Inspection and Hidden Danger Investigation and Management System

- Each department organises regular or irregular safety inspections and daily safety patrols
- Safety inspections focus on key areas, strengthening checks on production systems, areas, installations, equipment, and dangerous operations that have higher risk, are prone to accidents, or could cause major accident hazards
- Immediate rectification, acceptance inspection, and reporting upon discovery of safety hazards

Safety Education and Training System

- New employees must receive three-level safety production training (factory, workshop, post) before taking up their posts
- Transferred personnel should receive workshop and team-level safety training again before taking up their posts
- Special operations personnel undergo specialised safety training, must pass assessments and obtain corresponding qualifications before taking up their posts, and need to undergo regular reviews

Production Equipment and Facilities Safety Management System

- The Engineering Equipment Department supervises and inspects each department's implementation of safety management during installation, acceptance, operation, maintenance, repair, and dismantling of production equipment and facilities
- Equipment users must strictly follow safety operation procedures according to equipment manual requirements, avoiding operation at excessive temperature, pressure, or load
- Production equipment and facilities are managed and maintained by designated personnel, with customised periodic maintenance methods and inspection standards for each piece of production equipment and facility

Occupational Health Management System

- Priority is given to adopting new technologies, processes, and materials that help prevent occupational diseases and protect employees' health and safety; occupational disease hazard control effectiveness evaluations are conducted before completion acceptance of construction projects; monitoring points for occupational hazard factors are established; and notification boards and warning signs are set up
- For personnel engaged in operations with occupational hazards, pre-employment, on-the-job, and post-employment occupational health examinations are organised
- Regular occupational health examinations are organised

Emergency Management System

- The company establishes an emergency command department and an emergency command office responsible for daily emergency rescue management
- The department where an accident occurs is responsible for activating the corresponding emergency rescue plan, organising on-site rescue and accident handling, reporting accident situations, and cooperating with accident investigation and handling
- The company's Safety Committee is responsible for supervising the accident management process, reviewing handling opinions, assisting the government and higher authorities in investigations, and tracking subsequent accident handling and implementation of rectification measures



Occupational Health and Safety (OHS) System Development



2024 Outstanding Health Education Promotion Unit

In addition, the Group has formulated multiple emergency plans for occupational health and safety-related emergencies, including the *Overall Emergency Plan for Sudden Incidents*, *Laboratory Safety Accident Emergency Plan*, *Production Safety Accident Emergency Plan*, and *Occupational Disease Hazard Accident Emergency Rescue Plan*, and updated the relevant content during the Reporting Period. At the same time, the Group regularly organises safety drills to enhance employees' knowledge and ability to respond to sudden safety accidents, thereby effectively avoiding or reducing casualties.

To further protect employees' occupational health, the Group also actively prevents and controls occupational hazards through multiple policies including the *Occupational Disease Hazard Prevention Responsibility System*, *Occupational Disease Hazard Detection and Evaluation Management System*, and *Occupational Disease Hazard Publicity and Education System*. Each production base commissions third-party institutions to conduct regular testing of occupational disease hazard factors to ensure compliance with national regulatory requirements and implement timely rectification of risk points. We also regularly arrange annual health examinations and occupational disease screenings for employees to keep track of their health status, and when necessary, adjust job positions for employees diagnosed with occupational diseases, providing appropriate treatment and support to effectively safeguard employees' health and well-being. No fatal accidents due to work have occurred in the past three years. During the Reporting Period, the Group did not identify any major violations related to labor health and safety that would have a significant impact on the Group.



Occupational Health and Safety Training



Providing Relief from High Temperatures



Emergency Training for Alcohol Storage



Emergency Drills for Alcohol Storage



Occupational Disease Hazard Emergency Rescue Training



Occupational Disease Hazard Emergency Rescue Drills



Horgos Consun Safety Training



Horgos Consun Occupational Disease Training



Safety Education for Personnel Entering Production Areas



Stroke Prevention and Treatment Training



During the Reporting Period, we conducted various occupational health and safety-related training activities for employees, including lectures on occupational disease prevention and control, as well as emergency drills for sudden incidents such as alcohol storage accidents and personnel poisoning, improving employees' safety awareness and response capabilities. Meanwhile, we posted warning signs in workshops and laboratories to remind employees to follow operational standards and prevent potential risks.



Number of people who received occupational health and safety training in 2024

Over **600** participants



Employee Red Cross First Aid Training

To enhance employees' safety awareness and ability to respond to emergencies, and to create a safer and healthier work environment, we conducted 2 Red Cross first aid training sessions with approximately 120 employees participating. Among them, 71 people passed the first aid certification examination and obtained relevant qualifications.



Inner Mongolia Consun "Safety Production Month" Series of Activities

In June, Inner Mongolia Consun enhanced employees' safety awareness, disaster prevention consciousness, and self-rescue and mutual aid capabilities through participating in external promotional activities, internal safety publicity, conducting safety education training, and carrying out fire safety emergency drills.



"Safety Production Month" Promotional Activities



Electronic Display Publicity



Conducting Safety Education Training



Conducting Fire Safety Emergency Drills



Environmental Stewardship at Consun Upholding Sustainable Value

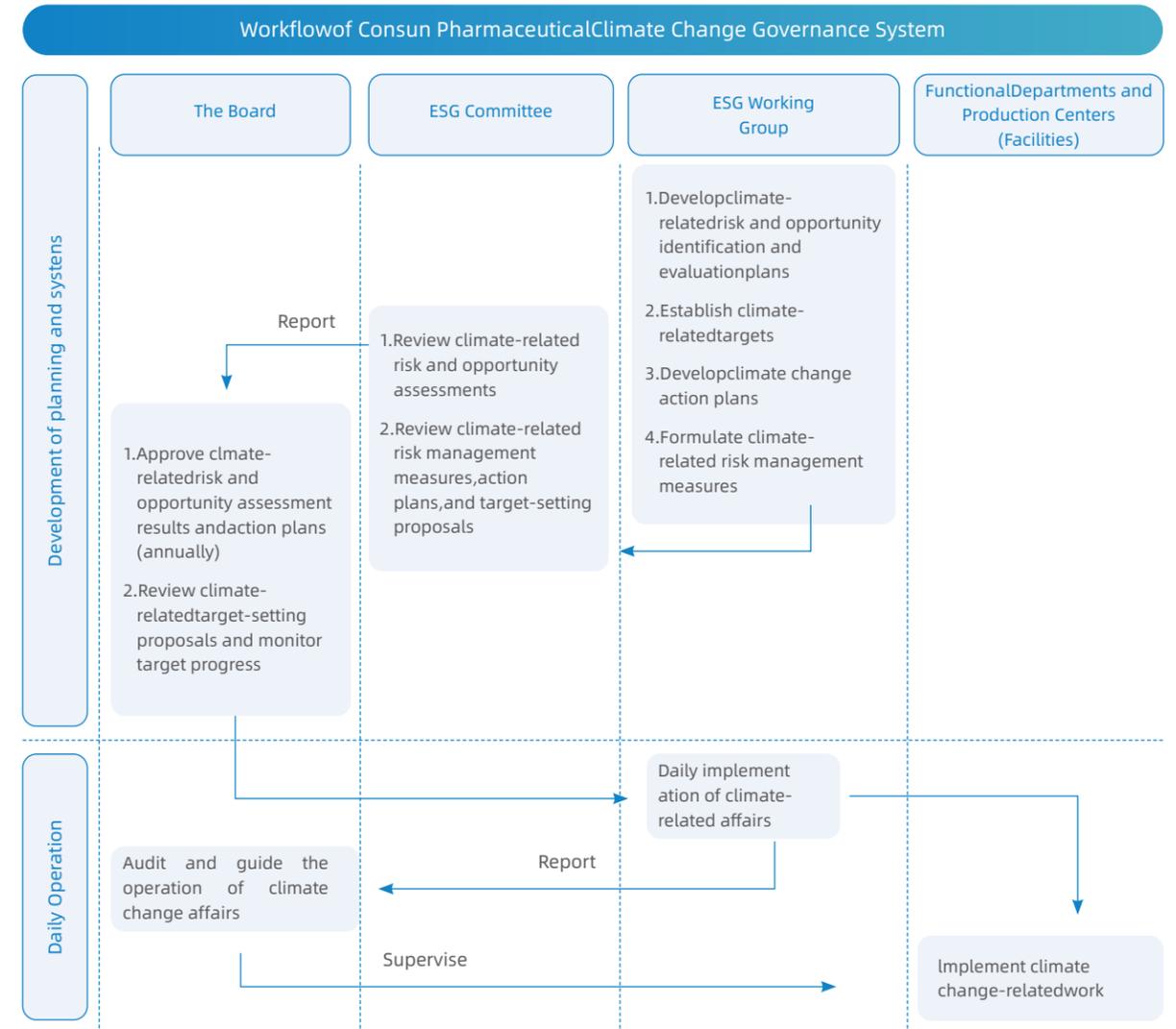
As global environmental challenges become increasingly serious, with the successive introduction of policies such as China's National Climate Change Health Adaptation Action Plan (2024-2030), the pharmaceutical industry bears an even more important mission and responsibility in practicing green and low-carbon development. The Group deeply understands that green production and operation is not only our social responsibility but also an inevitable choice for long-term development. Under the guidance of Consun Pharmaceutical's environmental governance system, we prioritise practical actions, actively introduce innovative measures and refined management, and carry out every energy-saving and emission-reduction practice effectively. At the same time, we pay close attention to climate change and ecological protection, continuously enhance operational resilience and promote climate transition, contributing corporate strength to achieving the national strategy of carbon peaking and carbon neutrality.



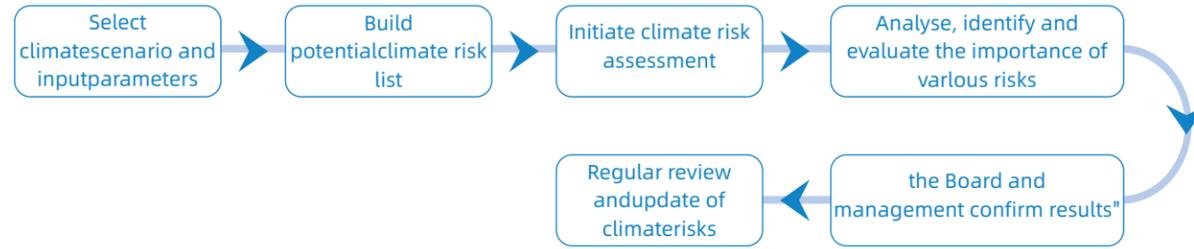
Climate Change

Beginning in 2022, Consun Pharmaceutical incorporated climate-related governance into its existing environmental, social, and governance framework and work procedures, and implemented a climate change work manual.

Consun Pharmaceutical's management process for addressing climate-related risks and opportunities



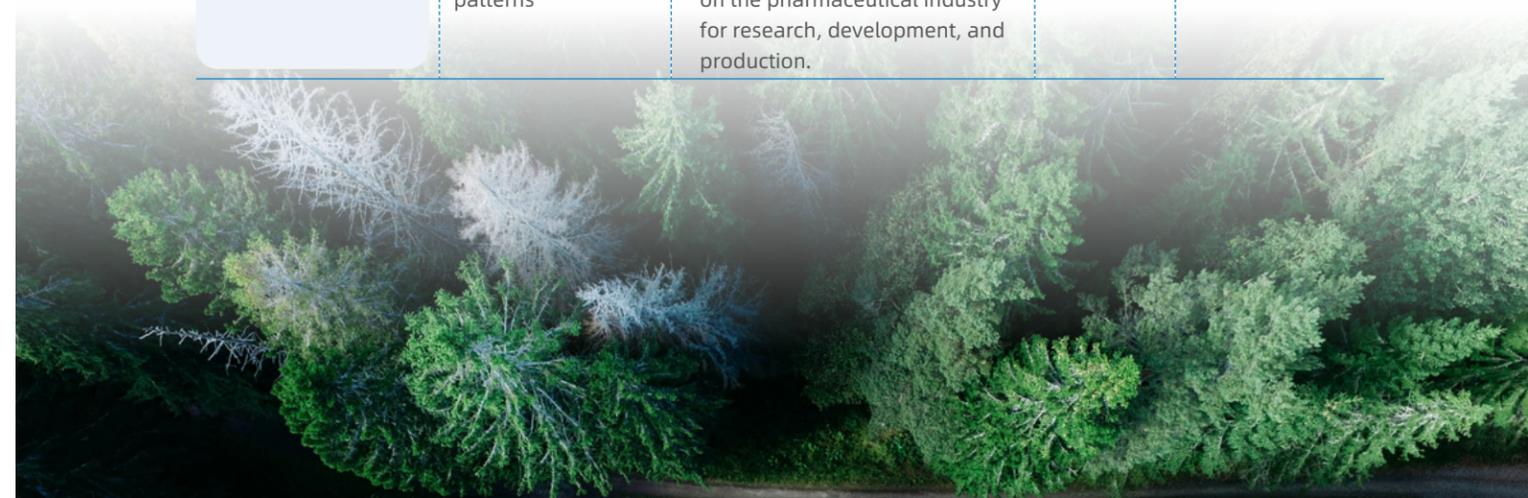
Based on the established climate change management mechanism, the Group systematically carries out the identification, assessment, and response to climate-related risks and opportunities, and continuously optimises internal management processes to ensure the effective implementation of various measures. We focus on the potential impacts of climate change on business operations, including physical risks (such as extreme weather events) and transition risks (such as policy changes and market demand fluctuations), while actively exploring potential opportunities, such as improving energy use efficiency, applying new energy technologies, and developing sustainable products. During the Reporting Period, the Group conducted a comprehensive assessment of the above key risks using qualitative scenario analysis methods, including their potential impacts on finances, value chain, and internal risk management.



The Group, referencing the recommendations proposed in the SEHK's climate information disclosure guidelines, adopts optimistic and pessimistic climate scenarios published by institutions such as the United Nations Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA), selecting parameters relevant to the pharmaceutical industry to estimate the risks and opportunities the Group may face under different climate and transition trend directions.

	Turquoise Scenario	Brown Scenario	Reasons for Consideration
Physical Environment			
Global mean temperature increase	About 1.7°C by 2060 and 1.8°C by 2100	About 1.7°C by 2060 and 1.8°C by 2100	Long-term deteriorating climate patterns may affect the Group's business operations
Global mean sea level increase	Likely at 0.30m by 2065 and 0.50m by 2100	Likely at 0.40m by 2065 and 0.80m by 2100	
Climate change impacts	Relatively stable	Significant (e.g., increased frequency and severity of floods, extreme weather events)	
Socio-Economic Environment			
Economic development	A more inclusive economic development that respects the perceived environmental boundaries	Economic growth and technological advancement are fueled by fossil fuels, resulting in high levels of GHG emissions by 2100, which can exacerbate extreme weather events	The transition from traditional fossil fuel models to renewable energy is both necessary and challenging, with the transition process influenced by factors such as technology and cost
Common business model	Rapid shift from a fossil fuel-dependent economy to a renewable energy driven economy	Profit-driven business model with only casual consideration of environmental and social impacts	
Climate policies	The Mainland China and Hong Kong governments adopt more aggressive and stringent carbon reduction strategies and roadmaps, such as increasing the proportion of renewable energy, implementing carbon pricing, and mandating climate related risk and opportunity disclosures	Due to systemic, political, and economic barriers, i.e., policy inertia, there is a lack of new climate policies	Society is increasingly concerned about climate change-related issues. If the Group's low-carbon initiatives fail to meet stakeholders' expectations, it may lead to increased negative feedback
Level of commitment	Corporates are committed to contributing to national and regional climate action goals, i.e. business partners work together to achieve lower carbon operations	Insufficient public environmental awareness to drive system change	

Physical Risks				
Risk/Opportunity Category	Potential Climate Risk/Opportunity	Risk/Opportunity Description	Time Frame	Risk/Opportunity Level
Acute Physical Risk	Adverse impacts from frequent extreme weather events	<ul style="list-style-type: none"> Extreme weather phenomena caused by climate change (such as hurricanes, floods, droughts, high temperatures, cold spells, snowstorms, etc.) may cause serious damage to the company's production facilities, supply chains, and logistics, while also affecting employees' daily work and life. Additionally, after extreme weather events, enterprises may need to invest substantial funds for facility repairs and equipment replacement, increasing operational costs. In snowy and icy weather conditions, the storage, transportation, and distribution of pharmaceutical products may face risks and hidden dangers. 	Medium-term	Relatively Low
		<ul style="list-style-type: none"> The cultivation of traditional Chinese medicinal herbs depends on climate conditions (temperature, precipitation, humidity, etc.). Abnormal climate patterns could lead to reduced production or quality degradation of pharmaceutical raw materials, resulting in supply shortages and price increases. High-temperature weather may affect the storage conditions of medicinal herbs and pharmaceutical products, impacting their quality and safety. 		
Chronic Physical Risk	Adverse impacts from long-term changes in global climate patterns	<ul style="list-style-type: none"> The cultivation of traditional Chinese medicinal herbs depends on climate conditions (temperature, precipitation, humidity, etc.). Abnormal climate patterns could lead to reduced production or quality degradation of pharmaceutical raw materials, resulting in supply shortages and price increases. High-temperature weather may affect the storage conditions of medicinal herbs and pharmaceutical products, impacting their quality and safety. 	Long-term	Relatively Low
		<ul style="list-style-type: none"> Climate change may alter the prevalence patterns of diseases, thus placing higher demands on the pharmaceutical industry for research, development, and production. 		
	Changes in disease patterns	<ul style="list-style-type: none"> Climate change may alter the prevalence patterns of diseases, thus placing higher demands on the pharmaceutical industry for research, development, and production. 	Long-term	Relatively Low



Transition Risks

Risk/Opportunity Category	Potential Climate Risk/Opportunity	Risk/Opportunity Description	Time Frame	Risk/Opportunity Level
Policy and Legal Risk	Changes in regulations on greenhouse gas emissions	<ul style="list-style-type: none"> Climate change policies and regulations are becoming increasingly stringent globally, such as carbon emission limits or carbon taxes, which may lead to increased emission costs and compliance costs for pharmaceutical companies, especially in energy-intensive production processes, pharmaceutical storage, and transportation. To achieve dual carbon goals, the Chinese mainland and Hong Kong governments and relevant regulatory authorities have increasingly higher disclosure requirements for companies' Scope 1, Scope 2, and Scope 3 greenhouse gas emissions, which may lead to increased corporate compliance costs. 	Medium-term	Medium
Technology Risk	Low-carbon technology transition expenses	<ul style="list-style-type: none"> Against the backdrop of global climate change, companies need to transition to low-carbon operation models, including researching and developing new technologies, as well as switching to new energy/energy-efficient equipment to replace traditional/high-energy-consuming, outdated equipment, which requires substantial financial investment from companies in the long run. 	Medium-term	Medium
Market Risk	Changes in market demand	<ul style="list-style-type: none"> With increased awareness of climate change, medical institutions and consumers may prefer pharmaceuticals and medical products with lower environmental impacts. The industry generally values sustainable business models, including pharmaceutical companies' response strategies and contributions to climate change issues. If companies fail to keep pace with industry developments, their competitiveness may be weakened. 	Long-term	Relatively Low

Opportunities

Risk/Opportunity Category	Potential Climate Risk/Opportunity	Risk/Opportunity Description	Time Frame	Risk/Opportunity Level
Climate Opportunity	Improve production efficiency	<ul style="list-style-type: none"> Introduce energy-saving technologies and equipment to improve energy use efficiency and reduce operational costs. Green pharmaceutical technology will become the mainstream direction for industry development, which not only complies with environmental regulations but can also serve as a competitive advantage for enterprises. 	Medium-term	Medium
	Product and service innovation	<ul style="list-style-type: none"> Environmental technology innovation in the industry will catalyse new cooperation models, such as pharmaceutical companies collaborating with environmental technology companies to develop green processes. By developing low-carbon product lines, companies can not only meet the growing demand for green consumption but also establish an environmentally friendly brand image. 	Medium-term	Medium

The Group has established a comprehensive extreme weather response mechanism, including setting up an emergency command system and emergency office, formulating comprehensive emergency plans, and promptly issuing management measures. We regularly conduct safety inspections of key facilities and equipment and carry out preventive work such as reinforcing doors and windows. To enhance corporate resilience, we have established diversified production bases, fully considering local climate factors during construction and maintenance to improve facility disaster resistance. At the same time, we have established a comprehensive post-disaster recovery mechanism, including setting up "Reassurance Stations" to focus on employees' physical and mental health, preparing for winter warmth and summer heat prevention, and equipping emergency power generation equipment and other backup resources.

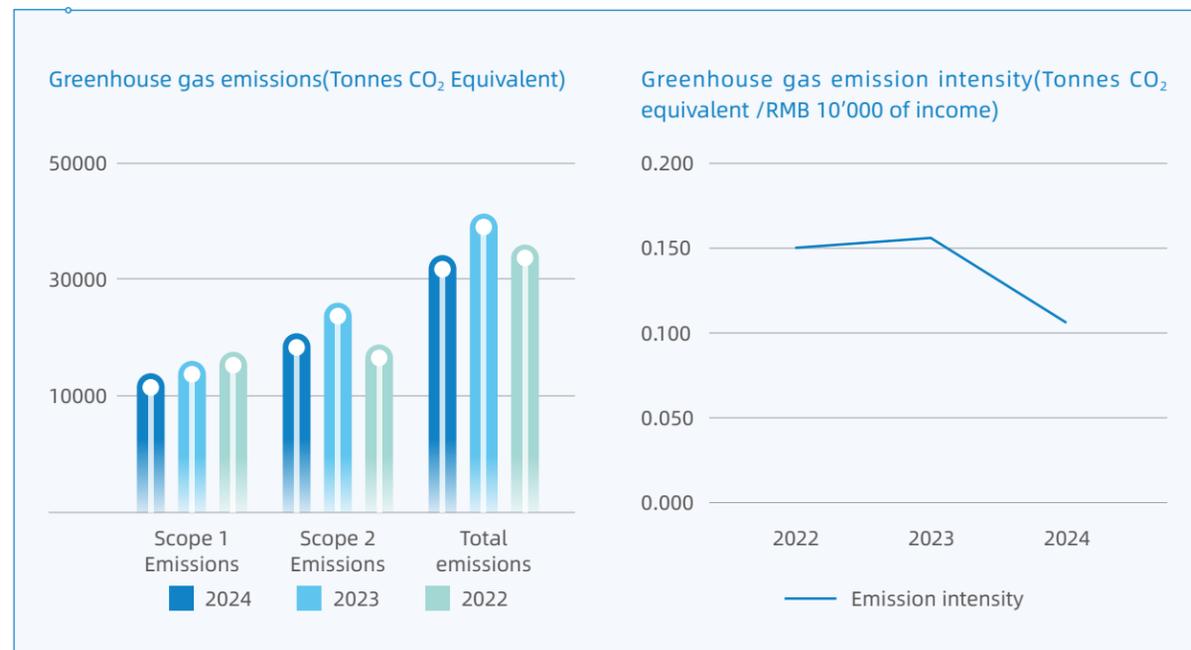
To address the challenges brought by low-carbon transition, we have formulated clear emission reduction targets and energy-saving plans, actively promoting the green transformation of production operations. Specific measures include optimising energy structure, promoting clean energy applications (such as installing photovoltaic power generation equipment, biological pellet fuel), improving production technology and equipment to enhance energy efficiency, and strengthening the management of waste gas, wastewater, and solid waste. In terms of the supply chain, we implement diversified procurement strategies, establish strict supplier evaluation systems, and reduce transportation costs by developing localised planting bases. We also actively develop green low-carbon products, implement paperless offices, explore green processing methods for packaging materials, and are committed to building a green manufacturing system that aligns with future development trends.



Metrics and Targets

In accordance with our formulated action plan, we are gradually implementing key measures to reduce greenhouse gas emissions, improve resource utilisation efficiency, and advance the use of clean energy. Various functional departments and production bases closely integrate specific situations to carry out energy conservation and emission reduction work in daily operations, and regularly provide feedback on progress to the ESG Working Group and Committee, forming closed-loop management. Currently, we have also established qualitative greenhouse gas targets. In the future, we will continue to analyse and assess the current status and trends of greenhouse gas emissions, combining the latest policy requirements and industry best practices to gradually improve the quantitative standards for emission reduction targets.

Environmental Objectives	Indicator	Action Records	Completion Timeline	Completion Status
Reduce business travel carbon emissions	Increase rate of substituting air travel with high-speed rail for business trips	<ul style="list-style-type: none"> Yulin Pharmaceutical conducted a total of 30 online meetings, reducing approximately over a hundred trips. Inner Mongolia Consun held 36 online monthly operations meetings and weekly meetings. 	Short-term (1-2 years)	Continuous management and improvement
		<ul style="list-style-type: none"> Horgos Consun encouraged employees to travel by high-speed rail, with a total of 32 trips. 		In progress



Environmental Governance Principles

The Group and its production bases have established comprehensive environmental management policy systems, including *Environmental Protection Management Procedures*, covering major environmental aspects such as pollution discharge, energy, waste, and sanitation management, clearly defining the overall planning and daily supervision of environmental protection-related work. Based on local government environmental regulations and the Group's internal management requirements, all production bases have commissioned professional third parties to conduct monthly/quarterly testing of environmental impact factors such as waste gas, wastewater, and noise, ensuring that all emissions meet China's emission standards, pollution discharge permit management, and other requirements.

◦ During the Reporting Period ◦

The Group has strictly complied with the following environmental laws and regulations related to waste gas and greenhouse gas emissions, discharges to water and land, generation of hazardous and non-hazardous waste that have a significant impact on the Group (including but not limited to):

- Environmental Protection Law of the People's Republic of China*
- Air Pollution Prevention and Control Law of the People's Republic of China*
- Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution*
- Water Pollution Prevention and Control Law of the People's Republic of China*
- Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*
- Energy Conservation Law of the People's Republic of China*

We have formulated emergency response plans for sudden environmental incidents, clearly defining the division of responsibilities for environmental risk control, emergency response processes, and resource allocation mechanisms to ensure sufficient preparation and response capabilities when addressing sudden environmental incidents. During the Reporting Period, each base actively carried out environmental risk identification and assessment work, focusing on comprehensive analysis of risk sources that may have significant environmental impacts, identifying gaps in corresponding prevention and control measures, and developing short, medium, and long-term rectification plans. To promote the Group's effective implementation of environmental protection policies, each base regularly organises publicity and educational activities on environmental awareness for employees, ensuring that employees possess work skills related to clean production and conveying the Group's environmental protection concepts.

Production base organises cleaner production audit training



The Group's new plant area launches "Adding Greenery to the Park, Accompanying Enterprise Growth" tree planting themed activity



March - planting activity



December - park site

To enhance overall execution, the Group has formulated and implemented operation and management regulations related to environmental protection facilities, standardising the daily operation, maintenance, and supervision of environmental protection facilities to ensure efficient operation of various environmental protection facilities. On the other hand, the Group has established a special fund for establishing a clean production incentive mechanism, used to encourage various production bases to make improvement proposals and green process transformations, and to reward outstanding proposals. We also organise various forms of training for employees, including operational skills, management rules and regulations, and clean production awareness, to promote corporate environmental culture. During the Reporting Period, we actively promoted the application of clean production technology, optimised resource utilisation efficiency, and reduced pollution emissions in the production process.



Environmental technology improvement projects completed in 2024

9 projects

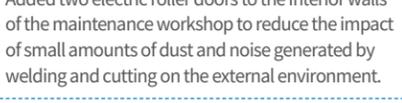


Cost-saving benefits

Over RMB 3,000,000



Emission Management

Environmental Objectives	Indicators	Action Records	Completion Timeline	Completion Status
Reduce exhaust emissions	Guangzhou Consun • Renovation of workshop exhaust extraction	<ul style="list-style-type: none"> Complete extraction workshop exhaust renovation in 2024, and complete exhaust testing in 2024. 	Short-term (1-2 years)	Completed
	Yulin • Pharmaceutical • Optimise dust removal equipment	<ul style="list-style-type: none"> Installed anti-seepage measures with containment curbs on the ground for the boiler room's bag dust collector. Completed renovation of the dust hood at the exhaust outlet of the crushing machine in the herbal slice workshop. Replaced exhaust filters in the laboratory.  	Medium-term (3-5 years)	In progress
	Inner Mongolia Consun • Promote and optimise boiler equipment to reduce emissions	<ul style="list-style-type: none"> Added two electric roller doors to the interior walls of the maintenance workshop to reduce the impact of small amounts of dust and noise generated by welding and cutting on the external environment. Completed boiler upgrade, replacing coal-fired boilers with gas-fired boilers.  	Long-term (6-10 years)	In progress
	Horgos Consun • Renovate exhaust emission stacks	<ul style="list-style-type: none"> Install stainless steel exhaust emission stacks at granulation positions. 	Medium-term (3-5 years)	In progress

The Group's exhausted gas emissions during operations mainly generated from coal-fired boiler flue gas and process waste gas. We have formulated and implemented policies such as the Environmental Protection Management Procedures, which standardise the relevant responsibilities of various departments and operational guidelines to effectively and systematically carry out work on pollution prevention, pollution control, and reduction of pollutant emissions. During the Reporting Period, the Group did not identify any major non-compliance related to emissions that would have a significant impact on the Group.

Atmospheric Pollution Management Measures

- Dust emissions from coal-fired boilers must undergo dust removal, desulfurisation, and denitrification treatment before discharge
- Qualified inspection institutions conduct laboratory testing of waste gases every quarter
- Ensure waste gas absorption systems operate safely, reliably, normally, and effectively; utilise their technical characteristics to achieve efficient, long-term, safe, and economical system operation, ensuring waste gas emissions meet standards
- Recover, reuse, and properly dispose of waste gases and chemical media generated during technological processes, with direct discharge strictly prohibited
- Strictly control unorganised gas emissions, with all storage containers covered and sealed



Waste Management

Environmental Objectives	Indicators	Action Records	Completion Timeline	Completion Status
Promote waste recycling	Increase waste recycling volume	Yulin Pharmaceutical • Added promotional slogans for waste recycling, encouraging employees to actively participate in waste classification, and renovated storage rooms.	Short-term (1-2 years)	Continuous management and improvement
		Horgos Consun • Established performance assessment indicators and relevant management regulations, and provided skills training and system training to employees; controlling waste generated during production and office processes.	Short-term (1-2 years)	In progress
Reduce waste output	Improve packaging material utilisation, reduce waste output of product packaging materials	Horgos Consun • Established performance assessment indicators, and provided skills training and system training to employees; controlling waste generated during production and office processes.	Medium-term (3-5 years)	Continuous management and improvement
		Horgos Consun • Completed paper usage survey and statistics; currently implementing monthly quota-based procurement applications for paper office supplies by each department, and posting conservation reminder slogans, while also advocating paperless office practices.	Short-term (1-2 years)	In progress



Promotion Slogans for Resource Reservation

The Group implements strict classification management for waste, with hazardous waste mainly including waste liquids from pharmaceutical research centres, waste liquids from production and product testing processes, as well as waste fluorescent tubes, ink cartridges, etc., generated from office activities; non-hazardous waste includes drug residues, boiler slag, and kitchen waste. To standardise waste disposal work, each production base commissions qualified third parties responsible for cleaning, transferring, and legally processing waste. During the Reporting Period, the Group did not identify any major non-compliance related to waste that would have a significant impact on the Group.

Collection and Processing

- Hazardous and non-hazardous waste are collected separately and stored in designated locations, with hazardous waste storage locations requiring proper identification
- Hazardous waste, such as waste liquids generated by R&D centres, is properly handled by certified recycling agencies
- Regular cleaning and disinfection of non-hazardous waste
- Separately design and construct of hazardous waste storage rooms, installing trays, and implementing ground anti-seepage and anti-leakage measures

Renovation of hazardous waste storage room



Waste Reduction

- Classifying and recycling recyclable waste to reduce environmental impact
- Recycling office paper and collecting fully used paper, waste newspapers, and waste books to reduce paper waste
- Promoting the repair and reuse of office supplies and equipment to reduce office waste
- Packaging straps, waste plastic films, cardboard packaging materials are sent to waste recycling stations by production bases for recycling and reuse
- Posting signs and notices in office areas to constantly remind employees to conserve resources

Drug residue is the main type of waste generated by the Group. Our Drug Residue Processing Management System clearly stipulates that drug residue processing methods must not cause environmental pollution, and prohibits processed residues from flowing back into the market as medicinal materials or decoction pieces for sale or production use. Under regulatory compliance, we prioritise environmentally friendly reuse solutions, such as converting residues into fuel, fertiliser, or feed raw materials. Additionally, production bases have adopted various measures to improve packaging materials and optimise employee operations, effectively enhancing resource utilisation efficiency and reducing waste. During the Reporting Period, Inner Mongolia Consun upgraded two coal-fired boilers to gas-fired boilers, which not only effectively reduced atmospheric pollutants and greenhouse gas emissions, but also helped decrease the amount of boiler slag generated, providing greater environmental benefits.

Energy Conservation and Consumption Reduction

Environmental Objectives	Indicators	Action Records	Completion Timeline	Completion Status
Reduce energy consumption per product unit	Expand batch size of small-volume injection products to reduce energy consumption of air conditioning, water, electricity, and steam per unit time	Guangzhou Consun <ul style="list-style-type: none"> • Completed batch expansion change for gadolinium preparations in September 2024. • Electricity usage reduced from 0.662 kWh per unit to 0.535 kWh. • Industrial steam reduced from 0.00065 tonnes per unit to 0.00052 tonnes per unit. 	Short-term (1-2 years)	Completed
Improve production technology	Reduce energy consumption in the extraction process of Chinese medicine granules	Guangzhou Consun <ul style="list-style-type: none"> • Completed the renovation of 1500L pure electric double-effect concentrator, using electric heating instead of steam heating to reduce energy consumption.   <ul style="list-style-type: none"> • Urine preparation saves an average of 3.8 tonnes of steam per batch; Yi preparation saves an average of 16.4 tonnes of steam per batch; annual production cost savings of RMB 1.5 million. 	Short-term (1-2 years)	Completed
Reduce enterprise energy consumption	Adopt energy-saving equipment and facilities, promote renewable energy projects	Yulin Pharmaceutical <ul style="list-style-type: none"> • Installed steam valves, centralised drying room usage to reduce steam loss. Inner Mongolia Consun <ul style="list-style-type: none"> • Gradually replaced fluorescent tubes with LED lights, reducing fluorescent tube usage by 562 units compared to the same period and eliminating 27 electric motors. Horgos Consun <ul style="list-style-type: none"> • Installed energy-saving LED lighting fixtures, converted factory area street lights to solar photovoltaic panel power supply. 	Short-term (1-2 years) Medium-term (3-5 years) Short-term (1-2 years)	Continuous management and improvement In progress Completed

Environmental Objectives	Indicators	Action Records	Completion Timeline	Completion Status
Reduce coal consumption	Upgrade and renovation of boilers and cooling tower circulation system	Inner Mongolia Consun <ul style="list-style-type: none"> By adopting gas-fired boilers to replace coal-fired boilers, and upgrading the cooling circulation system, significantly improved heat exchange efficiency, ensuring stable steam pressure supply, while shortening concentration time and reducing steam usage. Comprehensive boiler energy consumption reduced from 4.15 tonnes of standard coal to 3.54 tonnes of standard coal. 	Short-term (1-2 years)	Completed



The Group actively implements various energy-saving and consumption-reducing measures, striving to reduce greenhouse gas emissions during operations and promote a green, low-carbon business model. The Group's energy consumption mainly comes from production base operations, office electricity usage, and vehicle use. We have formulated and implemented internal policies such as the Energy Efficiency Monitoring and Measurement Management Procedures, the Energy Efficiency Assessment Management Procedures, the Power Energy Management Procedures, and the Energy Conservation Target Management Procedures to actively implement energy-saving measures.

Chemical Management

The Group places high importance on the use, handling, and storage of chemicals during research and development and production processes, properly managing chemicals from both safety and environmental protection perspectives. It prevents improper handling or leakage of chemicals with toxicological, combustion, and explosive properties, thereby safeguarding employee health and safety and protecting the natural environment. We have formulated and implemented policies such as the Reagent, the Standard Samples, the Biological Materials and Test Sample Management System and the Yulin Pharmaceutical Chemical Leakage Prevention Measures, which standardise chemical acquisition, storage, post-use disposal, leakage prevention measures, and relevant emergency measures. The workplace clearly displays notices and slogans regarding chemical management, constantly reminding employees to pay attention to standardised handling and avoid polluting the surrounding environment.



Renewable Energy Projects

Yulin Pharmaceutical's photovoltaic power generation system officially began operation in September 2024, supporting production operations and grid-connected power generation. From September to December 2024, the system generated a cumulative 218,349 kilowatt-hours of electricity, equivalent to reducing carbon dioxide emissions by 135.49 tonnes. Additionally, Yulin Pharmaceutical is actively exploring the application of biomass energy. Biomass energy offers advantages of renewability, high calorific value, low pollution, zero emissions, and high intensity. During the Reporting Period, Yulin Pharmaceutical burned a total of 1,795 tonnes of biomass pellets, equivalent to saving 1,025.663 tonnes of standard coal.



Yulin Pharmaceutical Photovoltaic Power Generation System

Chemicals Management Measures

- Must obtain chemicals through proper channels and store them according to specified storage conditions
- Record chemical storage information to ensure proper storage and transfer of chemicals
- Chemicals must be handled by properly trained employees
- Strict chemical warehouse management
- Implement leakage prevention measures for oil drums and chemical containers
- Implement leakage prevention measures for chemicals stored outdoors



Water Resource Management

Environmental Goal	Indicator	Action Records	Completion Timeline	Completion Status
Increase investment in water-saving equipment	Adopt water-saving engineering measures	Horgos Consun <ul style="list-style-type: none"> Control intake water volume of valves and provide training to operators. Inner Mongolia Consun <ul style="list-style-type: none"> Regularly clean double-effect concentrators and chiller heat exchangers to improve heat exchange efficiency; upgrade and renovate the cooling water circulation system to reduce water evaporation from cooling zone circulation. 	Long-term (5-10 years)	Completed
		<ul style="list-style-type: none"> Boiler renovation reduces water usage in the flue gas treatment process. After renovation, each batch of products reduces water usage by 26.9 tonnes, saving 7,289.9 tonnes of water annually. 		
Reduce water consumption	Reduce water consumption of the new water preparation system in the liquid building	Guangzhou Consun <ul style="list-style-type: none"> Began implementing adjustments to the relevant control parameters and valves of the liquid building's water preparation system in 2024. After implementation, water consumption per batch of gadolinium agent production decreased by 20 tonnes. 	Short-term (1-2 years)	Completed
	Water-saving administrative measures	Yulin Pharmaceutical <ul style="list-style-type: none"> Strengthened water management in 2024, including daily recording of water metres to monitor water usage, replacing and adding water meters in office areas, and repairing 4 leakage points. 	Short-term (1-2 years)	Completed
Reduce wastewater discharge	Sludge treatment renovation	Guangzhou Consun <ul style="list-style-type: none"> Completed plate and frame filter press renovation in 2024. 	Short-term (1-2 years)	Completed
	Inspect rainwater and sewage discharge pipelines, renovate discharge pipelines	Guangzhou Consun <ul style="list-style-type: none"> Completed inspection of rainwater and sewage discharge pipelines, and completed discharge pipeline renovation. 	Short-term (1-2 years)	Completed

The wastewater generated during the Group's production process mainly consists of industrial wastewater and domestic sewage, with major pollutants including chemical oxygen demand, suspended solids, ammonia nitrogen, phosphorus, etc. We implement multiple water resource management policies to standardise measures for sewage treatment and discharge, effectively protecting water resources.

The water resources involved in the Group's operations are mainly obtained from municipal water supply, groundwater, and reclaimed water reuse. During the Reporting Period, there were no difficulties in water access or insufficient supply. To further improve water resource utilisation efficiency, the Group continues to promote efficient and sustainable water usage strategies, including optimising water usage processes in production and operations, and increasing reclaimed water reuse facilities. During the Reporting Period, the Group did not identify any major non-compliance related to water resources that would have a significant impact on the Group.

Inner Mongolia Consun Water-Saving Renovation Project

During the Reporting Period, Inner Mongolia Consun implemented a series of water-saving measures, achieving water conservation of 10,296.9 tonnes for the entire year.

▼ Before Renovation



▲ After Renovation

▼ Before Renovation



▲ After Renovation

Yulin Pharmaceutical Water Renovation Project

- Uses a cooling water recovery system to recycle cooling water, reusing approximately 29,887 tonnes of water annually.
- The condensate recovery system recycles steam condensate water, reusing approximately 1,276 tonnes of water annually.



Corporate Responsibility at Consun Co-creating a Better Community

Consun Pharmaceutical continues to cultivate public welfare in the name of love, illuminating hope. We always uphold the original intention of "taking from society and giving back to society," delivering care to more people in need through continuous charitable practices. We not only participate in and support charitable activities for the development of the pharmaceutical industry but also fund and participate in various community welfare, volunteer services, poverty alleviation, and support for the vulnerable, conveying our care and warmth to society and enabling Consun Pharmaceutical to better fulfill its corporate social responsibilities.



As a backbone force in the industry, we are deeply aware that our development is inseparable from social prosperity. Consun Yixingshe has always been committed to uniting employee strength, advancing participatory, experiential charitable actions and volunteer services through independent and NGO co-construction methods, deeply integrating corporate values into the context of social development. We practise corporate responsibility through concrete actions, actively transmitting love and warmth, and striving to become a positive force promoting social progress.

During the Reporting Period, we carried out a series of charitable activities focused on health education, poverty alleviation, and community welfare, continuously attending to community needs and actively responding to social concerns. From "Yilutongxing" to "Consun Jieyi Class", our disability assistance actions brought warmth to thousands of families; Mid-Autumn Festival Carnival parties and charity drifting competitions conveyed holiday warmth. Expressed cared for sanitation workers and jointly built a better city.



2024 Charity Award Records



14th Public Welfare Festival and 2024 ESG Impact Annual Conference "2024 Sustainable Development Model Enterprise"



CFS2024 13th Financial Summit "2024 Corporate Social Responsibility Model Award"



The 3rd International Green Zero-Carbon Festival "2024 ESG Model Enterprise Award"



Yulin Pharmaceutical "2019-2022 Outstanding Enterprise for Tax Credit"



Inner Mongolia Consun's tax credit rating "Rated A-level for 9 consecutive years from 2015-2023"



Orthopedic China Pain-Free Worry large-scale brand public welfare activity won the "Xihu · Innovative Marketing Case"

Charity Action Milestones

Caring for Health, Benefiting the Community



In 2024, Consun Pharmaceutical continued to organise the "Yilutongxing" public welfare activities, aimed at disseminating knowledge about chronic kidney disease prevention and treatment through a series of accessible, easy-to-understand health lectures and interactive experiences. These activities focused on improving the health literacy of community residents, especially vulnerable groups, making health an accessible lifestyle for everyone.



During the Reporting Period, we also held multiple health public welfare lectures to increase public awareness of health management, promote disease prevention knowledge, and encourage healthy lifestyles.



The nephrology team organised two community-level medical institution nephrology specialty development charity events. Through cross-regional expert assistance, these events supported the development of nephrology specialties at the community-level, provided clinical support for community-level medical workers in integrated Chinese and Western medicine approaches to chronic kidney disease treatment, and promoted the establishment and improvement of community-level expert networks.



Helping Those in Need, Offering Warmhearted Love



In March, Yulin Pharmaceutical donated RMB 50,000 to Nandan County in Hechi City, for projects including living environment improvement and village road construction in the Fourth Village of Bawu Yao Ethnic Township in Nandan County, Hechi City.



In June, Consun Yixingshe Volunteers visited the Yanghai Children's Rehabilitation Centre in Yulin, bringing educational materials to the rehabilitation centre and providing comfort items and heartfelt care to 115 children.



In September, Consun Yixingshe conducted a consolation activity, visiting multiple grassroots units in Yuzhou District in groups, including Dongming Community, Guang'en Village, Renhou Town and other areas, focused on visiting 12 households with disabilities and special difficulties, providing them and their families with condolence fund and daily necessities.



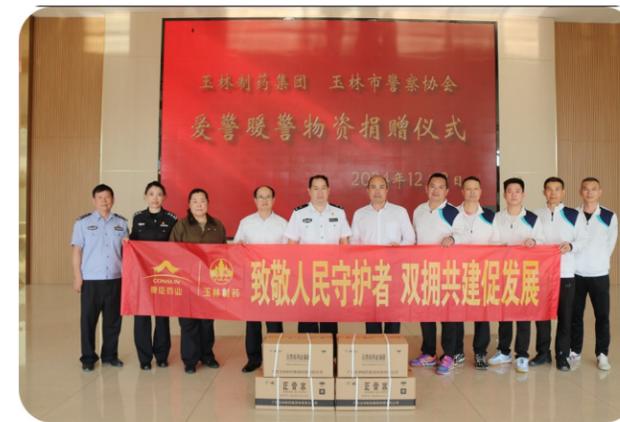
Community Co-building for Harmony



In March, Consun Yixingshe volunteers participated in the Donghuicheng Community charity fair, assisting with the charity sale of handicrafts made by people with disabilities. Volunteers also gave away company products including Bone Setting Liquid and Yunxiang Analgesic Tincture for free to community residents participating in the event, deepening interaction between the enterprise and the community.



In October, as "Sanitation Workers' Day" approached, Consun Pharmaceutical joined with Yunpu Street to hold the fifth "City Beauticians" care and consolation activity, expressing the most sincere thanks and care to more than 350 city beauticians of Yunpu Street with deep respect.

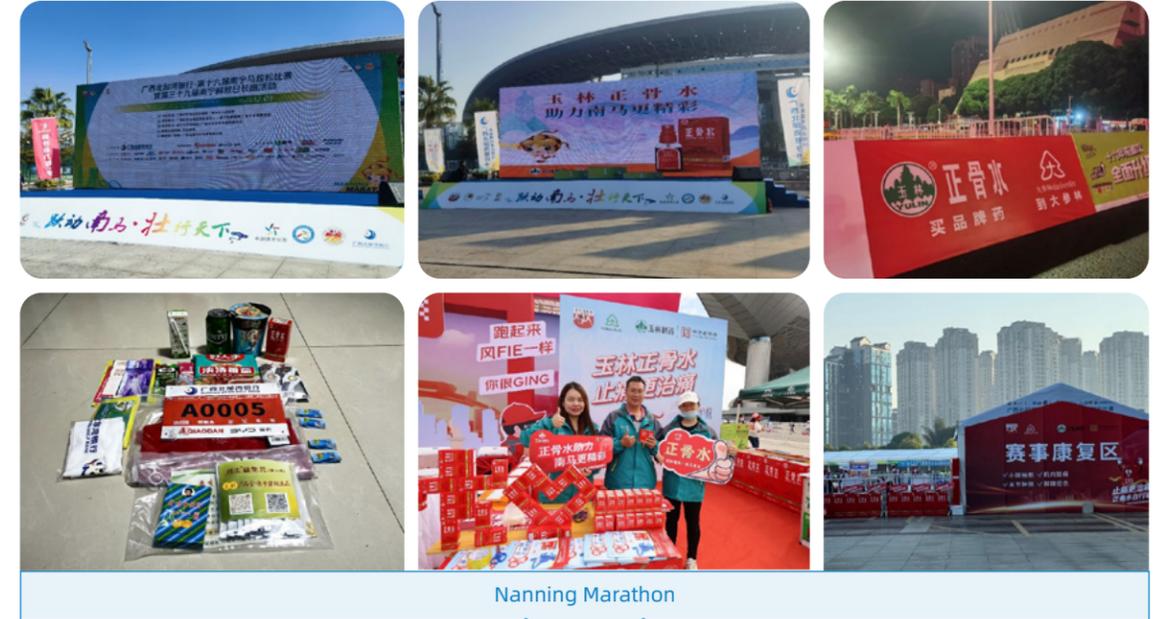


In December, Yulin Pharmaceutical donated a batch of self-produced medicines—Bone Setting Liquid and Yunxiang Qufeng Zhitong Ding (Yunxiang Analgesic Tincture)—to Yulin Public Security Bureau, paying tribute to the people's protectors.

Marathon Sponsorships



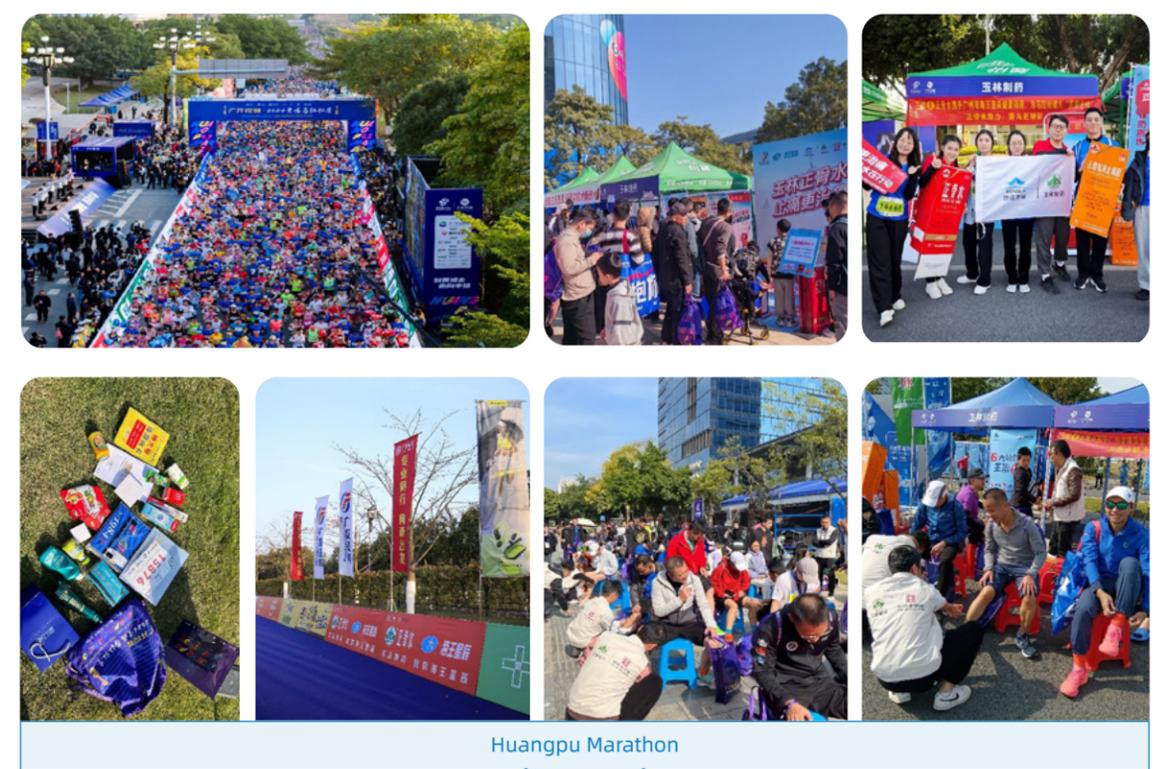
Chengdu Marathon



Nanning Marathon



The 7th Medical League - Marathon



Huangpu Marathon

Mutual Prosperity at Consun Collaborating for Industry Growth

To enhance the strength of the medical industry chain, Consun Pharmaceutical continuously strengthens industry cooperation by establishing strategic collaborations with renowned enterprises and academic institutions, actively conducting information and resource sharing activities to promote stable industry development, better serving the broad consumer base. At the same time, industry mutual assistance also allows us to practise our corporate social responsibility and achieve "win-win" outcomes, which is a necessary path for the Group to achieve sustainable development.



During the Reporting Period, Consun Pharmaceutical actively organised and co-hosted various training sessions, case competitions, and academic conferences, continuously improving its research and development system, enhancing the professional capabilities and scientific research level of its team, providing strong support for technological innovation and product development.



Image Diagnostic Analysis Approach Special Event of Guangdong Medical Association Radiology Committee's Neurology Group

Infection Imaging "Long March Route Revisited" Academic Activities Series - Ruijin Station

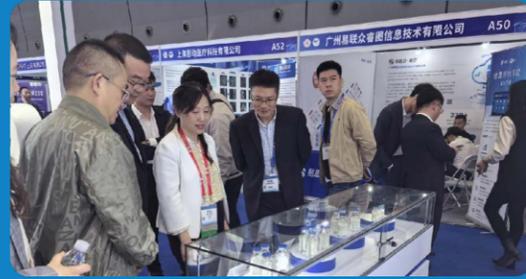


International Medical Magnetic Resonance Conference

Overseas Agent Foreign Trade Business Seminar



The fifth Clinical Skills Competition for Radiology Physician - Xingchen Cup of Guangdong Medical Doctor Association Radiology Branch



The 31st Radiology Academic Conference of Chinese Medical Association



2024 National Conference on Integrated Traditional Chinese and Western Medicine



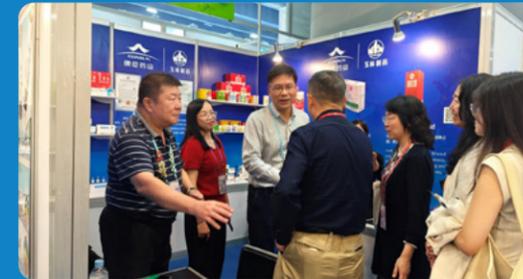
Summer Social Gathering Activities



2024 Radiology Academic Annual Conference and 12th Conference of Huanghe Medical Imaging - Consun Cup Case Competition of Shaanxi Medical Association



Chronic Nephrology Disease Chinese-Western Medicine Integration MDT Academic Seminar



Participation in the 136th Canton Fair Exhibition



The ninth Health Products Trade Conference



Caring for Life's First 1000 Days Obstetrics Classic Case Competition



The World Traditional Chinese Medicine Science and Technology Special 2024 Nephrology Direction Application Guidelines Expert Demonstration Meeting



The 14th China (Yulin) Traditional Chinese Medicine Expo and 2024 Yulin Dragon Boat Festival Cultural Carnival



2024 Inner Mongolia National Pharmaceutical and Medical Device Expo



The 16th Small and Medium Enterprise Business Opportunities Expo



Hosting Overseas Agent Foreign Trade Business Seminar



2024 Yulin Workers' Sports Meeting



Yulin Technology Museum Intangible Cultural Heritage Workshop



Appendix I Environmental Performance Index

	2024 Data	2023 Data	2022 Data	Unit
Air Pollutant Emissions⁵				
NO _x emissions	921.88	984.10	1,282.75	Kg
SO ₂ emissions	1.78	2.53	2.46	Kg
CO emissions	939.09	1,579.44	1,555.39	Kg
PM emissions	17.46	29.35	31.87	Kg
Resource Consumption				
Total energy consumption ⁶	52,397.21	61,422.79	89,585.29	MWh
Energy consumption intensity ⁷	0.18	0.24	0.38	MWh/ RMB 10'000 of income
Direct Energy Consumption				
Natural gas consumption	644,266	5,508	3,830	m ³
Gas consumption	720	0	0	m ³
Coal consumption	4,753.24	6,665.47	7,116.10	Tonnes
Gasoline consumption (vehicle)	79,718.83	124,778.87	117,467.19	Litres
Diesel consumption (vehicle)	35,821.27	38,095.86	42,726.14	Litres
Indirect Energy Consumption				
Purchased electricity consumption	13,652.89	16,811.16	14,235.07	MWh
Purchased steam consumption	42,775.94	51,902.13	36,355.52	Tonnes
Other Resource Consumption				
Total water consumption	424,369.89	475,979.00	368,767.02	Tonnes
Total water consumption intensity	1.43	1.84	1.58	Tonnes/ RMB 10'000 of income
Packaging box consumption	1,189.20	1,186.36	1,499.20	Tonnes
Instruction manual consumption	98.99	99.57	101.23	Tonnes
Paper box consumption	570.09	629.21	581.21	Tonnes
Total packaging material consumption	1,858.28	1,915.14	2,181.64	Tonnes
Total packaging material intensity	0.0063	0.0074	0.0093	Tonnes/ RMB 10'000 of income

⁵The Group's air pollutant emissions come from boiler combustion, vehicle emissions, and cooking gas emissions from canteens. The calculation method refers to the Industrial Boiler (Thermal Production and Supply Industry) Pollution Coefficient Table - Biomass Industrial Boiler, the Technical Guidelines for Compilation of Road Vehicle Atmospheric Pollutant Emission Inventory (Trial), and the Domestic Pollution Source Production and Emission Coefficient Manual.

⁶The calculation of total energy consumption includes natural gas, coal, gasoline, diesel, purchased electricity, and purchased steam. The calculation method refers to the Greenhouse Gas Emission Accounting Methods and Reporting Guidelines for Industrial Other Industry Enterprises (Trial), GB 19147-2016 Automotive Diesel Fuels, and GB17930-2016 Automotive Gasoline.

⁷The intensity calculation method uses annual total revenue. The total revenue for 2024 is RMB 2,967.235 million.

	2024 Data	2023 Data	2022 Data	Unit
Greenhouse Gas Emissions (Scope 1 and Scope 2)^{8,9}				
Total greenhouse gas emissions	32,551.30	40,596.61	34,825.95	Tonnes CO ₂ equivalent
Intensity of greenhouse gas emissions	0.11	0.16	0.15	Tonnes CO ₂ equivalent / RMB 10'000 of income
Greenhouse gas emissions (Scope 1)	11,228.01	15,681.85	15,983.43	Tonnes CO ₂ equivalent
Greenhouse gas emissions (Scope 2)	19,948.67	24,914.76	18,842.52	Tonnes CO ₂ equivalent
Production Wastewater Discharge				
Production wastewater Treatment volume	211,753.42	231,302.54	180,763.12	Tonnes
Intensity of production wastewater treatment	0.71	0.89	0.77	Tonnes/ RMB 10'000 of income
COD discharge	37.76	45.53	25.22	Tonnes
Intensity of COD discharge	0.00013	0.00018	0.00011	Tonnes/ RMB 10'000 of income
Generation of Non-Hazardous Waste				
Total amount of non-hazardous waste generation	15,954.75	16,829.35	14,291.08	Tonnes
Intensity of non-hazardous waste generation	0.05	0.06	0.06	Tonnes/ RMB 10'000 of income
Generation of medicing dreg	15,125.22	15,730.81	13,189.61	Tonnes
Generation of boilers' residue	636.71	874.58	924.86	Tonnes
Generation of waste	168.89	208.18	164.83	Tonnes
Packaging materials	11.41	12.74	11.77	Tonnes
Generation of Hazardous Waste				
Total amount of hazardous waste generation	7.53	7.72	8.28	Tonnes
Intensity of hazardous waste generation	0.00003	0.00003	0.00004	Tonnes/ RMB 10'000 of income
Generation of waste Laboratory liquid	7.05	7.14	7.55	Tonnes
Generation of waste ink Cartridge	40.88	23.44	104.28	Kg
Generation of waste toner	75.29	80.06	66.06	Kg
Generation of waste led lightning	74.91	203.74	177.78	Kg
Generation of waste batteries	68.96	67.37	80.13	Kg
Generation of waste imaging drum	71.10	78.94	65.96	Kg
Generation of waste fluorescent tubes	146.86	122.82	231.06	Kg

⁸Greenhouse gas emissions (Scope 1) include emissions from boiler combustion, vehicles, refrigerant use, and canteen cooking. The calculation method refers to the Greenhouse Gas Emission Accounting Methods and Reporting Guidelines for Industrial Other Industry Enterprises (Trial), the Greenhouse Gas Verification Methods and Reporting Guidelines for Land Transportation Enterprises (Trial), the Sixth Assessment Report⁹ published by the United Nations Intergovernmental Panel on Climate Change in 2022, and the Domestic Pollution Source Production and Emission Coefficient Manual. Greenhouse gas emissions (Scope 2) include purchased electricity and purchased steam. The calculation method refers to the 2022 National Average Carbon Dioxide Emission Factor for Electricity and the Greenhouse Gas Emission Accounting Methods and Reporting Guidelines for Industrial Other Industry Enterprises (Trial).

⁹The Group recalculated the data for 2022 and 2023 to present more accurate data.

Content Index of ESG Guide

Mandatory Disclosure Requirements	Content	Reference Chapter
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.	Practising Responsibility
Reporting Principles	A description of, or an explanation on, the application of the Reporting Principles in the preparation of the ESG report:	About the Report
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About the Report

A.Environmental		
Disclosure and KPIs	Description	Reference 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 and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emission Management
Key Performance Indicator	A1.1 The types of emissions and respective emissions data.	Environmental Performance Index
	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).	Environmental Performance Index
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance Index
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance Index
	A1.5 Description of emission target (s) set and steps taken to achieve them.	Emission Management
	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.	Waste Management Environmental Performance Index

A.Environmental		
Disclosure and KPIs	Description	Reference Chapter
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Water Resource Management
Key Performance Indicator	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).	Environmental Performance Index
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Performance Index
Key Performance Indicator	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Conservation and Consumption Reduction
	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.	Water Resource Management
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Environmental Performance Index
Aspect A3: Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer’s significant impact on the environment and natural resources.	Energy Conservation and Consumption Reduction
Key Performance Indicator	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Energy Conservation and Consumption Reduction
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.	Climate Change
Key Performance Indicator	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.	Climate Change

B.Social		
disclosures and KPIs	Description	Reference Chapter
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, antidiscrimination, and other benefits and welfare.	Employee Management
Key Performance Indicator	B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employee Management
	B1.2 Employee turnover rate by gender, age group and geographical region.	Employee Management
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.	Health and Safety

B.Social			
disclosures and KPIs	Description	Reference Chapter	
Key Performance Indicator	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
	B2.2	Lost days due to work injury.	Health and Safety
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	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.	Talent Development	
Key Performance Indicator	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Talent Development
	B3.2	The average training hours completed per employee by gender and employee category.	Talent Development
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.	Employee Management	
Key Performance Indicator	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee Management
	B4.2	Description of steps taken to eliminate such practices when discovered.	During the Reporting Period, the Group did not have any incidents of child labour or forced labour.
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Sustainable Supply Chain Management	
Key Performance Indicator	B5.1	Number of suppliers by geographical region.	Sustainable Supply Chain Management
	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.	Sustainable Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sustainable 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.	Sustainable 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 Management	

B.Social			
disclosures and KPIs	Description	Reference Chapter	
Key Performance Indicator	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Protection of Rights and Interests
	B6.2	Number of products and service related complaints received and how they are dealt with.	Protection of Rights and Interests
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protection of Intellectual Property
	B6.4	Description of quality assurance process and recall methods.	Quality Management
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protection of Rights and Interests
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.	Anti-Corruption and Stable Operations	
Key Performance Indicator	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.	Anti-Corruption and Stable Operations
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption and Stable Operations
	B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption and Stable Operations
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.	Corporate Responsibility at Consun Co-creating a Better Community	
Key Performance Indicator	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Corporate Responsibility at Consun Co-creating a Better Community
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Corporate Responsibility at Consun Co-creating a Better Community

To build a flagship in nephrology and become a leading,
first-class pharmaceutical enterprise excelling in multiple specialties

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