



# Akesobio

康方生物科技(開曼)有限公司

**Akeso, Inc.**

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 9926

## 2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



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# 1 ABOUT THIS REPORT

## OVERVIEW

This report is the fifth environmental, social and governance (ESG) report issued by Akeso, Inc. for the period covering January 1, 2024 to December 31, 2024.

## BASIS OF PREPARATION

This report is prepared in compliance with the Appendix C2 *Environmental, Social and Governance Reporting Guide* to the Listing Rules and Guidance on the Stock Exchange of Hong Kong Ltd. The contents of this report are determined according to a set of systematic procedures, which include identifying and ranking key stakeholders and identifying and prioritizing material ESG issues, setting the scope and boundary of the ESG report, collecting relevant information and data, preparing reports based on such information, and reviewing the data contained herein.

This report is prepared in line with the reporting principles of materiality, quantification, balance and consistency. In this report, the Company illustrates how to identify and engage with our stakeholders, and determines the materiality matrix and key issues. On this basis, the Company has made quantitative disclosures on the key performance metrics and ensured that the report on its ESG performance is comprehensive and fair.

## REPORTING SCOPE

The disclosure scope in this report is consistent with the 2024 annual report of Akeso, Inc., including the Company and its subsidiaries. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company.

## EXPLANATION FOR ABBREVIATIONS

For better presentation and understanding, each of “Akeso, Inc.”, “the Company” and “we” or “us” refers to “Akeso, Inc.” in this report.

## SOURCE OF DATA AND RELIABILITY ASSURANCE

The data and other information contained in this report are mainly extracted from the relevant documents, reports and statistic results of Akeso, Inc. Akeso, Inc. undertakes that this report contains no false information or misleading statements, and is responsible for the truthfulness, accuracy and completeness of its contents.

## CONFIRMATION AND APPROVAL

Upon the confirmation of the management, this report has been approved by the Board on March 30, 2025.

## 2 STATEMENT OF THE BOARD

Akeso, Inc. adheres to the relevant requirements of Appendix C2 *Environmental, Social and Governance Reporting Guide* of the Stock Exchange of Hong Kong Ltd., upholding the principles of sustainable development, continuously refining our ESG management framework and striving to enhance our performance in ESG matters.

As the highest decision-making body for ESG affairs within the Company, the Board of Directors is fully responsible for overall planning and supervision of the implementation of ESG work, as well as fulfilling corresponding governance obligations. While pursuing business objectives, we remain committed to creating long-term ESG value through efforts such as environmental protection, improvement in employee well-being, and product quality assurance, actively fulfilling our corporate social responsibilities.

To better integrate ESG principles into corporate decision-making and operations, the Board regularly evaluates the Company's business operation performance and engages with stakeholders to identify potential ESG-related risks and opportunities. Based on the assessment of the materiality of the ESG issues, we define annual ESG priorities and refine our management targets and action plans accordingly. We continuously monitor progress toward these targets, provide recommendations for areas requiring improvement, and take measures to mitigate the impact of ESG risks. Additionally, the Board meeting is held at least twice a year to specifically review ESG-related matters, including receiving reports from the internal working group and reviewing the *Environmental, Social and Governance Report*.

## 3 ESG MANAGEMENT

### 3.1 ESG MANAGEMENT STRUCTURE

Akeso, Inc. regards sustainable development as a key priority. In light of business expansion and regulatory standards, we have established a comprehensive ESG management framework that extends from the Board of Directors to the operational level, incorporating a complete decision-making, implementation, and feedback process. This has laid a solid foundation for the achievement of our ESG management objectives.

The Board of Directors serves as the highest governance unit of ESG matters, focusing on planning long-term ESG goals, strategies, and execution guidelines. It regularly reviews the effectiveness and progress of the ESG work, ensuring the Company's structured advancement of ESG efforts and striving to build an efficient and well-rounded ESG management system.

Under the Board of Directors, we have set up an Environmental, Social and Governance Working Group (the "ESG Working Group") to coordinate with key departments, including the Administrative and Facilities Department, the Environment, Health and Safety (EHS) Department, the Human Resources Department, the Production Department, the Logistics and Procurement Department and the Quality Control Department to facilitate the implementation of ESG tasks. The ESG Working Group formulates work plans in light of our business objectives and stakeholder expectations, defining annual priorities, refining assessment indicators, conducting performance monitoring, and regularly reporting to the Board to ensure the comprehensive integration of sustainability principles into the Company's operations.

### 3.2 COMMUNICATION WITH STAKEHOLDERS

In the hope of achieving a harmonious and win-win situation with the stakeholders, Akeso, Inc. takes the initiative to respond to the expectations and concerns of different stakeholders by carrying out various exchanges, putting a multi-channel communication mechanism in place, and stepping up publicity and education as well as other routine communication methods. On top of that, the Company consistently optimizes the ESG management planning, and progressively pushes ahead with the implementation of the ESG tasks.

In 2024, we strengthened the implementation of the ESG works with respect to food and drug safety, production safety, green development, ecological protection, philanthropy and volunteer service, shored up the regulation on New Drug Application (NDA), license out, overseas research and development intellectual property protection, advertising compliance, pharmaceutical e-commerce platforms, drug import and export compliance, supply chain anti-bribery and other key areas, and actively responded to the concerns of the stakeholders, steadily promoting the ESG development of Akeso, Inc.

**Table 1: List of Stakeholder Engagement of Akeso, Inc.**

| Stakeholders | Concerns  | Communication and engagement channels  |
|--------------|---|--|
| Shareholders | Compliance operation<br>Corporate governance enhancement<br>Transparent information disclosure<br>International strategic cooperation   | Implementation of relevant policies<br>Strengthening of anti-corruption measures<br>Efficient operational system<br>Enhancement of corporate governance<br>Convening of shareholders' general meetings<br>Improvement of communication with shareholders<br>Regular information disclosure<br>Optimization of the cooperation platform |
| Customers    | Product quality control<br>Innovative research and development platform<br>Customer services<br>Protection of intellectual property rights<br>International strategic cooperation | Establishment of a comprehensive quality control system<br>Enhancement of productivity<br>Improvement of research and development and innovation capacity<br>Launch of customer satisfaction survey<br>Stringent protection measures for intellectual property rights<br>Optimization of cooperation platform                          |

## 3.2 COMMUNICATION WITH STAKEHOLDERS (Continued)

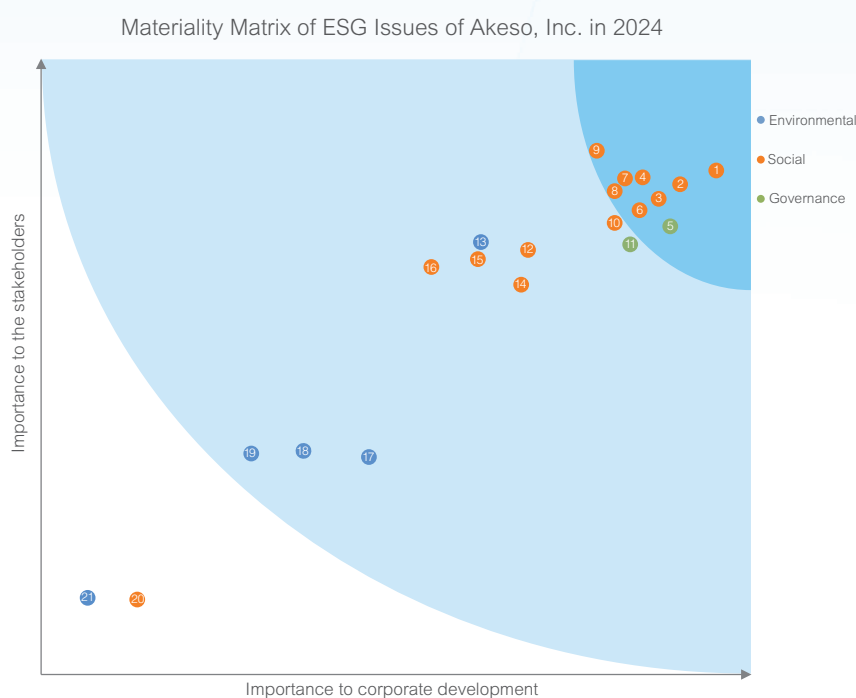
| Stakeholders             | Concerns   | Communication and engagement channels   |
|--------------------------|--|---|
| Employees                | Caring for employees<br>Occupational health and safety<br>Employee ability training<br>Employment policy<br>Remuneration and benefits                            | Fostering of corporate culture<br>Introduction of employee communication mechanism<br>Enhancement of employee benefits<br>Employee stock incentive plan<br>Safeguarding of employees' health and safety<br>Organization of training sessions for employees<br>Fair recruitment<br>Provision of reasonable remuneration packages<br>Provision of reasonable promotion path |
| Government               | Operational compliance<br>Transparent information disclosure<br>Environmental protection<br>Emission management<br>Energy saving                                 | Implementation of relevant policies<br>Enhancement of corporate governance<br>Strengthening of anti-corruption measures<br>Regular information disclosure<br>Compliance with the environmental protection laws and regulations<br>Reduction of pollutant emission<br>Resources saving   |
| Suppliers                | Sustainable supply chain management<br>Compliance operation  | Strengthening of procurement management<br>Implementation of relevant policies<br>Strengthening of anti-corruption measures   |
| Community and the public | Promotion of local employment<br>Charitable activities for the community<br>Environmental protection<br>Emission management<br>Energy saving<br>Use of resources | School-enterprise cooperation<br>Organization of charitable activities<br>Compliance with the environmental protection laws and regulations<br>Reduction of pollutant emission<br>Enhancement of material and resource usage efficiency   |



### 3.3 MATERIALITY ANALYSIS

We have identified and assessed the 2024 material ESG issues of Akeso, Inc. by reviewing the 2023 material ESG issues and 2024 business development of the Company in conjunction with communications with the external and internal stakeholders.

Based on the materiality assessment result of the ESG issues of the Company from various stakeholders, we identified 21 ESG issues that have material effects on Akeso, Inc., including 9 highly important issues, 10 moderately important issues, and 2 general issues.



| Highly important issues   | Moderately important issues   |  | General issues   |
|---|---|--|--|
| 1. Safety of clinical trial<br>2. Product quality and safety<br>3. Data and privacy security<br>4. Product R&D and innovation<br>5. Compliance with business ethics<br>6. Protection of intellectual property rights<br>7. Employee rights and interests<br>8. Employee development and training<br>9. R&D ethics | 10. Occupational health and safety<br>11. Corporate governance<br>12. Sustainable supply chain management<br>13. Emission management<br>14. Employment compliance | 15. Access to healthcare<br>16. Industry cooperation and development<br>17. Resource management<br>18. Water usage<br>19. Energy usage | 20. Community engagement<br>21. Response to climate change |

Fig. 1: Materiality Matrix of ESG Issues of Akeso, Inc. in 2024



## 4 PRODUCT RESPONSIBILITY

### 4.1 QUALITY MANAGEMENT

#### 4.1.1 Drug Manufacturing

Akeso, Inc. strictly complies with relevant laws and regulations such as the *Drug Administration Law of the People's Republic of China* (《中華人民共和國藥品管理法》), the *Administrative Measures for Drug Registration* (《藥品註冊管理辦法》), the *Administrative Measures for the Supervision of Pharmaceutical Manufacturing* (《藥品生產監督管理辦法》), the *Good Manufacturing Practice of Medical Products* (《藥品生產質量管理規範》) (GMP) and the *Notice of Enhancing the Supervision of Drug Marketing Authorization Holders that Outsource Manufacture (the 2023 No. 132)* (《加強藥品上市許可持有人委託生產監督管理工作的公告》(2023年第132號)). With reference to the advanced drug manufacturing quality systems and standards formulated by international administrations, such as the U.S. Food and Drug Administration (FDA), Australia Therapeutic Goods Administration (TGA) and The International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH), the Company constantly improves and upgrades the quality management system and processes including drug R&D, non-clinical research, clinical trials, and commercial manufacture, strengthening the implementation of the principal responsibility for quality and safety of the drug marketing authorization holders that outsource manufacture, and comprehensively safeguards the quality and safety of the whole lifecycle of the drugs. Additionally, to adapt to evolving regulatory requirements, Akeso, Inc. has systematically updated its qualified person management system within the quality management framework in accordance with the latest Drug Quality Authorized Person Management Measures issued by the Guangdong Provincial Medical Products Administration (GDMPA). At the same time, the Company actively responds to the ICH Q13 guidelines on continuous manufacturing by leveraging technological innovation to optimize and upgrade its production processes, ensuring that manufacturing operations align with international cutting-edge standards while effectively safeguarding the quality and safety of contract-manufactured pharmaceuticals throughout their lifecycle.

By establishing a multidimensional quality management system, Akeso, Inc. actively implements standardized control measures across the entire production process. Following the *Quality Control Evaluation Management* (《質量管理評審管理程序》), we have developed a periodic review mechanism to dynamically monitor production quality performance, continuously optimizing our quality management system to comply with the regulatory requirements, customer expectations and the Company's quality assurance. At the operational level, we strictly adhere to internal procedures such as the *GMP Records Management Procedures* (《GMP記錄管理程序》), the *Self-inspection Management Procedures* (《自檢管理程序》), the *Management Procedures for the Authorization of GMP Production Quality and the Authorized Production* (《GMP生產質量授權與受權行為管理程序》), the *Document Management Procedures* (《文件管理程序》), the *Change Control Management Procedures* (《變更控制管理程序》), and the *Deviation Management Procedures* (《偏差管理程序》). These procedures cover key aspects, including production authorization, document management, change control, and deviation handling, ensuring that drug manufacturing activities remain standardized and that quality and safety remain under strict control.

### 4.1 QUALITY MANAGEMENT (Continued)

#### 4.1.1 Drug Manufacturing (Continued)

##### **Product Quality Management**

We place great emphasis on the identification and management of product quality risks, refining our quality risk management process into risk identification, risk evaluation, risk control, risk review, risk communication, risk inspections and other steps. We have established a cross-functional Risk Management Group that conducts comprehensive qualitative, quantitative, and semi-quantitative evaluation and analysis of potential quality risks as per internal management regulations such as the *Quality Risk Management Procedures* (《質量風險管理程序》). Based on the specific characteristics of different projects, we flexibly employ risk analysis tools such as Failure Mode and Effect Analysis (FMEA) and Hazard Analysis and Critical Control Points (HACCP) to precisely identify the risks in relation to the drug quality during the production process. We carry out graded management of the evaluation results, formulating practical risk control measures to ensure that the potential risks are effectively mitigated, controlled and eradicated, thereby conducting systematic quality risk management and guaranteeing product and service quality in an all-round manner.

To enhance quality management efficiency, we advanced our digital transformation in 2024 by officially launching the Quality Management System (QMS) and Laboratory Information Management System (LIMS). Alongside these systems, we have established corresponding management procedures to guide quality control, laboratory operations, and document workflows. With these two intelligent system upgrades, we achieved real-time quality data monitoring, automated inspection processes, and full lifecycle document management, significantly improving traceability accuracy and operational efficiency.

##### **Product Recall Management**

According to the *Measures for Supervision and Administration of Drug Recall* (《藥品召回管理辦法》) and other relevant regulations issued by pharmaceutical regulators, we have developed the product recall management programs, such as the *Product Recall Management Procedures* (《產品召回管理程序》), the *Reject Management Procedures* (《不合格品管理程序》), and the *Return Handling and Management Procedures* (《退貨處理管理程序》), to continually reinforce emergency response capabilities for product safety and improve relevant product management standards. With regard to quality complaints, adverse effects and other quality problems, the Company adopts necessary recall measures in line with the safety hazards and hazard severity, and destroys products returned due to quality issues after making recording. In May 2024, we carried out simulated product recall emergency drills, to ensure that the Company can conduct product recall in a quick, orderly and effective manner in case of product safety contingency. During the Reporting Period, the Company did not experience any sold or shipped product recall due to safety and health concerns, and there were no product-related complaints.

### 4.1 QUALITY MANAGEMENT (Continued)

#### 4.1.1 Drug Manufacturing (Continued)

##### ***Product Quality Training***

To strengthen employees' awareness of quality management, we formulate regular training and qualification assessments for our quality system-related employees at all levels each year, covering drug management policies and regulations, GMP fundamental knowledge, microbiology and hygiene basics. In addition, we actively arrange for employees to participate in external exchanges and training programs such as policy interpretations of the marketing authorization holder (MAH) system for contract manufacturing, the measures for the administration of qualified persons of Guangdong Province, process breakdown and technology transfer, and advanced bioreactor cultivation technology. These initiatives aim to enhance employees' awareness of quality risks and their quality management capabilities. Additionally, we have established a comprehensive quality management review mechanism. Through monthly quality evaluation meetings, we evaluate the quality management implementation of all departments on a regular basis. This ensures a seamless transition from regulatory understanding to practical application and continuously drives improvements in the quality management system through regular assessments, safeguarding its effective operation.

##### ***Combating Counterfeit and Substandard Products***

Akeso, Inc. is continuously optimizing its anti-counterfeiting and anti-substandard measures to ensure drug quality and consumer safety. In the production process, we implement a multi-tiered traceability and anti-counterfeiting system. For instance, each packaging unit is marked with a unique drug traceability code, while both the individual box and outer packaging carton feature Level 1 and Level 2 electronic supervision codes, respectively. These multi-level codes are linked and uploaded to the national electronic supervision platform, ensuring the uniqueness of drug identification codes and allowing consumers to check product information, achieving full-process traceability and anti-counterfeiting protection. In addition, we apply special anti-counterfeiting sealing labels at the bottom and top openings of individual drug boxes to enhance security. In the market supply and distribution process, we utilize real-time market research and online risk monitoring to track drug circulation dynamically, actively follow up on user feedback and take strict action against counterfeit and substandard drugs, ensuring the safety of public medication.

#### 4.1.2 Product Research and Development

Throughout the entire lifecycle of pharmaceutical research and development, ensuring research quality is fundamental to safeguarding patient safety and treatment efficacy. Akeso, Inc. has established a dual-layer quality assurance system that spans both clinical and non-clinical research. This system integrates scientific, standardized R&D management with strict ethical compliance, reinforcing the foundation of pharmaceutical R&D quality.

## 4.1 QUALITY MANAGEMENT (Continued)

### 4.1.2 Product Research and Development (Continued)

#### Research and Development Management

During the clinical research stage, in accordance with the requirements of the laws and regulations such as the *Drug Administration Law of the People's Republic of China* (《中華人民共和國藥品管理法》), the *Good Manufacturing Practice for Drugs* (《藥品生產質量管理規範》) and the *Clinical Investigational Product (Trial)* (《臨床試驗用藥品(試行)》), Akeso, Inc. strictly regulates the research and development process of clinical trials, and has formulated specialized procedures, such as the *Drug R&D Management Guidelines* (《藥物研發管理指南》), the *R&D Department Management Guidelines for Quality Risk Assessments* (《研發部門質量風險評估管理指南》), and the *R&D Lab Management Guidelines for Clinical Sample Stability Tests* (《研發實驗室臨床樣品穩定性試驗管理指南》). These policies have formed a standardized operational framework that covers various aspects such as file management, clinical operation, clinical medical research, pharmacovigilance, data collection and management, and supplier management, to ensure the process compliance, product safety and data reliability for clinical trials.

To further regulate process management and quality control of clinical trials and effectively mitigate drug quality and safety risks, we continuously update and refine the following internal policies. By enhancing R&D laboratory monitoring documents and electronic data audit documents, we ensure effective control over the compliance, effectiveness, safety and reliability of product research and verification, thereby enabling research data to support subsequent clinical trials and providing strong support for the final commercialization of drugs.

| Internal Regulations Related to Clinical Research  | Purpose   |
|--|---|
| Formulation of the <i>Release Management Guidelines for Primary Cell Bank</i> (《原始細胞庫放行管理指南》) and the <i>Release Management Guidelines for Clinical Products of R&amp;D Production Workshop</i> (《研發生產車間臨床產品放行管理指南》)   | Ensures that material quality and product storage meet pharmaceutical registration standards.   |
| Introduction of the <i>Release Management Procedures of R&amp;D Cell Banks</i> (《R&D細胞庫放行管理程序》) and the <i>Management Guidelines for Medical Institutions Collecting R&amp;D Donor Materials</i> (《R&D供者材料採集醫療機構管理指南》) | Ensures that the release processes for both master and working cell banks are compliant, and that medical institutions collecting donor materials meet required standards, enhancing the compliance, efficacy, safety, and reliability of product research and testing. |
| Revision of the <i>R&amp;D Department Document Management Guidelines</i> (《研發部門文件管理指南》) and <i>R&amp;D Department Record Management Guidelines</i> (《研發部門記錄管理指南》)  | Launches the DMS document management system to digitally control R&D documents, ensuring that R&D activities are strictly carried out in accordance with established guidelines.  |
| Update of the <i>Management Guidelines for Non-Conforming Products in Pilot Plants</i> (《中試車間不合格品管理指南》) and the <i>Management Guidelines for Material Expiry and Re-Testing in Pilot Plants</i> (《中試車間物料有效期和複驗期管理指南》)  | Establishes a quality control framework to facilitate the smooth transition of R&D achievements to large-scale production.  |

### 4.1 QUALITY MANAGEMENT (Continued)

#### 4.1.2 Product Research and Development (Continued)

##### **Research and Development Management** (Continued)

During the non-clinical research stage, we carry out trials and research in accordance with the *Good Laboratory Practice (GLP)* (《藥物非臨床研究質量管理規範》). Based on the updated management documents such as the *Guidelines for R&D External Site Audit Management* (《R&D 對外現場審計管理指南》) and the *Guidelines for R&D Department Outsourced Service Management* (《研發部門委託服務管理指南》), we conduct on-site audits of the outsourced researchers to ensure they consistently provide materials and services that meet quality standards. These audits also ensure compliance with GLP, ISO 17025:2005 *General requirements for the competence of testing and calibration laboratories* (《檢測和校準實驗室能力的通用要求》) and ISO 15189:2012 *Medical laboratories — Requirements for quality and competence* (《醫學實驗室質量和能力認可準則》).

##### **Adherence to Ethics**

Akeso, Inc. consistently upholds R&D ethics and strictly observes laws and ethics, protecting the rights and interests of the subjects and safeguarding the welfare of the laboratory animals, in the process of clinical trials and animal experiments.

In clinical research, we follow the principle of *Declaration of Helsinki* (《赫爾辛基宣言》) and declare and experiment in accordance with the *Measures for the Ethic Review of Life Sciences and Medical Science Research Involving Human* (《涉及人的生命科學和醫學研究倫理審查辦法》) and other requirements. The Company requires that all clinical trials can be performed only after the subjects fully understand the trials and sign the *Informed Consent Form* (《受試者知情同意書》) before participating in any clinical trial, and stipulates that the subjects can choose to reject or withdraw the trial at any time, practically guaranteeing the right to know and choose of the subjects. Concurrently, we comprehensively protect the subjects' personal information and privacy and prevent damage and risk due to the divulgence of their privacy scrupulously pursuant to the industry standards and regulatory requirements.

Regarding animal experiments, we meticulously adhere to the *Regulations for the Administration of Affairs Concerning Experimental Animals* (《實驗動物管理條例》), the *Laboratory Animal — Guideline for Ethical Reviews of Animal Welfares* (《實驗動物福利倫理審查指南》), the *Regulations for the Administration of Affairs Concerning Experimental Animals of Guangdong* (《廣東省實驗動物管理條例》) and other applicable national and regional regulations on animal experiments. We follow through on the *Guiding Opinions for the Care of the Experimental Animals* (《關於善待實驗動物的指導性意見》) to protect the welfare of the animals by law and guarantee biological safety. We have established the Experimental Animal Management Committee and Ethics Committee, and prepared a series of supporting policies for animal experiments including the regulations on the administration of the Experimental Animal Management Committee and Ethics Committee, the guideline for animal laboratory management, the guideline for emergency plan management of animal laboratories, and the guideline for ethical review of animal welfares, thereby continuously optimizing the procedures of animal experiments, and supervising the necessity, reasonableness and standardization of animal experiments.

During the Reporting Period, we were focusing on the animal experiment protocols designed based on the 3R principles, i.e., Reduction, Replacement and Refinement. While continuously optimizing the approval process for animal experiment ethics, we scrupulously executed animal experiment ethic review and supervision, and organized relevant personnel to receive operating skills training, to ramp up their professional capacities, and minimize harm and distress to laboratory animals, thereby effectively upholding their ethical welfare.



### 4.2 PHARMACOVIGILANCE

Committed to patient safety, Akeso, Inc. scrupulously abides by the ICH guidelines. In accordance with the *Drug Administration Law of the People's Republic of China* (《中華人民共和國藥品管理法》), the *Specifications for Pharmacovigilance Quality Management* (《藥物警戒質量管理規範》) and other relevant laws and regulations, we have established a pharmacovigilance management system that is deeply integrated with our overall quality strategy framework, and have worked out a series of pharmacovigilance operating procedures and policies, covering adverse effect collection, disposal, and reporting, signal monitoring, analysis evaluation, risk identification and control, and other pharmacovigilance processes. The Company ensures the whole lifecycle of pharmacovigilance operations strictly comply with requirements and run in a highly efficient manner, and aims to achieve safety, rationality and effectiveness of medicinal product use by the public.

At Akeso, Inc., patient health and safety is regarded as the cornerstone of our work. We have set up a Drug Safety Committee responsible for major risk analysis, handling major or emergency drug incidents, risk control decision-making and other major issues related to pharmacovigilance, ensuring the balance between drug risks and benefits. In the meantime, the Pharmacovigilance Department has been set up to conduct regular signal detection and risk management for the safety of our medical products, amend the pharmacovigilance regulations in a timely manner to address relevant safety issues, so that the orderly advancement of pharmacovigilance work can be guaranteed.

We continuously monitor the risks associated with the circulation and supply of our pharmaceutical products in the market. Through dynamic communication with stakeholders — including patients, healthcare professionals, the Ethics Committee, and regulatory authorities — we ensure timely reporting and dissemination of safety information related to our products. In accordance with evidence-based data, we implement tiered risk control measures, fully upholding our responsibility for drug safety throughout the entire product lifecycle. To facilitate the reporting of adverse drug events by patients, hospitals, and other parties, we have established clear and accessible feedback channels, including a 400 service hotline, an official website platform, and a dedicated pharmacovigilance email. Once an adverse event in clinical trials and post-marketing use is reported, we strictly adhere to regulatory requirements and relevant standard operating procedures, with prompt case handling, evaluation, submission, follow-up investigations, and tracking. A professional drug safety monitoring team conducts real-time safety assessments, verification, and investigations, and promptly takes appropriate measures, with a view to realizing effective monitoring and control of product safety.

To advance best practices in pharmacovigilance, we enforce a mandatory company-wide training program, providing annual training on post-marketing safety incident collection and reporting. Additionally, we maintain a business continuity plan to ensure uninterrupted pharmacovigilance operations during emergencies, enhancing employees' ability to manage and prevent risks associated with adverse drug events.

# 5 COMPLIANCE OPERATIONS

## 5.1 BUSINESS ETHICS

Akeso, Inc. strictly abides by the *Company Law of the People's Republic of China* (《中華人民共和國公司法》), the *Anti-Unfair Competition Law of the People's Republic of China* (《中華人民共和國反不正當競爭法》), the *Bidding Law of the People's Republic of China* (《中華人民共和國招投標法》), the *Anti-Money Laundering Law of the People's Republic of China* (《中華人民共和國反洗錢法》) and other relevant laws and regulations. We have formulated internal systems such as the *Anti-fraud Management Measures* (《反舞弊管理辦法》) and the *Anti-Unfair Competition Management Measures* (《反不正當競爭管理辦法》) to explicitly prohibit illegal activities such as bribery, extortion, fraud and money laundering.

Internally, all new employees are required to sign the *Anti-commercial Bribery Undertaking Letter* (《反商業賄賂承諾書》) and strictly comply with the ethical standards outlined in the *Employee Handbook* (《員工手冊》). Additionally, all new hires must complete a business ethics and compliance training program upon onboarding. Employees in key positions are required to sign the *Integrity and Self-discipline Undertaking Letter* (《廉潔自律承諾書》) and participate in specialized training courses. To further strengthen corporate integrity, we conduct regular anti-corruption and compliance training for board members and all employees. Externally, we mandate that all customers, suppliers, service providers and contractors should sign the *Anti-commercial Bribery Undertaking Statement* (《反商業賄賂承諾函》), ensuring their commitment to integrity. We strictly prohibit business dealings with stakeholders failing to sign the relevant agreements in accordance with the regulations.

**Table 2: Anti-corruption and Compliance Training Sessions for Akeso, Inc. Employees in 2024**

| Employee types | Number of trainees | Training rate (%) |
|----------------|--------------------|-------------------|
| Directors      | 8                  | 61.5              |
| Employees      | 3,027              | 99.7              |

We have established a whistleblowing mechanism that allows employees and partners to report misconduct either anonymously or under their real names. The President's Office, as the dedicated anti-fraud body, is responsible for escalating received reports to the management or the Board of Directors and conducting investigations. If an employee is found guilty of fraud, they will be disciplined in accordance with the *Reward and Punishment System* (《獎懲制度》), and those who violate the law will be transferred to the judicial authority. During the handling of reports, we strictly protect the whistleblower's privacy and prohibit the disclosure of any information that could reveal their identity. Investigators or their relatives with a conflict of interest in the case must recuse themselves.

In 2024, the Company did not identify any corruption-related lawsuits, whether filed or concluded.



5.2 INTELLECTUAL PROPERTY PROTECTION

In accordance with the *Patent Law of the People’s Republic of China* (《中華人民共和國專利法》), the *Trademark Law of the People’s Republic of China* (《中華人民共和國商標法》) and other applicable laws, Akeso, Inc. has built the management framework that meets the national standards GBT 29490-2013 *Administration of Intellectual Property Rights of Enterprises* (《企業知識產權管理規範》). We are dedicated to patent application and maintenance, and require employees to sign the *Confidentiality Agreement* (《保密協議》) and the *Confidentiality and Non-competition Agreement* (《保密及競業禁止協議》), which specify the obligations and responsibilities of each employee for protecting the intellectual property of the Company.

The Company has established the Intellectual Property Department to review and update documents related to intellectual property and its management system on a regular basis, continuously monitoring domestic and international patent developments, and keeping track of industry IP landscapes. Additionally, the legal and R&D crews collaborate to compare and analyze the Company’s IP management status to conduct whole-process control and assessment of intellectual property risks and prevent the Company from any patent infringement risks. Meanwhile, we require our suppliers to guarantee that none of their products or services supplied to us infringe upon intellectual property rights or other legal rights or interests of any third party, thereby enhancing the protection of the Company’s intellectual property.

Table 3: Intellectual Property Obtained by Akeso, Inc. in 2024

| Total number of patent applications | Total number of trademark applications |
|-------------------------------------|--|
| 911 patents                         | 526 trademarks                         |
| Total number of issued patents      | Total number of issued trademarks      |
| 163 patents                         | 307 trademarks                         |

We actively implement comprehensive measures for full-process control, strictly combat counterfeiting and substandard drugs, and strengthen intellectual property management. During the production process, we use multi-level linked regulatory codes uploaded to the electronic supervision network to ensure the uniqueness of drug identification codes. Additionally, special anti-counterfeiting sealing labels are applied to the packaging, further enhancing the anti-counterfeit effect and effectively preventing the circulation of counterfeit and substandard drugs. In the market supply and circulation phase, we conduct real-time market research and online risk monitoring to dynamically track the flow of drugs, actively follow up on consumer feedback, and resolutely combat counterfeit and shoddy drugs that endanger consumer health, safeguarding the product intellectual property.

### 5.3 RISK MANAGEMENT

At the board level, we have established an Audit Committee, composed of three independent non-executive directors, to assist the Board in providing independent opinions on the effectiveness of internal controls and risk management. At the same time, we designate responsible personnel to identify and monitor the Company's risks and internal control matters, with direct reporting to the Board. We implement daily risk management through activities such as collecting risk information related to operations, conducting risk assessments, continuously monitoring key risks, and executing risk mitigation measures, to fully promote the effective operation of the risk management framework.

### 5.4 SUPPLY CHAIN MANAGEMENT

#### 5.4.1 Management System

Akeso, Inc. has established a comprehensive supplier lifecycle management system, including the *Supplier Management Procedures for GMP Production Materials* (《GMP生產用物料供應商管理程序》), the *Change Control Procedures* (《變更控制程序》) and other internal management systems, covering various stages of supplier management, including the admission, change, audit, approval and rectification for suppliers. This year, we adhered to 9 internal management systems, including the *Procurement Management Procedures for Fixed Assets* (《固定資產採購管理程序》), the *Procurement Management Procedures for Entrusting Services* (《委託服務採購管理程序》) and the *Management Procedures for External Sales of Materials* (《物料對外銷售管理程序》), to strictly standardize the operational processes of procurement requirements and supplier selection, among other business links. Additionally, we upgraded the *Procurement Management Procedures for Production Materials* (《生產物料採購管理程序》), adjusting the content of supplier demand changes and adding procurement operation process flowcharts to improve procurement efficiency.

Suppliers that meet the eligibility criteria will sign a *Quality Assurance Agreement* (《質量保證協議》) with the Company. Based on the importance of the materials provided by suppliers, we classify them into three categories: Class A/B/C. We implement stringent supplier audit management through various methods, including reviewing supplier information, distributing the *System Check List* (《體系調查表》), conducting quality assessment experiments, and performing on-site audits. The on-site audit group consists of the people above the supervisor level or those authorized specially, and writes on-site audit reports to make objective evaluations on the premises, material quality, document systems and production records, production technologies, and process quality controls. After the audit report undergoes an approval process, we will terminate cooperation with suppliers who fail to meet the required standards. In 2024, we conducted a total of 51 on-site audits, with a pass rate of 96.1%.

## 5.4 SUPPLY CHAIN MANAGEMENT (Continued)

### 5.4.1 Management System (Continued)

**Table 4: Supplier Classification and Management Measures**

| Supplier category | Definition   | Management measures  |
|-------------------|--|--|
| Class A           | Suppliers who supply the materials that will directly come into contact with our final products or the materials whose quality will directly affect the product quality for our production   | <i>System Check List</i><br><i>Quality Assurance Agreement</i><br>Information audit<br>Quality assessment experiment (A risk assessment would be initiated to determine whether to conduct the experiment)<br>On-site audit  |
| Class B           | Suppliers who supply the materials that will indirectly come into contact with our final products or the materials whose quality will directly affect the product quality for our production | <i>System Check List</i><br><i>Quality Assurance Agreement</i><br>Information audit<br>Quality assessment experiment (A risk assessment would be initiated to determine whether to conduct the experiment)<br>On-site audit (A risk assessment would be initiated to determine whether to conduct the audit) |
| Class C           | Suppliers which supply the materials that will not come into contact with our final products or the materials whose quality will not affect the product quality for our production           | <i>Quality Assurance Agreement</i><br>Information audit  |

To enhance the quality and stability of the supply chain, Akeso, Inc. follows the *Supplier Management Procedures for GMP Production Materials* (《GMP生產用物料供應商管理程序》) and has prepared qualified backup suppliers for all critical materials. Additionally, the Company actively promotes the development of alternative solutions for key production materials. After conducting investigations, tests, trials and other processes, effective alternative materials are confirmed to address potential material shortage risks in the supply chain, guaranteeing stable and efficient product and service supply. During the Reporting Period, we continued to develop alternative solutions for 10 types of production materials such as packaging materials, auxiliary materials and pipelines.

**Table 5: Distribution of Suppliers of Akeso, Inc. in 2024**

| Geographical location of suppliers             | Unit   | Quantity |
|--|--------|----------|
| China (including Hong Kong, Macau, and Taiwan) | Number | 605      |
| Outside China                                  | Number | 49       |

### 5.4 SUPPLY CHAIN MANAGEMENT (Continued)

#### 5.4.2 Sustainable Procurement

While ensuring the supply quality, we also take multiple measures to reduce the environmental and social risks of the supply chain. In the preliminary screening and inspection process, we focus on suppliers' performance in environmental protection and social responsibility, giving priority to suppliers who have obtained ISO 14001 environmental management system certification. In the audit process, we focus on the environmental and social performance of suppliers to ensure that their responsibility management practices are in line with our sustainable development goals.

#### 5.4.3 Integrity Construction

Akeso, Inc. always sticks to the integrity principle of "fairness, justice and openness" for upholding integrity, and requires all procurement personnel to sign the *Anti-commercial Bribery Undertaking Statement* (《反商業賄賂承諾書》), prohibiting them from gaining any unjustified business benefits for themselves or anyone else in any business activity or cooperation. Meanwhile, we have added incorruption clauses in our equipment procurement contracts and service framework agreements with our suppliers to prevent any form of corruption, working together with our suppliers to build an honest and transparent business environment.

## 6 EMPLOYMENT RESPONSIBILITY

### 6.1 EMPLOYMENT AND RETAINING TALENTS

#### 6.1.1 Labor Rights and Interests

In strict accordance with the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Labor Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》), the *Employment Promotion Law of the People's Republic of China* (《中華人民共和國就業促進法》), the *Employment Ordinance of the Hong Kong Special Administrative Region* (Chapter 57 of the Laws of Hong Kong) and other applicable laws and regulations, Akeso, Inc. adheres to the principle of "openness, fairness, competitiveness and meritocracy." Through school recruitment, social recruitment, the introduction of internal and external talents and other recruitment channels, the Company keeps enriching its talent reserve.

We have formulated internal management policies such as the *Employee Handbook* (《員工手冊》) and the *Administrative Measures for Overtime* (《加班管理辦法》), and take effective measures to prevent illegal acts such as forced labor, employment of child labor, and discrimination, effectively protecting the legitimate rights and interests of employees. In case of any violation of the employment principles, the Company will take immediate action to halt such unreasonable behavior, provide compensation to affected employees, and seriously hold responsible parties accountable. During the Reporting Period, there were no incidents of child labor or forced labor at Akeso, Inc.

**Table 6: Key Measures for Protection of Labor Rights and Interests**

|                            |   |
|----------------------------|---|
| Anti-discrimination        | Akeso, Inc. is committed to fostering a diverse, fair, open, and inclusive work environment. We respect and treat all employees equally, ensuring that no one faces unfair treatment due to factors such as ethnicity, race, religion, gender, age, marital status or sexual orientation.   |
| Prevention of child labor  | We strictly comply with the <i>Law of the People's Republic of China on the Protection of Minors</i> (《中華人民共和國未成年人保護法》), the <i>Provisions on the Prohibition of Using Child Labor</i> (《禁止使用童工規定》) and other applicable laws and regulations. Our <i>Employee Handbook</i> (《員工手冊》) stipulates that the employment of any person under the age of 18 shall be prohibited. During the formal recruitment process, the Human Resources department is responsible for reviewing and verifying candidates' academic credentials, identification documents, and medical examination records to ensure the authenticity of employees' identities and to prevent the employment of child labor. |
| Opposition to forced labor | We oppose all forms of forced labor, slavery, and human trafficking. The Company implements matched systems of working hours for different positions, including the standard working hour system, consolidated working hour system and irregular working hour system, to ensure that different job requirements are met.  |
| Overtime compensation      | We have formulated the <i>Administrative Measures for Overtime</i> (《加班管理辦法》) to clearly stipulate the breaks and leave arrangements for employees, and have developed the overtime allowance standards to subsidize and compensate employees for their working hours beyond normal working hours.  |

## 6.1 EMPLOYMENT AND RETAINING TALENTS (Continued)

### 6.1.1 Labor Rights and Interests (Continued)

As of the end of the Reporting Period, Akeso, Inc. had 3,035 full-time employees. The classifications of our full-time employees by gender, age group, geographical location and employment type are set out in the charts below. During the Reporting Period, the overall employee turnover rate<sup>1</sup> was 19.21%. The classifications of employee turnover rate by gender, age group and geographical location are set out in the table below.

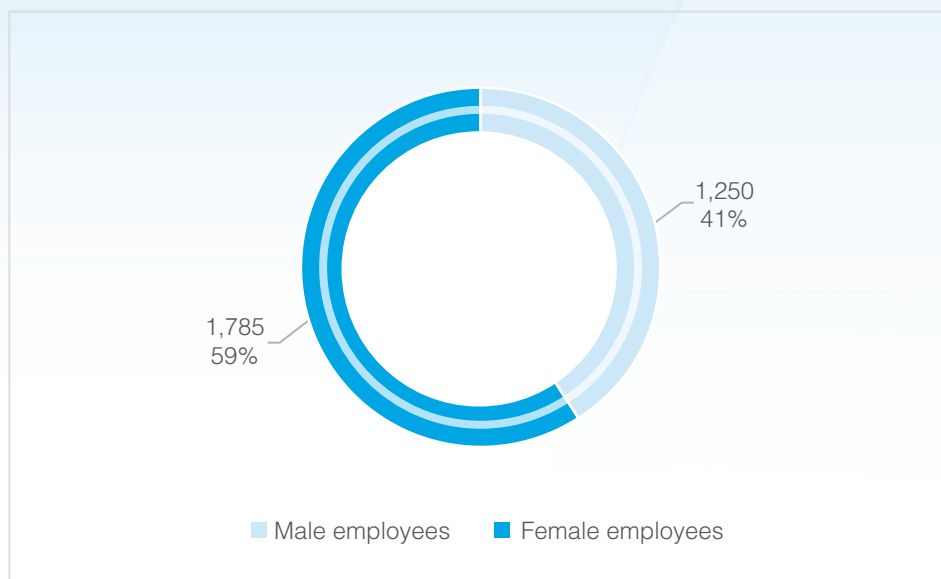
**Table 7: Employee Turnover Rate of Akeso, Inc.**

| Types of employees                         |   | Unit | Turnover rate |
|--|---|------|---------------|
| <b>Total employee turnover rate</b>        |   | %    | 19.21         |
| <b>Classified by gender</b>                | Male employees  | %    | 19.92         |
|  | Female employees  | %    | 18.71         |
| <b>Classified by age</b>                   | Employees under the age of 30                               | %    | 21.22         |
|  | Employees aged 30 to 50                                     | %    | 17.61         |
|  | Employees aged 51 or above                                  | %    | 20.00         |
| <b>Classified by geographical location</b> | Employees in China (including Hong Kong, Macau, and Taiwan) | %    | 19.13         |
|  | Employees outside China                                     | %    | 44.44         |

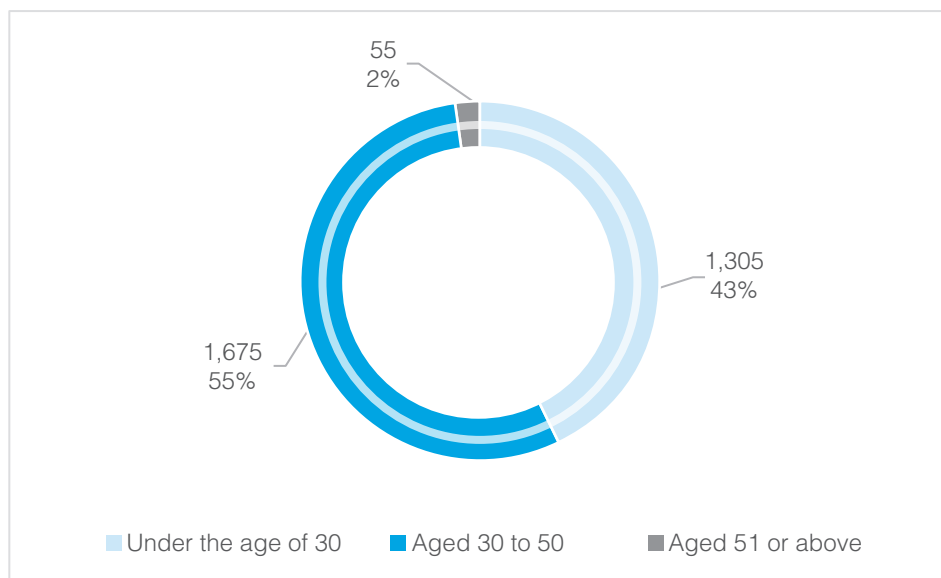
<sup>1</sup> "Employee turnover" includes those formal employees with whom the employment relationships are terminated due to voluntary resignation, dismissal, retirement or death, excluding interns. Calculation method of employee turnover rate: Number of employee turnover in the current year/total number of such type of employees.

## 6.1 EMPLOYMENT AND RETAINING TALENTS (Continued)

### 6.1.1 Labor Rights and Interests (Continued)



**Fig. 2: Total number of employees of Akeso, Inc. in 2024 classified by gender**

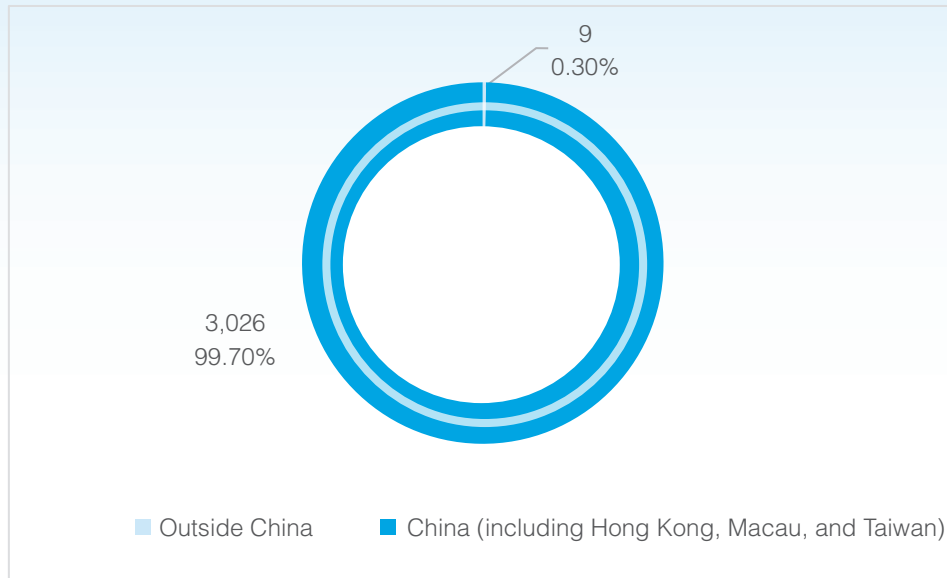


**Fig. 3: Total number of employees of Akeso, Inc. in 2024 classified by age**

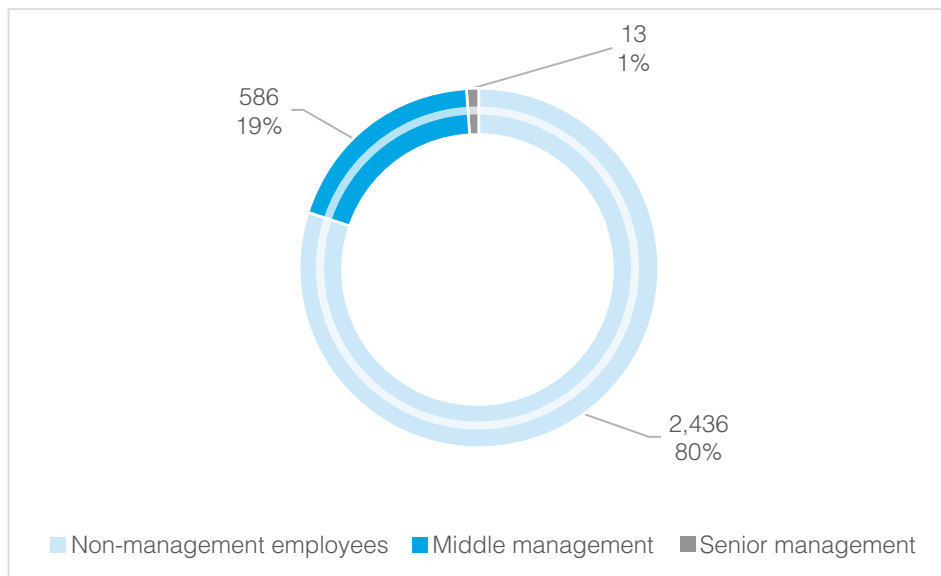


## 6.1 EMPLOYMENT AND RETAINING TALENTS (Continued)

### 6.1.1 Labor Rights and Interests (Continued)



**Fig. 4: Total number of employees of Akeso, Inc. in 2024 classified by geographical location**



**Fig. 5: Total number of employees of Akeso, Inc. in 2024 classified by position**

### 6.1 EMPLOYMENT AND RETAINING TALENTS (Continued)

#### 6.1.2 Remuneration and Benefits

As required by the relevant laws and regulations, Akeso, Inc. has developed internal policies such as the *Administrative Measures for Remunerations* (《薪酬管理辦法》) and the *Performance Assessment Management Plan* (《績效考核管理方案》), establishing a scientific and reasonable remuneration system consisting of “basic salary, performance pay, comprehensive fee, subsidies such as variable year-end bonus” in accordance with the principles of “strategic orientation, justice and equity, performance-based remuneration, clarity and transparency, and benefit sharing.”

We conduct objective, fair and impartial evaluations of employees' annual performances, taking into account the types and natures of employees' posts, in accordance with the *Performance Assessment Management Plan* (《績效考核管理方案》). In the meantime, we set annual targets for departments and posts with reference to our business strategies and annual goals, and regard completion of the relevant objectives as an important basis for the employee performance assessment result to motivate employees for their enthusiasm and subjective initiative.

Strictly abiding by the *Social Insurance Law of the People's Republic of China* (《中華人民共和國社會保險法》), we provide employees with mandated benefits, including payment of social insurance, group commercial insurance and the housing provident fund, and assure that our employees are entitled to the official holidays and other holidays, including annual leaves, sick leaves and maternity leaves, in accordance with the internal systems, such as *Administrative Measures for Remunerations* (《薪酬管理辦法》), the *Administrative Measures for Transportation Allowances* (《交通補貼管理辦法》), and the *Employee Attendance and Leave Management System* (《員工考勤與休假管理制度》). In terms of non-mandated benefits, we provide regular subsidies including working meals, reimbursement of physical examination fees, festival allowances, subsidies for commuting costs, etc. We also offer cash gifts for marriage and childbearing in accordance with the provisions of the *Welfare Handbook* (《福利手冊》). In the meantime, we organize employee care activities, for example, birthday celebrations, holiday events, parent-child activities, hobby clubs, team building, and cultural activities and trips, and have established an employee mutual fund to enhance employees' well-being and foster a strong sense of corporate cohesion.

In addition, we assist our employees in applying for government-subsidized housing for talents, public rental housing, talent allowances and other subsidies in accordance with government policies, and set up our center for post-doctoral studies to provide highly educated talents with entry benefits, rewards for internal recommendation of talents, etc., strengthening the attraction to talents.

### 6.2 COMMUNICATION WITH EMPLOYEES

Akeso, Inc. actively maintains open communication channels, incorporating employee communication sessions during onboarding, probation, and performance evaluations to help employees better understand company policies and job requirements. Since the establishment of the labor union in 2014, we have been attentively listening to employees' opinions so that their demands and suggestions can be respected, and feedback can be given in a timely manner to solve difficulties in the work and the life of employees.

The Company has implemented formal and confidential grievance procedures to effectively handle employee complaints. Multiple reporting and complaint channels, including email and Human Resources Department hotlines, are available. All complaints or reports are thoroughly investigated, addressed, and followed up on. The investigation results will be given back to complainants or reporters in writing or by phone, with the relevant information of reporters, including names, workplaces, home addresses and report details, strictly kept confidential.

### 6.3 DEVELOPMENT AND TRAINING

We continuously optimize our employee development and training system in alignment with our business objectives and development strategies, establishing clear career paths to ensure fair promotion opportunities for all employees.

The Company provides a diverse range of training resources to cultivate a highly skilled and professional workforce. According to the *Management Procedures of Employee Training* (《員工培訓管理規程》), we make annual training plans to establish a comprehensive training system for employees of different roles and categories. Employee training records are systematically managed, and training outcomes are incorporated into performance evaluations to enhance training effectiveness, improve professional skills, and help employees reach their full potential.

We offer five distinct training programs, including onboarding training, specialized position training, professional skills training, and other relevant programs. Moreover, our employees are encouraged to participate in training programs in the forms of classroom-based courses and self-directed learning, and to acquire professional qualifications by participating in general skill training programs, to enhance their diversified development. In 2024, 3,035 employees of the Company received training, representing 100% of the headcount.

Details of the three training stages for new staff are as follows:

- Corporate-level training: Introduction of basic knowledge, including corporate overview, labor law and disciplines, and the Good Manufacturing Practice (GMP);
- Department-level training: Training in safe production, laboratory management mechanism and occupational health and safety, as well as relevant departmental policies;
- Position-level training: Training in equipment operation, equipment management and safe production.

### 6.3 DEVELOPMENT AND TRAINING (Continued)

**Table 8: Training Overview of Akeso, Inc. in 2024**

| Types of employees |                          | Number of employees participating in training | Average training hour(s) | Percentage of employees trained |
|--------------------|--------------------------|---|--------------------------|---------------------------------|
| All employees      |                          | 3,035   | 8                        | 100%                            |
| <b>By gender</b>   | Male employees           | 1,250   | 8                        | 100%                            |
|                    | Female employees         | 1,785   | 8                        | 100%                            |
| <b>By position</b> | Senior management        | 13  | 8                        | 100%                            |
|                    | Middle management        | 586   | 8                        | 100%                            |
|                    | Non-management employees | 2,436   | 8                        | 100%                            |

## 6.4 HEALTH AND SAFETY

### 6.4.1 Work Safety

Akeso, Inc. complies with laws and regulations such as the *Work Safety Law of the People's Republic of China* (《中華人民共和國安全生產法》), the *Fire Protection Law of the People's Republic of China* (《中華人民共和國安全生產法》), and the *Provisions on the Management and Supervision of the Fulfillment of Responsibility of Security Principals for Safety by Special Equipment Users* (《特種設備使用單位落實使用安全主體責任監督管理規定》). The Company has established and continuously refined internal policies, including the *Safe Production Liability System* (《安全生產責任制》), the *Classified Control System for Safety Risks* (《安全風險分級管控制度》), the *Identification and Monitoring System for Sources of Major Dangers* (《重大危險源辨識和監控制度》), the *Contingency Proposal for Safety Production Incident* (《安全生產事故應急預案》), and the *Contingency Proposal for Barrier Environment of Laboratory* (《屏障環境實驗室應急預案管理制度》). These efforts contribute to a safety management framework encompassing hazard source prevention, process management, and target monitoring, laying a solid foundation for workplace safety.

In terms of safety management, we have formulated safe operation specifications for various posts and set up the Safe Production Committee, which set targets for safe production and safety incidents annually with taking into account the number of employees of each department, the number of equipment, the difficulty of the process and other factors. Additionally, the safety management personnel at all levels are required to sign the Safe Production Declaration (《安全生產責任書》) to implement a hierarchical management system, in order to ensure the achievement of safe production targets.

The Company prioritizes workplace safety risks by appointing both full-time and part-time safety management personnel to regularly perform safety check and potential safety risk troubleshooting for control of safety and fire hazards. We have designated the safety officers, safety directors and management personnel for special equipment to reinforce the safety management of special machinery, and organize the risk assessments made by professionals for production positions. Additionally, special safety inspections are carried out periodically for areas, equipment, and operation procedures, which are liable to serious accidents. Before major holidays, we implement comprehensive safety checks, and any identified safety hazards must be promptly addressed by the respective departments, teams, or projects.

We regularly review and update internal safety emergency plans and conduct training sessions and fire drills, electric shock response training, and other safety exercises to improve employees' preparedness for such accidents. On top of that, we promote safety awareness through safety meetings, training programs, safety knowledge competitions, among other safety-related events. Furthermore, we engage external professionals such as experts from the Red Cross Society to train employees in professional first aid, enhancing employees' ability to handle safety incidents through a combination of internal and external learning.

In 2024, Akeso, Inc. achieved zero lost workdays due to work-related injury and did not experience any material safe production incidents.

**Table 9: Number of Deaths Due to Work-Related Incidents at Akeso, Inc.  
in the Past Three Years**

|                              | Unit   | 2024 | 2023 | 2022 |
|------------------------------|--------|------|------|------|
| Number of deaths due to work | Number | 0    | 0    | 0    |

### 6.4 HEALTH AND SAFETY (Continued)

#### 6.4.2 Occupational Health

Akeso, Inc. abides by relevant laws and regulations such as the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* (《中華人民共和國職業病防治法》), the *Provisions on the Supervision and Administration of Occupational Health at Workplaces* (《工作場所職業衛生監督管理規定》), and the *Measures for the Supervision and Administration of Employers' Occupational Health Surveillance* (《用人單位職業健康監護監督管理辦法》), and establishes the *Occupational Hazard Declaration System* (《職業病危害項目申報制度》), the *Management System for Occupational Hazard Monitoring and Evaluation* (《職業病危害監測及評價管理制度》), the *Emergency Rescue and Management System for Occupational Hazards* (《職業病危害應急救援與管理制度》), the *Responsibility System for Prevention and Treatment of Occupational Diseases* (《職業病防治工作責任制度》), the *Warning and Notification System for Hazards of Occupational Disease* (《職業病危害警示與告知制度》) and other internal management policies, continuously improving its occupational health management system to ensure the occupational health of employees thoroughly.

We ensure that every employee has access to necessary emergency medications, and track and manage their health status through employee health archives, with the Human Resources Department responsible for overseeing this process. For employees engaged in special tasks, we provide safety helmets, gas masks, acid-alkali resistant gloves and other personal protective equipment and emergency washing devices, and ensure that the proper use of the equipment is continuously monitored. Additionally, we regularly hire external agencies to detect and assess occupational hazards at the workplace and organize physical examinations of the employees in the relevant positions with potential exposure to occupational hazards according to the assessment results, thus maintaining their overall health.

In accordance with the *Standard Operation Procedures of Health Management of Employees* (《工作人員健康管理標準操作規程》), we require personnel who are responsible for feeding laboratory animals and conducting animal experiments to receive holistic medical check-ups in qualified medical centers on an annual basis in an effort to timely discover and prevent potential health risks.

### 6.4 HEALTH AND SAFETY (Continued)

#### 6.4.3 Chemical Management

Akeso, Inc. places great emphasis on chemical management and has established systems such as the *Hazardous Chemical Safety Management System* (《危險化學品安全管理制度》), the *General Rules on Warehousing of Hazardous Chemicals* (《危險化學品倉庫儲存通則》), and the *Management of Precursor and Explosive Chemicals* (《易製毒、易製爆化學品管理》), keeping track of changes in relevant laws, regulations, and standards. We update the list of chemicals under control on a regular basis, stipulate the limited purchase and prohibited storage of precursor and explosive chemicals, and require the employees in the relevant positions to get such chemicals as needed with the relevant information recorded in connection with getting such chemicals.

The Company has established a standardized record-keeping system and set up complete chemical warehouse monitoring facilities. It monitors and manages all stages of the chemical lifecycle, including procurement, storage, classification, usage, warehousing, and disposal. Chemical waste is handled by qualified third-party agencies, and emergency supplies are provided. We also undergo regular visits and investigations by government departments, for the effective prevention of potential safety accidents including chemical leakage, intoxication, etc.

In the chemical storage areas, material Safety Data Sheets (SDS), warning cards, and management systems are posted to remind employees to observe safety procedures, comprehensively raising their awareness of safe operation. Additionally, all employees who may come into contact with chemicals must undergo specialized training and assessments. Only those who pass the assessment and hold a Chemical Processing Certificate are allowed to officially handle chemicals, ensuring the safe storage and standardized use of chemicals.



## 7 ENVIRONMENTAL RESPONSIBILITY

### 7.1 ENVIRONMENTAL MANAGEMENT SYSTEM

In daily operations, Akeso, Inc. strictly complies with relevant laws and regulations such as the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》) and the *Law of the People's Republic of China on Noise Pollution Prevention and Control*, (《中華人民共和國噪聲污染防治法》), established internal environmental management systems, including the *Environmental Management Ledger Record System* (《環境管理台賬制度》), implementing management systems and procedures for wastewater, exhaust gas emissions, and solid waste disposal. We determined environmental management targets for wastewater, gas emission, waste, noise, and other aspects, and regularly conduct internal risk assessments. Moreover, we proactively cooperate with government departments to conduct environmental inspections and evaluations, with a view to reducing possible environmental impacts during operation in an all-around way. In 2024, we introduced the *Environmental Hazards Inspection System* (《環境隱患排查制度》) to identify potential environmental risk sources, and conducted daily checks and inspections on key facilities, effectively preventing accidents and further enhancing our environmental risk management capabilities.

In terms of emergency response, we continuously improve the *Emergency Response Plan for Environmental Emergencies* (《突發環境事件應急預案》), regularly re-identifying, evaluating, and managing factors that could impact the environment. We strictly regulate the use and handling processes of hazardous chemicals in laboratories and manage waste disposal to prevent pollutants from harming the environment. Additionally, we have established emergency response organizations, equipped emergency rescue facilities, and regularly conduct emergency response drills to enhance our capability to handle sudden environmental incidents.

We actively fulfill our environmental protection responsibilities and strictly abide by various laws and regulations such as the *Environmental Impact Assessment Law of the People's Republic of China* (《中華人民共和國環境影響評價法》), the *Regulations on the Administration of Construction Project Environmental Protection* (《建設項目環境保護管理條例》), and the *Water and Soil Conservation Law of the People's Republic of China* (《中華人民共和國水土保持法》), integrating the environmental management system deeply into the full lifecycle management of project planning, construction, and operation. We regularly monitor and evaluate environmental risks, and formulate the *Administrative Measure for Waste Effluent, Gas Emission and Waste Residue Treatment* (《生產廢液、廢氣及廢渣處理管理制度》) to promote compliant treatment and standard discharge of various pollutants, in order to reduce the negative impact on the environment and natural resources during construction and operation.

## 7.2 EMISSION MANAGEMENT

### 7.2.1 Waste Gas Treatment

Akeso, Inc. strictly complies with relevant laws and regulations such as the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* (《中華人民共和國大氣污染防治法》) and the *Regulation on the Administration of Permitting of Pollutant Discharges* (《排污許可管理條例》), and strictly implements the emission requirements for different types of waste gases, such as the *Emission Standard of Air Pollutants for Pharmaceutical Industry* (《製藥工業大氣污染物排放標準》) (GB 37823-2019), the *Emission Standards for Odor Pollutants* (《惡臭污染物排放標準》) (GB 14554-93), and the *Emission Limits of Air Pollutants* (《大氣污染物排放限值》) (DB44/27-2001). These standards are designed to guide the management of exhaust gas discharge.

To continuously reduce sulfuric acid mist, hydrogen chloride, volatile organic compounds, non-methane hydrocarbons, and other waste gases generated during drug R&D and production, we have established a comprehensive management system. Other than the installation of high-efficiency exhaust gas collection facilities, we appoint staff to conduct inspections of the waste gas treatment facilities on a weekly basis, and regularly conduct spot checks on equipment, pipelines, and valves to ensure good airtightness of the equipment. Moreover, we maintain and manage the waste gas collection system and replace waste gas adsorbents promptly to increase the waste gas collection rate, in order to minimize unorganized gas emissions, ensure that the factory boundary is free of odors and achieve the waste gas management objectives. Furthermore, we strengthen standardized operating procedures for all laboratory personnel, ensuring the precise implementation of exhaust gas treatment measures in each process, thereby achieving systematic control of waste gas emissions.

**Table 10: Air Pollutant Emission of Akeso, Inc. in 2024**

| Air Pollutant Type                      | Unit     | Emission |
|---|----------|----------|
| Sulfuric acid mist                      | kilogram | 2.69     |
| Hydrogen chloride                       | kilogram | 2.80     |
| Volatile organic compounds <sup>2</sup> | kilogram | 132.00   |
| Non-methane hydrocarbons                | kilogram | 253.14   |

<sup>2</sup> In 2024, the production lines of Akeso, Inc.'s new plant commenced operations, leading to a significant increase in pharmaceutical production and sales, which resulted in an increase in the generation of volatile organic compounds (VOCs).

### 7.2 EMISSION MANAGEMENT (Continued)

#### 7.2.2 Wastewater Management

Wastewater generated by Akeso, Inc. mainly includes domestic sewage and cleaning sewage and production sewage generated during its manufacturing and operation. We strictly abide by relevant laws and regulations such as the *Water Pollution Prevention and Control Law of the People's Republic of China* (《中華人民共和國水污染防治法》) and the *Regulation on the Administration of Permitting of Pollutant Discharges* (《排污許可管理條例》), and take targeted treatment measures for different types of wastewater to ensure that all wastewater discharge indicators comply with relevant standards. We continuously optimize wastewater management measures through additionally installed automatic monitoring equipment to monitor the operation of the water collection facilities, reinforced routine inspections of our drainage pipelines and wastewater collection facilities, preventing wastewater leakage risks. Additionally, we carry out water-saving awareness campaigns among all employees during daily production and business activities, making full use of cleaning sewage that meets standards for irrigation and landscaping, and continuously exploring opportunities for wastewater reuse. In 2024, Akeso, Inc. discharged a total of 64,463 tonnes of industrial wastewater.

- Production sewage
  - ◆ Source: Culture solution in the production workshop, sewage generated from cleaning equipment and floor, etc.
  - ◆ Treatment method: Discharged into our sewage collection tank after being sterilized with high-pressure steam and transferred by a qualified third-party sewage treatment company for treatment on a regular basis
- Domestic sewage
  - ◆ Source: Sewage generated by employees in their daily activities
  - ◆ Treatment method: Discharged into municipal sewage pipe network and handed over to the urban sewage treatment plant for unified treatment after being treated by septic tanks in the plant
- Cleaning sewage
  - ◆ Source: Pure water preparation, industrial steam, etc.
  - ◆ Treatment method: Discharged into municipal sewage pipe network and handed over to the urban sewage treatment plant for unified treatment

### 7.2 EMISSION MANAGEMENT (Continued)

#### 7.2.3 Waste Management

Akeso, Inc. conscientiously observes relevant laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes* (《中華人民共和國固體廢物污染環境防治法》), and the *Regulation on the Administration of Permitting of Pollutant Discharges* (《排污許可管理條例》), and strictly implements the amendment standards of the *Technical Specification for Setting Identification Signs of Hazardous Waste* (《危險廢物識別標誌設置技術規範》) (HJ 1276-2022) and *Graphical Signs for Environmental Protection Solid Waste Storage (Disposal) Site* (《環境保護圖形標誌-固體廢物貯存(處置)場》) (GB 15562.2-1995). We have formulated internal systems such as the *Waste Management Practices* (《廢棄物管理規範》) and the *Administrative Measures for Prevention and Control of Environmental Pollution of Hazardous Wastes* (《危險廢棄物污染環境防治管理制度》). These systems standardize the classification, storage, and disposal requirements for hazardous and non-hazardous waste during production and operations, while also building a waste reduction mechanism from the source. Responsible departments are explicitly required to develop and implement waste reduction plans to effectively reduce the environmental impact of waste.

For hazardous waste management, the EHS Department formulates the *Management Plan for Hazardous Wastes* (《危險廢物管理計劃》) at the beginning of every year, reviewing the waste generated from the production, procurement, storage, and other operation segments. Practical waste reduction plans and measures are developed, and management plans to treat hazardous wastes are reported and registered on the "Guangdong Solid Waste Environmental Supervision Information Platform" (廣東省固體廢物環境監管信息平台) as required, obtaining approval from the ecological environment department. During the Reporting Period, the Company effectively reduced the generation of obsolete and expired materials by enhancing collaborative management across planning, production, procurement, and warehousing, and gradually implemented the hazardous waste reduction plan.

#### ➤ Hazardous wastes

- ◆ Hazardous waste (medical waste, pharmaceutical waste, laboratory waste effluent, and other hazardous wastes)
- ◆ Treatment: Transferred and treated by qualified third-party hazardous waste disposal agencies.

### 7.2 EMISSION MANAGEMENT (Continued)

#### 7.2.3 Waste Management (Continued)

- Non-hazardous wastes
  - ◆ Recyclable waste (packaging boxes, wooden products, etc.)
  - ◆ Treatment: Collected by recycling companies
  - ◆ Non-recyclable waste (office and domestic wastes)
  - ◆ Treatment: Collected by sanitation companies

**Table 11: Waste Produced by Akeso, Inc. In 2024<sup>3</sup>**

|   | Unit         | Amount<br>Produced |
|---|--------------|--------------------|
| Hazardous waste production                        | tonne        | 225.61             |
| Non-hazardous waste production                    | tonne        | 780.41             |
| Average hazardous waste production per person     | tonne/person | 0.07               |
| Average non-hazardous waste production per person | tonne/person | 0.26               |

<sup>3</sup> In 2024, the production lines of Akeso, Inc.'s new plant commenced operations, leading to a significant increase in pharmaceutical production and sales, which resulted in an increase in the amount of waste generated.

## 7.3 USE OF RESOURCES

### 7.3.1 Energy Management

The main energy sources of Akeso, Inc. are electricity and purchased heat used for daily operations. We place great emphasis on energy conservation. Strictly in compliance with laws and regulations such as the *Energy Conservation Law of the People's Republic of China* (《中華人民共和國節約能源法》), we have revised and improved internal policies such as the *Management System for Office Energy Consumption* (《辦公能耗管理制度》), to further regulate the use of energy consuming equipment, such as lighting fixtures, air conditioning and computers by employees in daily work spaces, like offices and laboratories to eliminate unnecessary energy waste in the workplace.

In addition, we have set corresponding energy management goals in light of the actual business situation of the Company, and regularly record and analyze energy consumption data to track energy consumption situation toward achieving corresponding goals. During the Reporting Period, we implemented the following measures to enhance energy efficiency:

#### Akeso, Inc.'s Energy Conservation Measures in 2024

|                              |   |
|------------------------------|---|
| Daily operations             | Replaced office lighting with LED fixtures<br>Procured internationally advanced equipment and facilities<br>Promoted video conferencing to reduce employee travel<br>Established a security patrol mechanism to oversee energy conservation efforts |
| Logistics and transportation | Implemented intelligent circular distribution systems<br>Utilized GPS technology to optimize transportation routes<br>Adopted new energy and fuel-efficient vehicles  |

**Table 12: Energy Consumption of Akeso, Inc. in 2024<sup>4</sup>**

|  | Unit                   | Consumption   |
|--|------------------------|---------------|
| Energy consumption in total                          | kWh in '000s           | 125,283.60    |
| Density of energy consumption                        | kWh in'000s/person     | 41.28         |
| Gasoline consumption                                 | liter                  | 28,524.15     |
| Diesel consumption                                   | liter                  | 4,658.00      |
| Steam consumption                                    | tonne                  | 59,481.76     |
| Purchased electricity consumption                    | kWh                    | 52,918,121.28 |
| Natural gas consumption                              | m <sup>3</sup>         | 2,928,269     |
| Average gasoline consumption per person              | liter/person           | 9.40          |
| Average diesel consumption per person                | liter/person           | 1.53          |
| Average steam consumption per person                 | tonne/person           | 19.60         |
| Average purchased electricity consumption per person | kWh/person             | 17,435.95     |
| Average natural gas consumption per person           | m <sup>3</sup> /person | 964.83        |

<sup>4</sup> In 2024, as production lines at Akeso, Inc.'s new plant were brought into operation and the output of pharmaceutical products increased significantly, the company's overall energy consumption also rose accordingly.

### 7.3 USE OF RESOURCES (Continued)

#### 7.3.2 Water Resource Management

In strict compliance with laws and regulations such as the *Administrative Regulations on Urban Water Conservation* (《城市節約用水管理規定》), Akeso, Inc. has established and continuously improved its water resource management system by setting water resource management goals aligned with its business development and adopting water conservation management measures in various aspects of corporate operation.

For daily monitoring and oversight, we have developed a water usage supervision mechanism that combines regular checks and random inspections. This system enables early warning of abnormal water usage in canteens, office areas, and washrooms. We also dispatch employees from the functional departments to inspect the operation of water-related facilities and equipment such as pure water machines and faucets every day, to promptly identify and solve abnormal consumption of water. In terms of water reuse, we make full use of standard-compliant cleaned sewage for daily green plant irrigation and continue to explore wastewater recycling opportunities to improve overall water utilization efficiency. Akeso, Inc. also focuses on water conservation capacity building by providing training on water resource management skills for relevant employees and enhancing the publicity and education towards water conservation among employees in routine production and operation activities on a regular basis, comprehensively enhancing their awareness of water conservation.

During the Reporting Period, water resources currently used by Akeso, Inc. were from the municipal pipe network and there was no difficulty in the supply and purchase of water resources.

**Table 13: Water Resource Consumption of Akeso, Inc. in 2024<sup>5</sup>**

|  | Unit         | Consumption  |
|--|--------------|--------------|
| Municipal water consumption                    | tonne        | 1,164,958.79 |
| Average municipal water consumption per person | tonne/person | 383.84       |

<sup>5</sup> In 2024, the production lines at Akeso, Inc.'s new plant were put into operation. The significant increase in pharmaceutical production and sales volume led to a rise in water consumption.



## 7.3 USE OF RESOURCES (Continued)

### 7.3.3 Packaging Material Management

Akeso, Inc. primarily uses paper-based outer packaging materials for manufactured products. During the packaging design and development stage, the Company integrates green and environmentally friendly concepts while ensuring adequate protection of product quality, promoting packaging material reduction design. In the process of packaging production and supply, we preferably purchase recyclable environmentally friendly materials to improve the recycling rate of packaging material. Through a sustainable management model of “lightweight design — eco-friendly procurement — circular reuse,” Akeso, Inc. is committed to advancing sustainability throughout the packaging process.

**Table 14: Consumption of Packaging Materials of Akeso, Inc. in 2024<sup>6</sup>**

|   | Unit            | Consumption |
|---|-----------------|-------------|
| Consumption of paper packaging materials            | kilogram        | 32,077.32   |
| Consumption of paper packaging materials per person | kilogram/person | 10.57       |

## 7.4 CLIMATE CHANGE

### 7.4.1 Governance

Akeso, Inc. incorporates climate risk management into its strategic decision-making framework. Following the TCFD (Task Force on Climate-related Financial Disclosures) framework, the Company systematically identifies and assesses physical and transition climate risks, establishing a lifecycle management mechanism covering risk identification, quantitative evaluation, and contingency planning. This approach effectively mitigates the potential impact of extreme weather events and evolving policies and regulations on business operations.

The Company has established a three-level ESG management system led by the Board of Directors, the “ESG Working Group”, and key executive departments, and incorporates climate-related risk factors into our overall risk management system, proactively carrying out climate risk identification, assessment, prevention and control decision-making. At the operational level, we have designated “Response to climate change” as one of our ESG substantive issues. Following the guidance and planning of the Board of Directors, the “ESG Working Group” is responsible for developing ESG working plans including climate change-related content, identifying and managing climate change risks, promoting effective implementation of the climate change management work, and regularly reporting work results to the Board of Directors, conducting timely review, ensuring that our response to climate change is deeply aligned with the Company’s business development strategies.

<sup>6</sup> In 2024, the production lines at Akeso, Inc.’s new plant were put into operation. The notable increase in pharmaceutical production and sales volume led to a rise in packaging material consumption.

## 7.4 CLIMATE CHANGE (Continued)

### 7.4.2 Strategy

Akeso, Inc. has carried out systematic climate change risk identification work, identified physical and transition risks in the industry and the operation of the Company, and clarified the list of climate change risks, which includes 2 physical risks and 5 transition risks. We take corresponding risk response and mitigation measures for different risk types, unrelentingly strengthening our climate resilience and response capabilities.

**Table 15: Identification and Response of Climate Change Risks**

| Risk Category  | Risk Type   | Risk Description  | Response Measures  |
|----------------|-------------|---|--|
| Physical risks | Acute risks | Frequent extreme weather events, such as extreme heat, cold snaps, heavy rainfall, typhoons, and flooding, may lead to disruptions in the Company's production operations and logistics, while also posing safety risks to employees. | <ul style="list-style-type: none"> <li>➤ We have established special plans such as the <i>Contingency Plan for Safe Production Accidents</i> (《生產安全事故應急預案》), and <i>Typhoon Emergency Command Plan</i> (《防颱風應急指揮預案》), organized an accident emergency team with clearly defined responsibilities of its members, forming a robust command system for extreme weather events. This includes clearly outlining the emergency organizational structure and personnel responsibilities and implementing specific response measures for typhoons, heavy rainfall, and other extreme weather conditions, with a view to minimizing casualties and property damages caused by extreme weather.</li> <li>➤ We carry out regular inspections in daily operation to comprehensively inspect equipment and facilities on site that may be affected by extreme weather, and take timely measures to eliminate hidden dangers. We also strengthen the inspection and protection of outdoor fixed facilities, electrical instruments and equipment to reduce the risk of object falling.</li> <li>➤ We pay attention to the inventory of raw and auxiliary material warehouses and finished product warehouses, and develop reasonable stocking strategies. We also inspect and maintain the drainage system, and prepare emergency drainage facilities and flood prevention materials.</li> </ul> |

## 7.4 CLIMATE CHANGE (Continued)

### 7.4.2 Strategy (Continued)

| Risk Category  | Risk Type     | Risk Description  | Response Measures  |
|----------------|---------------|---|--|
| Physical risks | Chronic risks | Chronic risks such as rising sea levels, water scarcity, humid air, and average warming caused by climate change may lead to various risks, such as increased costs in water and energy consumption, deteriorated quality of raw materials and products due to moisture, and reduced production efficiency due to rusting and aging of factory equipment. | <ul style="list-style-type: none"> <li>➤ We have set water resource management goals, reduce fresh water usage and improve wastewater recycling.</li> <li>➤ We have set energy management goals, and take energy conservation measures to improve energy efficiency.</li> <li>➤ We adopt an intelligent circular distribution model to reasonably schedule vehicle resources, balance resource allocation and reduce the empty load rate of transportation vehicles.</li> <li>➤ We advocate new energy-conserving and emission-reducing transportation vehicles and new energy transportation vehicles.</li> </ul> |

### 7.4 CLIMATE CHANGE (Continued)

#### 7.4.2 Strategy (Continued)

| Risk Category    | Risk Type        | Risk Description   | Response Measures   |
|------------------|------------------|--|---|
| Transition risks | Regulatory risks | The international and domestic regulatory agencies and capital market rating indicators constantly increase their disclosure requirements for corporate environmental data. In the meanwhile, to cooperate with the implementation of carbon trading, the government has increased requirements for the accuracy of carbon emission data declared by enterprises. If the Company fails to disclose corresponding environmental information in accordance with relevant laws, regulations, and policies, it will be confronted with compliance risks. | <ul style="list-style-type: none"> <li>➤ We continuously track low-carbon policies, conduct timely research and analysis on the policies issued, and strengthen communication with the regulatory departments and stakeholders.</li> <li>➤ We continue to promote carbon reduction actions, encourage the selection of video conferencing, phone call communication, and other methods instead of business trips in routine office operations, and remind employees to practice low-carbon work and travel through daily publicity.</li> <li>➤ We emphasize the importance of energy consumption reduction and resource conservation among employees, and enhance their awareness of energy conservation and emission reduction.</li> </ul> |

## 7.4 CLIMATE CHANGE (Continued)

### 7.4.2 Strategy (Continued)

| Risk Category    | Risk Type        | Risk Description   | Response Measures   |
|------------------|------------------|--|---|
| Transition risks | Litigation risks | Fines and judgments result in increased costs and/or reduced demands for products.   | ➤ We have established a comprehensive environmental management system to avoid the occurrence of negative environmental events.   |
|                  | Technical risks  | Technological improvements or innovations that support the transition to a low-carbon and energy-efficient economic system may generate an impact on business operation. | ➤ We phase into energy conservation renovation of existing buildings, and reduce electricity consumption in offices by installing LED lamps and selecting energy-conserving air conditioners and other equipment and facilities.<br><br>➤ We phase out fossil fuels and promote electrification to reduce carbon emissions from heating systems, and probe into low-carbon energy alternative plans such as solar heat, heat pump systems, and biomass energy.<br><br>➤ We have applied the GPS for comprehensive and real-time visual management of transportation vehicles, and carried out reasonable layout and planning of transportation routes to shorten transportation routes and improve freight transportation efficiency. |

## 7.4 CLIMATE CHANGE (Continued)

### 7.4.2 Strategy (Continued)

| Risk Category    | Risk Type        | Risk Description   | Response Measures  |
|------------------|------------------|--|--|
| Transition risks | Market risks     | Changes in consumer behaviors, uncertainty in market signals, and increased raw material costs cause potential market risks.   | <ul style="list-style-type: none"> <li>➤ We continuously optimize product packaging design, intervene from the source to reduce unwanted packaging, and preferably purchase environmentally friendly materials.</li> <li>➤ Regarding the low carbon needs of consumers, we take corresponding measures to meet their expectations, and take into account the preference factors of customers.</li> </ul>   |
|                  | Reputation risks | Poor ESG performance or insufficient efforts to address climate-related issues and cause negative feedback from consumers and other stakeholders, may have an impact on product sales. | <ul style="list-style-type: none"> <li>➤ We ensure the legality and compliance of ESG information disclosure.</li> <li>➤ We disclose climate-related risks and opportunities and their response measures in the ESG report, and continuously monitor the risks brought about by climate change to avoid negative impacts on the corporate image.</li> <li>➤ We actively cope with climate change, and consciously promote the low-carbon image of the Company to enhance the green credibility of the enterprise.</li> </ul> |

## 7.4 CLIMATE CHANGE (Continued)

### 7.4.3 Risk Management

The Company has established a comprehensive risk management framework and corresponding processes, which are applied to climate-related risks and opportunities. For more details, please refer to “5.3 Risk Management.” In response to the distinct characteristics of climate risks, we have developed a three-tiered “prevention-adaptation-mitigation” strategy. This includes measures such as disaster-resistant equipment upgrades and emergency drill training to enhance our risk response system. We continuously build a full-chain risk management mechanism that covers risk identification, stress testing, and dynamic optimization, effectively improving the management level of climate risk resilience.

### 7.4.4 Indicators and Targets

Akeso, Inc.’s greenhouse gas emission mainly consists of indirect emissions generated from electricity and purchased heat used for equipment and lighting systems in offices and projects under construction. In response, we have established a greenhouse gas management system and continuously improve it. We regularly collect, analyze, and report data related to greenhouse gas emissions, and grasp the accurate carbon emissions in each operation process, thus formulating and implementing targeted emission reduction measures.

**Table 16: Greenhouse Gas Emissions of Akeso, Inc. in 2024<sup>7</sup>**

|  | Unit                      | Consumption |
|--|---------------------------|-------------|
| Greenhouse gas emissions (Scope 1)                         | tCO <sub>2</sub> e        | 6,408.46    |
| Greenhouse gas emissions (Scope 2) (location-based method) | tCO <sub>2</sub> e        | 46,019.81   |
| Total greenhouse gas emissions (Scope 1 and Scope 2)       | tCO <sub>2</sub> e        | 52,428.27   |
| Greenhouse gas emissions per person                        | tCO <sub>2</sub> e/person | 17.27       |

<sup>7</sup> In 2024, the new production lines at Akeso, Inc.’s new plant went into operation, and the significant increase in pharmaceutical production and sales led to a rise in Scope 1 and Scope 2 greenhouse gas emissions. Scope 1 of GHG emission refers to the direct GHG emission from the sources owned and as controlled by the organization, such as emissions from vehicles owned by the organization; Scope 2 Indirect GHG emissions calculated by the location-based approach are from indirect GHG emissions generated from purchased electricity and steam consumed in the Group’s operation/production process, calculated with reference to “Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework” issued by the HKEX. The electricity emission factor 0.5366 tCO<sub>2</sub>/MWh for Scope 2 Indirect GHG emissions in 2024 is adopted from “Notice on the Release of CO<sub>2</sub> Emission Factors for Electricity in 2022” issued by Ministry of Ecology and Environment on 26 December 2024.



## 8 COMMUNITY RESPONSIBILITY

In response to the call of the *Opinions on Strengthening the Modernization of the Primary Governance System and Governance Capability* (《關於加強基層治理體系和治理能力現代化建設的意見》), Akeso, Inc. proactively undertakes corporate social responsibilities and participates in public health-related charitable activities. Leveraging its resources and strengths, Akeso, Inc. joined the 37th “Zhongshan Charity Parade” to give back to the community and engaged in the “Red Cross Warmth Delivery” initiative. The Company also donated funds through the Zhongshan Branch Red Cross Society of China to support key public welfare projects such as the construction of hospitals, schools, residential projects, and nursing homes. In addition, we encourage our employees to actively give back to society, contributing to the development of a harmonious society.

**Table 17: Charitable Donations of Akeso, Inc.**

|                                | Unit | Amount  |
|--------------------------------|------|---------|
| Amount of Charitable Donations | RMB  | 100,000 |
| Volunteer Participation Hours  | hour | 800     |

## 9 APPENDIX: CONTENT INDEX OF APPENDIX C2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

This report is prepared in accordance with the Appendix C2 Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange. The table below sets forth the response index to the general disclosure and key performance indicators.

| Subject Areas, Aspects, General Disclosures and KPIs |                    |   | Section                 |
|--|--------------------|---|-------------------------|
| <b>A: Environmental</b>                              |                    |   |                         |
| Aspect A1:<br>Emissions                              | General Disclosure | Information on:<br>(a) the policies; and<br>(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. | 7.2 EMISSION MANAGEMENT |
|  | KPI A1.1           | The types of emissions and respective emissions data.   | 7.2 EMISSION MANAGEMENT |
|  | KPI A1.2           | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).   | 7.4 CLIMATE CHANGE      |
|  | KPI A1.3           | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).  | 7.2 EMISSION MANAGEMENT |
|  | KPI A1.4           | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).  | 7.2 EMISSION MANAGEMENT |
|  | KPI A1.5           | Description of emission target(s) set and steps taken to achieve them.  | 7.2 EMISSION MANAGEMENT |
|  | KPI A1.6           | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.  | 7.2 EMISSION MANAGEMENT |

## 9 Appendix: Content Index of Appendix C2 Environmental, Social and Governance Reporting Guide (Continued)

| Subject Areas, Aspects, General Disclosures and KPIs |                    |  | Section                           |
|--|--------------------|--|-----------------------------------|
| Aspect A2:<br>Use of Resources                       | General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials.   | 7.3 USE OF RESOURCES              |
|  | KPI A2.1           | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). | 7.3 USE OF RESOURCES              |
|  | KPI A2.2           | Water consumption in total and intensity (e.g. per unit of production volume, per facility).   | 7.3 USE OF RESOURCES              |
|  | KPI A2.3           | Description of energy use efficiency target(s) set and steps taken to achieve them.  | 7.3 USE OF RESOURCES              |
|  | KPI A2.4           | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.                       | 7.3 USE OF RESOURCES              |
|  | KPI A2.5           | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.   | 7.3 USE OF RESOURCES              |
| Aspect A3:<br>The Environment and Natural Resources  | General Disclosure | Policies on minimizing the issuer's significant impacts on the environment and natural resources.  | 7.1 ENVIRONMENT MANAGEMENT SYSTEM |
|  | KPI A3.1           | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.  | 7.1 ENVIRONMENT MANAGEMENT SYSTEM |
| Aspect A4:<br>Climate Change                         | General Disclosure | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.                               | 7.4 CLIMATE CHANGE                |
|  | KPI A4.1           | Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.                   | 7.4 CLIMATE CHANGE                |

## 9 Appendix: Content Index of Appendix C2 Environmental, Social and Governance Reporting Guide (Continued)

| Subject Areas, Aspects, General Disclosures and KPIs |                    |   | Section  |
|--|--------------------|---|--|
| <b>B. Social</b>                                     |                    |   |  |
| Aspect B1:<br>Employment                             | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | 6.1<br>EMPLOYMENT<br>AND<br>RETAINING<br>TALENTS |
|  | KPI B1.1           | Total workforce by gender, employment type (for example, full time or part time), age group and geographical region.  | 6.1<br>EMPLOYMENT<br>AND<br>RETAINING<br>TALENTS |
|  | KPI B1.2           | Employee turnover rate by gender, age group and geographical region.  | 6.1<br>EMPLOYMENT<br>AND<br>RETAINING<br>TALENTS |
| Aspect B2:<br>Health and Safety                      | General Disclosure | Information on:<br>(a) the policies; and<br>(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.   | 6.4 HEALTH<br>AND SAFETY                         |
|  | KPI B2.1           | Number and rate of work-related fatalities occurred in each of the past three years, including the reporting year.  | 6.4 HEALTH<br>AND SAFETY                         |
|  | KPI B2.2           | Lost days due to work injury.   | 6.4 HEALTH<br>AND SAFETY                         |
|  | KPI B2.3           | Description of occupational health and safety measures adopted and how they are implemented and monitored.  | 6.4 HEALTH<br>AND SAFETY                         |
| Aspect B3:<br>Development and Training               | General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.   | 6.3<br>DEVELOPMENT<br>AND TRAINING               |
|  | KPI B3.1           | The percentage of employees trained by gender and employee category (e.g., senior management, middle management).   | 6.3<br>DEVELOPMENT<br>AND TRAINING               |
|  | KPI B3.2           | The average training hours completed per employee by gender and employee category.  | 6.3<br>DEVELOPMENT<br>AND TRAINING               |

## 9 Appendix: Content Index of Appendix C2 Environmental, Social and Governance Reporting Guide (Continued)

| Subject Areas, Aspects, General Disclosures and KPIs |                    |  | Section                              |
|--|--------------------|--|--------------------------------------|
| Aspect B4:<br>Labor Standards                        | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. | 6.1 EMPLOYMENT AND RETAINING TALENTS |
|  | KPI B4.1           | Description of measures to review employment practices to avoid child and forced labor.  | 6.1 EMPLOYMENT AND RETAINING TALENTS |
|  | KPI B4.2           | Description of steps taken to eliminate such practices when discovered.  | 6.1 EMPLOYMENT AND RETAINING TALENTS |
| Aspect B5:<br>Supply Chain Management                | General Disclosure | Policies on managing environmental and social risks of the supply chain.   | 5.4 SUPPLY CHAIN MANAGEMENT          |
|  | KPI B5.1           | Number of suppliers by geographical region.  | 5.4 SUPPLY CHAIN MANAGEMENT          |
|  | KPI B5.2           | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.                        | 5.4 SUPPLY CHAIN MANAGEMENT          |
|  | KPI B5.3           | Description of practices used to identify environmental and social risks along the supply chain and how they are implemented and monitored.  | 5.4 SUPPLY CHAIN MANAGEMENT          |
|  | KPI B5.4           | Description of practices used to promote environmentally preferable products and services when selecting suppliers and how they are implemented and monitored.                             | 5.4 SUPPLY CHAIN MANAGEMENT          |

## 9 Appendix: Content Index of Appendix C2 Environmental, Social and Governance Reporting Guide (Continued)

| Subject Areas, Aspects, General Disclosures and KPIs |                       |   | Section   |
|--|-----------------------|---|---|
| Aspect B6:<br>Product<br>Responsibility              | General<br>Disclosure | Information on:<br>(a) the policies; and<br>(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. | 4.1 QUALITY<br>MANAGEMENT   |
|  | KPI B6.1              | Percentage of total products sold or shipped subject to recalls for safety and health reasons.  | 4.1 QUALITY<br>MANAGEMENT   |
|  | KPI B6.2              | Number of products and service-related complaints received and how they are dealt with.   | 4.1 QUALITY<br>MANAGEMENT   |
|  | KPI B6.3              | Description of practices relating to observing and protecting intellectual property rights.   | 5.2<br>INTELLECTUAL<br>PROPERTY<br>PROTECTION   |
|  | KPI B6.4              | Description of quality assurance process and recall procedures.   | 4.1 QUALITY<br>MANAGEMENT   |
|  | KPI B6.5              | Description of consumer data protection and privacy policies and how they are implemented and monitored.  | During the Reporting Period, the Company does not collect any consumer data and privacy and all sale activities are conducted by our partner. This indicator is not applicable. |

## 9 Appendix: Content Index of Appendix C2 Environmental, Social and Governance Reporting Guide (Continued)

| Subject Areas, Aspects, General Disclosures and KPIs |                    |  | Section                    |
|--|--------------------|--|----------------------------|
| Aspect B7: Anti-corruption                           | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | 5.1 BUSINESS ETHICS        |
|  | KPI B7.1           | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.                                     | 5.1 BUSINESS ETHICS        |
|  | KPI B7.2           | Description of preventive measures and whistle-blowing procedures and how they are implemented and monitored.  | 5.1 BUSINESS ETHICS        |
|  | KPI B7.3           | Description of anti-corruption training provided to directors and staff.   | 5.1 BUSINESS ETHICS        |
| 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.                 | 8 COMMUNITY RESPONSIBILITY |
|  | KPI B8.1           | Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sport).  | 8 COMMUNITY RESPONSIBILITY |
|  | KPI B8.2           | Resources contributed (e.g., money or time) to the focus area.   | 8 COMMUNITY RESPONSIBILITY |



