康龙化成
PHARMARON

Pharmaron Beijing Co., Ltd.

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

Stock Code: 3759

2024

Environmental, Social and Governance Report

Pharmaron Beijing Co., Ltd.

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About This Report

Reporting Period

This report is the sixth Environmental, Social and Governance (ESG) report issued by Pharmaron Beijing Co., Ltd. and covers data from January 1 to December 31, 2024, which is consistent with the Annual Report of the Company, and some contents may exceed the aforementioned time range.

Scope

The contents of this report relate to Pharmaron Beijing Co., Ltd. and its important subsidiaries. Please refer to Appendix 6 for entities included in this report.

Disclosure Requirements and References

This report has been prepared in accordance with the *Environmental, Social and Governance Reporting Code (formerly known as the Environmental, Social and Governance Reporting Guide)* issued by The Stock Exchange of Hong Kong Limited ("HKEx"), with reference to the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange – Sustainability Report (For Trial Implementation)* issued by the Shenzhen Stock Exchange (SZSE), the GRI Standards issued by the Global Sustainability Standards Board (GSSB), and the Key Issues of the MSCI ESG Ratings and ISS ESG Ratings.

ESG Reporting Principles

Materiality

This report follows the HKEx materiality principle to disclose the review of ESG issues by the Board of Directors and the ESG Working Group, the stakeholder engagement, the process of identifying material issues, and the materiality matrix. For detailed information, please refer to the corresponding sections below.

Quantitative

The statistical standards, methodologies, assumptions and/or calculation tools for the quantitative Key Performance Indicators (KPIs) in this report, along with the sources of conversion factors used, are disclosed in the "notes" below the indicator tables.

Balance

This report presents the Group's performance during the reporting period in an impartial manner to avoid choices, omissions, or presentation formats that may unduly influence the decisions or judgments of readers of the report.

Consistency

The statistical methods used for the data that disclosed in this report are consistent.

References

To facilitate the expression and reading, Pharmaron Beijing Co., Ltd. and its holding subsidiaries are expressed as "Pharmaron," "the Group," "the Company," or "We,"; "Pharmaron Beijing Co., Ltd." as "Pharmaron Beijing"; Pharmaron's subsidiaries as "Pharmaron Tianjin", "Pharmaron Qingdao", "AniKeeper Zhanjiang", "Pharmaron Shaoxing", "Pharmaron Clinical", "AniKeeper Zhaoqing", "Pharmaron Ningbo", "Pharmaron Xi'an", "Pharmaron TSP", "AniKeeper", "Beijing Technology Development", "Pharmaron UK", "Pharmaron US".

Reporting Currency

Unless otherwise specified, all references to monetary amounts in this report are in RMB (yuan).

A Message from Our Chairman

Looking back on 2024, the global biopharmaceutical industry sustained its rapid growth despite a dynamic and increasingly complex external landscape. Amid evolving regulatory frameworks at home and abroad and intensifying market competition, Pharmaron persevered in advancing its core strategy of end-to-end, fully-integrated, globalized, multiple-therapeutic modalities and rose to the challenge courageously and proactively. During the year, we achieved remarkable progress in technological innovation, market expansion, and international operations, further solidifying our leading position in drug R&D services.

While deepening our expertise in biopharmaceutical R&D services, we have always integrated sustainable development as a cornerstone of our corporate strategy. We firmly believe that a company's success is not solely measured by financial performance but also by its accountability and contributions to environmental, social, and governance (ESG) principles. In 2024, Pharmaron made groundbreaking strides in sustainability. We successfully obtained validation from the Science-Based Targets initiative (SBTi) on our carbon reduction targets. In addition, we have significantly reduced carbon emissions via various methods, such as leveraging clean energy adoption and enhancing energy management systems. We have had more ISO 45001-certified sites on the management front, improving our operational management and government structure. Moreover, we increased our efforts on diversity, equality, and inclusion (DEI) and launched DEI initiatives across our workforce and supply chain, enabling comprehensive social responsibility and sustainable development progress.

As a recognition of our ongoing efforts in 2024, Pharmaron was concurrently listed in the S&P Global Sustainability Yearbook 2025, marking our position in the top 15% of the industry. Our performance ascended to an AA rating in the 2024 ESG rating from MSCI.

Prioritizing technology and quality to deliver excellent services. We are committed to providing our clients with professional and efficient R&D services. In 2024, we continuously invested resources and efforts in project management and international operations, fostering collaboration across teams, regions, and disciplines to drive transformation and integration. Simultaneously, we actively embraced automation and artificial intelligence, accelerating the development and application of new technologies to deliver more efficient drug R&D services and contribute to industry advancement.

Nurturing talent to foster academic and innovation capabilities. In 2024, we continue to create a dynamic and creative learning system that empowers continuous innovation within Pharmaron. The "Empowering Innovation: Academic and Innovation Leadership Program" offers our employees a wealth of learning and exchange opportunities, including Pharmaron Academy, symposiums and forums, courses and lectures, virtual lectures, seminars, Reaction of the Day (RoD), and BioUpdate. To encourage innovation and practical application, we established awards such as the "RoD Application Award," and the "Chemistry Star Award", inspiring employees to explore new technologies and methodologies.

Strengthening governance to advance compliance and diversity. Adhering to the operation principles of robustness, integrity, and compliance, Pharmaron has continually refined the corporate governance system and ESG management framework. The Company places special emphasis on risks related to human and labor rights. In response to local regulatory requirements, we conducted assessments in 2024 to identify and address the risks, while expanding ISO 45001 (Occupational Health and Safety Management System) certification. DEI is also integral to sustainable development. We reinforced DEI within the Company and extended this philosophy throughout our supply chain. Furthermore, we continue to increase investment in employee well-being, ensuring that every employee receives support and opportunities for development.

Enhancing resource efficiency and promoting green practices. In 2024, we continued to leverage advanced technologies and uphold the principles of green chemistry. We actively promoted the application of fluid chemistry, photochemistry, and electrochemistry in laboratory synthesis. In the field of chemical production services, we further increased investment in end-to-end continuous processing technology, continuous hydrogenation, continuous ozonolysis, enzymatic catalysis, electrochemical and photochemical technologies, as well as high-throughput screening, yielding remarkable results in 2024. Additionally, we initiated multiple emission reduction actions across our operations and supply chain in 2024, including optimizing the energy management systems, enhancing energy efficiency during production, establishing green electricity procurement channels, and exploring new technologies. Meanwhile, we actively supported the pharmaceutical industry's green energy transition, joining the Sustainable Market Initiative (SMI) China Council's Health Systems Working Group and collaborating with industry partners to promote energy conservation and emission reduction across the supply chain.

Contributing to society and supporting community prosperity. Pharmaron actively honors our duty as corporate citizens and engages in various public welfare projects. We donate supplies to improve and restore the ecological environment, address natural disasters, advance scientific innovation education, support rural teachers, and care for left-behind children. In addition, we forge close partnerships with domestic and overseas research institutions, industry leaders, and academic institutions to propel progress in the industry collectively.

Looking ahead to 2025, we will adapt proactively to future changes, maintain keen insight into emerging technologies, stay committed to our vision, and boldly pursue innovation. We will make unremitting efforts to strengthen our core competitiveness while embracing global capabilities, leveraging our global talent network to deliver cross-disciplinary, cross-regional, and cross-border collaborative services. We will unwaveringly prioritize production safety in daily operations, strengthening quality and compliance management. Guided by the "Client-centered" corporate philosophy, we are dedicated to providing superior R&D services, elevating client satisfaction, and driving sustainable growth.

Dr. Lou Boliang
Chairman and CEO
Pharmaron Beijing Co., Ltd.

Statement from the Board

Pharmaron strictly adheres to the *Code of Corporate Governance for Listed Companies* issued by the China Securities Regulatory Commission ("CSRD") as well as relevant requirements of the Shenzhen Stock Exchange ("SZSE") and The Stock Exchange of Hong Kong Limited ("HKEx"). We integrate the concepts of sustainable development and ESG governance into our daily operations. We also continuously improve our ESG compliance management structure, enhance our ESG management systems, strengthen the identification of ESG risks, and improve the quality of ESG disclosure.

The Company has established a three-tiered ESG governance structure consisting of "governance, management, and execution". At the governance level, the Board of Directors and its committees oversee, review, and make decisions on significant matters related to ESG work. At the management level, the Compliance and ESG Committee is tasked with formulating the Company's ESG targets, relevant work plans, and other aspects and reporting to the Strategy Committee. At the execution level, departments and first-level subsidiaries conduct daily work based on their respective responsibilities and jointly implement specific measures related to ESG.

Moreover, while ensuring commercial growth, the Company is committed to our Science-Based Targets initiative (SBTi) and is making every effort to advance our carbon reduction target. Additionally, we have referenced the *Self-Regulatory Guidelines No. 17 for Companies Listed on the Shenzhen Stock Exchange – Sustainability Report (For Trial Implementation)* issued by the Shenzhen Stock Exchange ("SZSE") and seek to address key issues accordingly.

We highly prioritize identifying material ESG issues. This process involves tracking ESG matters in the capital market and industry, as well as engaging in continuous communication with stakeholders. We regularly identify and assess material ESG issues, the results of which are reported to the Strategy Committee under the Board of Directors for discussion and approval. The annual ESG materiality matrix is thus formed accordingly.

This report provides a detailed and authentic disclosure of Pharmaron's ESG-related progress and achievements in 2024. It was reviewed and approved by the Board of Directors on March 26, 2025. The Board and all directors at Pharmaron are responsible for the authenticity, accuracy, and completeness of this report.

Board of Directors of Pharmaron Beijing Co., Ltd.

About Us

Group Profile

Pharmaron is a leading fully-integrated pharmaceutical R&D services platform with global operations to accelerate drug innovation for our clients, providing fully-integrated drug research, development and manufacturing services throughout the research and development cycle. The Company has 21 R&D centers and manufacturing facilities across China, the UK, and the US, and keeps strengthening the integration of its service offerings both vertically and horizontally, continuously investing in building new service capabilities and improving management efficiency to meet the needs of the market and clients. Vertically, the Company is strengthening the seamless integration of the same discipline across different pharmaceutical R&D stages. Horizontally, the Company is strengthening the integration of different disciplines at the same pharmaceutical R&D stages, improving the science and technology of each discipline, expanding the service offerings, and promoting the interdisciplinary collaborations. The Company has built a fully-integrated service platform for small molecule drugs, biologics, and CGT products, and are committed to becoming a global leader in pharmaceutical R&D services across multiple therapeutic modalities. In addition, the Company will further develop the global footprints of its service platform to provide clients with interdisciplinary and global service solutions, making full use of the Company's global scientific research talent network, and meeting clients' regional strategic needs.

Principal Business

Our principal business is categorized into four business segments, namely laboratory services, CMC[1] (small molecule CDMO[2]) services, clinical development services, and biologics and CGT services, which mainly cover the following services:

Laboratory services

The laboratory services of the Company mainly include laboratory chemistry and bioscience services, covering small molecule drugs, oligonucleotides[3], peptides[4], antibodies, antibody-drug conjugates (ADC[5]), CGT products, etc.

Laboratory chemistry is the root of our business, making it the core of the development of the Company. Laboratory chemistry services include medicinal chemistry, synthetic chemistry, chemistry for new modalities, analytical and purification chemistry, and computer-aided drug design (CADD[6]). Laboratory chemistry provides clients with chemistry services such as design and synthesis of compound library, discovery of hit and lead compounds, design and/or synthesis and optimization of lead compounds, synthesis of new modalities (nucleosides/nucleotides, lipids, saccharides, peptides, and conjugates), and chiral and non-chiral separation and purification.

Bioscience services include in vitro and in vivo DMPK/ADME, in vitro biology and in vivo pharmacology, safety assessment, and other services. Bioscience services provide clients with drug discovery services such as target[7] validation, structure activity relationship studies, candidate compound identification, and drugability[8] studies.

[1] Chemistry, Manufacture, and Control (CMC) refers to the development and production of chemical and formulation processes. The CMC section of a drug is a key focus in new drug approval, encompassing process development and scale-up studies, dosage form development, quality control system research, and a comprehensive range of activities related to drug manufacturing.
[2] CDMO (Contract Development and Manufacturing Organization) refers to the early-stage R&D and production activities including process development, formulation development, and manufacturing of drug products for clinical trials.
[3] A compound in which nucleotides are linked by phosphodiester bonds.
[4] A compound in which amino acids are linked by peptide bonds.
[5] ADC, Antibody-drug Conjugate.
[6] CADD, Computer-Aided Drug Design.
[7] It refers to biologically active macromolecules in the body that can be acted upon by drugs, such as certain proteins and nucleic acids. The genes encoding target proteins are also known as target genes. Identifying target molecules associated with specific diseases in advance is the foundation of modern drug development.
[8] It refers to the characteristic of a compound that has undergone preliminary pharmacodynamic studies, early pharmacokinetic assessments, and safety evaluations, indicating its potential for drug development.

CMC (small molecule CDMO) services

Our experienced CMC (small molecule CDMO) services team offers clients process development and manufacturing, material science/pre-formulation, formulation development and manufacturing, and analytical development services, covering a broad range of products including small molecule drugs, oligonucleotides, peptides, linkers and payloads. The process development and manufacturing team provides services such as discovery and development of efficient and green synthetic routes, optimization of existing synthetic routes, and process scale-up to support preclinical and other stages of clinical development and commercial manufacturing needs; the material science/pre-formulation team provides services for crystal screening, process development, and early formulation development; the formulation development team designs, modifies, and prepares oral formulations to satisfy preclinical, clinical, and commercial needs; and the analytical development team provides comprehensive analytical support for process development and manufacturing of APIs[9] and pharmaceutical products.

The CMC (small molecule CDMO) services of the Company mainly provide pharmaceutical companies with chemical and formulation process development and manufacturing services with capabilities and capacities to cover the needs in all clinical and commercial stages. The cGMP[10] API and drug product manufacturing facilities of the Company have had the qualification to manufacture products to support clinical trials in global markets, including the US, China, and the EU. Our quality assurance system follows the guidelines of the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH Guidelines) and supports the development and manufacture of APIs and pharmaceuticals meeting the regulatory requirements from FDA[11], NMPA[12] and EMA[13], and can also support the preparation of complete regulatory data packages and documentation for regulatory filings and cGMP audits in the US, the EU, and Asia.

Clinical development services

Our clinical development services include overseas and domestic clinical development services.

The overseas clinical development services include radio-labeled science services and early stage clinical trial services. The radio-labeled science services of the Company help clients synthesize ^{14}C and tritium ^{3}H radio-labeled compounds and use for DMPK/ADME studies of various compounds in human, so as to accelerate their clinical development process. Through the independent early clinical R&D center with 96 beds in Maryland, the US, the Company provides clients with clinical research services including comprehensive FIH studies, vaccine development/infectious challenge studies, comprehensive ^{14}C drug absorption, distribution and excretion trial, TQT/cardiac safety[14], and cross-ethnic bridging studies. In 2024, the Company strengthened its clinical operations, biostatistics, pharmacovigilance, and FDA regulatory submission services in the United States. These efforts will better assist Chinese clients in bringing their products to the global market and assist overseas clients in entering the PRC market.

Domestic clinical development services include clinical research services and site management services, covering different service needs of clinical research. Among which, clinical research services mainly include: regulatory affairs and product registration, medical affairs, medical monitoring, clinical operations data management and biostatistics, bioanalysis, pharmacovigilance, quantitative pharmacology, etc.; site management services include CRC[15] services, hospital research and selection, SSU[16] rapid start-up, healthy and patient volunteer recruitment and management, quality assurance and its training, post-marketing studies, etc.

[9] API, Active Pharmaceutical Ingredient, the component of a drug product that is intended to furnish pharmacological activity or other direct effect in the diagnosis, cure, mitigation, treatment, or prevention of disease, or to affect the structure or any function of the body.

[10] cGMP, Current Good Manufacturing Practices, are regulations enforced by the FDA or other regulators on pharmaceutical and biotechnology companies to ensure that the products manufactured meet specified requirements for identity, strength, quality, and purity.

[11] The Food and Drug Administration of the US.

[12] National Medical Products Administration, formerly the China Food and Drug Administration (CFDA), the authority responsible for approving drug and biologic products in China.

[13] European Medicines Agency, a European Union agency responsible for the evaluation and supervision of medicines within the EU and the European Economic Area (EEA) to safeguard and promote human and animal health.

[14] This study means observing and describing all ECG changes of the subject in an all-round manner at the early stage of a clinical trial on the drug and measuring the extension of the QT/QTc interval to determine whether the drug will impact the heart repolarization and the extent of impact, judge the risk of malignant arrhythmia it will trigger, and provide the data support in deciding whether to enter the next drug research and development stage.

[15] CRC, Clinical Research Coordinator.

[16] Study Start Up, clinical project start-up specialist.

The Company's bioanalytical platforms in China and the US are able to support the bioanalysis of clinical trials of small molecules and biologics around the world. In addition, with the collaboration among the domestic and overseas clinical development services and the preclinical service offerings, it allows the Company to simultaneously submit IND[17] applications for clients' drug candidates to regulatory agencies in China, the US and the EU.

Biologics and CGT services

Biologics and CGT services include biologics discovery, development and manufacturing services (CDMO), CGT lab services and Gene Therapy CDMO services.

Biologics discovery services include biologics plasmid design, cell screening, target biologics expression and purification, analytical method development, and analysis of products, primarily serving various needs for cells and proteins, including mAbs, at the early stage of research and development.

Biologics development and manufacturing services (CDMO) provide clients with development services, including cell line supply, upstream and downstream process development, formulation development, and fill-and-finish process development, supported by analytics with method development, as well as drug substance and product manufacturing services armed with 200L to 2,000L production capacity to support projects from pilot to commercial stage production.

Biologics and CGT lab services include analytical method development and validation for various proteins, cells, and DNA and RNA products. The analytical platform also provides services in the evaluation of activity, toxicity, tissue distribution and viral shedding, as well as quantitative analysis of gene and cell products, in compliance with GLP[18]/GCP[19]/GMP[20] regulations during the preclinical and clinical development and marketing stages. In addition, the Company's U.S. laboratory services provide clients with discovery and development services in biologics, CGT products and medical devices in the areas of ophthalmology.

Gene therapy CDMO services include plasmid synthesis containing therapeutic genes, cell line development, cell bank establishment, plasmid and cell production process development, formulation process development, manufacturing of products, analytical method development and validation, product-related impurities identification and analysis, stability evaluation, product analysis and GMP batch release, etc., covering the entire gene therapy CDMO process, to support the needs for preclinical safety evaluation, Phase I, II and III clinical trials, and post-marketing product life cycle management. The facilities have been licensed by MHRA[21], the UK pharmaceutical administration authority, for the manufacturing of biologics and CGT products.

[17] IND, Investigational New Drug, is an experimental drug for which a pharmaceutical company obtains permission to conduct clinical trials before a marketing application for the drug has been approved.

[18] GLP, Good Laboratory Practice, is a quality management system for non-clinical laboratory studies. It includes a series of regulatory documents that cover all aspects of laboratory work that can affect the outcome and interpretation of experimental results, from planning and conducting experiments to monitoring, recording, and reporting findings.

[19] GCP, Good Clinical Practice, formulated by the National Medical Products Administration in conjunction with the National Health Commission.

[20] GMP, Good Manufacturing Practice, refers to a set of quality and safety management measures implemented during the drug manufacturing process. It covers the entire drug production process, including raw materials, personnel, facilities, equipment, production processes, and packaging and transportation.

[21] MHRA, Medicines and Healthcare Products Regulatory Agency, an executive government agency under the U.K. Department of Health that ensures the safety and effectiveness of medicines and medical devices. It also works with UK blood service organizations and health agencies to regulate blood and blood products to ensure blood quality and safety.

Awards & Recognition

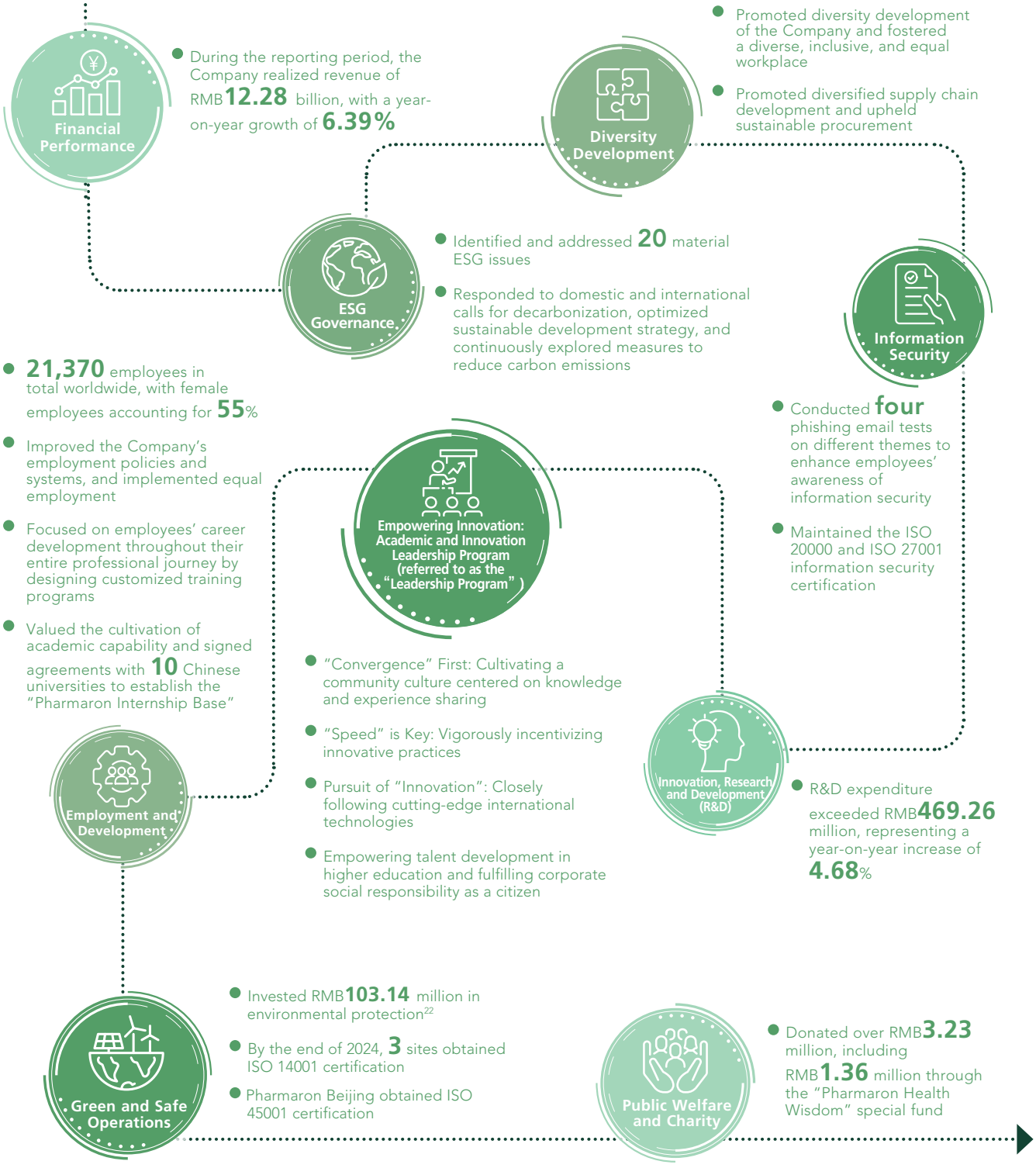
Awards & Recognition of Pharmaron in 2024

Awarded by	Honor
• Sino-Securities Index Information Service (Shanghai) Co., Ltd.	**Rated "A" in the A-Share Listed Companies ESG Ratings of Sino-Securities Index Information Service (Shanghai) Co., Ltd.** **Selected as one of the Top 100 Outstanding ESG Performers among A-Share Listed Companies in 2024 by Sino-Securities Index Information Service (Shanghai) Co., Ltd.** **Ranked among the Top 20 Best Practices in Corporate Governance (G) for A-Share Listed Companies in 2024**
• Capital Week	**Listed in the Best Social Contribution Impact Ranking**
• Sustainalytics	**Low-risk Enterprise** **2025 Industry Top Rated ESG Company** **2025 Asia-Pacific Region Top Rated ESG Company**
• EcoVadis	**Bronze Medal**
• CDP	**B rating in Climate Change Questionnaire**
• MSCI ESG Rating	**AA rating**
• S&P DJSI (CSA)	**S&P Global ESG score: 63, higher than the industry average in all 3 ESG aspects** **First-time inclusion in the S&P Global Sustainability Yearbook 2025**
• Beijing Enterprise Confederation, Beijing Entrepreneurs Association, Tianjin Enterprise Federation, Tianjin Entrepreneurs Association, Hebei Enterprise Federation, and Hebei Entrepreneurs Association	**Ranked 87th among the 2024 Top 100 Service Companies in the Beijing-Tianjin-Hebei Region** **Ranked 199th among the 2024 Top 200 Companies in the Beijing-Tianjin-Hebei Region**
• Beijing Enterprise Confederation and Beijing Entrepreneurs Association	**Ranked 68th among the 2024 Top 100 Companies in Beijing** **Ranked 31st among the 2024 Top 100 Service Companies in Beijing**
• The Fourth Drug Innovation Jishi Award by the Securities Times	**2024 Top 10 Drug Innovation Service Organizations**

Awards & Recognition of Pharmaron in 2024

Awarded by	Honor
• 18th Awards of the 2024 Value of Listed Companies in China by the Securities Times	**Top 50 Listed Companies on the Growth Enterprise Market in China**
• China Association for Public Companies	**2024 ESG Excellent Cases of Listed Companies**
• China Corporate Governance Experts 50 Forum	**2024 Top 100 Corporate Governance Cases of China-Listed Companies** **2024 Top 100 Best CEOs of China-Listed Companies** **2024 Top 100 Corporate Governance Cases of Chinese Overseas-Listed Companies**
• Huayi List – 2024 China Biopharmaceutical Scientific Innovation Value List	**Top 10 Most Influential CXO Companies**
• Moka and HRflag	**2024 China Human Resources "Sirius" Award: Best Employer Brand for High-tech Companies**
• Employer Branding Institute	**2024 DEI Employer** **2024 DEI Top 100 Employers**
• Zhaopin	**2024 Top 30 Employers in Beijing by Zhaopin**
• Healthcare Executive	**2024 Top 20 ESG Competitiveness among China's Pharmaceutical-Listed Companies** **2024 Top 10 Low-Carbon Pioneers among China's Pharmaceutical-Listed Companies**

Performance Highlights in 2024



[22] Investment in environmental management and protection, and related payments for environmental protection taxes.

01 Sustainability Governance

As a leading international life sciences R&D services company, Pharmaron consistently pursues stable and compliant development. We integrate the philosophy of responsible development and risk management awareness into all areas of corporate operations. We are committed to enhancing governance standards, upholding business ethics, and advancing diversity. Through tangible actions, we aim to foster the sustainable development of the Company.

- Corporate Governance
- ESG Governance
- Diversity Development
- Integrity and Compliance

Corporate Governance

Pharmaron adheres to the principle of compliant operations, strictly abiding by the *Company Law of the People's Republic of China,* the *Securities Law of the People's Republic of China*, the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* and other relevant regulations. Continuously improving our corporate governance framework, we are dedicated to strengthening the effectiveness of the Board of Directors, solidifying a foundation for stable operations, and achieving modern, high-quality development for the Company.

Corporate Governance Structure

Pharmaron has established the *Rules of Procedure for the Board of Directors and* the *Work Rules of Independent Non-Executive Directors* to standardize the daily workflow of the Board and strictly recruits independent directors in accordance with the *Articles of Association*. During the reporting period, the Company made an adjustment to the structure of the Board of Directors as part of the efforts to align with the actual business development and operational needs, and to further enhance the decision-making efficiency and quality of the Board. The Board consisted of eight members in total, including three executive directors, two non-executive directors, and three independent non-executive directors. Following the adjustment, the proportion of independent non-executive directors stood at 37.5%. Independent non-executive directors maintain sufficient independence in their work, actively participate in Board meetings, and carefully consider various motions. They diligently fulfill their responsibilities in areas such as corporate governance, internal control, information disclosure, and financial supervision, effectively safeguarding the interests of the Company and all shareholders. They pay special attention to the protection of the legal rights and interests of small and medium shareholders and supervise the work of the Board of Directors.

Four special committees, namely the Strategy Committee, the Remuneration and Appraisal Committee, the Nomination Committee, and the Audit Committee, have been set up under the Board, to ensure the professionalism and accuracy of the Board's decision-making, facilitating the stable and standardized operation of the Company.

Duties of the Special Committees

Special Committee	Composition	Duties	Work progress in 2024
Strategy Committee	• The Committee consists of four members, chaired by Dr. Lou Boliang, Chairman of the Company.	• Review the Company's long-term development strategy and major investment decisions and make recommendations on such matters.	• During the reporting period, two meetings were held to mainly discuss the science-based target setting and submission, green electricity procurement, approval and implementation of emission reduction strategies, updating ESG-related content in the annual disclosures, joining the SMI[23], and reviewing the Group's DEI framework.

[23] The Sustainable Markets Initiative (SMI) was launched by Charles III, the then Prince of Wales and now King of the United Kingdom, with the aim of uniting the business community to address global crises such as climate change and biodiversity loss while advancing sustainable development. The China Council of the Sustainable Markets Initiative was officially established on August 22, 2022, serving as a key platform for the Chinese business sector to engage in the global sustainable development process on a broader scale, across more diverse fields, and at a higher level.

Special Committee	Composition	Duties	Work progress in 2024
Remuneration and Appraisal Committee	• The Committee consists of five members, chaired by Ms. Li Lihua (independent non-executive director), including three independent non-executive directors, making up the majority.	• Develop remuneration policy; • Formulate director and senior management remuneration plans or schemes in alignment with the goals and policies of the Company, including integrating sustainable development objectives into the performance assessments of senior management.	• During the reporting period, two meetings were held, mainly discussing the remuneration of directors and senior management and the issuance of the Company's equity incentive plan. The meetings reviewed and approved resolutions including the *Resolution on the Remuneration Program of the Company's Directors*, and the *Resolution on the Remuneration Program of the Company's Senior Management*, among a total of five resolutions. • When the Remuneration and Appraisal Committee reviewed the director remuneration proposal, all directors abstained from voting due to conflicts of interest. The director remuneration proposal was approved by the shareholders' meeting on June 6, 2024.
		• Present reasonable recommendations on remuneration to the Board of Directors; • Design or modify equity incentive plans and employee stock ownership plans, specifying the conditions under which incentives are granted and exercised, and make recommendations to the Board of Directors regarding these plans.	• When the Remuneration and Appraisal Committee reviewed the executive remuneration proposal, Dr. Lou Boliang and Mr. Lou Xiaoqiang abstained from voting. When the Board of Directors reviewed the executive remuneration proposal, Dr. Lou Boliang, Mr. Lou Xiaoqiang, and Ms. Zheng Bei abstained from voting on this proposal. • The Remuneration and Appraisal Committee reviewed the vesting of the A-share equity incentive, and no abstentions were required.

Special Committee	Composition	Duties	Work progress in 2024
Nomination Committee	• The Committee consists of five members, chaired by Ms. Li Lihua (independent non-executive director), including three independent non-executive directors, accounting for 60% of the total.	• Review the structure, membership and composition of the Board of Directors; • Make recommendations on the selection procedure and criteria for directors and senior management; • Evaluate and verify the candidates for directors and senior management, including their qualifications for the positions; • Evaluate the independence of directors.	• During the reporting period, one meeting was held, mainly discussing the rationality of the Board structure, and the independence of independent non-executive directors. The meeting reviewed and approved resolutions, including the *Resolution on Evaluating the Independence of Independent Non-Executive Directors*, among a total of two resolutions.
Audit Committee	• The Committee consists of three members, and all are independent non-executive directors. Mr. Yu Jian serves as the Chairman and has professional qualifications.	• Supervise the establishment, improvement, and implementation of the Company's audit system; • Conduct the annual internal audit work; • Assist in communication with external audits; • Evaluate the effectiveness of the Company's internal risk control system.	• During the reporting period, six meetings were held, mainly discussing connected transactions, internal control reports, annual audit plans, internal audit work reports, and significant issue inspection reports. The meetings reviewed and approved resolutions including the *Resolution on the 2023 Audit Report on Internal Control of the Company,* among a total of 24 resolutions.

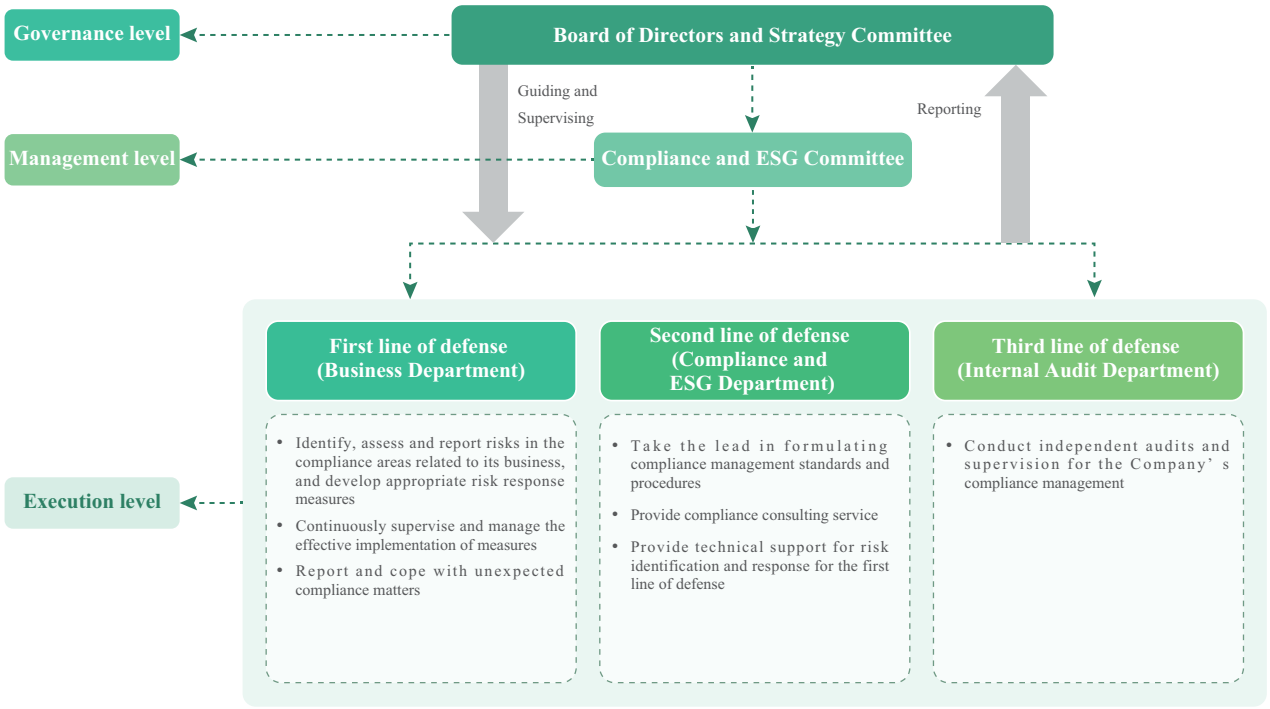
Corporate Governance Risk Management

Pharmaron adheres to the principle of stable development, strictly complying with the legal and regulatory requirements of the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange*, the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* and others to continuously enhance the Company's internal risk control system, thus achieving stable operations.

The Strategy Committee comprehensively oversees the Company's risk management efforts. Pharmaron has established a Compliance and ESG Committee, which regularly reports to the Strategy Committee on company-level risks. The Compliance and ESG Committee conducts at least two risk assessments annually on the risks faced by the Company and promptly discusses risks at key milestones, such as updates in accordance with external regulatory requirements or the launch of new projects.

The Company, with a focus on risk management and the goal of standardized operations, integrates risk control mechanisms and actual business practices to establish a "three-line of defense" risk management model, enhancing the Company's ability to prevent and mitigate significant risks. Moreover, the Company has developed a three-tiered management mechanism consisting of the governance level, management level, and execution level, consistently improving the compliance governance system, implementing compliance concepts, and preventing compliance risks.

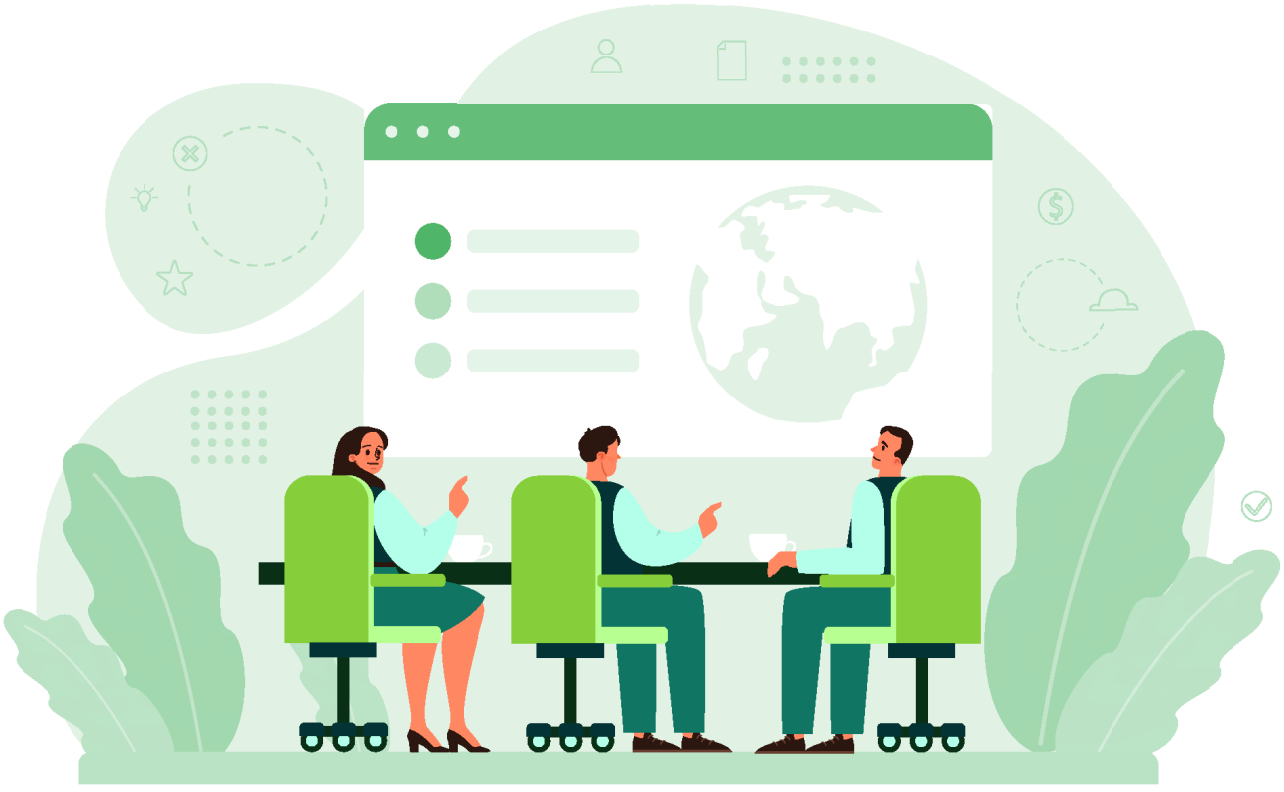
The three executive directors of the Company, Dr. Lou Boliang, Mr. Lou Xiaoqiang, and Ms. Zheng Bei, are the founders of the Company. They have been responsible for the Company's operations, internal control, compliance management, risk management, and financial management, and possess extensive experience in these areas. The Company's two non-executive directors, Mr. Li Jiaqing and Mr. Hu Baifeng have spent many years deeply engaged in the field of professional investment and are seasoned in green investment, risk, and financial management. In addition, the three independent non-executive directors of the Company come from diverse backgrounds, including finance and law. They have spent many years deeply involved in their respective fields, offering a rich variety of experiences related to company operations, internal control, compliance management, risk management, and financial management. The Board of Directors is an important part of the governance level in the three-tiered management mechanism and its membership diversity and professionalism will facilitate more effective functioning of the risk management system.



Three-tiered Management Mechanism of Compliance Operation and "Three-line of Defense" Model of Risk Management

Pharmaron clearly defines the responsibilities of the three-tiered management structure, creating an effective communication and management model to facilitate the efficient operation of the Company's comprehensive risk management system.

Governance level	**Board of Directors and Strategy Committee** Responsible for establishing and improving the risk and compliance management framework, formulating and reviewing risk management policies, and overseeing the implementation of the Company's risk management measures.
Management level	**Compliance and ESG Committee** Responsible for managing according to the decisions and deployments of the Board of Directors and the Strategy Committee, working closely with various business departments at the execution level, regularly receiving reports from the execution level, and subject to the supervision and guidance of the governance level.
Execution level	**Headquarters' Functional Departments and Tier-1 Subsidiaries** A compliance group is formed from the Headquarters' functional departments, domestic and overseas tier-1 subsidiaries and other leading or relevant departments to design and implement plans for various topics such as Anti-bribery, Anti-corruption, Export Control and Sanctions, Privacy Protection, etc. The compliance group regularly reports on the execution and implementation of the Company's risk management, ensuring risks are manageable.



In 2024, Pharmaron identified emerging long-term risks critical to its future business and implemented corresponding mitigation measures. For more information on the Company's risks, please refer to the Pharmaron 2024 Annual Report.

Risk	Risk Description	Mitigation Measures
Risk of International Policy Changes	In recent years, geopolitical factors have introduced significant uncertainties. The rise of international trade protectionism and unilateralism poses challenges, as Pharmaron has been deeply engaged in international markets for years, with a substantial portion of its clientele consisting of overseas pharmaceutical and biotechnology companies. Their demand for our services is subject to the policies and measures adopted by local governments toward Chinese service providers in the pharmaceutical outsourcing industry. If trade tensions between nations escalate or certain countries impose restrictions or new legislation on China's pharmaceutical outsourcing sector, including technology or research activities, our business and operations may be adversely affected.	Since 2015, the Company has been expanding its overseas service capabilities to mitigate the adverse impact of trade and international policy changes on its business operations.
Regulatory Compliance Risk	Many countries or regions where pharmaceuticals are ultimately intended for sale, such as China, the United States, the United Kingdom, and several EU countries, enforce stringent laws, regulations, and industry standards governing drug development and manufacturing. Regulatory authorities in these regions, including the FDA and NMPA, conduct both scheduled and unscheduled facility inspections to ensure compliance with regulatory requirements. The Company has successfully passed all major inspections of its drug discovery, development, and manufacturing facilities conducted by relevant authorities in the past. However, failure to continuously meet regulatory requirements or pass future inspections could result in the loss of operational qualifications or other administrative penalties, potentially leading to client contract terminations. Additionally, the Company is subject to national and regional environmental, health, and safety regulations, including laws governing the use of flammable, explosive, and toxic hazardous chemicals, as well as the treatment of pollutants (e.g., exhaust gas, wastewater, waste residue and other pollutants). Stricter environmental policies in the future may increase the Company’s compliance costs in this area.	The Company will closely monitor pharmaceutical policy trends and actively implement national policies to ensure ongoing compliance with regulatory requirements.
Risk of Technology Update	As the market continues to evolve, R&D technologies are rapidly advancing. Cutting-edge technologies are crucial for maintaining a competitive edge in the industry, and the Company must stay abreast of emerging technologies and processes to sustain its leadership position.	The Company will continue to invest substantial human and financial resources to foster and develop new technologies while upgrading its service platforms. If a target company with attractive new technologies emerges, the Company will also consider acquisitions to integrate new service capabilities into its platform.

During the reporting period, the Compliance and ESG Committee held three meetings, including one annual meeting and two ad-hoc meetings, to discuss the progress of the SBTi-validated targets and the energy-saving and emission-reduction framework, among others. To address energy-saving and emission reduction-related risks, the China Energy Conservation and Emission Reduction Task Force was established under the Compliance and ESG Committee. Together with the UK US Sustainability Committee, they are responsible for defining energy conservation and emission reduction targets at the group, regional, and site levels, formulating comprehensive strategies and plans, establishing a robust management framework, and ensuring the effective implementation of various measures.

In addition, the Company continued to implement and improve compliance risk assessment in 2024. The main efforts included developing compliance strategy, setting compliance goals, conducting risk identification and assessment, and continuous improvement to procedural systems. These efforts were aimed at helping the Company identify high-risk factors, promote standardized process management, and deepen the development of a compliance culture. In response to identified compliance risks, we established and improved the compliance-related systems, processes and operational standards, and carried out relevant training and publicity activities to effectively enhance the Company's risk control level.

ESG Governance

Pharmaron actively explores the path to sustainable corporate development, and has established an operating philosophy guided by ESG principles. At the same time, by leveraging the ESG governance systems and structures such as the *ESG Management Measures* and the *ESG Information Management Handbook*, we have gradually integrated the concept of ESG into our daily operations.

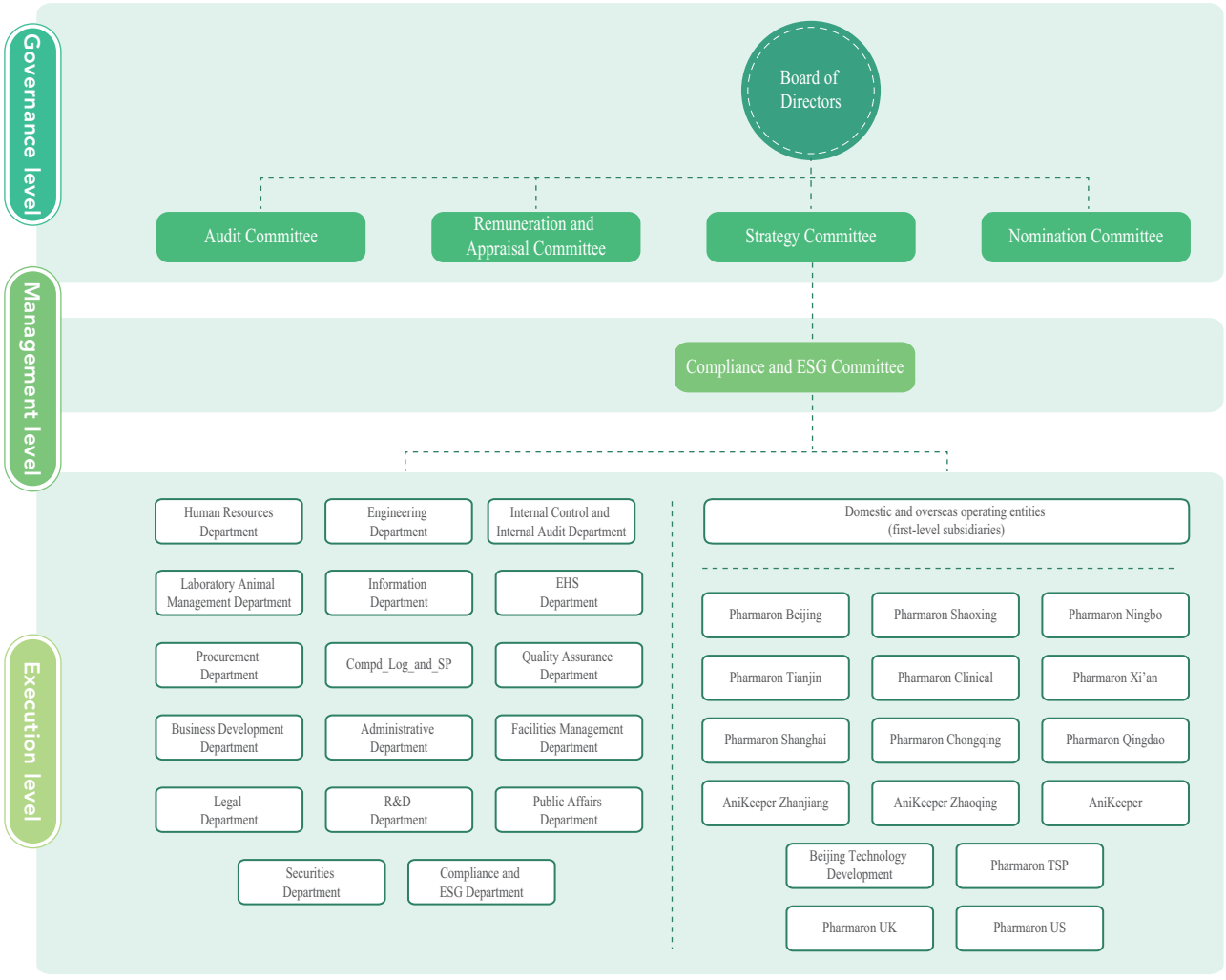
ESG Principles

ESG Principles at Pharmaron

Strategy	Integrate ESG governance concepts into the Group's overall development strategy, system design and layout to promote economic, social, and environmental sustainability
Planning	Plan ESG efforts in an integrated and systematic way with horizontal coordination and vertical alignment
Classification	Implement classified management combined with the actual control mode. Clarify the work process to build ESG into operations and production activities and create reasonable and well-functioning ESG governance systems and work procedures
Progress	Consolidate the management foundation and make phased progress in overall and ESG governance in line with the actual situation
Inclusive	Integrate ESG governance into all operations and management segments and processes. Communicate effectively with key stakeholders including investors, government, employees, partners, clients, and the community, and introduce their opinions into the decision-making and management improvement process through stakeholder engagement

ESG Governance Structure

To comprehensively enhance the efficiency of ESG management, Pharmaron has effectively integrated its ESG management strategy into all departments and key business processes. At the same time, our ESG management strategy took into account the climate-related risks and opportunities, and we have established a complete ESG governance structure with clear hierarchy and well-defined lines of responsibility. Our ESG governance has a three-tiered structure comprising the "governance, management, and execution" levels. At the governance level are the Board of Directors and its committees. The Compliance and ESG Committee at the management level reports to the Strategy Committee, and daily ESG work is assigned to the execution level composed of all departments and first-level subsidiaries. The Board of Directors receives sustainability-related reports once a year to regularly monitor Pharmaron's ESG efforts and obtain timely information on sustainability-related impacts, risks and opportunities.



Pharmaron's ESG Governance Structure

Pharmaron's ESG Governance Structure and Responsibilities

Strategy Committee	• Monitors, reviews and defines the Group's ESG strategy, goals, etc. • Reviews significant ESG issues and the identified risks • Reviews updates to the Group's ESG governance structure and responsibilities • Reviews the Group's annual ESG work plan • Reviews the Group's annual ESG report • Reviews and approves other important ESG-related matters of the Group
Compliance and ESG Committee	• Identifies major ESG issues and risks, develops ESG goals, formulates and updates ESG-related management systems, and reports to the Strategy Committee • Allocates ESG goals into annual action items for relevant departments and coordinates and facilitates the implementation of the annual ESG work plan, and tracks and reviews the progress toward the ESG goals • Develops ESG-focused project plans and authorizes the leading departments • Coordinates and manages the annual ESG report and reports meaningful milestones to the Strategy Committee • Studies the latest ESG compliance requirements, summarizes ESG capital market performance, and reports to the Strategy Committee
ESG Working Group	• Implements the annual ESG work plan and carries out ESG-focused projects • Implements ESG goals and regularly monitors, discusses, and reports on the achievement of the ESG goals • Conducts daily ESG information management • Collects yearly ESG data and assists in the preparation of the ESG report
Functional Departments	• Implements specific ESG responsibilities of each department according to the division of responsibilities and the needs of ESG governance and management (specific responsibilities have been detailed in the *ESG Management Measures*)

ESG Performance Management

Pharmaron places great emphasis on ESG management and has incorporated ESG-related assessments into the evaluation criteria for the remuneration of executive directors and senior management. For example, all executive directors and senior management must participate in at least one ESG training session every year. The Company requires leaders of relevant departments to sign annual performance appraisal forms and includes environment, health and safety (EHS) performance indicators and ESG-related training (such as anti-corruption training) in the assessment system for department heads.

Stakeholder Communication

Pharmaron is acutely aware of the significant impact that the opinions of various stakeholders have on the Company's ESG efforts. Suggestions from stakeholders are invaluable in helping the Company proactively address key risk factors affecting business development. The Company places a high priority on and continuously listens to the needs of both internal and external stakeholders, establishing communication channels through various means to collect and respond to the stakeholders' expectations for Pharmaron.

Demands and Channels of Communication of Pharmaron's Stakeholders

Stakeholders	Expectations and demands	Channels of communication and response
Government and regulators	• Implementing national policies, laws, and regulations • Strengthening local economy • Boosting the pharmaceutical and life sciences industry • Operational transparency and compliance • Taking responsibility for corporate citizenship	Email, phone call, fax, WeChat, and timely response to requests and questionnaires
Institutional investors/ Shareholders	• Returns on investment • Operational compliance • Production safety	Company announcements, online roadshows, subject reporting, visits and inspections
Individual investors/ Shareholders		
Clients and potential clients	• Legal compliance and duty fulfillment • Business integrity • Quality products and services	Business communication, client feedback, exchanges and seminars, information disclosure
Suppliers and subcontractors	• Legal compliance and duty fulfillment • Business integrity	Business communication, exchanges and seminars,
Universities	• Industry-academia-research collaboration • Technology application capabilities	University-enterprise cooperation
Community and the public	• Environmental protection • Contribute to community development • Protect rights and interests	Company website, Company announcements, interviews and exchanges, community activities

Stakeholders	Expectations and demands	Channels of communication and response
Non-profit organizations and industry associations	• Participate in public welfare initiatives • Promote industry development	Volunteer services, public welfare activities, industry-related seminars
Media	• Ensure information transparency • Maintain open communication	News report, interviews with management
ESG experts	• Academic exchanges • Continuous investment in technological innovation	Questionnaire surveys
Members of the Board	• Contribute to the Company's sustainable development	Board and Strategy Committee meetings
Senior management	• Focus on economic performance	Compliance and ESG Committee meetings and regular company meetings
Employees	• Rights and interests protection • Occupational health and safety • Compensation and benefits • Career development	Labor union, information display, democratic communication, vocational training

Materiality Analysis and Matrix of Material Issues

During the reporting period, Pharmaron, taking into account its own industry characteristics and business development, has identified and summarized 20 material ESG-related issues in accordance with key indicators from the *Environmental, Social and Governance Reporting Code* (formerly known as the *Environmental, Social and Governance Reporting Guide*) issued by The Stock Exchange of Hong Kong Limited (the "HKEx"), and with reference to the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange – Sustainability Report (For Trial Implementation)* issued by the Shenzhen Stock Exchange (SZSE), the *GRI Standards* issued by the Global Sustainability Standards Board (GSSB), and the MSCI ESG Ratings, among other capital market ESG ratings or questionnaires.

In the preparation of the 2024 ESG report, the Company conducted surveys of stakeholders through questionnaires. Our Compliance and ESG Committee led the assessment of the materiality of the ESG issues using different methods such as questionnaire survey, identified the feedback and expectations of various stakeholders and updated the matrix of material issues. Finally, the confirmed ranking and matrix of material issues were submitted to the Board of Directors for approval, and the Board responded to material ESG issues.

Issue Identification

Analyze and identify issues from stakeholder surveys in accordance with the requirements of HKEx, SZSE, and GRI standards, combined with domestic and international industry policy standards, benchmarking against reports from industry peers, and referring to the results of stakeholder communication

Issue Communication

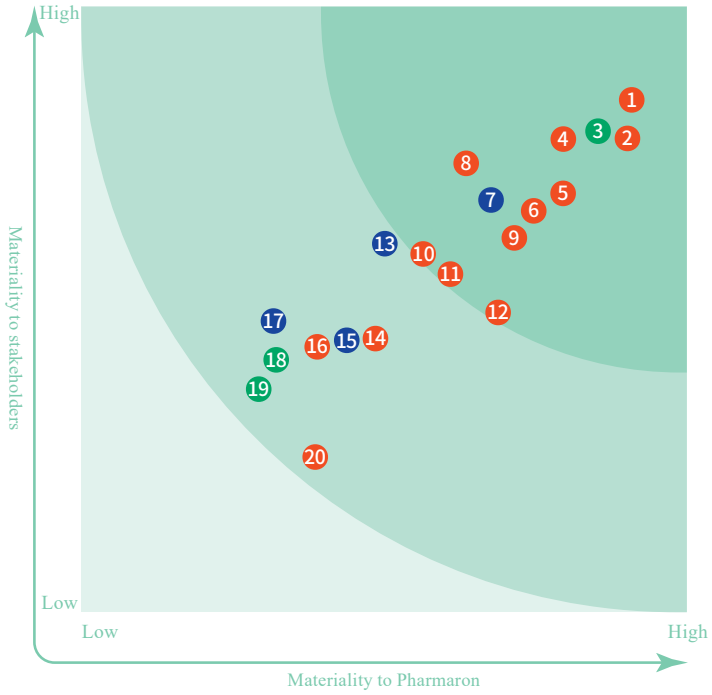
Engaged in communication and interaction with various stakeholders, and collected 231 valid stakeholder questionnaires

Materiality Confirmation

Form a materiality matrix based on questionnaire feedback and prioritizing ESG issues based on stakeholder responses and expert opinions

In 2024, the material issue list has been updated to include "Risk Management" as a new issue, while the "Supplier Collaboration and Training" issue in 2023 has been merged into the "Sustainable Supply Chain Management" issue.

Materiality Matrix at Pharmaron in 2024



Social Issues

1 Client Service
2 Intellectual Property Protection
4 Product Quality and Safety
5 Information Security and Privacy Protection
6 Product Innovation and R&D
8 Occupational Health and Safety
9 Employee Training and Development
10 Talent Attraction and Retention
11 Ethical Welfare
12 Diversity, Equity, and Inclusion
14 Responsible Marketing
16 Sustainable Supply Chain Management
20 Social Participation and Contribution

Environmental Issues

7 Climate Change Mitigation
13 Emissions Management
15 Environmental Management
17 Energy Management

Governance Issues

3 Integrity and Compliance
18 Risk Management
19 ESG Governance

High materiality	Client Service	Climate Change Mitigation
	Intellectual Property Protection	Occupational Health and Safety
	Integrity and Compliance	Employee Training and Development
	Product Quality and Safety	Talent Attraction and Retention
	Information Security and Privacy Protection	Ethical Welfare
	Product Innovation and R&D	Diversity, Equity and Inclusiveness
Medium materiality	Emissions Management	Energy Management
	Responsible Marketing	Risk Management
	Environmental Management	ESG Governance
	Sustainable Supply Chain Management	Social Participation and Contribution

Diversity Development

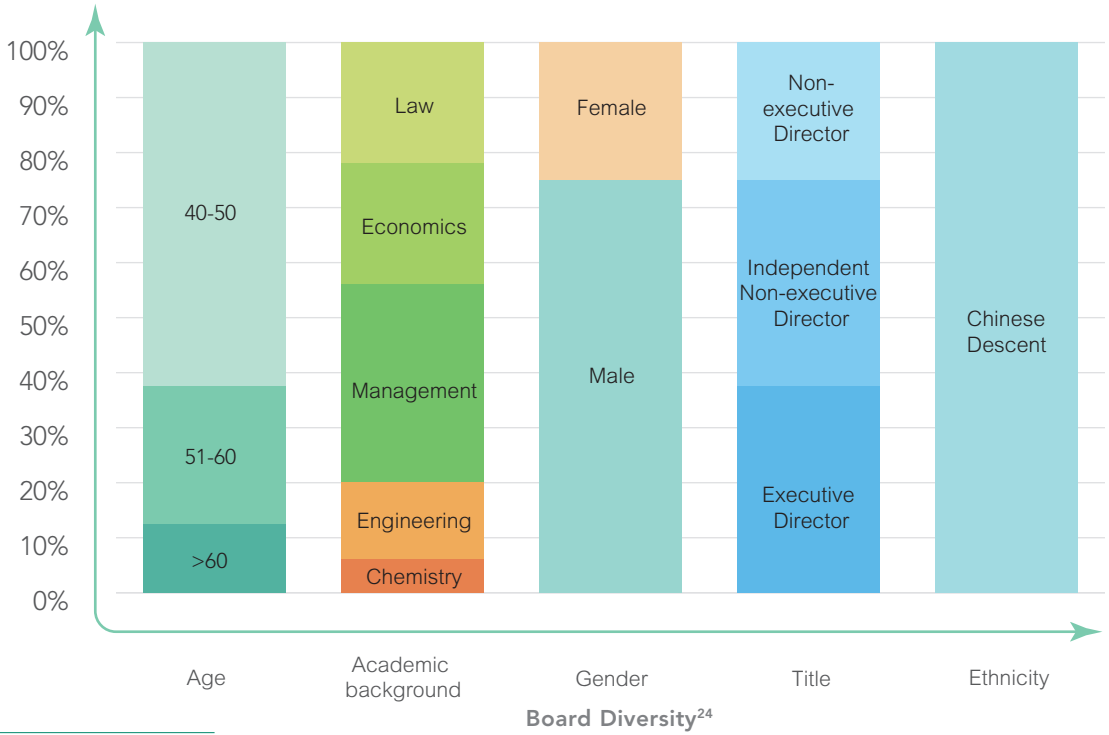
A diverse Board of Directors, workforce, partner network, and an inclusive workplace are essential to enhancing the core competitiveness of a company. Pharmaron places great emphasis on diversity and inclusiveness across the entire value chain to advance diversity and comprehensively boost the Company's competitiveness.

Board Diversity

Pharmaron firmly believes that a diverse and specialized Board of Directors is crucial for navigating the constantly changing business environment, while also being beneficial for enhancing the Company's sustainable development. In accordance with the *Articles of Association* and other relevant regulations, we have revised and improved the *Board Diversity Policy*. The Nomination Committee is responsible for the diversity of the Board. It supervises and assesses the implementation of the diversity policy to ensure its continued effectiveness and makes recommendations to the Board. The Board has reviewed the *Board Diversity Policy* in 2024 and considers it effectively implemented.

We commit to a fundamental principle of "merit-based" appointments for all Board members, with thorough consideration given to Board diversity during the candidate evaluation. This comprehensive approach involves scrutinizing a range of objective conditions, such as gender, age, race, geography, educational background, professional qualifications, and industry experience, to provide strong support for scientific decision-making. Furthermore, the Company's Board of Directors regularly reviews the Board's structure and composition and organizes annual diversity training for executive directors which is part of their performance evaluation. This fosters a more inclusive awareness among Board members and creates a harmonious and diverse workplace.

During the reporting period, the Company's Board consisted of eight members, of whom six were male and two were female, with female directors accounting for 25% of the total directors. The Board members have a wide range of academic backgrounds, skills, knowledge and experience. Their academic backgrounds covered chemistry, business management, law, economics, materials science and engineering, business administration, management and various other disciplines; and collectively had skills, knowledge and experience covering scientific research, corporate management, investment, legal services, risk management, green investment, finance and auditing.



Board Diversity[24]

[24] Note: 1. The y-axis represents percentage.
2. Management include: Business Administration, Management, Economic Management, Business, and Commercial Business; Engineering fields include: Material Science and Engineering, Urban Construction, Electrical Engineering, Engineering, and Mechanical Engineering.

Employee Diversity

Pharmaron is committed to promoting internal diversity, equity, and inclusion (DEI), aiming to create a workplace where all employees feel valued, respected, and included, regardless of their race, ethnicity, gender, age, religion, or any other characteristics. To this end, we formulated and implemented the *Employee Diversity, Equality, and Inclusion Policy* in August 2024 building on the DEI approach carried out in Pharmaron UK and Pharmaron US, which clarified the DEI strategy, management structure, division of responsibilities, management objectives, and reporting and grievance mechanisms, based on the following three core principles:

Promote Workforce Diversity

- We believe a diverse workforce brings unique perspectives and ideas, making our organization more innovative and adaptable.
- We are committed to recruiting, hiring, and promoting individuals from diverse backgrounds, ensuring our team reflects the diversity of our clients and the communities we serve.
- We strive to achieve inclusiveness during recruitment, actively seek talent from underrepresented groups, and provide them with equal career development opportunities.

Create an Inclusive Work Culture

- We foster a welcoming and respectful work environment where every employee feels a sense of belonging and can express themselves.
- We encourage open communication and constructive feedback, creating a culture of trust and transparency where everyone's voice is heard and valued.
- We value our differences and view them as a source of strength and a culture of promoting learning and growth. We encourage employees to share their knowledge and experiences.

Become a Socially Responsible Corporation

- We recognize our responsibility as a company to make positive contributions to society and address issues of inequality and discrimination.
- We are dedicated to fair and ethical business practices, ensuring our operations align with our values and have a positive impact on the communities where we operate.
- We collaborate with organizations and initiatives that promote social justice and equality, and support causes that align with our DEI principles with our resources and platform.

Moreover, *Pharmaron Code of Conduct* also stipulates the following:

- Decisions regarding employment, promotion, rewards, and disciplinary actions must be based solely on an individual's competence, experience, behavior, job performance, and/or potential for job-related performance.
- Equal opportunity and fair treatment are guaranteed regardless of color, race or social origin, religion, age, disability status, sexual orientation, worldview, or gender.
- Discrimination, sexual harassment, or any other related form of infringement or misconduct against any individual or group will not be tolerated under any circumstances.
- Any behavior that creates an intimidating, hostile, or offensive work environment, or unreasonably interferes with an individual's ability to work, is strictly prohibited.

In addition, we have established a three-tier DEI governance structure consisting of "governance, management, and execution". It is led by the Board of Directors and Strategy Committee, managed and coordinated by the DEI Committee under the Compliance and ESG Committee, and executed by the Employee DEI Group to ensure full institutionalization and standardization of the DEI initiatives. At the top, the Board of Directors and the Strategy Committee oversee and approve DEI-related initiatives and critical matters. The DEI Committee under the Compliance and ESG Committee handles specialized DEI management and reports to the Board of Directors and the Strategy Committee. Multiple specialized Employee Resources Group (ERG) task forces operate under the Employee DEI Group to implement DEI plans and goals at site level.

Employee Resources and Governance Structure

Members	Functions
Business Sponsors	Act as the executive sponsor that demonstrates visible management support for the DEI agenda and provides strategic guidance to enable the success of the ERG mission.
Chairperson	Lead the ERG to formulate a mission and drive the ERG agenda to success.
Operations	Lead the business management of the ERG which includes financial and business management.
Events and Marketing	Take part in the ERG activities and provide advice so as to push forward the mission and agenda of the Company's internal ERG.

During this year, Pharmaron UK launched two new ERG initiatives: the LGBTQI+ ERG[25] and the Neurodiversity ERG[26]. These groups aim to further implement DEI objectives.

[25] The LGBTQI+ ERG includes individuals with diverse gender identities and sexual orientations, including lesbians, gays, bisexuals, transgender people, queers, intersex people, and other gender identities and sexual orientations not specifically listed.

[26] The Neurodiversity ERG covers conditions such as depression, anxiety, post-traumatic stress disorder, autism (autism spectrum disorder), migraines, ADHD, dyslexia, and other neurological differences.

Case **Pharmaron UK Established the "LGBTQI+" ERG and the Neurodiversity ERG**

In 2024, Pharmaron UK established two employee-led and volunteer-participated ERGs: the "PrideConnect ERG" for the LGBTQI+ community and the "EnableTogether ERG" for the neurodiverse community. The "PrideConnect ERG" hosted events such as the "Pride Celebration Day" and a "Pronoun Awareness Campaign" during Pride Month. The "EnableTogether ERG" held a "Neurodiversity Awareness Campaign". These resource groups provide employees with a platform for connection, mutual support, and promoting diversity and inclusion, contributing to the Company's diversity goals and culture.

In consideration of the different national contexts, we have established the *Employee Diversity, Equality, and Inclusion Policy*, along with a series of policies and regulations such as recruitment policies. Additionally, the *Employee Handbook* was updated in 2024. The *Pharmaron Code of Conduct* also includes relevant content, aimed at prohibiting child labor, forced labor, slavery, and human trafficking, while encouraging inclusivity, diversity, freedom of association, fair treatment, non-discrimination, and anti-harassment.

Furthermore, we have implemented the following measures to ensure the effective execution of these policies:

- **Diverse Teams** Our employees come from over 20 countries and regions, encompassing a wide range of religions, races, and genders.
- **Respect and Inclusivity** We fully respect and embrace each employee's uniqueness and cultural differences, fostering a fair, open, and inclusive workplace atmosphere.
- **Support for Disabled Employees and Vulnerable Groups** Based on the physical conditions of disabled individuals, we hire them for suitable jobs. We also promote an open, respectful, and inclusive attitude while minimizing unconscious bias and discrimination.

In China, we have implemented the *Employee Diversity, Equality, and Inclusion Policy* and improved policies such as the *Child Labor Risk Control and Rescue System*. The *Employee Handbook* further clarifies principles regarding diversity, anti-discrimination, prohibition of forced labor, and respect for human rights, with a publicly available channel for reporting violations. Additionally, we have set goals related to diversity recruitment, actively building a diverse talent pool, and promoting the human rights and career development of employees. This enhances the organization's competitiveness and creativity while reinforcing the importance of DEI culture in the workplace. It contributes to the creation of a fair, open, inclusive, healthy, and sustainable work environment.

We provide DEI and ESG training to all employees, covering topics such as health and safety, workplace discrimination, and harassment.

We support the development of female employees, committed to protecting their legal rights and interests while listening to and addressing their specific needs in the workplace. We provide a more convenient and comfortable working environment for female employees through improvements in infrastructure and other means to enhance their sense of happiness.

We have set clear, quantitative diversity goals to drive the Company's diversity development. The achievement of the 2024 goals is detailed in the table below. Going forward, we will continue to advance the diversity process, striving to maintain employee diversity.

Quantitative diversity indicators	2024 performance	Goal achievement status
Percentage of female employees in the total workforce reaches 50% or more	55.14%	Achieved
Percentage of women in management reaches 40%	45.59%	Achieved
Percentage of women in junior management reaches 40%	46.01%	Achieved
Percentage of women in senior management[27] reaches 20%	23.86%	Achieved
Percentage of female management positions in revenue-generating functions[28] reaches 50%	55.79%	Achieved
Percentage of women in STEM-related[29] positions reaches 50%	56.28%	Achieved

Diversity indicators		Unit	2024
Percentage of Female Employees	Percentage of female employees in the workforce	%	55.14
	Percentage of female employees in the management	%	45.59
	Percentage of female junior management in the management	%	46.01
	Percentage of female senior management (including directors) in the management	%	23.86
	Percentage of female management within revenue-generating functions	%	55.79
	Percentage of female employees in STEM-related positions	%	56.28
Percentage of Employees by Region	China (including Hong Kong, Macao and Taiwan)	%	92.12
	UK	%	4.59
	US and other overseas regions	%	3.29

[27] Senior management is defined as: positions reporting no more than two levels below the CEO.
[28] Revenue-generating functions refer to frontline management positions in departments such as sales, or positions directly contributing to the production of products or services; excluding support functions such as human resources, IT, legal, and others.
[29] STEM, Science, technology, engineering, and mathematics.

Diversity indicators			Unit	2024
Percentage of minority and/or vulnerable group employees	The proportion of employees by ethnic groups	Han	%	85.68
		Manchu	%	1.72
		Mongol	%	0.67
		Tujia	%	0.66
		Hui	%	0.68
		Zhuang	%	0.48
		Miao	%	0.37
		Dong	%	0.13
		Korean	%	0.09
		Other ethnic minorities besides the above	%	9.52
		Percentage of ethnic minority employees	%	14.32
	Percentage of minority ethnic and/or disadvantaged group employees in senior management positions		%	3.41

Supply Chain Diversity

Pharmaron fully recognizes the importance of supply chain diversity, which not only facilitates win-win cooperation across the entire value chain but also provides clients with more stable and reliable services. In 2024, we continued to strengthen supply chain diversity by developing the *Supplier DEI Policy*. We built a diverse and inclusive supply chain with seven key elements such as organization, whistleblowing, monitoring and reporting, to comprehensively adapt to the increasingly complex and volatile market environment. Our policy also delineates diverse suppliers and sets targets for supply chain diversity and specific procurement processes. Our diverse suppliers include small and micro enterprises, enterprises owned by people with disabilities or minority groups, women-owned enterprises, and veteran-owned enterprises. We do not limit the size of partnering enterprises and intentionally increase cooperation with diverse suppliers. These efforts aim to better foster innovation and maximize value for stakeholders. Moving forward, we will further refine our strategy and policies on supply chain diversity.

During the reporting period, we actively carried out diverse background checks on suppliers and randomly selected suppliers for a questionnaire survey, from which we collected 590 valid questionnaires. The supplier diversity background investigation helps us understand the diversity status within our supply chain, establish communication with suppliers, and reinforce diversity topics as part of supplier sustainability training. The training provided covers significant suppliers. In addition, we effectively reduce the Company's dependence on single sources of supply, mitigate potential regional or industry-specific risks, and enhance the resilience of the supply chain by expanding our supplier network and seeking cooperation with suppliers from different regions and industries.

Suppliers of Pharmaron

Indicators		Unit	2024
Total number of suppliers[30]		/	7,582
Number of suppliers implementing relevant practices[31]		/	7,582
Number of suppliers by region	China suppliers (including those in Hong Kong, Macao and Taiwan)	/	5,097
	Overseas suppliers	/	2,485

Integrity and Compliance

Pharmaron adheres to the business philosophy of prudence, integrity, and compliance, strictly observing laws and regulations applicable to its operations worldwide. This includes compliance with the *Civil Code of the People's Republic of China*, the *Criminal Law of the People's Republic of China*, the *Company Law of the People's Republic of China*, the *Law of the People's Republic of China Against Unfair Competition*, the *Foreign Corrupt Practices Act (FCPA)*, the *UK Bribery Act 2010*, and other relevant legal requirements. Additionally, Pharmaron is dedicated to combating money laundering, terrorist financing, and criminal activities, adhering strictly to relevant anti-money laundering regulations. In 2024, the Company continuously improved policies and systems related to compliance, including the *Pharmaron Code of Conduct* and the *Anti-Money Laundering Policy*. Over the past three years, the Company has made zero political donations[32] and/or donations[33] to political parties and has not engaged in any political spending or lobbying activities.

Pharmaron's main systems related to integrity and compliance are as follows:

Pharmaron Code of Conduct	• Provides the basic principles for the behavior and business activities of all employees around the world, guiding all employees to conduct activities in a manner aligned with the Company's values. Outlines the Company's vision, values, and commitments, as well as the expectations and requirements for employees. • Explains the principles and commitments, system index in the areas of ethics and compliance, supply chain, employees and human rights, environmental protection, management reporting, etc. • Offers guidance on how to provide feedback and advice, including through hotlines, email, and other channels. • Provides explanation and regulations on political donations: In China, the Company prohibits all political donations. Elsewhere, where legally permissible, we may make legitimate and appropriate donations to electoral campaigns, but never to influence policymakers or government decisions. Employees shall consult our Compliance Department and General Counsel, and obtain necessary approvals, before any political donation.

[30] Service providers, fixed assets and construction, energy, and raw material suppliers are included.
[31] Suppliers who implement laws, regulations, or customary practices related to product and service quality, safety, business ethics, labor practices, environment, anti-corruption, data protection, and intellectual property matters for the Company.
[32] Political donations to political parties refer to financial support provided directly by the Company to political parties or candidates.
[33] Donations to political parties refer to financial support provided by the Company to industry associations, lobbying groups, or activities related to politics.

Anti-corruption Compliance Policy	• Provides principles and requirements for Pharmaron's interactions and communications with all external parties, ensuring the Company's compliance with applicable Chinese anti-corruption and anti-bribery laws including but not limited to the *Criminal Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*, the *Foreign Corrupt Practices Act (FCPA)*, the *UK Bribery Act 2010 (UKBA)*, and other relevant anti-corruption and anti-bribery laws applicable in the operating locations. • Clearly defines the terms "public officials" and "healthcare professionals," and establishes the principle that prohibits any employee from accepting bribes. • Develops principled regulations and specific requirements related to donations and sponsorships, receiving and offering gifts, hospitality, and entertainment. • Regulates the scope and basic requirements for hiring public officials and healthcare professionals to provide professional services.
Trade Compliance Policy	• Provides principles and standards for the Company to follow applicable trade sanctions and export control laws and regulations in its business activities. • Specifies the trade sanctions and export control legal standards applicable to the Company. • Clarifies the business practices that the Company should prohibit in order to comply with applicable laws and regulations.
Anti-Money Laundering Policy	• Prevents the introduction of criminal proceeds or illegally obtained assets into the economic cycle (i.e., money laundering) through Pharmaron, thus concealing their true source. • Aims to prevent terrorist financing by thoroughly protecting cash flows that may be exploited by terrorists. Terrorist financing refers to providing or raising cash or other funds for terrorist acts or the support of terrorist organizations. • Prohibits cash transactions. • Defines the Anti-Money Laundering contact responsibilities. • Reports and handles suspicious transactions. • Adheres to the principles of confidentiality and non-tipping off.
Internal Whistleblowing and Investigation Policy	• Specifies the policy for reporting misconduct and the Company's procedures for handling such reports. • Establishes a compliance investigation office, clarifying the principle of open communication and an anti-retaliation policy.
Compliance Due Diligence for Business Partner	• Reduces or prevents compliance risks and reputational impacts to the Company due to the misconduct of business partners. • Specifies the types of compliance due diligence required (economic sanctions, anti-fraud and anti-bribery, ESG, and other risks), corresponding situations, and the responsibilities of relevant departments. • Clarifies the timing of compliance due diligence, the frequency of periodic updates to due diligence, and subsequent monitoring processes.

Prevention of Conflicts of Interest

Pharmaron has established the *Pharmaron Code of Conduct*, the *Employee Handbook* and the *Conflict of Interest Management Measures*, which clearly define and regulate conflicts of interest. It specifies employee behavior in situations that may lead to conflicts of interest, including economic benefits, job opportunities, loans, external activities, and family members, demanding that all employees prioritize the Company's interests and prohibit all types of conflicts of interest. The Company also mandates that directors, supervisors, and senior management perform their duties in good faith, and not use their powers for personal profit. When deliberating the remuneration and the connected transactions for the Company's directors, supervisors, and senior management, the Company requires those with a conflict of interest to abstain from voting.

The Company's supervisors are required to faithfully fulfill their supervisory duties in accordance with laws, administrative regulations, the listing rules of the Company's place of listing, and the provisions of the *Articles of Association*. They shall oversee the actions of directors and senior management in the execution of their company duties. If it is found that their actions are detrimental to the Company's interests, the supervisors must demand that the directors and senior management make corrections. When an employee's interest harms the Company's interests, the Company has the right to demand necessary compensation or pursue legal responsibility.

Internal Audit

Pharmaron is committed to strengthening audit and supervision to mitigate operational risks, regularly conducting internal audits and risk prevention controls. In 2024, the Company carried out two audits focusing on significant matters, one annual internal control self-assessment, and multiple special audit and internal investigation projects. Our internal audits cover a wide range of principle business areas, including human resources management, financial management, sales management, procurement and inventory management, asset management, engineering construction and facility maintenance and upgrading management, import and export business management, hazardous waste disposal, company contracts and seal management, information security, and company information confidentiality. Following each audit, findings and risks are communicated with the relevant department heads and colleagues, forming written reports to continuously prompt follow-up rectification work. In 2024, there was no lawsuit related to corruption or fraud at the Company.

Pharmaron has zero tolerance for bribery and corruption, adhering to the requirements of the *Internal Audit Management System*. To ensure policy effectiveness and operational compliance, the Company proactively conducts internal audits and risk assessments related to business ethics and anti-corruption, regularly assessing potential risks in business activities across operational locations, and formulating annual self-inspection and audit plans. The Internal Control and Internal Audit Department is responsible for the oversight of audits, regularly reporting the results to the Audit Committee of the Board of Directors.

The Company conducts a comprehensive professional ethics audit every three years or as necessary based on the level of risk.

Education and Training

Pharmaron continuously enhances compliance awareness among all employees. We have carried out compliance training and publicity activities among directors, senior management, all employees, contractors, part-time employees, and external partners (e.g., suppliers).

On July 23, 2024, independent non-executive directors Zhou Qilin and Zeng Kunhong attended the Fifth Directors & Supervisors Training Session in 2024 lasting 150 minutes by the Listed Companies Association of Beijing. The training covered content for thoroughly acting on the "*Several Opinions on Promoting the Reform, Opening-Up, and Stable Development of the Capital Market*", strengthening regulation, preventing risks, propelling high-quality development of the capital market, enhancing oversight of listed companies as well as improving their quality and investment value.

During this year, the Company conducted group-wide online training on the *Pharmaron Code of Conduct*, encompassing compliance risk environment, operational guidelines on business ethics and compliance, and anti-corruption and anti-bribery. The training deepened employees' understanding and addressed clients' concerns and demands about our compliance training. Additionally, the anti-corruption training achieved 100% coverage within China as well as Pharmaron Clinical.

During employee on-boarding training, Pharmaron provides training on confidentiality, anti-corruption, and the U.S. Foreign Corrupt Practices Act, ensuring their thorough understanding of the relevant requirements and systems to strengthen employees' awareness of anti-corruption and anti-bribery.

Participants	Frequency of training	Content of training
All employees	• Employee on-boarding training • Conduct annual compliance and employee legal awareness training once every year	• Business ethics, the U.S. Foreign Corrupt Practices Art, compliance regulations and requirements, anti-corruption management, anti-fraud reporting channels, employee misconduct and discipline, etc.
Directors and senior management	• At least once a year	• Business integrity, awareness raising, etc.

Indicators[34]	Unit	2024
Coverage of training on Code of Conduct among employees	%	100
Coverage of anti-corruption training among Directors	%	100
Total duration of anti-corruption training for employees	hour	9,989
Coverage of anti-corruption training among employees	%	100
Total anti-corruption training participants[35]	persons	19,832

[34] The scope of data statistics does not include Pharmaron UK and Pharmaron US.

[35] Employees in service as of December 31, 2024.

Whistleblower Protection

Pharmaron adheres to the principles of speak-up and anti-retaliation, formulating and refining the Internal Whistleblowing and Investigation Policy. A reporting and investigation organizational structure has been established to standardize specific investigation allocation mechanisms, processes, and follow-up procedures. The Company has set up multiple reporting channels, such as hotline, email, letters, and face-to-face complaints, to facilitate whistleblowers in disclosing their reasonable suspicions. The scope of report matters includes misconduct involving violations of company policies or requirements, or any applicable laws and regulations.

Whistleblowers can choose to report anonymously or non-anonymously, and the Company will strictly protect the personal information of the whistleblower. The Company has designated compliance personnel to independently review the content of the reports, and all reported content will be kept strictly confidential. The Company strictly prohibits any form of retaliation against whistleblowers. If any retaliation is observed, the Company will take disciplinary action according to policies and reserve the right to pursue relevant legal responsibilities to whom violating the Company's principles. If any whistleblower requests protection due to retaliation concerns, the relevant departments will take reasonable measures whatever they can to protect the whistleblower.

In 2024, Pharmaron recorded zero violations related to conflicts of interest, money laundering or insider trading. No irregularities were found in clinical trials.

Whistleblowing email: compliance@pharmaron.com
Whistleblowing hotline: +86 10 5733 0257

02 Responsible Operations

Pharmaron adheres to ethical standards and is dedicated to responsible operations to create long-term value for shareholders, employees, clients, and society. The Company actively fulfills its social responsibilities and meets stakeholders' expectations through its continuous efforts toward key areas including business ethics, responsible marketing, information security, and supply chain management.

- Ethics
- Responsible Marketing
- Information Security
- Supply Chain Management

Ethics

Pharmaron is fully aware of the importance of ethical trials and R&D to business development and compliance operations. We strictly adhere to applicable laws and regulations in the locations where we operate and continuously integrate ethics throughout the R&D process. We also protect the rights and interests of subjects and ensure the welfare of laboratory animals.

Ethics of Clinical Trials

Pharmaron strictly abides by the medical ethics and laws and regulations in the locations where it operates, including the *World Medical Association Declaration of Helsinki*, the *Personal Information Protection Law of the People's Republic of China*, the *Good Clinical Practice (GCP) E6 (R3)*, the *Biosecurity Law of the People's Republic of China*, the *Good Clinical Practice for Medical Devices ("Device GCP")*, the *EudraLex* of the EU[36], and the *Federal Food, Drug, and Cosmetic Act* of the US[37]. In accordance with the three basic ethical principles stipulated in the latest revision of the *International Ethical Guidelines for Biomedical Research Involving Human Subjects* issued by the Council for International Organizations of Medical Sciences (CIOMS), namely justice, respect for persons and beneficence (that is, maximizing benefits and minimizing harms and errors. Beneficence means no harm to subjects), we have developed comprehensive standard operating procedures and work instructions. By doing so, we aim to ensure that all laws and regulations of the country where the trial is carried out can protect subjects to the maximum extent and that the processes and operations of the clinical trial meet relevant regulations.

The Company implements ethical management throughout the process of clinical trials, which covers trial protocol design and review, trial preparation, and trial execution. We provide specialized courses for relevant staff involved in trials to raise their ethical awareness and improve their professional skills. In the design and execution of clinical trials, we fully consider medical ethics issues and submit the clinical trial protocol to the Clinical Trial Ethics Committee for ethical review and approval. We strictly adhere to relevant standards to ensure the protection of participants' rights and to ensure the scientific and rational nature of the trial. Meanwhile, in clinical trials, we bear the responsibility for managing ethical conduct, which includes ensuring that all clinical trials consider ethical aspects during both the project initiation and execution phases.

[36] The *EudraLex* is a regulatory framework under the EU's pharmaceutical management system. Its purpose is to ensure the quality, safety, and efficacy of medicinal products and ensure a high level of public health.

[37] The *Federal Food, Drug, and Cosmetic Act* of the US is aimed at emphasizing the importance of ethical standards in trials, protecting the rights and interests of subjects, and ensuring that manufacturers adhere to ethical standards to guarantee the safety and authenticity of their products.

Clinical Trials Ethical Safeguards

Protocol Design	• Design trial protocols in strict accordance with applicable principles and guidelines of medical ethics, as well as legal and regulatory requirements in operating sites, as well as ensure that subjects are respected, protected, and kept safe throughout the whole process.
Protocol Review	• Comprehensively review trial protocol design and implementation according to the Company's internal standard operating procedures and guidelines, as well as ensure the rights, interests and safety of subjects are fully protected throughout the trial process.
Trial Preparation	• Submit relevant documents such as trial protocols and informed consent forms to the Clinical Trial Ethics Committee according to prescribed procedures and assist the committee in reviewing the rationality of the trial. • Conduct qualification audits and screening of research centers and investigators in accordance with the requirements of standard operating procedures. • Formulate an annual training course plan and design training courses based on the knowledge and competency requirements related to the trial. • Develop a project risk management plan to identify, assess, control, discuss, and review various risks during the trial process to ensure that risks are properly managed.
Trial Execution	• Adopt internal quality control and inspection measures to verify the compliance of clinical trials and take corrective and preventive actions for issues identified. • Provide real-time training for relevant personnel involved in the trial, ensuring their comprehensive understanding of the trial requirements and operating standards. • Promptly take action according to internal operating procedures and conduct in-depth analysis and summary of issues related to the rights and interests of subjects and prevent similar issues from recurring.

Risk Management of Clinical Trials

To analyze potential risks during the clinical process, Pharmaron Clinical has established a comprehensive risk assessment process and system and integrated risk management into all clinical trials and functional processes. Five risk modules are defined, namely identification, assessment, control, communication, and review. By analyzing projects from multiple dimensions including time, quality, cost, and subjects' safety, we fully protect the subjects and ensure the reliability of trial data and results.

Module Name	Measure
Risk Identification	When identifying key data and processes in clinical trials, we consider potential risks associated with similar projects in indications or clinical development plans based on existing knowledge and experience in clinical trial design. Then we conduct risk identification at both the systemic and project levels. • Systemic level: SOP[38], computerized systems, and personnel, etc. • Project level: trial design, data collection, informed consent, etc.
Risk Assessment	We comprehensively identify, analyze, and assess risks that may affect key data collection and critical procedural operations during the trial. We also comprehensively analyze the possibility of risk occurrence, the extent to which risks are discovered, and the influence of risks on the protection of subjects and the reliability of trial results to fully protect subjects' rights and interests and the reliability of trial results.
Risk Control	We formulate targeted mitigation measures and contingency plans, such as optimizing trial protocol design and execution processes, establishing detailed monitoring plans, clarifying the division of labor and responsibilities of stakeholders, and ensuring the compliance of SOP and training through the guarantee system. These measures are designed to minimize risks during the trial and ensure smooth conduct of the trial.
Risk Communication	We meticulously record all quality management activities and maintain close communication with relevant personnel to ensure high-quality conduct of clinical trials.
Risk Review	We regularly review and evaluate risk prevention and control measures, and record and analyze the risks and quality management throughout the trial process. We also make dynamic adjustments to the latest trial content to ensure that risk management strategies and measures remain up-to-date and effective.

[38] SOP, Standard Operating Procedure.

Protection of Subjects

During the clinical trial, the Company strictly abides by relevant laws and regulations such as the *Biosecurity Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*. We have established a range of internal regulations such as the *Protection of Data Privacy and Client Confidentiality Management* and the *IEC or IRB Submission* to fully respect and protect the health and rights of the subjects. We require them to sign the Informed Consent Form before registration and the start of the trial. This document fully explains the purpose, steps, risks, and other relevant information regarding the clinical trial to protect privacy and informed consent rights of subjects.

To protect the privacy, rights, and interests of subjects, we handle data anonymously and remove and omit information that could identify subjects. All documents undergo strict review and processing procedures before filing, processing, and distribution to prevent privacy breaches. In addition, all relevant staff are required to sign confidentiality agreements upon joining the Company. Additionally, they undergo training on the protection of subject privacy to ensure they understand and comply with relevant laws, regulations, and operating procedures.

The Company strictly prohibits any employee or third party from storing and forwarding patient information. In the event of any confidential data or information leakage involving Pharmaron or its clients, immediate and appropriate actions will be taken. Relevant measures include assessing the scope and impact of the breach and implementing necessary remedial measures. Furthermore, we promptly report such incidents to the Legal Department and assist in conducting necessary investigations and actions.

In cases where email attachments contain confidential patient information, we have established detailed and rigorous procedures to guarantee the security and privacy of the information:

- Processing the emails to prevent breach of information before filing and distributing emails containing patient privacy.
- Remove or revise the attachment containing patient privacy as needed and promptly notify IT personnel to delete email copies from the server.
- Re-add the revised document to the email and send it to the relevant personnel for processing and review.
- Clearly mark the error in the email and request the recipient to handle it correctly.
- Report to the Quality Assurance (QA) Department within 24 hours of the incident.

In addition, we have a complaint mechanism for clinical trial participants. The informed consent form signed by both the participants and the doctors outlines that if the participants have any complaints or grievances, they can contact the Ethics Committee and its designated contact person. Regarding the public reporting of clinical trial monitoring results, violations, and corrective actions, as a service provider, we conduct clinical trials under the sponsor's authorization and will not disclose monitoring results or violations without the sponsor's approval.

Animal Welfare

Pharmaron is well aware of the importance of ethics and morality in animal testing and always adheres strictly to scientific principles throughout the testing process. Before any drug reaches the market, regulatory requirements mandate testing in animal models to identify potential health or safety risks and evaluate efficacy. We exercise strict oversight of the testing process to ensure responsible, ethical, and humane treatment, striving to ensure that the welfare, rights, and interests of animals are protected to the maximum extent and show care and respect for each animal while advancing scientific research. Animal experiments play a vital role in the breakthroughs of modern medicine. The health and welfare of animals are not only a moral responsibility but also key to ensuring the accuracy, reliability, and translatability of research. Pharmaron is committed to maintaining high standards of animal welfare management.

Animal Welfare Management

Pharmaron consistently upholds the highest standards when it comes to treating laboratory animals. All staff, whether directly involved in animal-related work or not, are committed to upholding the highest level of animal welfare. We have strictly abode by relevant laws and regulations and globally recognized standards for animal welfare and ethics, including the *Regulations on the Administration of Laboratory Animals*, the *Laboratory Animal – Requirements of Environment and Housing Facilities*, the *Animals (Scientific Procedures) Act 1986* of the UK (amended 2021), and the *Animal Welfare Act* of the US. Pharmaron has developed a series of internal policies such as the *Laboratory Animal Center Management Handbook* and the *Constitution of the Institutional Animal Care and Use Committee* (IACUC[39]) to enhance the standard management mechanisms for animal testing and effectively safeguard the welfare of laboratory animals.

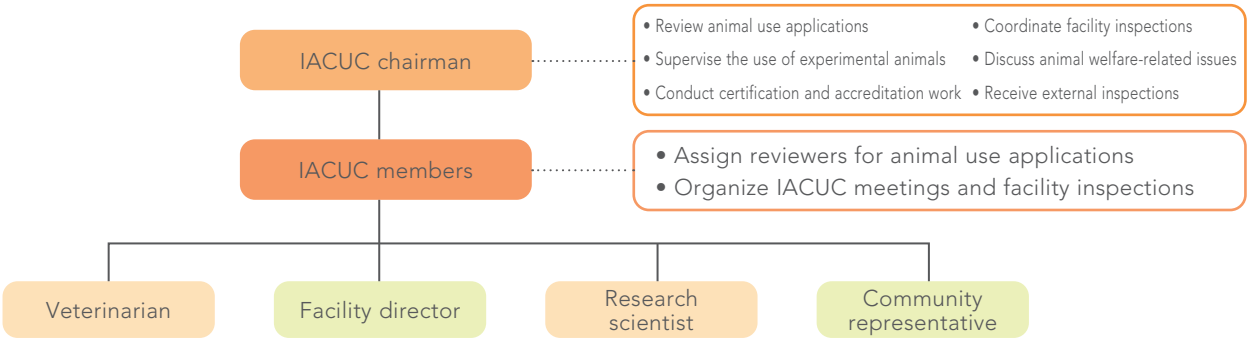
We have established a sound structure for the administration of laboratory animals. The institution head, the chief veterinarian, and the Institutional Animal Care and Use Committee (IACUC) take joint responsibility for ensuring the compliance and effectiveness of animal testing as well as the due welfare for laboratory animals.

[39] IACUC, the Institutional Animal Care and Use Committee.

Structure and Responsibilities for Management of Laboratory Animals

Institution head	• Serve as the highest body for the welfare management of laboratory animals; • Handle incidents of ethical violations or issues related to animal welfare and ensure the compliance of laboratory animal facilities with international and national standards.
Animal breeders and veterinarians	• Ensure the health and well-being of laboratory animals; • Provide professional care and attention to meet the highest standards of animal welfare in terms of physiology, environment, hygiene, psychology, and behavior, and oversee the implementation of animal welfare measures; • Participate in the approval of laboratory animal protocol; • Conduct professional training for animal testing personnel.
IACUC	• IACUC consists of one chairman, at least one veterinarian, and members including administrative managers, laboratory animal professionals, scientific employees in animal testing, and representatives from the community; • Oversee, inspect, and guide the design and quality of animal testing, offer specialized training courses to enhance the techniques of animal testing and the welfare of laboratory animals, and minimize harm and negative impacts on laboratory animals to the greatest extent possible.

Organizational Chart of the Institutional Animal Care and Use Committee (IACUC)



We have also established an animal welfare reporting mechanism, under which anyone has the right to report and raise concerns regarding animal welfare issues. Our supplier audits also cover issues related to animal welfare to ensure compliance with relevant requirements.

Pharmaron and its subsidiaries have obtained laboratory animal production license, laboratory animal use license, international laboratory animal evaluation certifications and the PHS[40] Animal Welfare Assurance. Additionally, we participated in voluntary oversight programs, with all animal facilities accredited by the AAALAC International[41], aiming to promote responsible laboratory animal care through voluntary certification processes. Through comprehensive evaluations of our facilities and practices, we ensure compliance and continuously enhance animal welfare standards. In 2024, there were zero incidents of animal welfare violations.

Licenses for the Production and Use of Laboratory Animals

[40] PHS, U.S. Public Health Service.

[41] AAALAC, Association for Assessment and Accreditation of Laboratory Animal Care.

Case **Specialized training series on laboratory animal**

In 2024, Pharmaron conducted a series of specialized training on laboratory animals aimed at enhancing the professional skills of employees involved in laboratory animal-related work. The training included thematic training by external experts, laboratory animal qualification training, and animal surgery and operational care training. The training content covered fundamental knowledge and animal welfare ethics, attracting active participation from over a hundred employees. These specialized trainings helped strengthen laboratory animal management practices, laying a solid foundation for the Company's compliance and ethical standards.

Animal Welfare Safeguards

Adhering to the "3R[42]" principles, we proactively implement measures to protect animal welfare, continually refine the animal testing process, and improve the living conditions and quality of life for laboratory animals. Through these efforts, we aim to maximize the protection of animal health and welfare. We adopt the 3R principles, identifying technologies to reduce animal use, and supporting global regulatory institutions in advancing solutions to minimize animal usage while safeguarding patient safety.

Management and Safeguard	• Establish the IACUC to rigorously review animal testing during the process, ensure the validity of the test, and maximize animal welfare. • Conduct specialized training to enhance employees' awareness of and respect for animal welfare. • Ensure that all employees related to animal testing possess relevant expertise and certifications, such as the "Laboratory Animal Practitioner Certification".

Animal Breeding	• While strictly adhering to the *Laboratory Animal – Requirements of Environment and Housing Facilities*, we continuously optimize the management of laboratory animal care to ensure a safe and comfortable living environment. The Company continuously implemented monitoring of breeding parameters such as temperature, humidity, and pressure differentials within barrier environments to ensure compliance with the latest GB14925-2023 standards. During the review process of new animal use protocols, reviewers will focus on the rationality of the required number of animals and surgical arrangements to ensure that anesthesia and analgesia measures during procedures meet animal welfare requirements. • In terms of experimental optimization, we have implemented a rigorous approval process for experimental protocol design to ensure that each protocol includes detailed animal care measures. We conduct assessments of research projects and control the number of animals used each quarter to ensure the rational allocation of resources and the maximization of animal welfare. • In 2024, AniKeeper Zhaoqing's new breeding facility was officially put into operation, doubling its animal housing capacity. At the same time, we renovated existing breeding facilities and diversified animal feed varieties to meet the specific needs of the animals. Additionally, we reduced the breeding density of some animals by approximately 20-30% to increase their activity space.
Incorporation of "3R" Principles	• Improve experimental methods and data collection efficiency to obtain maximum data using minimal animals. • Actively explore alternative testing methods such as in vitro experiments and computer simulations to avoid unnecessary use of laboratory animals. • Replace higher-order animals with lower-order species when achieving equivalent research objectives. • Enhance experimental conditions, optimize procedures, and refine techniques to minimize unnecessary pain and distress in laboratory animals.

In 2024, the Company released and implemented the *Pharmaron Employee Animal Welfare Commitment Letter*, which covers key staff involved in laboratory animal-related work at Pharmaron Beijing, Pharmaron Ningbo, AniKeeper, and other sites. At the same time, the Company revised the *Disciplinary Measures for Care and Use of Laboratory Animals* and made the revisions public through the OA system[43] and strengthen enforcement this year. Furthermore, the Company optimized veterinary team management by expanding veterinary personnel, comprehensively enhancing veterinary professionals' implementation of the 3R principles for laboratory animals.

Responsible Marketing

Our industry is subject to numerous regulations and requirements aimed at protecting patients and consumers, improving the quality of pharmaceuticals and healthcare services, and helping to eliminate fraud and its negative impact on medical judgments. We comply with all applicable laws and regulatory requirements.

Pharmaron carries out all business activities in an honest, fair, and transparent manner. Upholding integrity, fairness, and transparency is essential for establishing business reputation and trust.

The *Pharmaron Code of Conduct* explicitly requires all relevant personnel to engage in ethical interactions and communication with clients. We prevent non-compliant behaviors and reduce the risk of employees' exposure to unethical practices. We highly prioritize the protection of client information and commercial privacy. Confidentiality agreements are signed with clients to ensure the strict protection of business secrets. At the same time, we require employees to sign confidentiality agreements upon joining the Company and provide regular training on confidentiality. They are not supposed to share project information with unauthorized individuals or disclose any information related to clients' research projects.

We have established a high-standard quality management system to rigorously control the quality of products and services. Moreover, Pharmaron has established a group-level *Responsible Marketing Policy*, which clearly commits to adhering to ethical principles in marketing, advertising, and sales activities. This ensures the provision of accurate and balanced product and service information. When presenting the Company, brand, and services, we guarantee that sales information is transparent, accurate, and easily understandable, upholding fairness and integrity in transactions. We place great importance on client privacy and data security, strictly complying with relevant laws and regulations to ensure the lawful collection and use of client information. The *Responsible Marketing Policy* clearly outlines the Company's relevant auditing and control procedures, with all marketing materials undergoing internal regular reviews to ensure compliance with relevant requirements. The Company also provides employees with regular training to ensure they understand and adhere to the Company's ethical standards and practices in marketing, advertising, and sales. We also ensure the objectivity and standardization of advertising and sales activities, with all promotional materials are thoroughly reviewed and approved by the management in charge before publication.

In addition, we actively promote technological innovation and R&D and improve our independent R&D capabilities. We remain client-centered, aiming to meet client demands through high-quality and efficient R&D services. It is our commitment to providing fully-integrated pharmaceutical R&D and manufacturing services for the global pharmaceutical and healthcare industry. We put clients first and uphold professionalism, an international outlook, and quality in all our business undertakings. In this way, we deliver efficient and top-quality R&D services. In 2024, we had zero incidents related to marketing violations.

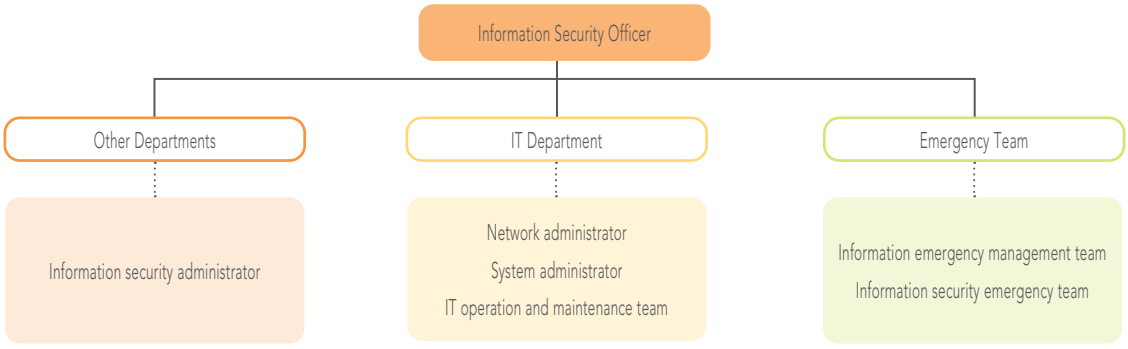
Information Security

Information security is key to maintaining the stable operation of the Company. We are committed to implementing a wide range of information security management measures to address evolving cyber threats and business requirements. Through these measures, we effectively protect the Company and other stakeholders' information and data.

Mr. Lou Xiaoqiang, the COO of Pharmaron, possesses extensive experience in information security management and is fully responsible for overseeing information security management. The Company has appointed an Information Security Officer who is responsible for coordinating all aspects of information security management. Additionally, each department has an information security administrator who is responsible for assisting with information security risk assessments and implementing various information security initiatives. Moreover, senior officials from the relevant departments report on information security matters to the Board of Directors every six months.

In addition, we have network administrators, system administrators, and an IT operation and maintenance team to take charge of the daily maintenance and routine management of IT networks and system security. We have also formed an information crisis management team and emergency response team to prevent and respond to potential emergencies, thereby enhancing the overall operational efficiency of the institution. To further mitigate the negative impact of potential information security risks, we have purchased information security insurance. This insurance includes security liability coverage, privacy liability coverage, general data protection regulations proceedings coverage, and accident response expense coverage. Moreover, our information security practices include conducting an annual business continuity plan drill, performing third-party vulnerability analysis, simulating hacker attacks, and carrying out annual penetration testing, and code audits for core systems.

At the same time, the Company regards IP security as a top priority in daily operations and management, ensuring comprehensive protection of client information. Our information systems provide technical support for IP management, with project management seamlessly integrated into the information systems, thereby establishing a more rigorous IP management framework. The Company will also continue to improve existing confidentiality protocols and upgrade both software and hardware infrastructure to further enhance IP security.



Pharmaron Information Security Management Structure

The Company strictly complies with applicable laws and regulations in the locations where it operates, including the *Cybersecurity Law of the People's Republic* of China, the *Personal Information Protection Law of the People's Republic of China*, the *General Data Protection Regulation (GDPR)* of the EU, the *General Data Protection Regulation* of the UK, as well as applicable laws of the US and the State of Maryland. We also adopt the *Pharmaron Information Security Management Policy* as the guideline for information security management, which specifies the information security requirements for all departments. The Company has formulated a series of internal regulations such as the *Pharmaron Employee Information Security Handbook*, the *Pharmaron Application Security Policy Throughout Application Life Cycle*, and the *Pharmaron Information Security Law and Regulation Compliance Management*, which specify principles and precautions for information processing at different levels and regions as well as outline information management guidelines for key areas. Through measures such as strengthening data encryption, the Company protects the confidentiality, integrity, and availability of internal and client information assets. We have purchased information security insurance covering the Group to strengthen the defense line for information security. In 2024, the Company had zero information security incidents, including no incident involving client and employee data.

The Company takes proactive measures to safeguard its assets, systems, and information against potential technological failures, human errors, and malicious attacks to ensure stable and secure operations.

Personnel security management	Carry out effective management of personnel information security, which involves the security control of employee onboarding, employment and offboarding, as well as secure access control of third-party personnel.
Physical environment security management	Install surveillance camera systems at all laboratories and public areas for monitoring. Laboratory access requires authorization from project managers.
Endpoint security management	Conduct vulnerability scanning and patch management in time and adopt endpoint firewall management and other measures to ensure security.
Account security management	Employ appropriate password encryption techniques to protect organizational information assets and regularly review accounts and authorizations to promptly identify inappropriate authorizations and activities of former employees.
Access control security management	Specify the access control management requirements to guide and enforce secure design and implementation of access control measures in the planning, construction, operation and maintenance and use of network and application systems.
Data backup security management	Conduct routine server data backups and simultaneously store data locally as well as off-site.

In 2024, the Company maintained the ISO 20000 Information Technology Service Management System certification and ISO 27001 Information Security Management System certification, thus underpinning information security.

DNV

MANAGEMENT SYSTEM CERTIFICATE

Certificate No: 358308-2020-AQ-RGC-UKAS | Initial certification date: 26 July, 2020 | Valid: 18 June, 2024 – 26 July, 2026

This is to certify that the management system of

Pharmaron Beijing Co., Ltd.

6 Taihe Road BDA, Beijing, China
and the sites as mentioned in the appendix accompanying this certificate

has been found to conform to the Information Technology Service Management System standard:
ISO/IEC 20000-1:2018

This certificate is valid for the following scope:
The Service Management System of Pharmaron Beijing Co., Ltd. Supporting the Provision Information Technology Infrastructure and Application Operation and Maintain Services to Internal Contracted Customer from Corp Headquarters Data Center and Corp Office Site in Accordance with the Service Catalogue

Place and date: Shanghai, 19 June, 2024

For the issuing office: DNV - Business Assurance, Suite A, Building 9, No.1591 Hongqiao Road, Changning District, Shanghai 200336, P.R. China, TEL: +86 21 32799000

Zhu Hai Ming, Management Representative

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DNV

MANAGEMENT SYSTEM CERTIFICATE

Certificate No: 471540-2021-AIS-RGC-UKAS | Initial certification date: 08 November, 2021 | Valid: 09 November, 2024 – 08 November, 2027

This is to certify that the management system of

Pharmaron Beijing Co., Ltd.

6 Taihe Road BDA, Beijing, China
and the sites as mentioned in the appendix accompanying this certificate

has been found to conform to the Information Security Management System standard:
ISO/IEC 27001:2022

This certificate is valid for the following scope:
Information Security Management System Covers: the operation and maintenance of the enterprise information system, data management and the construction and operation of IT infrastructure. This is in Accordance with the Statement of Applicability, Version 2.0

Place and date: Shanghai, 19 June, 2024

For the issuing office: DNV - Business Assurance, Suite A, Building 9, No.1591 Hongqiao Road, Changning District, Shanghai 200336, P.R. China, TEL: +86 21 32799000

Zhu Hai Ming, Management Representative

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Pharmaron's Information Security Certificates

Pharmaron places great emphasis on the protection of personal information and data. We have followed the *Pharmaron Privacy Policy*, which has detailed and regulated the ways and principles for the Company to handle personal information. We also effectively protect the privacy of all stakeholders, including employees, website users, healthcare professionals, patients, medical research subjects, clinical scientific employees, clients, suppliers, service providers, business partners, and investors. Furthermore, we pay extra attention to the confidentiality and security of business-sensitive information, trade secrets, and other data to ensure the smooth operation of business activities. In 2024, the Company consistently maintained high standards of information protection, with no violations involving client data or privacy breaches, no information protection incidents, or related cases occurring.

The Company highly prioritizes raising employees' awareness of information security. All new employees are required to participate in information security training and pass an information security test. On the one hand, regarding overall information security, we carried out the annual information security training and four simulated phishing email tests, covering all employees. Through online courses and tests, we enhanced employees' security awareness and effectively improved their information security awareness and prevention capabilities. Meanwhile, we organized information security-themed activities during China Cybersecurity Week and Beijing Cybersecurity Day. We also held monthly technical sharing sessions at Pharmaron Clinical and provided pre-recorded online courses on topics such as computer systems, mobile office devices, email usage, virus protection, and information security laws to remind employees to remain vigilant daily. On the other hand, with respect to IP security, the Company continuously provides confidentiality training to employees to strengthen their awareness of IP protection. Moreover, on this basis, Pharmaron Clinical, in alignment with its business development needs, successfully applied the latest security shift-left approach in the clinical safety compliance process and effectively integrated business requirement design and risk mitigation controls throughout the entire system development lifecycle. Meanwhile, Pharmaron Clinical has replicated its security compliance capabilities and experience to select partner pharmaceutical companies, providing external inspection and consultation services for security compliance construction. This has successfully transformed the security compliance team from a cost center focused on technology to a team that balances both costs and profits.

Supply Chain Management

Pharmaron has always adhered to responsible procurement and continuously improved the full-process supply chain management mechanism. We strengthen our ability to control ESG risks in the supply chain and actively promote green procurement. Through such efforts, we collaborate with partners to build a sustainable and low-carbon supply chain.

Supply Chain Full-process Management

Pharmaron has established and updated the *Procurement Management Regulations* and the *Purchase Management Standard Operating Procedures*. We also continuously optimize procurement processes including procurement requests, order processing, returns management, and financial settlement. This approach is aimed at continuously strengthening supply chain management.

Supplier Approval

We rigorously evaluate suppliers' qualifications and performance according to technical requirements. We have established the *Supplier Approval Policy* and incorporated environmental and social sustainability into supplier approval assessments and all contracts to ensure that suppliers' production and operations meet social responsibility requirements. We have also developed and gradually implemented the supplier due diligence process. We pay special attention to compliance-related issues in third-party due diligence investigations, such as anti-corruption, export control, environmental safety, business ethics, and reputation, as well as sustainability-related risks including labor issues and working conditions.

Supplier Classification

After suppliers are on board, we categorize suppliers as critical suppliers or non-critical suppliers based on criteria such as order amount, importance, and impact on business. We adopt different management approaches to achieve efficient management. In 2024, Pharmaron had a total of 20 critical suppliers[44].

In addition, Pharmaron categorizes its suppliers into Tier-1 and non-Tier-1 suppliers based on whether or not they directly provide goods, materials or services (including intellectual property/patents) to the Company, and the relevant data indicators are as follows:

Indicators	Unit	Data
Total number of Tier-1 suppliers	/	7,582
Total number of significant suppliers in Tier-1[45]	/	100
Ratio of total expenditure on significant suppliers in Tier-1	%	49
Total number of non-Tier-1 suppliers	/	0
Total number of significant suppliers (i.e., core suppliers)	/	20

[44] Top 20 suppliers in terms of procurement spend on raw materials and energy services.

[45] The significant Tier-1 suppliers refer to the top 100 suppliers in terms of procurement amount during the reporting period.

Supplier Assessment and Monitoring

The Company regularly assesses and supervises suppliers each year. In accordance with relevant policies and operating procedures such as the *Supplier Approval Policy*, the *Supplier Monitoring Policy*, and the *Supply Chain Continuity Risk Questionnaire*, we categorize suppliers in terms of sustainable risk levels and continuously monitor them accordingly. After potential sustainable defects are identified, procurement personnel timely consult with relevant departments and take corresponding control measures based on their advice to mitigate sustainable risks.

While focusing on sustainable development risks, we fully evaluate suppliers' performance in various aspects such as quality, price, delivery time, packaging and storage, the effectiveness of use, after-sales service, payment terms, invoice issuance, as well as social and environmental performance. Based on the risk level, we will carry out a comprehensive assessment and assign scores to suppliers, based on which the decision on whether to continue cooperation will be made. For materials and suppliers with potential supply disruption risks, risk mitigation plans are formulated and regular reviews and evaluations are conducted.

In 2024, we conducted human rights risk assessments and due diligence across the supply chain with a focus on production capacity and compliance of suppliers. We performed weekly compliance and negative information screenings for adverse news related to inventory suppliers and arranged regular on-site spot checks to ensure compliance and quality. Through regular on-site quality inspections and assessments, we identified potential supplier risks, collaborated with suppliers to trace issues to their root causes, and implemented corrective and remedial actions to mitigate supply chain risks. At the same time, we proactively engaged with suppliers to provide improvement recommendations and tracked their progress.

Pharmaron UK conducted quality audits through questionnaires for different types of suppliers to assess their compliance. We designed supplier scorecards, collected data from stakeholders, and generated monthly performance feedback. Suppliers were graded from A to F based on scores to facilitate supplier selection. During the reporting period, a total of 574 supplier audits were conducted.

Supplier Sustainability

The Company places emphasis on supply chain stability and has implemented a series of measures to reduce potential disruption risks. Firstly, we hold regular meetings to assess material risks, enabling timely identification and response to possible supply chain challenges. To ensure supply continuity, we adopt strategies such as safety stock and multi-sourcing. We establish buffer inventory during the stocking process to prevent supply disruptions caused by uncertainties. For identified high-risk materials, we actively diversify the sources of supply and select alternative suppliers in our supplier database to ensure long-term supply stability. When raw materials present potential disruption risks, we prepare the necessary materials in advance and promptly inform the research team of relevant risks to prepare for the response.

Supply Chain Sustainable Management

Upholding the principles of integrity and compliance, we strictly comply with applicable laws and regulations in all operating regions. We expect our business partners to embrace values aligned with ours, organize sustainable business activities, and enhance the quality and safety of products and services together. Our aim is to create a transparent, green, and healthy value chain ecosystem.

In 2024, the Company refined the *Code of Conduct for Business Partners*, which outlined our expectations for the behaviors of business partners, including anti-corruption, human rights and labor standards, supply chain management, environmental protection, diversity, equality and inclusion. This requirement applies to all business relationships between the Company and its business partners. Our partners are expected to take appropriate measures to ensure compliance with these requirements in their own operations and supply chains. We actively encourage all suppliers to learn about and sign the *Code of Conduct for Business Partners*, reaching a 100% signing rate among new suppliers in 2024.

In line with the *PSCI Responsible Supply Chain Management Principles* and best practices of the industry, the Company has updated various policies and guidelines such as the *Procurement Management Policy*, emphasizing supplier responsibilities in ethical business conduct, information security, environmental protection, human rights and labor rights, and product quality.

Supplier ESG Assessment and Audit

The Company continuously strengthens environmental and social-related ESG assessments and audits. We carry out specialized evaluations and audits of suppliers, who are required to understand and adhere to our standards and expectations for our partners. Through these measures, we effectively manage environmental and social risks in the supply chain.

To further strengthen the supplier evaluation and audit system, we have optimized the supplier assessment process by including more issues related to business ethics, labor rights, environment, safety, health, diversity and inclusion. For newly introduced suppliers, we assess their performance in terms of environmental protection, social responsibility, and supply chain security. To better achieve the carbon emission reduction targets of a green supply chain, we conduct a questionnaire about suppliers' carbon emission reduction efforts. At the same time, Pharmaron UK has developed the *Contractor or Service Provider EHS Assessment Questionnaire* to evaluate suppliers' performance in environmental, health, and safety aspects.

In 2024, we conducted special assessments related to labor safety and health, environment, sustainability, and governance in China, with 33% of audited suppliers being significant suppliers. The assessment revealed zero suppliers with significant actual or potential negative impacts, accounting for 0% of the audited suppliers. Among these, the number of terminated suppliers with significant actual or potential negative impacts was zero. Pharmaron UK carried out risk assessments for suppliers in 2024 by using questionnaires tailored to different issues based on the nature of the suppliers. These questionnaires covered issues such as health, safety, environment, and compliance record. The risk level of suppliers was determined based on their responses, which can provide strong support for the Company's sustainable development.

Pharmaron's Core Supplier Sustainability Topics

Topic	Description
Ethical Business	Prohibit any form of bribery and corruption as well as offering, granting and acceptance of bribes or other inappropriate or improper benefits
Labor rights	Focus on aspects such as employee occupational health, anti-discrimination, equal treatment, and compensation and benefits, comply with labor laws and safeguard employee rights, prohibit child labor or forced labor and ensure the health and safety of employees
Environmental protection	Focus on hazardous waste, solid waste, wastewater, and other aspects, operate in an environmentally responsible manner, remain committed to reducing the environmental impact of operations and providing green, eco-friendly, energy-saving, and emission-reducing products and services
Information security	Respect intellectual property rights and fair trade, and protect clients' information security and business secrets
Product quality	Provide products and services that meet the quality requirements
Supplier diversity	Promote fair competition and innovation through diverse supplier selection, enhance supply chain resilience, and support suppliers of various sizes and backgrounds to achieve sustainable development goals

In 2024, supplier diversity was added as a core topic in our supplier sustainability management, aiming to expand cooperation with diverse suppliers, including small and micro enterprises, businesses owned by individuals with disabilities or from minority groups, and women-owned enterprises. For more details, please refer to the chapter "Supply Chain Diversity." At Coventry Site, Pharmaron US, 56% of suppliers are small and medium-sized enterprises, 3% are minority-owned businesses, and 5% are women-owned businesses.

Training and Communication

The Company values communication and collaboration with suppliers. We engage in regular communication and exchanges with suppliers on key issues such as ethics, human and labor rights, health and safety, environment, business sustainability, diversity and inclusion. We provide learning materials to facilitate suppliers' understanding of our values and help them meet our expectations. The relevant training and capacity building programs for our suppliers have covered all Tier-1 significant suppliers. Pharmaron Beijing dispatched teams to supplier factories to participate in projects, engage in technical exchanges, and empower the suppliers. Pharmaron UK conducts on-site training and specialized EHS training for all contractors and suppliers each year, aiming to enhance their professional skills and business competence.

Pharmaron has joined the Sustainable Markets Initiative's China Council (SMI China Council). The council is committed to promoting ecological civilization and advancing sustainable practices in national and local business activities. Through participation in SMI, we aim to introduce more sustainable solutions within our operations and supply chain management, fostering the green transformation of business activities. At the same time, we seek to strengthen collaboration among enterprises in the field of sustainability, driving the overall advancement of industry-wide sustainable development.

In 2024, the Cramlington Site, Pharmaron UK, actively participated in carbon reduction initiatives organized by the Northeast Process Industries Cluster (NEPIC), contributing to the promotion of sustainable development within the industry. Meanwhile, Cramlington Site and Cardiff Site, Pharmaron UK actively supported the Chemical Industries Association (CIA) by attending its annual conference. The conference focused on industry case studies, expert discussions, and policy updates covering a wide range of sustainability topics. During the conference, we shared cutting-edge technologies and market trends, fostering industry exchange and development. These external partnerships not only strengthened our sustainability capabilities but also contributed to the overall progress of the industry, underscoring our commitment to green transformation and the fulfillment of sustainable development goals.

Performance Goals and Capability Building of the Procurement Department

To drive supply chain sustainability effectively, we have incorporated supply chain sustainability targets into the performance evaluations of the Procurement Department. To ensure the effective operation of the sustainable supply chain management system, we conducted comprehensive sustainability procurement training for all Chinese procurement staff in 2024. The training aimed to provide an in-depth overview of the latest ESG requirements in the industry and enhance procurement personnel's awareness and practical capabilities in sustainable procurement.

Green Procurement

We prioritize green procurement and are committed to promoting the sustainable development of our supply chain. ESG requirements are embedded in supplier approval, and giving preference to suppliers that meet environmental standards. Throughout the procurement process, we care for the environmental performance and recyclability of products. For various types of raw materials and equipment, we prioritize products from suppliers who use green processes or have obtained ISO 14000 certification. For electrical appliances, we pay extra attention to products with 3C certification and in compliance with first-grade energy efficiency standards. We emphasize the recycling and reuse of solvent reagents to avoid resource wastage.

To further advance sustainable development, we encourage suppliers to adopt eco-friendly production methods and actively participate in green procurement initiatives. We also encourage suppliers to voluntarily join the SBTi to collectively reduce the environmental impact of procurement activities and contribute to the realization of a green supply chain.

Case **Pharmaron UK continues to promote green procurement campaign**

We prioritize selecting suppliers that excel in green contributions and environmentally friendly practices. For example, Pharmaron UK continues its collaboration with stationery supplier Redbox. Redbox not only provides environmentally certified office supplies but also actively participates with Pharmaron UK in the "RED2GREEN" initiative. RED2GREEN offers partners the opportunity to offset the environmental impact of their daily operations through tree planting. According to the initiative, for each completed order, Pharmaron UK donates 99 pence (approximately RMB9) to the "Green Earth" charity to support the "GifTrees" tree planting project. To date, Pharmaron UK has helped plant 176 trees, contributing to reduce carbon emissions. By collaborating with green suppliers, we jointly promote sustainable development goals. We will continue to prioritize low-carbon opportunities in our procurement decisions and further implement our green commitments.

03 Superior Quality and Service

As an international leading life sciences R&D service provider, Pharmaron upholds professionalism, an international outlook, and high quality in all our business undertakings. We prioritize drug quality as our fundamental commitment, driven by R&D, anchored by safe production, and guided by clients needs. We also make continuous efforts to enhance our core competitiveness while vigorously promoting scientific research and industry advancement.

- Quality Assurance
- Innovation, Research and Development (R&D)
- Safe Operations
- Quality Service

Quality Assurance

Ensuring product quality and drug safety are our fundamental responsibility. Adhering to the principle of "well-established laboratories, clear roles and responsibilities, and an effective communication", we have established a sound quality management system and thorough quality control testing procedures. In addition, we actively conduct quality audits and external certifications, raise the awareness of quality culture, and minimize quality risks in R&D and production to enhance product quality.

Quality Management System

Pharmaron always places drug quality first. We have established a comprehensive quality management system covering the product lifecycle to ensure overall control of product quality in line with our business development while updating and improving quality management. Pharmaron has a complete quality management system, including *Pharmaron Quality Policy* applicable across the entire Group, and we are committed to providing high-quality products and services to meet regulatory and client requirements. Our quality management system has been established in accordance with various applicable regulations and guidelines in China, the US, Europe, and the UK, and so forth, including the *Drug Administration Law of the People's Republic of China*, the *Good Manufacturing Practice for Drugs* of China; the Appendix: *Drugs for Clinical Trial (Trial)* (July 2022) of China; the ICH Q7 *Good manufacturing practice for active pharmaceutical ingredients – Scientific guideline*; the *Good Laboratory Practice* (GLP); the *Good Clinical Practice (GCP) E(R1)*; the *Good Clinical Practice for Medical Devices* ("Device GCP"); Volume 4 *Good Manufacturing Practice (GMP) Guidelines* of the *EudraLex* of the EU; the CFR 210 of the *Current Good Manufacturing Practice (CGMP) Regulations* of the US; the ICH Q8 *Pharmaceutical Development*, ICH Q9 *Quality Risk Management*, ICH Q10 *Pharmaceutical Quality System*, ICH Q11 *Development and Manufacture of APIs* and ICH Q13 *Continuous Manufacturing of Drug Substances and Drug Products*; the NMPA *Requirements for Drug Record and Data Management (Trial)* (December 2020) of China; the FDA *Data Integrity and Compliance with CGMP Guidance* of the US; the MHRA *GxP Data Integrity Definition and Guidance* of the UK; the CFR Part 11 *Electronic Records: Electronic Signatures* of the US; the *Veterinary Drug Production Quality Management Standards* (2020 Edition) of China; Volume 7 *Veterinary Medicinal Products* of the *EudraLex* of the EU.

The Company strictly adheres to the highest international standards of quality regulation. By continuously enhancing the optimization of its quality management system, it has laid a solid foundation for the further development of CMC (small molecule CDMO) services. In 2024, we updated our *Validation of Analytical Procedures* SOPs for drug substances and drug products per ICH Q2(R2) guidelines, and updated the quality documentation at each site in accordance with the guidelines in the *Site Master File* released by NMPA. In addition, we upgraded the internal management processes in accordance with the *Control of Nitrosamine Impurities in Human Drugs* released by the FDA. Pharmaron has established the quality management system based on applicable laws, regulations, and the Company's business needs, and strengthened quality assurance through relevant documents. At the same time, we are committed to continuously improving the effectiveness of our systems to ensure compliance with relevant regulations and enhance client satisfaction.

In 2024, in light of the procedures required by the *GxP Regulatory Surveillance,* we conducted monthly searches for updates to regulations and guidelines from the official websites of relevant institutions in different countries and comprehensively reviewed the updates to identify any gaps between the new requirements and our current procedures at Pharmaron. Based on the results, we developed and improved the procedures to ensure that our quality system consistently complies with the requirements of the Food and Drug Administration (FDA) of the US, the European Medicines Agency (EMA), the National Medical Products Administration (NMPA) of China, achieving international excellence.

Pharmaron has established a top-down quality management structure with a clear division of rights and responsibilities. The Group Chairman is responsible for overseeing product safety and quality, and the management is responsible for ensuring that the quality objectives are understood and complied with by employees. Our quality management system is divided into global level, national/regional level, and site level to meet the practical needs of different sites to ensure the efficient and comprehensive implementation of the system. In addition, each site undergoes regular external audits of the quality management system to promptly identify weak links and problems, for rectification and follow up to ensure the suitability, adequacy, and effectiveness of the quality management system. In 2024, the quality system of each site maintained compliant operations with no non-compliant cases. During the reporting period, Pharmaron Clinical obtained ISO 13485 and ISO 9001 certifications, and the Cardiff Site, Pharmaron UK also received the ISO 9001 Quality Management System certification.

Certificates of ISO 13485 and ISO 9001

At the beginning of 2024, each site formulated specialized plans and targets for product safety and quality, and the corresponding responsibilities were distributed among QA groups and individuals. These objectives are tracked and monitored monthly, with prompt adjustments and analysis made in response to any anomalies.

We continuously improve our quality management system. In 2024, the Company launched a digital quality management platform to replace a paper-based quality management system, launching the first phase modules of audit, deviation, and CAPA[46]. In the same year, we initiated the second phase, while also optimizing the Training Management System (TMS) electronic management system to ensure a more efficient information flow.

Quality Control

Pharmaron ensures product safety and quality to the fullest extent. We have established an internal quality assurance system in accordance with laws and regulations. Within the quality assurance system, all products are produced according to a pre-set system and can only be sent to clients after being approved by site QA heads. As part of the product release process, we formulate specific product release documents based on the characteristics of each product and service and conduct product testing according to approved quality standards and testing methods. For Out-of-Specification (OOS) and Out-of-Trend (OOT) results and any product quality non-compliance, we will carry out investigations in strict accordance to the *OOS and OOT Results Investigation*, thus achieving comprehensive and refined quality management control.

Quality Audit and Certification

Pharmaron conducts regular quality-related internal and external audits and has developed supplier quality audit programs to promptly identify potential risks throughout the quality management lifecycle and comprehensively promote corrective actions. In 2024, we have focused on quality and conducted quality audits for certain suppliers.

[46] CAPA, Corrective and Preventive Actions.

For internal audits, we established audit teams composed of SME[47] from various departments. As required by relevant quality standards, we conduct comprehensive internal audits of product quality at least once a year. Upon identifying problems during the internal audits, we develop corrective measures and implement them on schedule. During the reporting period, we carried out internal quality audits across all Chemical Manufacturing and Control (CMC) production sites and Pharmaron Clinical in accordance with standards such as ICH Q7 for Active Pharmaceutical Ingredients (API) GMP, ICH Q10 for Pharmaceutical Quality Systems, EU GMP standards, US GMP standards, as well as China GMP, GCP, and GLP standards. The audit scope covers various management systems[48] related to GMP, GCP, GLP quality and production activities.

For external audits, the QA team can support audit methods such as on-site inspections and remote audits proposed by officials and clients. During the reporting period, we underwent multiple client audits, inspections by official regulatory agencies, and EU QP audits.

Client Audit

The API workshops, formulation workshops, and analysis rooms at Pharmaron Beijing, Pharmaron Tianjin, Pharmaron Ningbo, and Pharmaron Shaoxing have received over 100 client audits in total, all of which passed with a 100% success rate and with no major findings.

Official Regulatory Inspection

During the reporting period, a total of four official regulatory inspections were passed.

- We passed the EU API GMP compliance inspection of Ningbo Market Supervision and Administration Bureau of Zhejiang Province, successfully obtaining the EU API export certificate and facilitating the commercialization for our client product.
- We passed the on-site inspection by the National Medical Products Administration (NMPA) Food and Drug Inspection Center and the GMP compliance inspection by the Zhejiang Provincial Drug Administration (a combined inspection prior to new drug approval), gaining NMPA approval for commercialization of the product.
- We received a routine inspection by the Shangyu District Market Supervision Administration of Zhejiang Province, with no major or critical deficiencies found.
- We received a pre-approval inspection (PAI) by the US FDA and the inspection results were favorable.

EU Qualified Person (QP)

During the reporting period, a total of 12 EU QP audits were conducted, all of which were passed successfully.

[47] SME, Subject Matter Expert.

[48] The management systems include quality system, facilities and equipment system, material system, production system, packaging and labeling system, and laboratory control system.

Certifications

- Pharmaron Shaoxing obtained a license for manufacturing of veterinary medicinal products and a GMP certification for veterinary medicinal products.
- Pharmaron Clinical's Contract Research Organization (CRO) obtained the ISO 13485 Medical Device Quality Management System certification.
- Pharmaron Clinical's Site Management Organization (SMO) obtained the ISO 9001 Quality Management System certification.
- Pharmaron Clinical's Clinical Pharmacology Center (CPC) obtained multiple certifications and licenses[49], including CLIA Certificate and COLA Accreditation.

The above table fully validates the Company's CMC (Small Molecule CDMO) service has a complete quality management system, which is well-established and capable of GMP-compliant commercial production of APIs and formulated products. We will continue to focus on excellent quality management, providing our clients with services and market products of the highest quality.

In addition, supplier qualifications are crucial for ensuring product quality. We select well-qualified suppliers, conduct regular quality audits of suppliers, and require them to provide relevant ISO certificates, in a bid to ensure that their product quality is in line with our standards.

Quality Training

Pharmaron continuously fosters a quality culture and develops corresponding plans, and organize various quality training activities.

Quality-related employees	• In accordance with regulatory requirements, we conduct five types of training every year (GMP basic knowledge, personnel hygiene, microbiology, data integrity, and record writing standards) for all quality-related employees (GMP-related departments, including Quality Department, Production Department, Analysis Department, Microbiology Laboratory, IT Department, Technical Operations Department, Department of Operation and Maintenance, and Procurement Department). • The goal of a 100% training completion rate was achieved in 2024.
All Pharmaron Clinical employees	• Conduct relevant training based on the responsibilities of the employee's job position. • After detecting a change in an employee's job title, the training system will assign different training content accordingly to make quality training more flexible and efficient. • To ensure internal quality management, training completion results are linked to employees' performance appraisals.

[49] The certifications and licenses obtained include CLIA Certificate, COLA Accreditation, Maryland State Non-Expiring Laboratory Permit, State of Maryland Radioactive Material License, State of Maryland Pharmacy License, Pharmacy CDS License, Pharmacy DEA License, and others.

Innovation, Research and Development (R&D)

As a fully-integrated pharmaceutical R&D service platform with an international outlook, Pharmaron continuously delivers innovative and effective R&D solutions to domestic and international clients and partners. We have established a comprehensive R&D service platform to assist clients in accelerating drug innovation as well as providing efficient, high-quality, and diversified innovative R&D services.

R&D Management

Pharmaron places great emphasis on technology and innovation. We continuously increase investment in R&D, actively cultivate technical talent, enhance innovation capabilities, and provide clients with integrated services covering the entire process of drug research, development, production, and clinical trials. When applying emerging technologies, we are committed to minimizing their potential risks and strictly adhering to ethical standards and legal regulations, avoiding the most controversial technological practices. We regularly disclose the usage of these technologies, support related research on emerging technologies, maintain close collaboration with stakeholders, take effective measures to mitigate the risks posed by emerging technologies, and actively support further research.

Pharmaron strictly adheres to the applicable laws, regulations, and industry guidelines in the locations where it operates. The Company is committed to building an R&D and manufacturing service platform across multiple therapeutic modalities (including small molecule, Biologics and CGT products) throughout the drug discovery, preclinical and clinical development processes. The Company has a mature and complete service system for the R&D and production of small molecule innovative drugs, and has rapidly expanded into service areas for novel drug molecules such as peptides, oligonucleotides, and ADCs. It has also nearly completed the construction and integration of its service platform capabilities for biologics and cell and gene therapy drugs. The Company is a leader in drug discovery, preclinical, and early clinical research, while also expanding its downstream business capabilities, including late-stage clinical development and product commercialization. In expanding the R&D services, the Company has successfully transitioned from a single laboratory chemical service provider to an end-to-end multi-therapy pharmaceutical R&D service platform with operations in China, the United States, and the United Kingdom. The Company possesses the necessary expertise throughout the R&D process, allowing for the rapid advancement of clients' R&D plans and the fulfillment of their comprehensive needs. Meanwhile, leveraging our professional project management capabilities, we effectively utilize and integrate resources from our fully-integrated pharmaceutical R&D service platform to align with client requirements. Vertically, the Company is strengthening the seamless integration of the same discipline across different pharmaceutical R&D stages. Horizontally, the Company is enhancing the integration of different disciplines at the same pharmaceutical R&D stages, improving the science and technology of each discipline, expanding the service offerings, and promoting interdisciplinary collaborations. Through the integration and collaboration between our discovery and development service platforms, we have accumulated a profound understanding of the unique scientific challenges involved in our clients' new pharmaceutical R&D projects, which will facilitate us moving projects forward more efficiently and in turn maximize clients' benefits. With extensive industry knowledge, robust execution capabilities, and end-to-end solutions, our fully-integrated service platform has gained unique advantages in shortening drug discovery and development cycles and reducing the associated risks for our clients.

As a fully-integrated service provider for drug discovery and development, the Company focuses on providing clients with a diverse range of drug R&D platform technologies. We have established the following six R&D service platforms to offer one-stop solutions to clients.

(1) Comprehensive chemistry platform throughout the entire drug R&D and commercial stages

As a fully-integrated service provider for the research, development and manufacturing of small molecule pharmaceutical products, we have leveraged our expertise and advantage in chemistry technology throughout the whole drug R&D process.

With the comprehensive chemical technology platform covering compound design (including CADD), design and synthesis of a compound library, medicinal chemistry, synthetic chemistry, analytical chemistry, early process chemistry, and process chemistry, GMP API manufacturing, the Company can satisfy clients' demand for pharmaceutical R&D and manufacturing in each stage of the pharmaceutical R&D process, including laboratory synthesis process at the drug discovery stage, scale up process development from preclinical to clinical stage as well as GMP manufacturing up to commercial stage, which fully cater to the diversified needs of different types of clients. By providing compound synthesis process R&D services and dosage form development services, the Company offers clients an integrated drug R&D and production service throughout the entire process, from initial compounds to finished dosages.

(2) DMPK/ADME service platform throughout the entire new drug R&D process

The Company provides DMPK/ADME services covering the whole R&D process from drug discovery to development. The early DMPK/ADME studies are of great importance as they can provide a key basis of clients to determine their later-stage drug development strategies. Radioisotopic analysis technology is critical as an important drug metabolism analysis technology during the clinical stage. The Company is capable of providing integrated radioactive isotope drug metabolism and pharmacokinetics analysis services for clients, including the radioisotope compound synthesis and human ADME studies using regular isotope analysis technology or high-sensitivity AMS technology. In addition, the Company has established a comprehensive global service network for DMPK[50]/ADME, and further strengthened its leading position in the discovery and development DMPK services.

(3) Comprehensive integrated platform from drug discovery to POC ("proof of concept")

From inception, the Company has committed to the establishment of integrated services platform from drug discovery to proof of concept stage, which covers compound design, compound library synthesis, synthetic and medicinal chemistry, biology, DMPK, pharmacology, toxicology, drug safety assessment, radio-labeled chemistry and DMPK, clinical pharmacology, clinical bioanalysis, clinical data statistics, chemical process development and API manufacturing and formulation and drug product manufacturing.

With this comprehensive integrated services platform, the Company has undertaken many integrated research projects, and achieved a considerable number of milestones. In addition, the Company can also provide a customized service package at a particular stage of the drug R&D process, such as an integrated service package for IND enabling which includes preclinical safety assessment, early process development and manufacturing, pharmacology, DMPK and clinical proposal. With this comprehensive IND enabling solutions and the ability to support IND filing for different jurisdictions, it provides flexibility to the clients, accelerates their drug development process and reduces their overall R&D costs.

[50] DMPK, Drug Metabolism and Pharmacokinetics, the studies are designed to determine the absorption, metabolism, excretion and the kinetic study of a drug or potential drug either in an in vitro or in vivo setting.

(4) Fully-integrated clinical development services in China

As a significant component of the Company's fully-integrated service platform, domestic clinical development platform covers various functions, including regulatory and registration services, medical affairs, medical monitoring, clinical operations, data management and biostatistics, bioanalysis, pharmacovigilance, quantitative pharmacology, site management services, healthy and patient volunteer recruitment and management, and quality assurance, which provides clients with complete, efficient, end-to-end Phase I, II, III and IV clinical development services. Through internal capability building, organic growth and external acquisitions over the years and our effort in integrating different functions and processes and optimizing the team and organization structure. The Company has built a sizeable and highly competitive clinical development services platform in China, offering high-quality clinical development services of new small molecule drugs, biologics and medical devices for domestic and oversea clients.

Leveraging on the technical capabilities and established reputation of our preclinical R&D platform, the clinical R&D services platform collaborates with the preclinical and business development teams to get involved in clinical study planning discussions with clients as early as possible, so as to provide more comprehensive clients services and at the same time, generate business opportunity for the clinical development services. Also, the medical affairs, regulatory affairs, bioanalytical, quantitative pharmacology and biostatistics departments of the clinical development services work closely with the preclinical R&D team for planning of IND-enabling. These high-quality interactions between preclinical and clinical teams accelerate projects progressing in high-quality from the preclinical to the clinical stage, allowing our clients to fully enjoy the benefits of the Company's fully integrated services platform.

Together with the clinical pharmacology center in the US, data management and biostatistical, bioanalytical and clinical CRO operation and project management teams who are well versed with clinical development process and culture in both China and the US, we are able to provide a faster and convenient gateway for domestic clients to present their R&D program globally.

(5) Integrated platform of "laboratory services – IND enabling – process development and manufacturing" of biologics and gene therapy products

The Company has built a comprehensive R&D and manufacturing service platform for biologics from discovery to process development and manufacturing (CDMO). Together with the bioscience services under its laboratory services segment, the Company provides clients with end-to-end biologics services from "laboratory services-IND enabling-process development and manufacturing", including cell screening, biologics generation and purification, analytical assay development and product characterization to support early stage R&D projects. In the first half of 2024, the Company's biologics development and manufacturing service platform located in the Campus II in Ningbo began operation. It provides clients with development services including cell line development, upstream and downstream process development, formulation development, fill-and-finish process development, and analytical method development, as well as drug substance and drug product manufacturing services from 200L to 2,000L production capacity to support projects from pilot to commercial production.

In recent years, through acquisition and integration of related resources and platforms, the Company has initially built an integrated services platform of "laboratory testing – IND enabling – process development and manufacturing" for gene therapy products, including a comprehensive and industry leading analytical platform for biologics and CGT products that are in compliance with ICH guidelines of GLP/GCP/GMP in the US, and an integrated platform for the development and GMP manufacturing of gene therapy products in the UK. By combining both the analytics and CMC platforms in gene therapy products with our safety assessment center which has been inspected and/or certified for GLP compliance by NMPA, FDA and OECD regulatory authorities, the Company offers clients a complete preclinical IND enabling solution for CGT products, as well as clinical testing material manufacturing and clinical sample analysis services for CGT products.

(6) Building an end-to-end service platform for new drug modalities

In 2024, the proportion of new drug modalities, including peptides, ADCs, bispecific antibodies, and oligonucleotide drugs among the new drugs approved by FDA significantly increased, leading to a rapid growth in demands for corresponding R&D and manufacturing services. Leveraging its deep expertise in small molecule R&D services and strategic expansion into biologics, the Company has initially established a fully integrated ADC discovery service line, including "antibody preparation, payload synthesis, linker synthesis, bioconjugation and biological testing" that has achieved rapid business growth. The Company's peptide discovery services continued to advance based on a comprehensive synthesis platform consisting of automated synthesis, analysis and purification. In addition, the Company's service capabilities for oligonucleotide drugs (including siRNA, ASO, etc.) have adopted many cutting-edge technologies. Moving forward, the Company will continue to strengthen its laboratory and manufacturing service capabilities for new drug modalities, such as ADCs, peptides, oligonucleotide drugs, and build a comprehensive end-to-end service platform for multiple-therapeutic modalities. With a more open-minded and proactive attitude, the Company will promote and practice cross-platform collaborations and adopt novel technologies for new drug modalities to improve productivity. With its profound disciplinary expertise and high client recognition, the Company is committed to further consolidating and building laboratory services for new drug modalities while building manufacturing capabilities to create an end-to-end platform.

In 2024, the Company took a significant step forward in full-automation and AI technologies. Leveraging cutting-edge automation technologies, it significantly increased the efficiency of chemical reaction conditions selection and lead compounds screening. Meanwhile, the Company implemented fully automated chemical synthesis platform and fully integrated and automated high throughput screening platform to achieve a comprehensive technological upgrade. More importantly, the Company also began to deeply integrate AI technologies into different service lines, including applying AI tools in chemistry services to optimize reaction conditions and develop separation methods. In bioscience services, the Company utilized machine learning to train the models of simulation of the physiological conditions and prediction of the compound potency. In addition, the Company integrated multi-omics data (including WGS/WES, RNA-seq, scRNA-seq, and proteomics) by using ML tool to deeply mine the data for mechanism elucidation or biomarker identification. The Company is committed to leveraging AI technologies to empower target identification, drug resistance mechanism investigation, and in vitro toxicology evaluation to improve the efficiency of drug discovery services. Meanwhile, the Company comprehensively applied advanced technologies while practicing the green chemistry concepts. It promoted the application of fluid chemistry, photochemistry, and electrochemistry in its laboratory chemical services. In small molecule CDMO services, in 2024, the Company continued to invest in end-to-end continuous manufacturing, continuous flow hydrogenation, continuous flow ozonolysis, biocatalysis, electrochemistry, photochemistry, and high-throughput experimentation (HTE), and made remarkable progress.

In 2024, the Company invested approximately RMB469.2597 million in R&D expenses, representing a year-over-year increase of RMB20.9817 million, with a growth rate of 4.68%.

Empowering Innovation: Academic and Innovation Leadership Program ("Leadership Program")

Since its inception, the Company has always adhered to a "technology-oriented and innovation-driven" approach. As a high-tech enterprise, we understand innovation is the core driving force for sustainable development. The Leadership Program aims to create a vibrant and creative learning ecosystem, empowering the Company's innovation capabilities to improve continuously.

"Convergence" First: Cultivating a community culture centered on knowledge and experience sharing

The knowledge and experience-sharing community, consisting of Pharmaron Academy, symposiums and forums, literature recommendations and other activities, promotes internal knowledge-sharing and experience exchange, providing the necessary ecosystem to grow Pharmaron's continuous learning culture.

Pharmaron Academy: Adhering to the educational philosophy of "High Aspirations, Deep Accumulation," Pharmaron Academy provides employees with on-the-job training opportunities. The Academy sets high admission and graduation requirements. Employees committed to self-improvement and long-term development can be admitted through internal recommendations and entrance examinations. After completing the corresponding courses and assessments within 1.5 to 3 years, qualified employees will receive an internal graduation certificate, and corresponding salary and welfare benefits. The academy offers Master's and Doctoral programs, covering courses such as chemical theory and practice, project and personnel management, communication with clients in Chinese and English, teamwork, and career development. Most courses are instructed by Pharmaron's senior researchers, with a few taught by university professors. Under the dual assurance of theory and practice, the academy continuously ensures and enhances its teaching quality. In 2024, there were 18 doctoral students and 21 master's students.

Internal Academic Seminars to Achieve Knowledge and Practice Sharing: Five series of nearly 100 internal academic seminars were held, covering various disciplines such as organic chemistry, process chemistry, *in vitro* biology, *in vivo* pharmacology, drug discovery, and pharmacokinetics. These seminars continuously share experiences and enhance the academic literacy of our researchers.

Daily Literature Sharing – Reaction of the Day (RoD): Aiming to open a window to the academic frontier, the Company established a RoD academic committee to recommend one cutting-edge and practical piece of literature daily, expanding researchers' knowledge of new chemistry. In 2024, 238 pieces of literature were shared with research teams via TV broadcasts, official WeChat accounts, and internal databases, for reading and study.

Customized Business English Courses: The Company continues to offer customized business English courses to improve language skills and enhance cross-cultural communication capabilities. After long-term exploration and continuous optimization, the multi-dimensional curriculum system has been gradually improved. In 2024, 51 courses were held, with approximately 600 participants.

"Speed" is Key: Vigorously incentivizing innovative practices

The Company encourages bold innovation and adheres to the principle of learning for practical use, actively promoting the application of new reactions and technologies in real work. By establishing the "Chemistry Star Award" and the "RoD Application Award," the Company supports and rewards teams and individuals who try new technologies and methods, enhancing the Company's technological competitiveness in the industry and injecting new momentum for sustainable development. In 2024, 290 high-innovation, high-difficulty projects were efficiently completed through continuous exploration, optimization, and overcoming challenges. These projects were awarded the "Chemistry Star" honor, with over 760 people recognized. In 2024, 1,110 projects or project fragments solved technical challenges using RoD-recommended methods, and more than 2,600 people were awarded the "RoD Application Award."

Pursuit of "Innovation": Closely following cutting-edge international technologies

The Company focuses on international academic trends and is committed to building a forward-looking, internationally oriented, and dynamic management team to support strategic decision-making and help the Company gain a competitive edge in the global market.

Annual Academic Symposiums: The Company successfully held the 11th Pharmaron Symposium on Synthetic and Medicinal Chemistry and the 3rd Pharmaron Symposium on DMPK, where numerous industry experts and renowned scholars gathered to share the latest research findings. These events allowed the Company's researchers to engage in face-to-face discussions with experts, greatly expanding their horizons.

Monthly Virtual Lectures by Distinguished Professors and Specialized Course Seminars: The Company held more than ten virtual lectures by internationally renowned professors, which were well received. In May, Professor Michael Willis from Oxford University visited Pharmaron Beijing to host a special seminar on "Applications of New Functional Groups in Synthesis and Discovery Chemistry," where he exchanged ideas with the Company's researchers in an in-depth conversation.

Participation in Academic Summits and insight into Industry Trends: The Company values external academic exchanges and promotes researchers' understanding of industry trends and technological changes. Outstanding representatives were actively selected to participate in multiple academic summits in various fields, including the 22nd National Conference on Organometallic Chemistry, the 14th Academic Conference on Drug and Pharmaceutical Xenobiotic Metabolism, and the XDC New Drug R&D Innovation Forum.

Empowering talent development in higher education and fulfilling corporate social responsibility as a citizen

The Pharmaron Class at Ningbo University, initiated and supported by Pharmaron, is a long-term key project to cultivate outstanding talent in biochemistry, analysis, and pharmaceuticals with professional skills, international vision, and comprehensive abilities. Through setting up the Pharmaron Class and a series of scholarships, the Company selects, encourages, and trains outstanding students to attend world-class universities and enter the pharmaceutical industry. It is gratifying that the Pharmaron Class has achieved significant results. The students not only excel academically but also choose to pursue master's and doctoral degrees, aiming to become outstanding prospects in new drug development, contributing to the sustainable development of the industry. In 2024, 12 graduates from the "Pharmaron Class" at Ningbo University were admitted to graduate schools, enrolling in renowned universities and research institutions such as Peking University, University College London, Zhejiang University, Xiamen University, and the University of Science and Technology of China.

As part of the Leadership Program, participants are taught to pursue academic excellence and commit to a sustainable future. We firmly believe that through continuous academic innovation and practice, we can inject continuous momentum into the Company's long-term development and contribute to building a greener, fairer, and more prosperous society.

Case: Academic Symposium – The 11th Pharmaron Symposium on Synthetic and Medicinal Chemistry

On September 21, 2024, the 11th Pharmaron Symposium on Synthetic and Medicinal Chemistry was held at Pharmaron Beijing. The full-day symposium lasted a total of eight hours, with seven world-class industrial leaders and academic pioneers invited to engage in in-depth discussions with 300 on-site industry peers and over 700 sub-venue and online audience members on cutting-edge scientific topics. They shared the latest advancements in the fields of synthetic and medicinal chemistry.

Case: Specialized Course Seminar

In May 2024, internationally renowned chemist Professor Michael Willis from Oxford University was invited to visit Pharmaron Beijing, where he conducted a three-day specialized course on "Applications of New Functional Groups in Synthesis and Discovery Chemistry". The course attracted active participation from the Company's internal researchers, with approximately 1,800 attendees participating in person. At the same time, the online live broadcast of the seminar also garnered significant attention.

The course covered the latest advancements and groundbreaking achievements in the field in recent years, with in-depth analysis of real-world cases. During the course, attendees engaged in enthusiastic discussions with Professor Willis on related academic topics. The atmosphere at the event was lively, fully showcasing Pharmaron's research team's proactive learning environment and pragmatic research spirit.

Protection of Intellectual Property Rights

Pharmaron highly prioritizes the management and protection of intellectual property (IP) rights. We strictly adhere to relevant laws and regulations such as the *Patent Law of the People's Republic of China* and the *Trademark Law of the People's Republic of China*. We have established and continuously improved our confidentiality management system. We also formulated and revised a series of internal regulations including the *Pharmaron IP Handbook*, the *Pharmaron Information Confidentiality System*, the *Management Measures for Trade Secrets of Pharmaron*, and the *Information Resource Control Procedures of Pharmaron*. In addition, we have formulated the *Confidentiality System Construction Plan of Pharmaron* and established IP-related regulations in various processes such as procurement, research and development, and sales. We are committed to systematically managing IP rights from patents to trademarks, protecting trade secrets, reducing the risk of trade secret leakage, and enhancing our competitive advantage. We aim to comprehensively prevent the leakage of confidential information from all perspectives.

In 2024, Pharmaron was granted 4 utility model patents and 22 invention patents, and awarded 5 new trademarks. No patent was filed in countries outside of China. To accommodate the Company's business development, a biotechnology module has been added to the foundational patent search database procured in 2023. This addition is intended for the Legal Department to conduct IP analyses, thereby enhancing Pharmaron's IP protection capabilities. As of 2024, Pharmaron has been granted a total of 50 utility model patents and 55 invention patents.

We continuously optimize our IP management mechanism and establish a top-down IP protection system with a clear division of rights and responsibilities. We have formed an IP Protection Committee to oversee all aspects of IP management and further enhance the acquisition, maintenance, utilization, and protection of IP rights. The IP Protection Committee is responsible for top-level planning and system construction regarding the Company's intellectual property strategy. Under the IP Protection Committee, two specialized subcommittees have been set up, namely the Documentation, Discipline, Auditing, and Monitoring Subcommittee and the Executive Committee. The Legal Department is responsible for managing all IP protection matters within the Group and regularly submitting IP protection-related matters and systems to the committee for approval, thereby promoting continuous improvement in IP management standards.

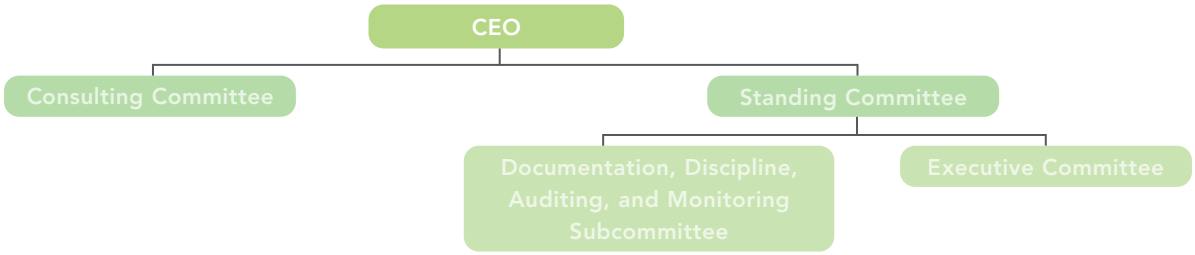


Figure: Constitution of the IP Protection Committee

To efficiently manage our IP application and authorization, we have referred to the patent applications and landscape of competitors in the industry from multiple perspectives. This approach supports the R&D process and provides valuable insights for patent application strategies. We also purchase professional intellectual property management and patent retrieval databases to meet the Company's needs for data services in innovation, pharmaceutical R&D, and scientific evaluation. Besides, we offer a wide range of platform services such as patent retrieval, analysis, and management throughout the lifecycle including product technology creativity, establishment of R&D projects, IP layout, innovative R&D, the launch and withdrawal of products, as well as solutions for intelligence collection and analysis and process management. We also promise to fully respect and avoid infringement of others' IP rights while protecting our own IP interests.

To further raise employees' awareness of IP protection, the Legal Department visits the subsidiaries (such as Pharmaron Ningbo, and Pharmaron Shaoxing) every year for routine IP training, including training on trademark usage, training on confidential knowledge for all employees, IP protection training for R&D and business departments, and training on review and approval of information release. There are diversified training programs available, including quarterly online IP training sessions, semi-annual training sessions, and face-to-face intellectual property protection training for on-the-job staff. Moreover, newly hired employees receive weekly confidentiality training to master IP-related regulatory requirements, common IP-related risks, and response methods. Through these measures, we further enhance employees' awareness of IP and related IP management capabilities.

We make persistent efforts to increase the quantity and quality of patent applications, prevent leakage, and mitigate the improper use of registered trademarks. Further measures are adopted to gradually improve the Company's IP management system and prevent or reduce various intellectual property risks. In 2024, the Company carried out 5 training sessions on business secret protection, with a total of 2,438 enrollments. If an IP-related risk is identified, it will be promptly reported to the person in charge and risk mitigation solutions will be implemented. The training effectively strengthened the awareness and offered methods of intellectual property protection among frontline R&D employee.

Meanwhile, the Company adopts systematic processes to manage patents and trademarks. Specifically, in terms of patent management, applications are initiated by inventors, and the Legal Department is staffed with dedicated IP personnel who are responsible for subsequent evaluation and analysis. These personnel will work closely with collaborating agencies to assess the feasibility of patents. They will select suitable agents for patent application and ensure close collaboration among all parties to get the patents approved. In terms of trademark management, the Company is responsible for registering trademarks independently. The subsidiaries shall obtain approval from their superiors before using or applying for trademarks, in a bid to ensure that trademarks are used in compliance with relevant requirements. These processes are aimed at strengthening the protection of IP rights, safeguarding the legitimate rights and interests of the Company, and ensuring compliant operations.

Training Sessions on Business Secret Protection

Safe Operations

Pharmaron places a high emphasis on the safety of production and operations. We adhere to the safety policy of "safety first, prevention-oriented, and comprehensive governance". We continuously improve our safety management system, implement work safety responsibility system, as well as reduce safety risks and hazards. We further promote safety culture and uphold safety standards. During the reporting period, Pharmaron invested RMB9,887.5939 million in safety.

Safe Management

Strictly adhering to the applicable laws and regulations in the locations where we operate, including the *Law of the People's Republic of China on Work Safety*, we develop work safety management systems and procedures, and over 50 safe operation manuals, including different control requirements for each type of chemicals, requirements for safe operation of the equipment, operation requirements of biosafety level 2 laboratory, and general safe operation requirements. In 2024, we updated the *Hazard Identification, Risk Assessment, and Control Management Procedures,* the *Work Safety Responsibility System*, the *Hazardous Materials Management Procedures* and the *Accident Hazards Investigation and Control Management Procedures.* In addition, Pharmaron Shaoxing added the *EHS Reward and Punishment Management Procedure* to the *Management Procedures of Work Safety Responsibility System* and developed the *Employee Code of Conduct for EHS&S* to be signed by all employees, further promoting the construction of a safety management system. We also put in place the Work Safety Responsibility System, effectively enhancing safety management. In 2024, Pharmaron did not register any violations related to health and safety that have a significant impact.

To ensure the timeliness of internal policies and procedures, we promptly track and analyze updates to various laws and regulations through methods such as subscribing to third-party regulatory query services and engaging external consultants. Furthermore, we conduct regular internal and external safety management audits. Based on audit results, we develop preventive and corrective action plans and implement them effectively. During the reporting period, Pharmaron Beijing and Pharmaron Shaoxing obtained the level 3 enterprise certificate in work safety standardization and have been maintaining its validity through regular review. Pharmaron Beijing obtained the ISO 45001 certification for the Occupational Health and Safety Management System. In 2024, the coverage of workplace health and safety risk assessment is 82.6% [51].

Work Safety Standardization Certification and ISO 45001 Certification

We have established a safety management system in accordance with the requirements of the Occupational Health and Safety Management System ISO 45001, improving safety management mechanisms and comprehensively strengthening safety production-related work. We have set up a Safety Management Committee, with the Chief Operating Officer (COO) serving as the director, Vice President and the head of the EHS Department serving as vice directors, and other related department heads serving as members. The committee is fully responsible for coordinating safety production management of the Company. Besides, we have appointed dedicated safety management personnel, all of whom possess knowledge and experience in safety management. Under the leadership of the Safety Production Management Committee, we are advancing the identification and assessment of safety risks, rectification of safety hazards, and other safety-related work.

We also set annual safety targets. By signing the *Safety Objective in 2024*, we split the tasks among all departments and employees. The COO took overall charge of work safety affairs. In this way, we ensure the implementation of the safety mechanism covering all employees and continuously monitor the achievement of safety targets. In 2024, all safety objectives were achieved.

[51] Among the 23 operational sites, a total of 19 have conducted employee health and safety risk assessments or implemented procedures/safety management systems that include such assessments.

Safety Objective in 2024

- **Zero** cases of Level IV[52] and above work-related injuries
- **Zero** major fire accidents[53]
- **100**% rectification rate of accident hazards
- **100**% attendance rate for new employee EHS training
- Not more than **2**% total recordable incident rate (TRIR)
- Not more than **0.6**% lost workday incident rate (LWIR) per 200,000 worked man-hours
- **100**% signing rate of contractor work safety and environmental protection management agreement
- **100**% assessment rate of safety training and education for operators
- **100**% certification rate of special operation personnel
- **Zero** cases of work safety casualty accidents that occur during the contractors' work
- **100**% compliance rate regarding the use of highly toxic chemicals, explosive chemicals, narcotic and psychotropic drugs, radioactive materials and devices
- Not less than **1** hazard investigation every quarter by the senior management and R&D department heads

Safety Safeguards

Safety is paramount in all operations at Pharmaron. We implement a wide variety of safety measures, such as identifying and assessing safety risks, conducting regular internal and external inspections, and organizing safety training and drills. Our ultimate goal is to ensure the achievement of safety targets.

[52] Level IV work-related injury: according to the GB/T 16180-2014 *Standard for Identifying Work Ability*, work-related injuries are categorized into ten levels, with Level I being the most severe and Level X being the least severe.

[53] A major fire accident refers to an incident where the fire cannot be extinguished within the Company, a call to 119 shall be made for fire emergency services, and serious impact is caused to the Company.

Managing Safety Risk

In accordance with the requirements of the *Law of the People's Republic of China on Work Safety*, we have established a sound dual-prevention mechanism, namely safety risk classification and control as well as hazard investigation. We have formed a three-level leadership team for safety management with the COO serving as the person in charge, the EHS Department driving the work, and all departments and laboratories assuming the responsibility for implementation. This team is tasked with formulating systematic work plans and progressively advancing the system development. To effectively identify safety risks, all departments work closely with the EHS Department to carry out workplace risk identification, based on which a hazard identification checklist for each department is produced and thus a checklist of the Company's major hazards produced as well. At the same time, we invite a third party to conduct professional evaluations who provide detailed risk maps. For safety management, we require regular inspections for hazards at each position and actively identify safety risks and potential hazards. We have compiled the *Checklist for Position Risk Control*. Safety risk notification cards are posted at various risk points to prevent safety incidents at the source. In addition, the Company entrusts a third party to monitor occupational hazards every year to ensure that various safety management measures are effectively implemented.

To ensure the safety when working with hazardous chemicals, we actively implement special rectification actions and formulate the *Corrective Action Plan for the Risk in Concentrative Safety Program* to set out roles and responsibilities, and conduct Job Hazard Analysis (JHA) to ensure that the system is executable and effective. Furthermore, we encourage each subsidiary to conduct comprehensive and diverse safety operation assessments, risk control measures, and emergency response protocols to enhance overall safety management capabilities and foster a safe production environment. For example, at the Coventry Site, Pharmaron US, new employee orientation includes training on handling hazardous materials. Employees also have annual refresher training on zoonotic diseases, hazardous material handling, and peer reviews.

For laboratory safety, we conduct monthly inspections of emergency equipment, including fire extinguishers, fire blankets, and eye wash stations, to ensure function properly. Weekly fire safety training sessions are held for new employees to raise their safety awareness and familiarize them with the proper use of firefighting equipment. Furthermore, we conduct checks on the quantity of flammable solvents in the laboratory and inspect explosion-proof cabinets to prevent fires during nighttime. Any violations identified during these inspections are promptly reported to the laboratory for rectification. To further strengthen fire safety management, we have set up a fire control room and developed plans for fire drills to ensure rapid response to emergencies. In addition, for safety in the biological laboratories, we conducted annual drills and training. We also provided four safety training sessions for all part-time safety officers in Beijing Technology Development. In the event of accidents, we carry out investigations promptly and demonstrate them for case studies during training sessions. This approach serves as warnings of accident risks and prevents similar incidents in other laboratories.

Meanwhile, Pharmaron Tianjin has established a cleaning and disinfection system, a clean area management system, and a strain management system for its microbiology laboratories in accordance with the local regulatory requirements. It has also set up a biosafety committee for the microbiology laboratories and filed its biological laboratories with the Health Commission of Binhai New Area. To address potential risks, Pharmaron Tianjin organized an emergency drill for strain leakage in the microbiology laboratory in 2024 and updated relevant emergency response plans. Similarly, Pharmaron Shaoxing reduces laboratory safety risks through weekly self-inspections in the laboratories and weekly inspections by the EHS Department. The inspections are aimed at checking the functionality and status of facilities and equipment, the operation of laboratory activities, the usage of PPE by relevant employees, and waste disposal practices.

During the reporting period, Pharmaron conducted a comprehensive risk identification process and adopted corrective actions aimed at the safety hazards identified, thus effectively reducing potential risks during business operations.

Indicator	Unit	2024	2023	2022
Number of fatalities due to work-related injuries	person	1[54]	0	0
Proportion of work-related fatalities	%	0.005	0	0
Number of working days lost due to work-related injuries	day	1,401	972	1,377
Employee lost workday rate (LWR)	/	6.53	4.79	7.07
Contractor lost workday rate (LWR)	/	0	–	–

Fostering Safety Culture

Pharmaron prioritizes fostering a safety culture as a crucial means to raise the safety awareness of all employees. We actively conduct publicity, education, and training on safety. We also organize various safety emergency drills to effectively raise employees' awareness of safety and self-rescue capabilities. This initiative aims to provide a safe and favorable environment for the Company's stable production and harmonious development.

We work out a safety training plan at the beginning of each year, hold quarterly training communication meetings and regularly organize safety training sessions based on the characteristics of each position. We have formulated the *EHS Training Matrix* to record the training progress. Through the use of relevant incidents and cases, the training aims to educate employees on occupational health, personal protective measures, and safety precautions, enhancing employees' ability to handle risk events. To validate the effectiveness of safety-related training and raise employees' awareness of safety, we have implemented a safety assessment mechanism.

In terms of safety commitments, employees sign the *Personal Work Safety Responsibility Letter*, fostering a work safety culture of active employee participation.

To evaluate the safety performance of laboratories, the Company conducts quarterly Star-Rated Laboratory Evaluations. The EHS Department has developed the evaluation criteria covering eight dimensions, including chemical management, waste disposal, and safe operation, for comprehensive inspection of laboratories. Based on the evaluation results, the laboratories are rated with stars and rewarded accordingly by the Company. With this method, we aim to motivate the laboratories to strengthen safety construction.

In terms of emergency drills, we establish an annual emergency drill plan at the beginning of each year and conduct drills accordingly. These drills include comprehensive emergency drills, fire drills, special emergency drills, and on-site response drills, which are aimed at effectively enhancing employees' emergency response capabilities. During the reporting period, we conducted chemical leakage and fire drills in each laboratory to ensure that employees can safely and effectively handle emergencies when they occur. In addition, we organized "Live-fire combat training" training sessions, conducting a total of four practical drills using fire hydrants to release real water and fire extinguishers to control fire extinguishing, with a total of 463 participants trained.

[54] The employee was killed in a traffic accident on the way to work, and the party at fault was not the employee of Pharmaron.

Activities During "Safety Month"

From June to August 2024, we organized "Work Safety Month" at all sites, and held sports games, online safety knowledge quizzes, safety accident reflection and other activities. We also selected benchmark laboratories. These activities not only enhance employees' safety awareness, but also strengthen team cohesion and create a safe and harmonious working environment. Through these efforts, we have jointly built a safer workplace.

Furthermore, we actively participate in external seminars and conferences to maintain close communication and exchange with the industry. In 2024, we participated in the annual meeting of pharmaceutical industry management, activities organized by the China Laboratory Primate Breeding and Development Association and Guangdong Association for Laboratory Animal Science, Shangyu Hazardous Chemicals Safety and Technology Association, and Chemical Safety Association of Zhejiang Province, the Supplier Conference, the annual meeting of pharmaceutical enterprises in Wuhan, the annual meeting of China Association of Pharmacy, and the annual meeting of China Chemical Industry Association, among other activities.

Quality Service

Quality service is the cornerstone of Pharmaron's sustainable and efficient development. We always maintain a sincere service attitude, put clients first, and promptly meet client needs. We address client complaints efficiently and in compliance with standards, fully safeguard clients' rights and interests, and enhance client experience and satisfaction.

Client Communication and Feedback

Pharmaron proactively listens to clients' voices to meet their expectations and needs with more efficient and high-quality services. We continuously revise the *Standard Operating Procedures for Customer Complaints* to comprehensively standardize the process for handling client complaints and clearly define the classification and grading standards for complaints. We make every effort to provide clients with professional, personalized, and systematic services to the fullest extent.

To ensure timely and effective responses to client feedback and suggestions, Pharmaron has implemented an efficient, seamless, and diverse feedback and follow-up mechanism. We provide contact details of the production site on the Certificate of Analysis (COA) and outer packaging of each product to facilitate clients' feedback and tracking.

Upon receiving complaints from domestic and international clients, Pharmaron strictly follows the *Standard Operating Procedures for Customer Complaints* to conduct in-depth investigations into the cause of the complaints and take corresponding measures. We maintain continuous communication with clients and actively organize follow-up visits to ensure a seamless client experience throughout the process. In addition, we have developed systematic and efficient corrective and preventive measures to minimize the occurrence of complaints. During the reporting period, Pharmaron received a total of 15 minor complaints both domestically and internationally. In response to the client complaint received, the Quality Assurance Department conducted an investigation and provided timely responses to the clients, after which we received positive feedback from the clients.

Complaint Handling Process

Moreover, client recognition serves as a pivotal driver for ensuring the smooth operation of our business. At Pharmaron, we place additional emphasis on ensuring client satisfaction with our services. We continuously monitor client satisfaction on a daily basis, communicate with clients promptly and provide prompt feedback to their requests. This helps ensure that all clients are satisfied with the services we provide before they settle the final payment of the contract. During the reporting period, we received several recognitions, acknowledgments, and awards from our clients and partners, and were given the Excellent Supplier Award by our clients.

Excellent Supplier Award

Product Recall

Pharmaron has established a sound product recall management mechanism. We continuously revise internal procedures such as the *Standard Operating Procedures for Product Recall* and the *Management Procedures for Non-conforming Products.* Additionally, we have set up a recall team to systematically manage the entire lifecycle of recall procedures, including investigation and assessment, application and approval, recall implementation, collection of recalled products, follow-up on recall progress, corrective and preventive measures, disposal of recalled products, as well as inspection and summary of recall effectiveness. We also keep communication channels with clients open throughout the recall process to ensure timely responses to client concerns.

Product Recall Process

When a product quality issue arises, the product holder makes a decision to recall it.

The product holder and Pharmaron jointly determine the recall level, then form a recall team, and develop and initiate the recall plan.

Further efforts are made to thoroughly investigate the reasons for the recall, formulate preventive measures, evaluate the impact of the product quality issue, and process recalled products accordingly.

Finally, a recall report is generated and the recall incident is filed and closed.

We conduct product recall emergency drills at least once every three years to ensure the effective operation of mock recall plans and the product recall system. In 2024, we organized one mock recall respectively at Pharmaron Beijing and Pharmaron Tianjin, and there were zero real product recall incidents. During the reporting period, Pharmaron registered no non-compliance events related to product quality, health, and safety.

04 Growing Together with Talent

Upholding the philosophy of "Employees First", Pharmaron regards employees as a core driver for sustainable development. Aiming to create a diverse and sustainable work environment, we continuously enhance our employee recruitment and employment system, strengthen human resources management strategies, and offer various training programs to grow together with our employees. Additionally, we highlight employee care, improve communication mechanisms and benefit systems, prioritize the physical and mental health of our employees, actively enhance our occupational health and safety management, and foster a caring corporate culture for all employees.

- Employment and Development
- Communication and Care
- Health and Safety

Employment and Development

Pharmaron actively protects and safeguards the legitimate rights and interests of our employees, while valuing and respecting the contributions of our employees. Aligned with our talent strategy, we have established a systematic and efficient human resource management system, providing channels for employee development and promotion, and continuously improving our employee training system. Through these efforts, we strive to create a workplace with abundant opportunities, respect, and support for our employees.

Compliant Employment

Pharmaron strictly adheres to the relevant laws and regulations of the jurisdictions where we operate, including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Employment Rights Act 1996* of the UK, and the *Pay Transparency Non-discrimination Provision* of the US. We have formulated the *Pharmaron Code of Conduct*, which clearly outlines behavioral standards related to employment such as voluntary employment, the prohibition of child labor and forced labor, respect for human rights, and labor protection. Additionally, we have set up a series of policies and systems, such as the *Employee Handbook*, recruitment policies, and operational procedures, in compliance with the laws and regulations of our operating locations. These policies apply to all employees, including full-time, part-time, and flexible employment positions, ensuring that our employment practices remain open, fair, and equitable. Moreover, we have developed the *Code of Conduct for Business Partners*, aiming to share the same standards with our supply chain partners.

Equal and Voluntary Employment

To ensure that all candidates have equal access to career development opportunities, we clearly define employment requirements for each position. Our job postings provide detailed and accurate descriptions of job responsibilities and qualifications, ensuring transparency and information parity. Each posting includes key details such as job duties, required skills, experience, and educational background, allowing candidates to understand the position and assess their suitability for the role and determine whether it meets their expectations.

We are committed to maintaining a fair and transparent recruitment process, strictly adhering to principles of fairness and voluntary participation. During interviews, we provide candidates with comprehensive information about the role, relevant policies, and management regulations, particularly regarding working hours, wages, and benefits. We firmly oppose any form of coercion or deception to recruit employees, always uphold the principles of fairness and voluntary participation, and fully respect the will and choice of candidates.

Furthermore, we employ a scientific approach to talent selection. Our recruitment process integrates intelligent and digital tools at the resume screening stage to conduct a comprehensive assessment of candidates based on their educational background, professional skills, and innovation capabilities rather than age or gender. This scientific evaluation method ensures that all applicants receive a fair assessment based on their actual abilities and potential, effectively preventing age or gender discrimination. Through these measures, we improve the efficiency and accuracy of recruitment, and further promote equal employment.

Prohibition of Child Labor and Forced Labor

We firmly prohibit child labor and oppose forced labor, and do not engage in, support, or condone any form of slavery or human trafficking. We fully comply with relevant regulations to ensure the protection of employees' rights.

Pharmaron complies with relevant laws and regulations in operating sites, including the *Labor Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Minors*, the *Children (Protection at Work) Regulations 1998* of the UK, the *Children Act 2004* of the UK, and the *National Labor Relations Act* of the US. We have formulated internal policies such as the *Employee Handbook* and the *Child Labor Risk Control and Rescue System* and established clear guidelines through the *Pharmaron Code of Conduct* to prevent child labor, forced labor, and similar practices within the Company. Through rigorous recruitment screening and document verification, we ensure that applicants meet the legal employment age and company employment standards and prohibit individuals below the legal working age from applying through the online application system. If any case of child labor or forced labor is discovered, we will immediately terminate the employment contract and report it to the relevant authorities. If a minor under 16 years old is erroneously employed, we will immediately disburse all owed wages, arrange for the child to be sent back to their place of residence, and ensure they are handed over to their parents, guardians, or government-designated rescue stations. The cost of escorting the child back to their original residence will be borne by the Company.

During the reporting period, Pharmaron had zero incidents related to the employment of child labor or forced labor. 6 labor dispute cases were resolved in 2024, mainly related to bonuses, remuneration distribution and termination of employment. All cases have been either handled in accordance with the judgments or rulings, or no actions required. There were no incidents related to recruitment and termination of employees, remuneration, working hours and holidays, promotion, and equal opportunity, harassment, anti-discrimination and diversity, or other violations of labor standards and related laws.

Respect for Human Rights and Labor Protection

Pharmaron strictly adheres to the principles outlined in the *United Nations Universal Declaration of Human Rights* and related covenants, ensuring the human rights of all employees are respected and safeguarded. The Company has formulated comprehensive policies including the *Employee Handbook,* the *Pharmaron Code of Conduct* and so forth, which apply to the entire group and cover human rights and labor standards. We also safeguard the freedom of association, collective bargaining, workplace safety, and other labor rights. We strictly prohibit any use of violence to restrict employees' personal freedom and oppose any form of discrimination on the grounds of gender, ethnicity, region, religion, sexual orientation, and other aspects. The Company maintains a "zero tolerance" policy toward harassment on any occasion and in any form.

Pharmaron explicitly stipulates in the "Labor and Human Rights Management System" of the *Employee Handbook* that it respects employees' rights to freedom of association and collective bargaining and actively supports employees in exercising these rights. During the reporting period, 74% of employees signed the collective bargaining agreement. We implement a system of equal pay for equal work regardless of gender, regularly monitoring and analyzing gender pay disparity indicators (for details about gender pay equality, please refer to Section 4.2 on Communication and Care in this report). Male and female employees enjoy equal benefits and opportunities for work and promotion. During this year, the labor union held an employees' representative meeting, which successfully reviewed and approved the revision of the *Employee Handbook*.

In addition, we have established comprehensive employment and management policies for non-traditional employment, such as interns, part-time employees, and contract employees. We have also formulated various policies such as the *Intern Management Policy* to regulate the entire process including contract signing, rights protection, skills training, and development, ensuring the compliance of employment management.

Over the past three years, including the reporting period, Pharmaron has not experienced any major layoffs.

We continuously monitor and assess human rights issues. To ensure that human rights are fully respected and protected across operations, Pharmaron engaged third-party experts to conduct human rights due diligence and assessment across the entire group. These evaluations cover areas including forced labor, child labor, recruitment and staff turnover, health and safety, freedom of association, collective bargaining rights, grievance mechanisms, diversity, discrimination, wages, and benefits. The Company has established an internal risk assessment mechanism for human rights and conducts effective monitoring and corrective actions. We conduct a human rights assessment every two years. Our assessment scope includes Pharmaron, its subsidiaries, and contractors, with third-party assessments extending to local communities, indigenous peoples, and migrant workers. For identified and assessed human rights-related risks, we actively implement corrective actions to address human rights risks across the Company. In 2024, a 100% coverage human rights assessment was conducted across the entire group. The assessment concluded that the risk is low and controllable, with full coverage of risk mitigation and remediation implementation.

Compliance in Supply Chain Employment

Pharmaron is committed to human rights protection globally. We have established the *Pharmaron Code of Conduct* and the *Code of Conduct for Business Partners*, and we regularly update our *Modern Slavery Act Statement* in compliance with UK regulations. These policies set clear requirements for all suppliers and business partners, explicitly prohibiting child labor, forced labor, discrimination, harassment, and any form of human trafficking or modern slavery. We also ensure that workers within our supply chain enjoy fair working conditions, equal pay, a minimum living wage, privacy rights, freedom of association, and collective bargaining rights.

We advance responsible practices in human rights, ethics, and labor standards throughout our supply chain. Through our Supplier Management Program, we monitor critical risks within our supply chain. We have also established a human rights risk assessment system, conducting evaluations and ongoing monitoring for contractors, Tier 1 suppliers, and joint ventures. Additionally, third-party consultants conduct supply chain risk assessments based on the *PSCI Responsible Supply Chain Management Principles*. These assessments focus on key areas such as ethics, management systems, human rights and labor, environment, health, and safety, comprehensively controlling human rights and labor-related risks in our value chain activities and new business relationships[55].

Human Resources Strategy

Pharmaron highly values the comprehensive development of employees. We have established a sound management framework and a comprehensive human resources strategy to uphold the "Employees First" talent philosophy. In 2024, Pharmaron had a global workforce of 21,370 employees, with female accounting for 55.14% of the workforce. The human capital return on investment (HCROI) stood at 137.60%[56]. (For details about employee diversity, please refer to Section 1.3 Diversity Development in this report.)

Pharmaron Employee Composition in 2024

Indicator		Unit	2024
Total number of employees[57]		person	21,370
Employees by gender	Male	person	9,587
	Female	person	11,783
Employees by employment type	Full-time employees[58]	person	21,370
	Employees in other forms of employment[59]	person	687
Employees by age groups[60]	30 (inclusive) and below	person	14,294
	31-50 (inclusive)	person	6,525
	51 and above	person	551

[55] New business relationships include mergers, acquisitions, and joint ventures, etc.

[56] The return on human capital investment = (Total revenue – (Operating expenses – Employee related expenses))/Employee related expenses in the financial year; Employee related expenses include wages and benefits; Unit: RMB.

[57] Pharmaron's total number of employees refer to all full-time staff, with no part-time, temporary, or flexible workers.

[58] The number of full-time employees is in line with the 2024 Annual Report.

[59] Employees in other forms of employment include interns, part-time employees, and dispatched employees, not counted in the total number of employees.

[60] In 2024, we optimized the data collection system for overseas sites, enhancing data quality and accuracy. Therefore, the number of employees aged 51 and above has increased compared to 2023.

Indicator		Unit	2024
Employees by education	Bachelor and below	person	14,376
	Master	person	5,961
	Doctor and above	person	1,033
Employees by region	China (including Hong Kong, Macau, and Taiwan)	person	19,686
	UK	person	981
	US and other regions	person	703

Pharmaron continuously optimizes the human resources management structure, thereby improving the efficiency of human resources management. We established a "Three-Pillar" model consisting of the Center of Expertise (COE), the Human Resources Business Partners (HRBP), and the Shared Services Center (SSC), integrating human resources management across all organizational levels, departments, and regions within the Company. This model enables resource sharing and creates an efficient, flexible and competitive human resources management system.

Pharmaron has formulated a talent strategy and implemented it across the entire group. This strategy encompasses seven key areas to promote the development of individual career development in line with the Company's strategies. Additionally, we prepared the *People Strategy Implementation Roadmap* and the *People Strategy Newsletter Special Edition* to ensure more efficient management of our workforce, optimize human resource allocation and enhance employees' job satisfaction and performance.

Seven Pillars of Pharmaron's Talent Strategies

Communication	Ensure a consistent internal communication experience for all employees, keep them informed of business and personnel updates in a timely manner, and maintain information flow and engagement.
Vision and Values	Provide experience for employees to understand and align with Pharmaron's vision, values, and employee value propositions.
Health and Well-being	Offer a variety of health and well-being activities for employees, along with support from Mental Health First Aiders, and care for employees' physical and mental health.
Diversity and Inclusivity	Educate employees on the significance of diversity at Pharmaron and foster an inclusive workplace and corporate culture.
Reward and Recognition	Establish clear, transparent, and fair reward and recognition criteria and methods to reinforce a high-performance culture.
Learning and Development	Create a progressive and equitable learning and development structure, cultivate a high-performance culture, and enable employees to realize their potential.
Leadership Development	Offer learning opportunities to managers and enhance their leadership and management skills for effectively leading teams to achieve goals.

Under the unified guidance of the Group's human resources management system and talent strategy, each site continuously updates the human resources management policies based on local conditions and specific needs. In 2024, the Group revised and updated the *Employee Handbook*, while Pharmaron UK introduced updates to employee benefits policies, including family leave, parental leave, maternity leave, flexible working arrangements, as well as employee medical insurance and health support programs. These system update actions not only align with the latest local labor regulations but also further enhance employees' work-life balance.

We continuously develop a sound promotion pathway and standards for employees and conduct annual performance evaluations for all employees. We have implemented policies such as the *Performance Evaluation Regulations*, which are performance-oriented and guided by values of integrity, honesty, reliability and diligence across all sites. We place a special emphasis on assessing leadership abilities, understanding employees' performance and potential, and fairly evaluating employee performance. Moreover, we have piloted a refined "Succession Plan" at Pharmaron UK and Pharmaron US, identifying high-potential employees and nurturing future leaders of the Company. Through these measures, we ensure the stable development and long-term progress of the Company.

Identification of key positions

- Business leaders identify key positions within their respective businesses that significantly contribute to the Company's success.

Talent assessment

- Business leaders assess their respective businesses to identify high-potential employees capable of assuming these key positions in the future.

Development program

- Upon identifying high-potential employees, business leaders collaborate with HR to design tailored development programs, including mentoring, coaching, training, job rotations, and leadership development activities, enabling individuals to enhance their skills and readiness for key positions.

Performance evaluations and support

- Department heads will conduct regular performance evaluations and discussions with identified high-potential employees to ensure that their work is aligned with the Company's goals, values, and strategic direction, and provide feedback, training, and assistance to support their continued development.

Monitoring and adjustments

- Department heads regularly monitor the effectiveness of the "Succession Plan" and make adjustments based on business needs and market changes to support Pharmaron's rapid business growth.

"Succession Plan" Procedures

Talent Attraction and Development

We place great emphasis on talent attraction and development, actively building a talent resource pool, continuously refining our recruitment processes, and deepening collaborations between academic and industry to expand diverse recruitment channels. At every stage of employees' career development, we offer specialized training programs, supplemented by succession planning and performance evaluation systems, fostering a positive environment for mutual growth between the Company and its employees. This comprehensive talent strategy provides a solid foundation for the Company's innovation and development.

Talent Attraction

We continuously expand our talent pool through diverse recruitment channels, including intern-to-full-time conversions, campus recruitment, social recruitment, internal transfers, and post-retirement reemployment. To enhance recruitment effects, we have implemented a full e-recruiting process. Through digital HR dashboards, we have enlarged the talent pool. Automated resume screening ensures a fair and impartial selection of the most suitable candidates. We flexibly adopt telephone and video interviews to overcome regional and timezone barriers and attract outstanding talents from around the world. In 2024, we recruited 4,122 outstanding talents globally through various channels, with an average recruitment cost of RMB3,233 per hire.

We actively cooperate with enterprises and universities to promote academic exchanges and technological innovation as well as provide broader development and practical opportunities for faculty and students. In 2024, Pharmaron participated in 132 large-scale job fairs, 35 promotional events and conducted one-on-one visits with 40 universities in China. On campus, we offer personalized career guidance to help students better understand the biopharmaceutical industry and enhance their competitiveness. Additionally, we invite faculty and students from universities across the country to visit Pharmaron's key sites for on-site exchanges and to experience our workplace culture.

To attract overseas talent, we conducted our first on-site visits to five prestigious universities in Hong Kong, namely The University of Hong Kong, City University of Hong Kong, Hong Kong Baptist University, The Chinese University of Hong Kong, and The Hong Kong Polytechnic University, in 2024, participating in recruitment events and engaging with students and career advisors to identify top-tier talent. During this year, we also participated in job fairs at 36 overseas universities, and held a dedicated recruitment session, reaching approximately 7,000 participants with over 10,000 resumes having received.

We value diverse perspectives and experiences. We explicitly prohibit discrimination based on nationality or age during recruitment. For candidates beyond the statutory retirement age, we offer flexible cooperation models such as consultancy agreements. Among the newly hired management-level employees in 2024, seven were over 55 years old, with the oldest joining at the age of 63. Additionally, we hired nine foreign nationals in 2024, with nationalities including the United States, Belgium, and Canada.

Case: Pharmaron hosts the second University-Enterprise Cooperation Conference "Gathering Talent at Pharmaron"

In July 2024, Pharmaron held the second University-Enterprise Cooperation Conference themed "Gathering Talent at Pharmaron" in Pharmaron Ningbo, inviting 20 faculty members and 69 students from 27 universities. To strengthen long-term cooperation with universities and attract outstanding talent, we established graduate employment bases in collaboration with 10 of these universities.

Furthermore, the event provided an opportunity for teachers and students to gain an in-depth understanding of Pharmaron. The invited teachers and students not only toured the Company's daily work environment and living facilities but also participated in a special session where alumni shared insights on chemistry and biology. They further experienced Pharmaron's work environment and the corporate culture. Through deep collaboration with universities, we actively explored new opportunities for industry-university-research cooperation, grew together with talent, and facilitated the coordinated development of industry, education, and research. Our efforts injected new vitality into the industry.

Case: Pharmaron Talent Fair

In 2024, we organized the "Pharmaron Talent Fair" series across Pharmaron Beijing, Pharmaron Ningbo, Pharmaron Tianjin, and Pharmaron Xi'an, targeting employees. This initiative aimed to introduce Pharmaron's talent policies in detail, encourage internal referrals, and promote corporate culture through the "Kangzai" mascot. Through a series of engaging and educational activities, the event enhanced employees' understanding and support of the Company's talent policies, strengthened their sense of identity and belonging, and encouraged them to recommend outstanding talent for developing Pharmaron together.

Pharmaron Talent Fair

Talent Training and Development

Pharmaron has formulated a *Learning and Development Policy* along with other internal training policies to build a systematic and diversified employee training mechanism. We focus on the entire career lifecycle of our employees, develop tailored training programs, and carry out talent training and talent ladder construction simultaneously. With annual training management targets and work plans in place, we ensure that every employee has fair, transparent, and diversified opportunities for development and growth. In 2024, Pharmaron invested a total of RMB10.28 million[61] in employee training, with an average investment of RMB505.19 per trainee.

Pharmaron Employee Composition in 2024 (by Job Position)

Indicator	Unit	2024
Total employees	person	21,370
Senior managers (including executive directors)	person	88
Middle-level managers	person	4,547
Non-management employees	person	16,735

[61] Among these, training investments in China amounted to RMB6.15 million, while overseas investments totaled RMB4.13 million. By training type, RMB150,000 was allocated to new employee training and internal trainer activities, RMB3.2 million to leadership training programs, RMB320,000 to Pharmaron Academy trainee training, RMB2.65 million to employee development programs, RMB1.08 million to executive EMBA programs, and RMB2.88 million to other business training programs.

We provide dedicated training for employees at each stage of their career development, supported by performance evaluations and the "Succession Plan" at Pharmaron UK and Pharmaron US to ensure continuous employee growth and development.

Interns

- Intern management policy: We implement a unified intern management policy across the Group, designed to help students acquire professional skills and workplace competencies, providing a high-quality internship experience that attracts young talent to join Pharmaron. Business units are closely monitored to ensure that interns' responsibilities align with job descriptions. Compensation is structured based on interns' locations and academic backgrounds to ensure fairness.
- Mentorship Program: In 2024, 292 interns participated in the Mentorship Program, covering 61% of all interns. Each participating intern was assigned a mentor responsible for teaching workflow processes, enhancing professional skills, explaining laboratory safety guidelines, and ensuring proper equipment operation. Mentors also conducted regular evaluations, provided guidance on thesis writing, and helped interns integrate into the work environment and achieve growth.

New employees

- Buddy Program: We have established a personal growth mentorship initiative, known as the Buddy Program, which provides employees with abundant learning resources to enhance their work skills and ensure they can better integrate into the Company culture.
- Onboarding Training: To help new employees quickly adapt to their roles and understand corporate policies, Pharmaron has implemented a comprehensive onboarding training program. The training covers human resources, IT systems, company policies, environmental health and safety, and other essential topics. This ensures that new hires receive the necessary support to integrate seamlessly and contribute effectively to the Company.

Junior management

- Talent Training Program: Employees promoted from general staff to junior management participate in the Talent Training Program, which fosters a task-oriented mindset, focuses on performance improvement, and helps them transition from individual contributors to managerial roles. A total of seven sessions of the Talent Training Program were conducted, covering nearly 1,500 participants with a total duration of over 20,000 hours.
- Elite Talent Program: Following the Talent Training Program, managers receive Elite Talent Program training designed to translate objectives into execution, cultivate a high-performance culture, and develop talent management skills. This intensive program includes 8-hour training sessions, with 11 sessions held in 2024, covering around 500 participants.

Middle-level management

- Leadership Program: This program is tailored for middle management to support team development, nurture organizational talent, and drive transformation. In 2024, Pharmaron conducted 75 training sessions under this program. Notably, we organized 20 leadership-focused sessions for nearly 60 members of the Analytical and Synthesis teams, with a total duration exceeding 2,625 hours. The CDMO team conducted approximately 13 Leadership Training sessions, totaling around 1,700 hours. Additionally, about 42 advanced and intensive training sessions were held, with a duration of around 1,300 hours. These training programs equip them to better navigate future challenges and opportunities. Courses include: Effective Team Communication, Situational Leadership, Coaching and Delegation, Change Management, and Persuasive Presentations. This holistic training approach develops leadership capabilities from self-management to leading others.

Senior management

- MBA/EMBA: Pharmaron supports China-Europe International Business School (CEIBS) MBA and EMBA programs for senior management, equipping them with strategic thinking skills to drive business growth.

In summary, at the group level in 2024, Pharmaron conducted a total of 36,671 hours of leadership training, with an average training duration of 11.5 hours per person across 112 training sessions. Leadership training coverage across all levels exceeded 68%, with the Leadership Program covering 48% of middle-level management, the Elite Talent Program covering 66% of junior and middle-level managers, and the Talent Training Program covering 68% of junior managers, with a total of 4,121 participants.

Pharmaron Training Statistics in 2024

Indicator	Unit	2024
Total number of employee training sessions	session	20,014
Total number of employees trained	person	20,351
Total number of employee training hours	hour	938,723.97
Percentage of employees trained	%	95.23
Average training hours per employee	hour/person	43.93
Percentage of female employees trained	%	95.76
Average training hours per female employee	hour/person	46.04
Percentage of male employees trained	%	94.59
Average training hours per male employee	hour/person	41.33
Percentage of senior managers trained	%	100
Average training hours per senior manager	hour/person	37.26
Percentage of middle-level managers trained	%	92.83
Average training hours per middle-level manager	hour/person	46.58
Percentage of non-management employees trained	%	95.86
Average training hours per non-management employee	hour/person	43.24

Case: Pharmaron Clinical offers comprehensive skills training

Pharmaron Clinical developed an "Employee Training Program" tailored to the needs of various positions and conducted onboarding training, core skills training, and soft skills training, catering to all personnel directly involved in Pharmaron Clinical's operations. Core skills training covers the ICH GCP/GCP, GVP, GLP, applicable regulations, and position-specific SOP learning, along with skill training required for the job roles. Jointly developed by various departments, soft skills training focuses on improving employees' communication skills, time management, and technical skill enhancement. Departments can select courses based on employees' development plans, thus significantly enhancing work efficiency.

In 2024, Pharmaron Clinical started the building of a universal learning platform across the sites, offering a diverse range of online general skills courses to support employee development. The platform is expected to launch in 2025, benefiting all 3,803 formal employees of Pharmaron Clinical.

To further enhance employees' capabilities and adaptability in a rapidly evolving work environment, Pharmaron actively supports employees in pursuing official degree certifications from external educational institutions. Additionally, the Company fully funds employees' participation in national intermediate and senior professional title evaluations, cultivating well-rounded management and technical talent.

Communication and Care

Pharmaron continuously enhances its compensation and benefits system. We actively protect the rights and interests of all employees while fostering smooth communication channels to solicit employee feedback. This approach allows for the ongoing improvement of employee welfare and effectively safeguards employees' happiness and a sense of belonging.

Compensation System

Pharmaron strictly abides by applicable laws and regulations in the locations where employees are based, including the *Labor Law of the People's Republic of China,* the *Labor Contract Law of the People's Republic of China,* the *Social Insurance Law of the People's Republic of China,* the *Interim Provisions on Wage Payment,* the *Regulation on Paid Annual Leave for Employees,* and the *Fair Labor Standards Act* of the US.

The fixed salary and grade of employees are determined appropriately according to their position, ability, value and other indicators. The compensation plan for the Company's directors is reviewed and approved annually through a shareholder meeting vote. Pharmaron upholds the principle of equal pay for equal work and regularly conducts gender pay gap analyses, monitoring data on an ongoing basis. Based on the analysis results, necessary actions, special audits, and investigations are undertaken to ensure timely corrections and adjustments. The Company continuously discloses relevant indicators, enhancing the transparency of promotion and compensation decisions, and fostering workplace diversity and equality. In 2024, Pharmaron conducted a global gender pay data analysis.

Gender Pay Equity at Pharmaron in 2024

Indicator	Average Salary Gap[62]	Median Salary Gap[63]
Total employees	-4.32%	-6.89%
Senior management and above-level employees	9.01%	-2.99%
Middle-level managers	-5.92%	-4.97%
Non-management employees	-0.81%	3.66%

Gender Bonus Equity at Pharmaron in 2024

Indicator	Average Bonus Gap[64]	Median Bonus Gap[65]
Total employees	-7.79%	-10.47%
Senior management and above-level employees	79.10%	40.00%
Middle-level managers	-8.75%	-9.68%
Non-management employees	-5.02%	-2.10%

[62] (Female Employees' Average Salary – Male Employees' Average Salary)/Male Employees' Average Salary.

[63] (Female Employees' Median Salary – Male Employee' Median Salary)/Male Employees' Median Salary.

[64] (Female Employee' Average Bonus – Male Employees' Average Bonus)/Male Employees' Average Bonus.

[65] (Female Employee' Median Bonus – Male Employee' Median Bonus)/Male Employees' Median Bonus.

The Company has established the *Performance Management and Evaluation System*, which assesses employees' job performance through an annual Balanced Scorecard (BSC)[66] to provide a multidimensional performance evaluation, and utilizes the evaluation system for performance management. Meanwhile, the employee performance evaluation system incorporates assessments related to compliance and the *Pharmaron Code of Conduct*, and business managers are encouraged to establish integrity-related indicators in performance evaluations. We have also implemented an appeal mechanism for performance feedback, allowing employees to raise feedback regarding their performance assessments, which are reviewed and addressed accordingly. Additionally, we have incorporated ESG-related incentives and performance evaluations in ESG-related areas such as health and safety and commercial compliance for all employees, serving as a reference for promotions and compensation decisions.

The Company has designed an equity incentive plan for all employees, including an Employee Stock Award Plan and a Stock Bonus Plan, with tailored incentive measures based on different employee levels, which are adjusted and optimized annually. Our incentive measures include monthly, quarterly, and annual bonuses based on both team and individual performance, employee stock options, and other benefits. The remuneration is adjusted in view of price index fluctuations, the data of pay surveys of the market and industry, and employees' work performance. Pharmaron has constantly improved the formulation, promotion, and implementation of the equity incentive program to establish and perfect a long-term incentive mechanism. By doing this, we attract and retain talent and motivate backbone staff. Aligning the interests of shareholders, the Company, and core team members, we foster a shared focus on long-term corporate development and yield positive outcomes.

Employee Welfare

Fully considering employees' needs and values, Pharmaron has formulated a diverse range of benefits, including welfare allowances, accommodation support, and housing loan support. Additionally, we provide employees with medical, accident, travel, and other insurance coverage to fully meet their diverse needs. In 2024, the social insurance coverage rate for employees[67] reached 100%.

We also emphasize the welfare of departing or retiring employees. To facilitate a smooth transition into retirement, Pharmaron offers a range of consultation services such as retirement procedures and pension applications. For those leaving due to negotiated resignation or non-renewal of labor contracts, we provide economic compensation in compliance with relevant regulations and support departing employees with references for reemployment opportunities.

Pharmaron Employee Welfare Measures

Livelihood Support

- Provide clean dining environments and meal subsidies for employees;
- Provide social insurance and housing provident fund;
- Launch parking subsidies to employees and install facilities such as electric vehicle charging piles;
- Organize charity donation activities for employees in need;
- Offer accommodation to employees and free transitional housing;
- Make shuttle services available for employees who need to commute;
- Assist employees with their children's education enrollment and provide educational support;
- Provide housing subsidies for employees with doctor's degrees.

[66] BSC, Balanced scorecard is a performance evaluation tool used to assess and improve performance across multiple dimensions.

[67] Employees within the mainland of China are covered.

Pharmaron Employee Welfare Measures — Personal Development

- Assist employees in applying for various talent programs, such as the recognition of outstanding doctoral talents and top-notch experts;
- Offer subsidies for master's and doctoral degree programs, rewards for international industry certifications, skills subsidies for high-demand occupations, and living allowances for postgraduate students;
- Establish awards such as the "Chemistry Star Award" and "New Practice Award" to encourage employee innovation;
- Implement safety allowances, rewards for star-level laboratories, and other initiatives to raise employees' awareness of safety;
- Offer talent referral bonuses to incentivize employees to contribute to talent acquisition.

Pharmaron Employee Welfare Measures — Physical and Mental Health

- Organize free annual health check-ups for employees;
- Launch a psychological assistance program that offers professional counseling, training, and consultation services to employees and their immediate family members, helping them address psychological and behavioral issues while enhancing personal and organizational performance;
- Provide high standard healthcare services and appointment-based medical consultations;
- Set aside baby care rooms to create a more private space for female employees during the breastfeeding period.

Baby Care Room

Pharmaron Employee Welfare Measures | **Work-life Balance**

- Provide gifts for newly married employees and those with expecting babies;
- Establish a reasonable leave system that strictly follows national legal standards, offer paid paternity leave, maternity leave, parental leave, breastfeeding leave, bereavement leave, sick leave, etc. and pay social insurance and housing provident fund for employees during personal leave requested for individual reasons to fully safeguard employees' rights to rest;
- In 2024, 623 employees took parental leave, with a 100% return-to-work rate;
- Comply with national legal standards and provide maternity allowances for employees;
- Offer home leave and home leave allowances for foreign executives;
- Provide work meals and convenient dining services for employees;
- Establish a flexible schedule for working at home if the work permits;
- Provide housing and allowances for seconded employees;
- Offer flexible part-time work arrangements for employees at Pharmaron UK and Pharmaron US;
- Company gym with exercise facilities;
- Launch the platform Perk Pal for employee benefits and discounts including travel, shopping, entertainment, and dining, as well as other perks such as gym memberships, free software trials, movie tickets, and concert tickets;
- Organize diverse employee engagement activities to enhance workplace experience, foster a sense of belonging, and promote well-being, ensuring that every Pharmaron employee feels valued and cared for.

Gym

Case: International Women's Day activities

In 2024, in order to celebrate the International Women's Day, various Pharmaron sites organized a diverse array of activities to honor and appreciate women. These celebrations went beyond traditional formats, incorporating a variety of engaging elements. From creative DIY workshops to dynamic outdoor games, each event provided employees with opportunities to relax, express themselves, and strengthen workplace friendships. Through these activities, female employees experienced Pharmaron's commitment to their well-being, happiness, and personal growth.

2024 International Women's Day activities

Case: Employee Clubs

In order to further enrich employees' leisure activities and enhance their professional skills, we have established a diverse range of employee clubs, including chess club, basketball club, football club, badminton club, and English club. We also adopt various measures, such as organizing chess or sports leagues, conducting various sports training programs, and inviting foreign instructors for English conversation. These measures aim to comprehensively improve employees' overall quality, enhance relationships among employees, and foster teamwork skills. This initiative provides human resources support for the Company's long-term development and competitiveness.

Case: Pharmaron holds the Qixi Festival event

In 2024, Pharmaron Beijing hosted the "Midsummer Garden Tour, Joy in Pharmaron" Qixi Festival event. Rooted in traditional Chinese culture, the event featured classic cultural games, interactive lucky draws, and themed photo zones. More than a thousand employees enthusiastically participated, creating a lively and joyful atmosphere. Beyond providing an engaging and relaxing entertainment experience, the event also deepened employees' appreciation for and interest in traditional culture, strengthened team cohesion, and further enriched Pharmaron's corporate culture.

Qixi Festival Event

Employee Communication

Pharmaron actively listens to the voices of its employees by establishing various communication channels and encouraging all employees to express their opinions. We have set up employee communication and interaction channels in operating sites worldwide, including telephone and internet platforms, with the aim of ensuring employees' physical and mental well-being through multiple channels. We regularly hold one-on-one meetings with employees to ensure that we fully understand the needs, challenges, and targets of each department. We also provide tailored support, identify and resolve issues, and enhance employee satisfaction. Additionally, we have offered multiple reporting channels to protect employees' rights and interests and ensure the timely correction of improper behaviors. Upon receiving a report, the Company promptly conducts an investigation and provides feedback to the whistleblower as soon as possible. In 2024, no allegations were valid after investigation. For all potential violations, the Company takes strict measures to ensure the safety and protection of the whistleblower.

Pharmaron's employee communication channels

Employee Assistance Program:
400-820-0393/Online reservation platform

Employee Feedback Email:
compliance@pharmaron.com

To foster an open feedback culture, we regularly conduct company-wide employee satisfaction surveys covering various topics related to company development. Based on survey results, we conduct in-depth analysis and implement enhancement measures to improve the overall employee experience and strengthen the Company's competitiveness.

Case: Internal communication plan

In 2024, Pharmaron UK significantly enhanced corporate communication efficiency and employee engagement through a series of innovative initiatives. A core strategy was the establishment of the new employee intranet platform, which was transformed into a hub for cross-regional collaboration and knowledge sharing. The upgraded system enables real-time information exchange and features a variety of newsletters covering health and wellness, learning and development, and engagement activities. Additionally, employee forums were organized to provide employees with up-to-date insights on corporate strategy, progress, and key developments.

Case: Annual employee satisfaction survey

In 2024, we conducted an annual satisfaction survey across the entire group, covering 100% of regular employees. This survey aimed to gain a deeper understanding of employees' perspectives on the Company's culture and management practices. The results showed that employees expressed the highest levels of agreement in areas such as "The Company lives up to its values", "leadership guides teams to achieve goals", and "We can learn from mistakes". This outcome not only reflects employees' recognition of management's strategic execution but also indicates their continued confidence in the Company's organizational empowerment mechanisms. Employees generally felt the efforts and effectiveness of management in promoting the Company's values, fostering team collaboration, and achieving goals. Meanwhile, the survey results revealed employees' high appreciation for the Company's proactive attitude and ability to learn from challenges and mistakes, continuously improving. Based on the survey results, we plan to develop targeted improvement initiatives in 2025, focusing on strengthening existing areas of strength and further enhancing organizational effectiveness.

Health and Safety

Pharmaron consistently cares for the health of its employees by organizing various healthcare activities and occupational health and safety training. These activities aim to help employees maintain their physical and mental well-being, thereby enhancing both work efficiency and life satisfaction.

Care for Employee Health

Pharmaron strictly adheres to the applicable laws and regulations in the locations where it operates, including the *Law of the People's Republic of China on Work Safety*, the *Law of the People's Republic of China on Prevention and Treatment of Occupational Diseases*, the *Health and Safety at Work Act 1974 of the UK*, the *Management of Health and Safety at Work Regulations 1995* of the UK, and the *Occupational Safety and Health Act* of the US. We have established an internal health and safety management system based on the ISO 45001 framework, and developed a series of policies and guidance practices, such as the *Safety Manual*, the *Standard Operating Procedure*, the *Work Instructions,* and the *Emergency Plan.* By doing so, we control and identify health and safety risks and protect the health and safety of employees. In 2024, Pharmaron recorded no major health and safety-related violations. Additionally, Pharmaron Beijing successfully obtained ISO 45001 certification, during which we re-conducted a comprehensive review of relevant documentation. We retain occupational disease reporting, promotional training, and monitoring documents, and have added new documents such as operation manuals, hazard identification procedures, and hazardous material management procedures.

Furthermore, we ensure the prompt update and revision of corporate policies by outsourcing third-party legal inquiry services and hiring external consultants to identify the laws applicable to our work and keep abreast of the updates thereof.

Supporting the physical and mental well-being of employees	• We care for the physical health of employees during orientation, in-service, and dismissal periods and provide physical checkups before, during, and after service. The Company offers physical checkups to all employees. In 2024, a total of 18,062 employees received health check-ups. The health check-up rate for employees was 84.52%. • Each employee's work card at Hoddesdon Site, Pharmaron UK is equipped with a special magnetic code that contains the personal information required for first aiders and medical practitioners to provide more efficient first aid. • Pharmaron UK provides Mental Health First Aiders for employees with difficulties in mental health. • In Pharmaron Xi'an, we collaborated with Xianyang Central Hospital to establish a first-aid station at the entrance of the east gate.
Training promotion	• We offer employee health call center services through which employees can seek advice and guidance on health-related issues at any time. • Mental health emergency response teams are established at all sites of Pharmaron UK to provide psychological counseling services for employees and organize relevant activities.
Purchasing workplace safety liability insurance	• We purchased workplace safety liability insurance for hydrogenation operators, scale-up laboratory employees, hazardous chemicals warehouse managers, and emergency response personnel.
Signing workplace safety responsibility agreements	• In 2024, our employees signed workplace safety responsibility agreements.
Various benefits	• We provide dental insurance, health screening, gym membership, and health assessment services for employees. • During the emergency period, we provide living allowances in addition to the salary to make their life easier.

Case: Pharmaron Beijing continues to promote the "Happy Planet" initiative to care for employee mental health

In 2024, we continued to promote the "Happy Planet" initiative, extending this mental health care initiative from Pharmaron Ningbo to the entire company, aiming to comprehensively enhance employees' mental health and overall well-being. We have established a more robust psychological care system, providing employees and their families with a comprehensive platform for mental, physical, legal, and financial support.

We will continue to organize various activities, combining online and offline methods, to help employees address multiple challenges such as interpersonal relationships, career development, parenting education, mental health, and family and emotional issues. We have launched 16 online micro-courses covering self-exploration, communication skills, and psychological counseling, among others. Additionally, we have repeatedly introduced thematic activities to help employees better explore their relationships with themselves and those around them, fostering communication and understanding.

The comprehensive promotion of the "Happy Planet" initiative not only provided employees with all-round support but also demonstrated Pharmaron's commitment to the well-being of its employees as a responsible company. This initiative will provide a more solid foundation for the long-term development and stability of Pharmaron.

"Happy Planet" Thematic Activities

Protection Against Occupational Hazards

Pharmaron complies with relevant laws and regulations, including the *Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases* and the *Occupational Health and Safety Management System Certification*. We have established internal regulations such as the *Management Procedure for Publicity, Education and Training of Occupational Disease Prevention and Control* to enhance the management system and supervision mechanism for employee health and safety. Routine inspections are conducted to raise employees' awareness of safety and health. In 2024, the overall goal for occupational disease prevention was zero cases of occupational disease incidents.

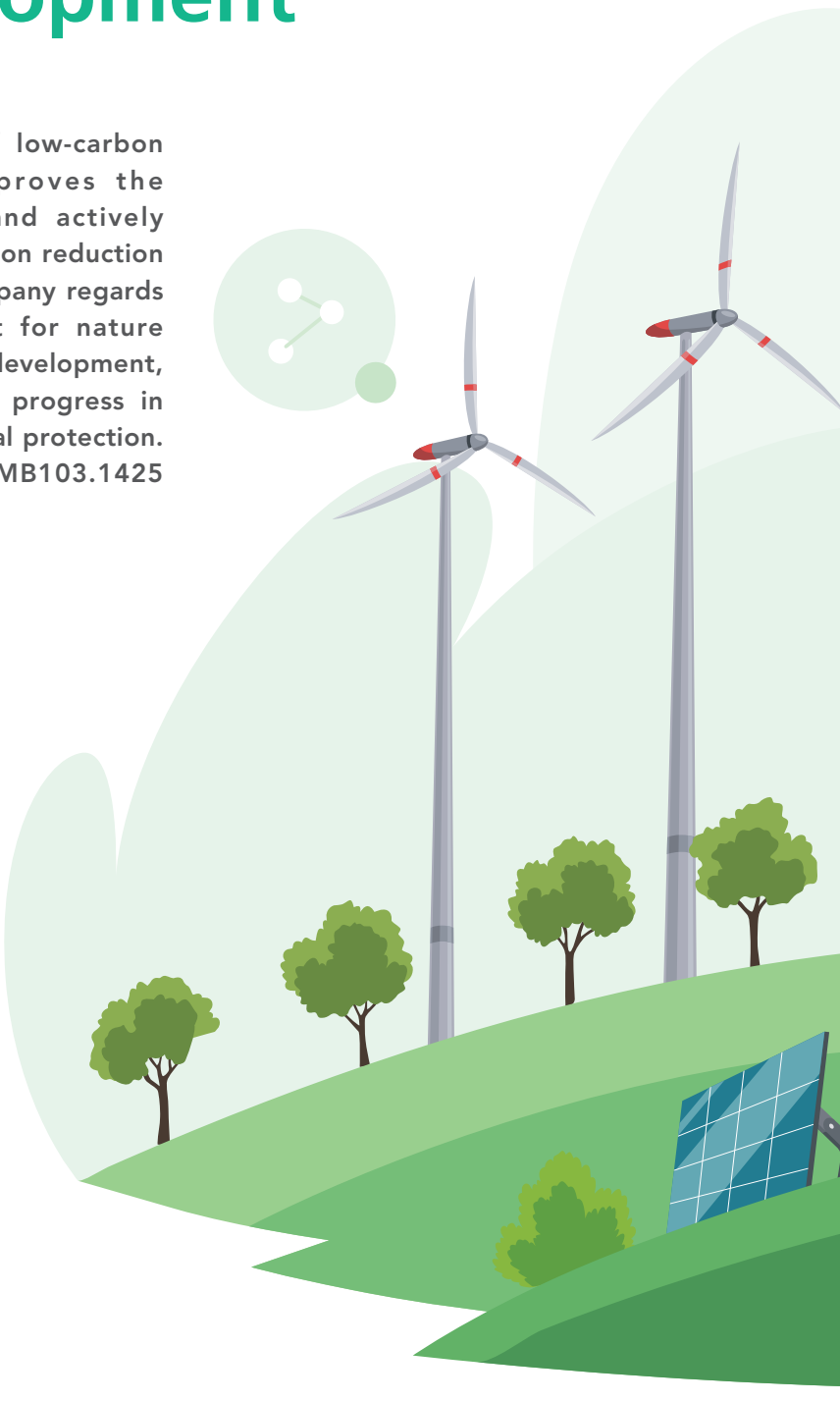
We prevent and control occupational diseases through four dimensions: informing, warning, identification and monitoring, and health tracking, thereby protecting employees' health.

Informing	• We inform the occupational disease hazards that may occur in the process of work and their consequences, as well as the occupational disease hazard prevention and response measures, which shall be clearly stated in the labor contract. Special notifications are provided when labor contracts are signed and when there are changes in job positions and job duties. • We inform the employees through the OA system and onsite EHS announcements and publicize the rules and regulations, operating procedures, and emergency rescue measures for occupational hazards prevention and control, as well as the test and evaluation results of occupational hazards in the workplace.
Warning	• In workplaces with occupational hazards such as dust, radioactive substances and other toxic and harmful substances, appropriate warning labels, warning lines and warning signals shall be set up, and automatic alarm and communication alarm devices shall be installed.
Identification and Monitoring	• The Company has established a daily monitoring plan for occupational hazard factors, identifying and self-monitoring risks while promptly implementing corrective measures. Every year, we entrust third parties to test and evaluate occupational disease hazards in the workplace. • Through periodic reviews of occupational health regulations, technical standards, and compliance evaluations, we assess our occupational health check-up programs and intervals. In 2024, based on evaluation results, we further optimized occupational disease health examination items to cover a broader range of related occupational hazards. The monitoring results for all occupational hazards in the workplace comply with regulatory requirements. • We have established and improved emergency response plans for occupational disease hazards and accidents, and conducted professional reviews of the relevant plans to ensure their operability. • We regularly provide occupational health training for employees to raise their awareness of occupational health and self-protection capabilities.
Health Tracking	• We establish health archives for each employee to record their occupational health conditions, medical examination results, occupational history, and other relevant information. This enables tracking and management of employee well-being. • Personal protective equipment such as masks, protective clothing, and goggles are provided for employees in positions where occupational health risks may exist, in order to minimize exposure to harmful substances.

05 Low-carbon Development

Pharmaron adheres to the concept of low-carbon development, establishes and improves the environmental governance system, and actively promotes energy conservation and emission reduction and low-carbon transformation. The Company regards environmental protection and respect for nature as the foundation for its high-quality development, and is committed to advancing mutual progress in corporate development and environmental protection. In 2024, Pharmaron invested over RMB103.1425 million in environmental protection.

- Addressing Climate Change
- Green Operations
- Pollution Prevention and Mitigation



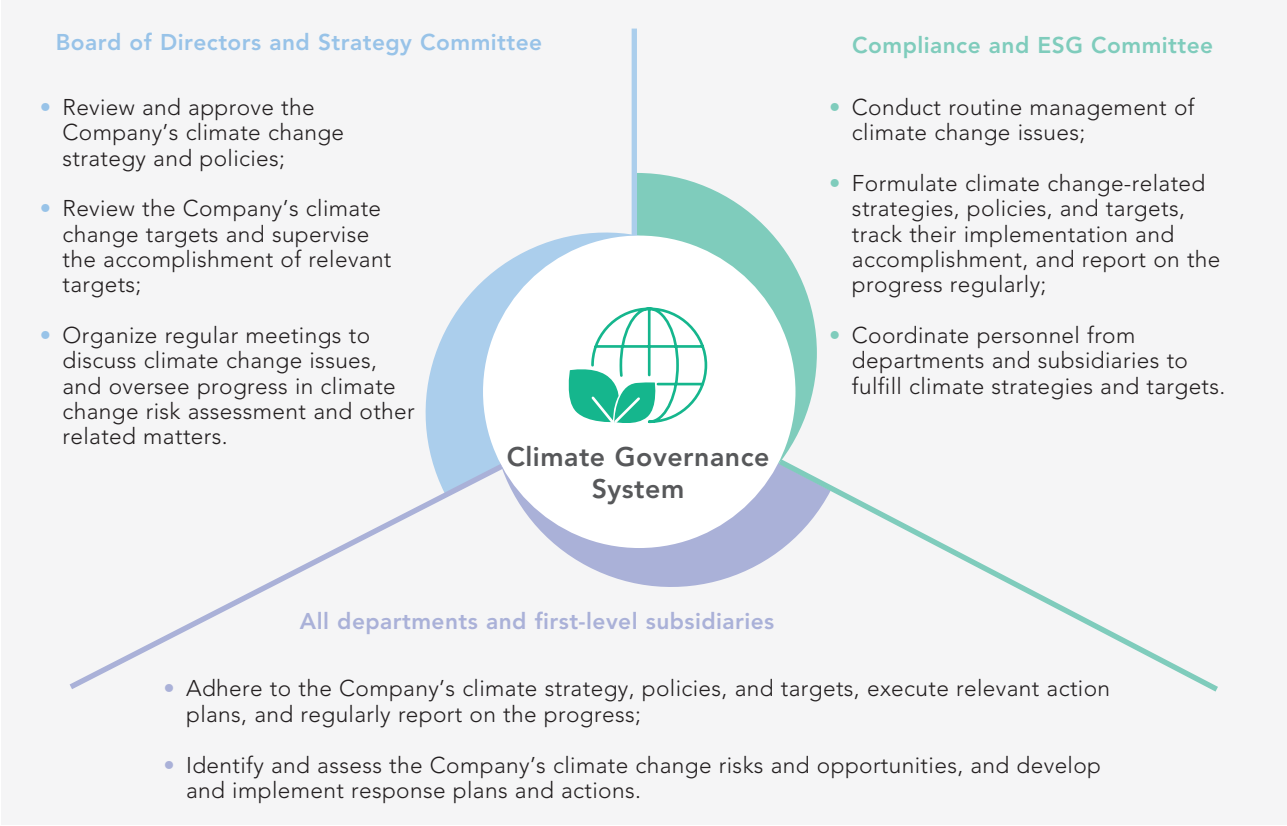
Addressing Climate Change

In November 2024, the 29th session of the Conference of the Parties (COP29)[68] to the United Nations Framework Convention on Climate Change (UNFCCC) was held. The conference outlined the direction of climate action and effectively addressed climate change issues, convening a global consensus on addressing climate change. The conference also emphasized the importance of technology transfer and cooperation to promote the research, development and application of green technologies, thus facilitating low-carbon transition. As a global pharmaceutical R&D enterprise, Pharmaron has kept a close eye on climate change issues and actively responded to the initiatives of the *Paris Agreement*. We continuously strengthen our resilience to climate risks and enhance our capacity to tackle climate change. Through these measures, we contribute to global efforts to address climate change.

Following the Task Force on Climate-related Financial Disclosures (TCFD)'s recommendations, we disclosure our climate change mitigation efforts, risk management system, and response actions in a timely, scientific, and effective manner, structured across the dimensions of governance, strategy, and risk management. The Company continuously explores solutions to climate change issues, aiming to achieve sustainable and low-carbon development through measures such as planning emission-reducing pathways, applying energy-saving and emission-reducing technologies, and utilizing renewable energy sources.

Sustainable Climate Change Governance

The Board of Directors and its committees continuously track climate change-related matters as part of its governance on ESG management. To strengthen the overall design of climate change governance, we have improved the climate governance framework and clarified the responsibilities of climate governance at all levels. These efforts will promote the effective implementation of climate change management within the Company and define the responsibilities of the three-tier climate governance system consisting of "governance level, management level, and execution level", with responsibilities at all levels clearly defined.



[68] COP29, https://www.un.org/climatechange/cop29

Sustainable Development Strategy

The Company actively addresses the risks and challenges posed by climate change and extensively communicates with regulators, investors, and third-party professional institutions, to jointly explore effective pathways for carbon neutrality. Focused on key areas such as climate change risks and greenhouse gas (GHG) emissions, we participate in the Science-Based Targets initiative (SBTi) and proactively disclose our climate change management achievements on platforms including the Carbon Disclosure Project (CDP). These efforts demonstrate our commitment to address climate change and highlight our contributions to mitigate global warming.

Pharmaron signed the *SBTi Commitment Letter* in 2022. We actively assess and monitor our carbon footprint both within the Company and across our value chain. Taking into account our operational characteristics, we have established GHG reduction targets. Pharmaron's near-term and net-zero targets were validated by the SBTi in 2024. To achieve our GHG emission reduction targets, the Company actively identifies and analyzes key emission reduction opportunities applicable to its operations. By considering multiple dimensions, including energy structure, capacity growth trends, emission reduction potential at the site level, and the development of energy management system, we have been applying various energy-saving and emission-reducing technologies to reduce carbon emissions during our operations. Several sites have successfully implemented projects such as efficient refrigeration units, energy recovery from incinerators, heat and steam substitution, and automated temperature settings, resulting in significant emissions reductions. Meanwhile, the Company regularly discloses progress on energy-saving and emission-reducing efforts, steadily advancing its GHG reduction initiatives.

Improving Energy Management System

Pharmaron strictly adheres to the laws and regulations on energy conservation. We have established our energy management system in accordance with the *Energy Management Systems – Requirements with Guidance for Use*. Besides, we have formulated several supporting management systems, including the *Energy Conservation Management System*, the *Environmental Protection Management System*, the *Environmental Protection and Energy Conservation Reward and Punishment System*, and the *Energy Conservation and Environmental Protection Responsibility System.*

To effectively implement energy saving and emission reduction initiatives, the Company has established an Energy Conservation and Emission Reduction Task Force, overseen by the Compliance and ESG Committee at the management level. This task force is composed of site operation leaders, who spearhead energy-saving and emission-reducing efforts within their respective sites. The task force meets monthly to facilitate the sharing of successful case studies and best practices across different sites while monitoring progress toward the Group's emission reduction targets. The task force reports its findings to the Compliance and ESG Committee, and the Compliance and ESG Committee provides regular updates to the Strategic Committee and the Board of Directors. During the reporting period, the task force conducted comprehensive discussions on key issues, including the Company's energy consumption profile, critical emission areas, challenges in energy saving and emission reduction, renewable energy procurement strategies, energy management system upgrades, and industry best practices. Through in-depth analysis, the task force identified priority areas for future energy conservation and emission reduction efforts and promptly deployed corresponding measures across operational sites, laying a solid foundation for the Company's scientific approach to carbon reduction.

Case: Cardiff Site, Pharmaron UK conducts monthly analysis on energy consumption

In 2024, the energy management consultant at Cardiff Site, Pharmaron UK provided detailed monthly energy usage reports, identifying any abnormal energy consumption patterns within the site and enhancing energy management efficiency. Through round-the-clock monitoring of electricity and heat usage, along with a granular analysis of key equipment energy consumption ratio, the site can promptly detect abnormal energy usage. The site obtains real-time data via two methods:

- PowerRadar: This platform displays the power consumption of sub-metering devices on-site, helping to identify underperforming equipment.
- Energy Manager: This tool allows users to track natural gas and electricity usage, review related invoices, pinpoint inefficiencies in energy usage, and assess the effectiveness of energy-saving measures.

With these tools, the Company can comprehensively monitor overall energy consumption, quickly identify and address equipment efficiency issues, and effectively reduce energy use.

Case: Cramlington Site, Pharmaron UK carries out an energy audit

Cramlington and Cardiff sites, Pharmaron UK have signed the Chemical Industries Association Agreement and are actively participating in the Chemical Sector Climate Change Agreement (CCA)[69] managed by the UK's Environment Agency (EA). The initiative aims to mitigate the impact of climate change taxes by achieving designated energy efficiency targets. During the reporting period, the Cramlington Site, Pharmaron UK officially launched Phase III of the Energy Saving Opportunity Scheme (ESOS), with a team of senior energy management consultants conducting a comprehensive energy audit. Based on audit findings and expert recommendations, the site further optimizes its energy systems and implement energy-saving measures to achieve its energy efficiency targets. This initiative has already been successfully implemented at Rushden, Cardiff, and Hoddesdon sites.

Additionally, the Company's energy management consulting team will continue to provide compliance progress reports, precisely identifying and recommending energy efficiency improvements and emission reduction opportunities for each site. The energy audit efforts across Pharmaron UK align with the Group's science-based targets, and as these audits continue to be refined, the Company is steadily progressing toward a greener, low-carbon, and more sustainable future.

Implementing Low-carbon Production

Pharmaron actively identifies energy-consuming processes in production and implements targeted low-carbon production initiatives across all sites. These measures cover various aspects including process optimization, equipment upgrades, and refined energy management, aiming to comprehensively reduce carbon emissions throughout the operational processes.

Case: Pharmaron Beijing continues to promote energy saving and carbon reduction

In 2024, Pharmaron Beijing implemented multiple energy-saving and carbon-reducing measures focused on improving energy efficiency, optimizing systems, and updating equipment. These actions significantly reduced energy consumption and carbon emissions. These exemplary practices were shared and discussed through energy-conservation and emission-reducing task force meetings with other sites, where technical employee provided regular guidance and experience sharing for energy-conservation and carbon-reducing renovation projects at other sites.

Looking ahead, Pharmaron Beijing will continue to explore the application of new materials and technologies, deepen data-driven energy efficiency management, and strive to set an industry benchmark in the field of green and low-carbon development, providing support for the Group's sustainability goals.

- Conduct energy-saving renovation at the power center of the site: Variable frequency control systems were added to the chilled water pumps and cooling water pumps, dynamically adjusting their operating frequency based on load demands, thus reducing ineffective energy consumption. Additionally, we improved the cooling tower to improve heat dissipation efficiency and reduce the overall energy consumption of the cooling system. The upgraded intelligent group control system for the refrigeration plant can monitor changes in terminal load in real time and precisely adjust cooling output, preventing energy waste caused by excessive cooling. Through these efforts, the power center's electricity consumption in 2024 was reduced by 25% compared to the previous year, demonstrating significant energy savings.
- Implement precision management of laboratory air conditioning fan operation: Through the utilization of Variable Air Volume (VAV) technology, the fan operation frequency was dynamically adjusted based on the real-time use of laboratory fume hoods, avoiding energy waste from constant airflow. A nighttime energy-saving operation mode was also set, automatically reducing fan speed or switching to low-power mode during non-experiment periods. This significantly lowered the energy consumption of the air conditioning system while ensuring the stability and safety of the lab environment.
- Renovate the heating boiler room: By replacing outdated, inefficient boilers with high-efficiency condensing heat recovery boilers, we improved thermal efficiency to over 95%. We also upgraded the boiler room's intelligent control system, enabling real-time monitoring of boiler operation parameters, automatic load adjustment, and fault alert features, which reduced manual intervention and energy loss. During the 2024 heating season, we expected a 15% or more reduction in natural gas usage compared to the previous year.

[69] The CCA, as a voluntary agreement between the chemical industry and the Environment Agency, aims to reduce energy use and carbon dioxide emissions within the chemical sector. Companies participating in the CCA can qualify for exemptions from climate change taxes (energy tax).

Case: Pharmaron Ningbo practices low-carbon production

Pharmaron Ningbo actively promotes green and low-carbon development by adopting advanced technologies, optimizing equipment operation, and improving management measures, which achieved significant energy-saving results. By optimizing the operational parameters of the fan coil system and utilizing an intelligent control system for automated management, efficient operation of the equipment is ensured. In addition, Pharmaron Ningbo has carried out multiple energy-saving and carbon-reduction practices tailored to the characteristics at different site areas.

In the future, Pharmaron Ningbo will continue to optimize the control of chiller groups and energy storage, further enhancing resource utilization efficiency and fully supporting the achievement of low-carbon production goals.

- Inspection and maintenance of steam trap: Pharmaron Ningbo Site I introduced advanced monitoring tools in 2024 to regularly inspect and maintain steam traps within the site. Abnormal conditions are promptly identified and maintenance or replacement is carried out, effectively reducing losses during the steam delivery process.
- Adjust steam boiler pressure: Pharmaron Ningbo Site II and III implemented precise adjustments to the operating pressure of steam boilers. Based on end-user requirements, the operating pressure of idle boilers was reduced. This measure saved 500m³ of natural gas per day, not only lowering energy costs but also reducing greenhouse gas emissions.
- Optimize air conditioning system operation: Pharmaron Ningbo Site II adjusted the air conditioning system's operating times and appropriate temperatures based on the actual usage of non-production areas. This adjustment cut our electricity consumption by approximately 750,000 kWh in 2024.

Case: Pharmaron Qingdao actively responds to the Group's call for carbon reduction

Pharmaron Qingdao actively responded to the Group's call for carbon reduction and made progress in energy saving and emission reduction. A series of precise measures were implemented to achieve efficient energy management. By utilizing an energy tier system, and employing zone-based and time-based temperature control as well as scheduled device switches, the site effectively reduced its electricity consumption. Additionally, labels were added to air conditioning equipment to remind technical staff to enhance daily management and maintenance, further optimizing equipment operational efficiency.

In daily operations, Pharmaron Qingdao completed the replacement of diesel vehicles and transition to low-emission models. Moreover, the site actively advocates for green office practices, encouraging teams to adopt online or remote meetings to reduce unnecessary business travel, aiming to create a low-carbon and open office environment.

Through the comprehensive implementation of energy-saving and emission-reducing measures, Pharmaron Qingdao achieved a significant reduction in electricity costs in 2024, fully demonstrating the site's practical results in energy saving and emission reducing, and providing support for the Group's sustainable development goals.

Case: AniKeeper carries out energy-saving management

In 2024, AniKeeper implemented a water and electricity control operating model, reducing water and electricity consumption while ensuring the needs of the site. To ensure efficient operation, AniKeeper equipped independent distribution boxes for the property's electric meters, allowing for separate control of workshops and equipment. Additionally, the fan system was independently switched based on actual demand, further optimizing resource distribution and usage. AniKeeper supports environmental goals through energy consumption management, minimizing the waste of resources during operations.

Promoting Clean Energy

The Company actively explores energy-saving and emission-reducing technologies while responding to the promotion of using renewable energy. We have implemented renewable energy solutions across our sites and closely monitor global renewable energy markets to establish procurement channels in advance. Some of our sites have already adopted green electricity, while other sites have integrated biomass energy and photovoltaic power generation to support carbon reduction at the source. In 2024, our renewable electricity consumption[70] was 83,239.26 MWh, and the biomass steam usage was 661.56 MWh.

At the same time, as a member of the Sustainable Markets Initiative (SMI) working group, the Company supports the "Green Energy Transformation of the Pharmaceutical and Medical Industry Chain" Initiative, and is committed to reducing dependence on fossil fuels, while increasing the use of distributed energy, enhancing green power procurement, exploring green thermal energy applications, and driving the sustainable transformation of the supply chain. Through collaboration and support, the Company and its partners contribute to the green development of the pharmaceutical and healthcare value chain.

2024
Renewable electricity consumption was
83,239.26 MWh
Biomass steam usage was
661.56 MWh

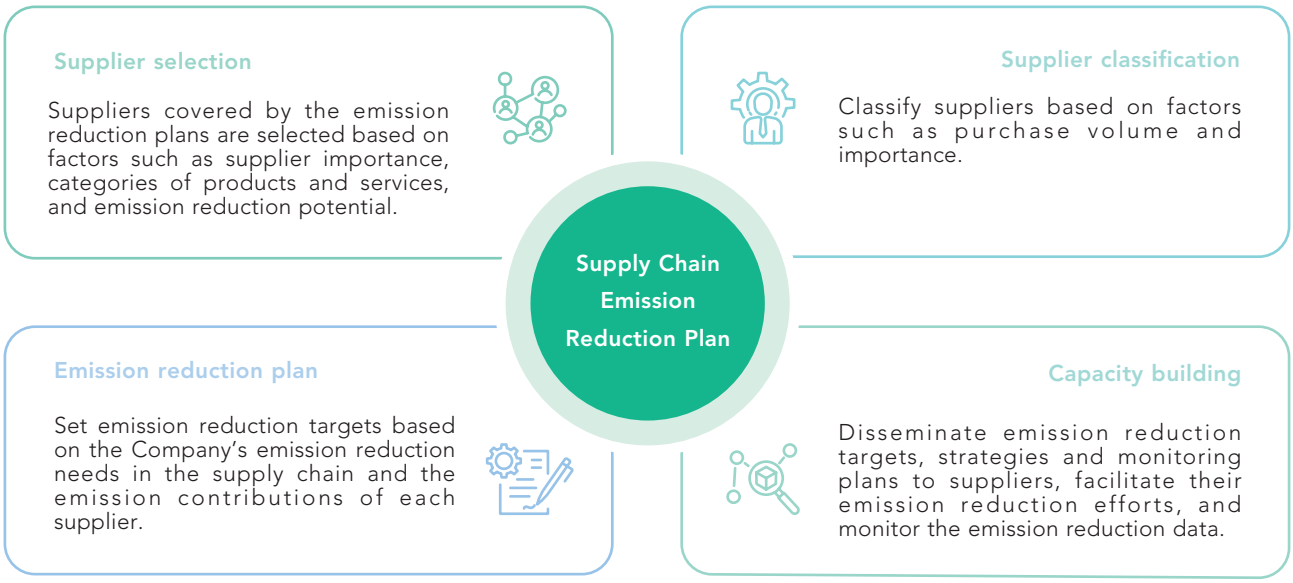
- Drive the Green Energy Transition: From January 2024, we have actively launched green energy transformation projects in several sites, gradually incorporating renewable energy at Pharmaron Beijing, Pharmaron Shaoxing, Pharmaron Tianjin, Pharmaron US, and Pharmaron UK. Meanwhile, by the end of 2024, Pharmaron Xi'an completed the signing of a green power usage agreement and will transit to green power usage in 2025. Through practice and exploration, all sites have laid a solid foundation for the Company's energy transition.
- Explore Renewable Energy Utilization: Cramlington site, Pharmaron UK continues to collaborate with biomass energy suppliers. With the renovation and upgrade of the biomass power plant, more cooperation opportunities will arise in the future. Liverpool site, Pharmaron UK also sources 100% of its energy from renewable sources.

Renewable Energy Use Certificate of Liverpool Site, Pharmaron UK

[70] Renewable electricity consumption includes renewable electricity and Energy Attribute Certificate used in China, the UK and the US.

Supporting Supply Chain Emission Reduction

Reducing carbon emissions in the supply chain is an essential part of the Company's low-carbon transformation. It is also a crucial means to drive stakeholders toward carbon reduction and carbon neutrality. We have initially formulated a supply chain emission reduction plan. Through collaboration with raw material suppliers and other value chain partners, the Company aims to identify emission reduction opportunities, thereby facilitating the low-carbon transformation of the value chain.



Case: Conducting supplier sustainability surveys and training

In 2024, the Company further enhanced sustainable supply chain management by providing sustainability and diversity training to 399 suppliers. The training covered environmental management, labor and human rights, ethics, diversity, and inclusion, with assessments conducted to reinforce learning outcomes. Additionally, the Company organized a comprehensive sustainability procurement training for all procurement staff, systematically explaining sustainable procurement principles and practical applications, significantly strengthening the team's awareness and capabilities in sustainable procurement.

Meanwhile, Liverpool Site, Pharmaron UK also distributed an EHS questionnaire to suppliers. The questionnaire included environmental policies, environmental management system certification, environmental management plans, and external audit supervision, setting out requirements for suppliers' environmental performance.

Case: Collaborating with transportation service provider to optimize logistics and carbon management

In 2024, Pharmaron partnered with transport service provider to reduce carbon emissions in logistics operations. The Company prioritized green transport providers using clean fuels and promoted the use of recyclable packaging and filler materials to minimize waste. Additionally, the transport service provider supplied carbon emission reports and relevant certifications, enabling Pharmaron to track and optimize its carbon footprint across transportation processes. Through close collaboration with value chain partners, we actively drive green logistics practices, fostering mutual benefits and a shared vision for sustainable development.

Sustainability and Climate Change Risk Management

Pharmaron consistently enhances its sustainability and climate change development risk management system. The Company also integrates the management of sustainability and climate change risks and opportunities into its overall risk management framework. In response to national climate strategies and global climate challenges, we have identified and evaluated the climate change transition risks and physical risks the Company faces and taken proactive measures to address them.

Pharmaron has developed a series of countermeasures to address identified risks and opportunities. These measures include: setting emission reduction targets and adjusting strategies to continuously monitor carbon emission levels; tracking and studying the latest policies and regulatory requirements to analyze future policy trends and ensure preparedness for potential changes; optimizing and investing in more energy-efficient equipment to significantly reduce emissions and comply with regulatory requirements; providing regular training for employees on regulatory requirements to ensure the team keeps informed about the latest regulations; and implementing risk transfer and acceptance strategies as part of a comprehensive risk management approach, among others.

Risk Description	Impact on Business Operations and Value Chain	Financial Impact	Countermeasure	Financial Materiality
Transition risks				
Policy and regulatory risk				
Increasingly stringent greenhouse gas emission regulations	• Potential restrictions on the use of fossil fuel-powered equipment, such as refrigeration units and vehicles, may affect daily operations and the value chain • To comply with emission regulations, the Company may need to enhance greenhouse gas emission monitoring and increase reporting obligations, especially in high-emission areas • It may increase pressure to invest in low-carbon technologies • The EU is also pushing to expand the scope of the Carbon Border Adjustment Mechanism (CBAM) to include organic chemicals, plastics, hydrogen, ammonia, and indirect emissions. This will increase the pressure to monitor carbon emissions during the production process	• To achieve climate change reduction targets, the Company is implementing a variety of emission reduction measures, which in turn leads to cost increase for upgrading or replacing non-compliant equipment. • To regularly disclose the Company's environmental initiatives and performance, and demonstrate the Company's commitment to low-carbon transformation, there are additional administrative and compliance costs associated with emissions reporting. • Greenhouse gas emission regulations impose carbon pricing on emissions generated during the production process, which leads to cost increase. • To promote low-carbon transformation in the value chain, the Company has developed a supply chain emission reduction plan and is collaborating with value chain partners such as raw material suppliers to identify emission reduction opportunities, thereby increasing operational costs.	• Monitor emissions continuously • Optimize equipment	Material
Regulations on energy efficiency and renewable energy policies	• To comply with energy efficiency regulations, the Company may need energy monitoring and investment in energy-saving technologies • It may be necessary to reassess and select the supply chain to ensure that suppliers adhere to energy efficiency standards and renewable energy usage	• To comply with energy efficiency regulations, the Company invests in consulting and equipment for energy-saving and emission reduction technologies. It is committed to optimizing the energy structure and promoting clean energy solutions such as photovoltaic power generation and biomass fuels to achieve source carbon reduction, thereby increasing the operational costs for the Company. • Operating costs are increased as a result of providing relevant training to ensure employees are aware of energy efficiency regulations and policies.	• Optimize equipment • Conduct regular training	Material

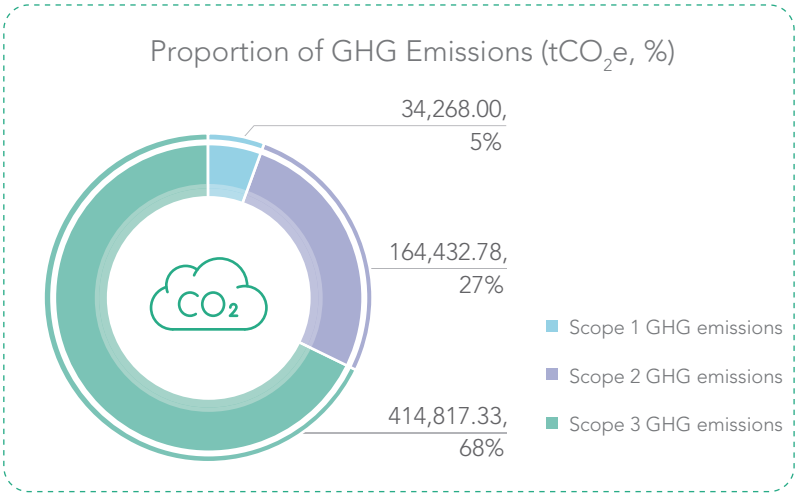
Risk Description	Impact on Business Operations and Value Chain	Financial Impact	Countermeasure	Financial Materiality
Lawsuits due to stricter regulations	• For multinational pharmaceutical companies, the potential litigation risks may arise from differing emissions or environmental damage regulations and restrictions across regions • Facing litigation may result in reputational damage and financial liabilities, such as in cases of "greenwashing" and "polluter pays", which could involve climate-related compensation • Litigation may also harm future liabilities and shareholder value	• Updating product formulations to comply with new regulations resulted an increase in the R&D costs of the Company. • Delays in the release of new products to ensure compliance with new drug regulations may result in a loss of market share.	• Research regulatory requirements • Monitor continuously • Conduct regular training	Immaterial
		• In the face of lawsuits, the Company needs to pay for attorney fees, litigation costs, settlement fees, and other related expenses, thereby increasing the operating costs. • Litigation risks may lead to damage to the Company's reputation, reduce client trust, and subsequently affect sales and revenue, resulting in a decline in shareholder value.		Material
Technical risk				
Trends toward low-carbon and energy-saving technology R&D and transformation	• The investment in energy-saving and low-carbon technologies may be increased • Facilities are upgraded to increase the use of renewable energy to achieve low-carbon goals	• The phase-out of high-energy-consuming equipment and the adoption of energy-saving and emission-reducing technologies increase the Company's operational costs. • The utilization and investment in energy-efficient technologies and low-carbon products raise the upfront costs of transitioning to low-carbon technologies. • Improving efficiency may reduce long-term operational costs.	• Optimize equipment	Material
Reputation and market risks				
Tendency of clients to choose environmentally friendly companies, services, and products	• Healthcare providers and consumers are increasingly preferring sustainable products, which may affect the demand for these products. If client needs are not met, the Company's competitiveness will decline	• During the transformation process, failing to effectively meet market demands may result in losing clients, leading to a decrease in sales. • To meet clients' environmental requirements, seeking sustainable raw materials and suppliers may lead to an increase in costs.	• Research regulatory requirements • Monitor continuously • Optimize equipment	Material

Risk Description	Impact on Business Operations and Value Chain	Financial Impact	Countermeasure	Financial Materiality
Reputation and market opportunities				
Increased use of renewable energy in the market	• Rising demand prompts suppliers to offer more long-term contracts. Through these long-term contracts, the Company can lock in prices, achieving price stability that benefits financial planning and budget management • Increasing the use of renewable energy demonstrates the Company's commitment to environmental protection and sustainable development, enhancing its image as a responsible enterprise. This strengthens the Company's market recognition and enhances brand value, attracting a client base that is concerned about sustainability	• The upfront investment costs of renewable energy projects are relatively high, but their operating costs are lower and not affected by fuel price fluctuations. This fixed cost structure enables the Company to maintain stable operational expenditures in the long term. • Increasing the use of renewable energy can reduce greenhouse gas emissions, lower environmental costs associated with climate change, and mitigate potential regulatory expenses.	• Optimize equipment	Immaterial
Physical risks				
Acute risk				
Tropical cyclones, storms, hurricanes	• Strong winds may directly impact the safety of nearby workplaces, forcing employees to evacuate, thereby leading to work stoppages • The production facilities or transportation capabilities of suppliers may be affected, potentially leading to shortages of raw materials and delays in production and delivery • Equipment may suffer damage in severe weather, requiring repairs or replacement, further delaying project progress	• Facilities and equipment may be damaged and require repairs, leading to an increase in direct maintenance costs. • Damaged inventory and products need to be replaced, resulting in higher procurement and operating costs. • Acute physical risks may occur frequently, which will lead to an increase in property insurance premiums, thereby raising the Company's operating costs. • Supply chain disruptions may cause delays in the delivery of raw materials and products, affecting overall production efficiency and increasing the Company's operating costs.	• Monitor continuously • Implement risk transfer and acceptance • Optimize equipment	Material
Heavy rain, coastal flooding, river flooding	• Flooding may cause damage to infrastructure or require repairs, while existing inventory may also suffer damage, leading to an increase in financial losses • Flooding may lead to insufficient freshwater supply, causing production delays • The production facilities or transportation capabilities of suppliers may be affected, potentially leading to shortages of raw materials and delays in production and delivery			Material

Risk Description	Impact on Business Operations and Value Chain	Financial Impact	Countermeasure	Financial Materiality
Chronic risk				
Water scarcity and drought	• The drug manufacturing process consumes a large amount of water, and developing and producing drugs requires access to clean and sufficient water resources. Water scarcity and drought may affect overall production efficiency • During periods of water scarcity, competition for water resources between companies and local communities may intensify	• A reduction in the supply of clean water resources may lead to increased water costs, thereby raising the Company's operating costs. • Production interruptions caused by water scarcity may result in delays in the delivery of raw materials and products, affecting overall production efficiency and increasing the Company's operating costs.		Immaterial
Extreme high temperatures	• High temperatures can cause equipment overheating and failures, leading to an increase in maintenance frequency and production interruptions, which in turn reduces overall production efficiency • Additional cooling requirements may need to be implemented to maintain optimal temperatures on the production site, thereby increasing energy consumption • Extreme high temperatures increase occupational health risks, such as heat stroke, heat exhaustion, and heat-related illnesses, resulting in decreased labor productivity and affecting the supply chain	• The Company may need to invest additional resources to improve the working environment, such as installing air conditioning, providing cold drinks, or allowing regular breaks, thus increasing operational costs. • The Company may need to allocate extra subsidies for medical expenses and health insurance to ensure the health of employees working in high temperatures, leading to an increase in operational costs. • Extreme high temperatures can reduce employee work efficiency, leading to a decrease in productivity and subsequently reducing the Company's profits.	• Monitor continuously • Implement risk transfer and acceptance • Optimize equipment	Immaterial

Sustainability and Climate Change Indicators and Targets

We conducted an in-depth analysis of major energy consumption areas and carbon reduction pressures, mapping out a scientific pathway to achieve the Company's approved science-based targets. Our approach focuses on absolute carbon emission reduction, and we do not rely on the purchase of carbon credits to meet these targets.



Pharmaron Sustainable Development Targets[71]

Indicator Category	Target	Progress in 2024
Near-term greenhouse gas emission[72]	• Pharmaron commits to reduce absolute scope 1 and 2 GHG emissions 54.60% by 2033 from 2023 base year. • Pharmaron commits to reduce scope 3 GHG emissions 61.07% per million CNY value added (economic intensity[73]) by 2033 from 2023 base year.	• The absolute GHG emissions (Scope 1 + Scope 2) amounted to 198,700.78 tonnes, representing a 21% reduction compared to 2023. • The absolute GHG emissions (align with the SBTs boundary[74] for Scope 1 + Scope 2) amounted to 190,721.94 tonnes, representing a 22% reduction compared to 2023. • The Scope 3 GHG emissions intensity (economic intensity) was 198.40 tCO_2 per RMB million, representing a 7% decrease compared to 2023.
Long-term greenhouse gas emission	• Pharmaron commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2050 from 2023 base year. • Pharmaron commits to reduce scope 3 GHG emissions 97% per million CNY value added by 2050 from 2023 base year.	
Renewable energy consumption	• With 2023 as the base year, gradually increase the use of renewable energy.	• Pharmaron Beijing, Pharmaron Shaoxing, Pharmaron Tianjin, Pharmaron US, and Pharmaron UK used renewable energy. In 2024, the consumption of renewable electricity amounted to 83,239.26 MWh, while the use of biomass steam reached 661.56 MWh. • Pharmaron Xi'an completed the signing of the green power usage agreement and will achieve the use of green electricity in 2025. • Cramlington Site, Pharmaron UK continued to cooperate with biomass energy suppliers, sourcing electricity and steam generated from biomass. • 100% of the energy used at Liverpool Site, Pharmaron UK is from renewable sources.
Water resource consumption	• With 2023 as the base year, gradually reduce the intensity of water consumption from 1.55 tonnes/RMB10,000.	• The total water consumption was 1,818,289.19 tonnes, with water use intensity of 1.48 tonnes/RMB10,000, representing a 4% reduction compared to 2023.
Compliance rate of waste disposal	• Maintain a 100% compliance rate of waste disposal.	• 100% of waste is disposed of in compliance with regulations.

[71] The sustainable development targets cover assets over which Pharmaron holds financial control, including its operations in China, the UK, and the US, aligning with the organizational boundaries used in the Company's financial accounting and reporting procedures. Under financial control, the Company also holds operational control over all its subsidiaries and will implement emission reduction strategies.
[72] In June 2024, the Company officially obtained validation from the Science Based Targets initiative (SBTi).
[73] Economic intensity refers to the amount of carbon emissions generated per million RMB of operating profit.
[74] Coventry Site, Pharmaron US is not included in the SBTi boundary.

In 2024, with reference to the *GHG Protocol Corporate Accounting and Reporting Standard*[75] and the *Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard*[76], we developed the GHG inventory both within the Company and our supply chain. According to the results, Pharmaron's Scope 1 greenhouse gas emissions mainly come from natural gas, gasoline, and diesel[77], while Scope 2 emissions are primarily from purchased electricity, purchased heat, and steam, which are used for production equipment, refrigeration systems, and heating. Scope 2 emissions account for 82.75% of the total Scope 1 and Scope 2 emissions, with purchased electricity (including renewable energy) representing 71.85% of the total Scope 2 emissions.

Performance Indicator	Unit	2024	2023	2022	2021
Energy consumption[78]					
Natural Gas	10,000 standard cubic meters	1,493.05[79]	1,264.53	873.23	636.70
Diesel	tonnes	21.00	40.78	11.98	9.72
Gasoline	tonnes	46.47	82.01	37.86	33.83
Purchased Electricity	10,000 kWh	32,331.49	29,425.57	23,418.79	15,679.04
Purchased Heat	GJ	42,227.92[80]	207,050.43	111,312.57	48,427.17
Purchased Steam	tonnes	151,148.30	149,808.51	132,771.74	91,999.00
Total Energy Consumption	tce	80,570.46	79,459.31	61,341.60	41,285.45
Total Energy Consumption per RMB10,000 of revenue	tce/RMB 10,000	0.066	0.069	0.060	0.055
GHG emissions[81] [82]					
Total GHG emissions (Scope 1 + Scope 2) Market-based method[83]	tCO_2e	198,700.78	251,495.98	183,166.48	128,641.76
GHG emissions per RMB10,000 of revenue (Scope 1 + Scope 2) Market-based method	tCO_2e/ RMB10,000	0.16	0.22	0.18	0.17
Scope 1: Direct GHG emissions	tCO_2e	34,268.00	34,755.68	19,261.36	14,066.22
Scope 2: Indirect GHG emissions	tCO_2e	164,432.78	216,740.30	163,905.13	114,575.54
Scope 3: GHG emissions	tCO_2e	414,817.33	395,142.93	–	–

[75] The *Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (2004)* provides guidance for companies to compile greenhouse gas emission inventories. Source: **https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf**

[76] The *Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)* provides guidance for companies to compile greenhouse gas emissions inventories related to Scope 3 emissions. Source: **https://ghgprotocol.org/sites/default/files/standards/Corporate-Value-Chain-Accounting-Reporing-Standard_041613_2.pdf**

[77] The combustion rate was not considered in the calculation of fossil fuel energy.

[78] The energy consumption coefficient is calculated based on the *General Rules for Calculation of the Comprehensive Energy Consumption*.

[79] The increase in natural gas usage is primarily due to the gradual commencement of operations by the business departments within the site, leading to higher gas consumption.

[80] The decrease in purchased heat consumption in 2024 compared to 2023 is due to the optimization of the calculation methodology in 2024.

[81] During the reporting year, the Company did not undergo any significant structural changes.

[82] The greenhouse gas inventory includes carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and hydrofluorocarbons (HFCs).

[83] The indirect carbon emissions – market-based method – defined in the *GHG Protocol Scope 2 Guidance* refer to a method for quantifying Scope 2 emissions based on the greenhouse gas emissions of power generation units. The reporting entity signs contracts to procure renewable electricity bundled with environmental attributes or purchases unbundled renewable electricity. Source: **https://ghgprotocol.org/sites/default/files/2023-03/Scope%202%20Guidance.pdf**

Scope 3 Emissions

Starting in 2024, we have disclosed Scope 3 emissions data by category for the first time to further optimize operational and value chain emissions management. In 2024, the primary sources of our Scope 3 emissions were Category 1 (Purchased Goods and Services) and Category 2 (Capital Goods). We will review the emissions generated at various stages of the supply chain and continue to collaborate with internal and external stakeholders to actively reduce greenhouse gas emissions. Our goal is to achieve a 97% reduction in Scope 3 carbon emissions intensity (economic intensity) by 2050, with 2023 as the base year.

Scope 3 GHG emissions inventory[84]

Scope 3 Category	2024 (tCO_2e)	Proportion of Emissions (%)
Category 1 Purchased Goods and Services	227,403.06	55%
Category 2 Capital Goods	79,244.67	19%
Category 3 Fuel and Energy – Related Activities	57,102.51	14%
Category 4 Upstream Transportation and Distribution	9,203.55	2%
Category 5 Waste Generated in Operations	20,632.90	5%
Category 6 Business Travel	1,114.26	0.3%
Category 7 Employee Commuting	11,979.35	3%
Category 8 Upstream Leased Assets	6,812.41	2%
Category 9 Downstream Transportation and Distribution	855.48	0.2%
Category 12 End – of – Life Treatment of Sold Products	7.63	0.002%
Category 15 Investments	461.50	0.1%
Total Emissions	414,817.33	100%

[84] The Company discloses Scope 3 categories and emissions in accordance with the *Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)*.

Green Operations

Environmental Management System

To uphold the environmental strategy and achieve sustainable targets, Pharmaron continuously enhances its environmental governance structure. The Board of Directors and the Strategy Committee oversee the Company's environmental management efforts. The Compliance and ESG Committee supervises and evaluates the effectiveness of the environmental management system, while the Environmental, Health, and Safety (EHS) Department fulfills the role of environmental management. The EHS Department is tasked with facilitating the orderly implementation of environmental management efforts and ensuring that corporate operations comply with environmental regulations and internal environmental policies. Guided by the United Nations Sustainable Development Goals (SDGs), various environmental initiatives are implemented to steer the Company's green development.

Pharmaron conducts regular annual reviews and evaluations of its environmental management system to ensure its effectiveness, compliance with relevant regulations, and alignment with the organization's sustainability goals. During these reviews, we assess the framework of the environmental management system, including policies, procedures, and performance indicators, to identify areas for improvement. The evaluation results serve as the basis for necessary updates and adjustments, ensuring continuous improvement. By systematically reviewing our practices, we not only enhance environmental performance but also further strengthen our commitment to sustainability and regulatory compliance. The Pharmaron UK Sustainability Committee regularly holds cross-site meetings to discuss sustainable development plans, updates on environmental legislation, cross-site best practices, personnel training, and other relevant matters. These efforts have provided guidance for environmental management.

Regarding external environmental audits, before making investments or acquisitions, we engage external experts to conduct due diligence and assessments of our business partners, with a particular focus on their environmental performance. This evaluation is considered a key criterion in investment and acquisition decisions.

We strictly abide by the applicable laws and regulations in the locations where we operate, including the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Environmental Protection Act 1990* of the UK, the *Environment Act 2021* of the UK, the *Energy Policy Act of 2020* of the US, as well as environmental protection regulations promulgated by the United States Environmental Protection Agency and the Maryland State. With reference to the regulatory standards of each operating site, we have established a series of environmental management documents, including the *Environmental Protection Management Procedures*, the *Environmental Monitoring and Measurement Management Procedures*, and the *Environmental Pollution Incident Management Procedures*. These documents form a comprehensive environmental management system focusing on key areas such as environmental management, monitoring, and emergency response. The system clearly outlines the Company's environmental management responsibilities and procedures, thus helping to effectively monitor and manage environmental risks and achieve green transformation and sustainable development. In 2024, no major accidents impacting the environment and natural resources have occurred, and no administrative penalties have been imposed for violating environmental laws and regulations.

Identification of environmental risks	• Identify all aspects related to activities and processes comprehensively such as drug development requirements, procurement, R&D testing, chemical storage, dispensing, and transportation; conduct in-depth assessments of potential environmental risks in these areas, including wastewater discharge, air pollution, solid waste, material and resource use efficiency, and energy consumption. Through identification and assessment, a better understanding of the environmental impact of each aspect can be achieved.
Assessment of environmental risks	• Carry out risk analysis and assessment for all activities involved in drug R&D, procurement, R&D testing, chemical storage, packaging, and transportation in terms of environmental factors such as wastewater, air emissions, solid waste, material and resource usage, and energy consumption; strive to minimize the adverse environmental impacts of corporate production and operations. • Formulate the *Environmental Factor Identification and Evaluation Summary Table* and the *List of Significant Environmental Factors* based on the assessment results, integrate the environmental factors of the list into the Company's EHS targets and plans to effectively control and manage environmental risks; establish management and control mechanisms to reduce the likelihood of environmental accidents involving these factors. • Conducted environmental risk assessments for energy and greenhouse gas emissions across all sites in 2024.
Environmental management and monitoring	• Strictly implement the system which specifies that "environmental protection facilities of construction projects shall be designed, constructed, put into operation and use simultaneously with the main project" to regulate the environmental management and environmental impact assessments for new projects; eco-friendly materials are prioritized to minimize adverse impacts on the surrounding environment during construction. • Establish a sound environmental management system for daily operations, regularly identify environmental risks in corporate operation and production, track and evaluate the Company's environmental management and performance, and ensure full compliance with environmental regulations.
Response to emergency environmental incidents	• Formulate and improve the *Environmental Pollution Accident Emergency Rescue Plan*, conduct comprehensive risk assessments, and regularly carry out emergency drills to enhance the ability and response efficiency of all employees in dealing with sudden environmental incidents. This helps strengthen employees' emergency awareness and minimizes potential harm to the environment and the public. • Develop the *Disaster Response Plan and Emergency Response Procedures*, establish an emergency management mechanism with unified command, hierarchical responsibility, and rapid response to address potential natural disasters such as typhoons, earthquakes, lightning, fires, and floods; standardize forecasting and warning procedures and emergency response protocols to effectively reduce the impact of natural disasters and minimize injuries, fatalities, and property losses.

Pharmaron Environmental Management System

Pharmaron actively promotes environmental management system certification. Pharmaron Beijing, Cramlington Site, Pharmaron UK, and Liverpool Site, Pharmaron UK, have all obtained ISO 14001 certification.


Certificate CN24/00000376

SGS

Pharmaron Beijing Co., Ltd.

ISO 14001:2015

bsi.

Certificate of Registration

ENVIRONMENTAL MANAGEMENT SYSTEM - ISO 14001:2015

Pharmaron Manufacturing Services (UK) Ltd
Windmill Industrial Estate
Shotton Lane
Cramlington
NE23 3JL
United Kingdom

Holds Certificate Number: EMS 89613

The development, manufacture and supply of active pharmaceutical ingredients and fine chemicals.

...making excellence a habit.

British Assessment Bureau

CERTIFICATE OF REGISTRATION

The management system of certificate number 259996

Pharmaron Biologics (UK) Ltd
Estuary Commerce Park, Speke, Liverpool, L24 8RB, United Kingdom

has been assessed and certified as meeting the requirements of:

ISO 14001:2015

The provision of R&D services and solutions in research, development and manufacturing to the pharmaceutical industry globally.

Valid from:
Initial certification: 06 July 2023
Latest issue: 01 August 2024
Expiry date: 05 July 2026
Subject to annual assessments.

Authorised by
Mike Tims
Chief Executive Officer

british-assessment.co.uk

ISO 14001 Environmental Management System Certificate

Environmental Management Practices

Adhering to the principle of green operations, the Company has adopted low carbon operational strategies in daily office work, employee commuting, resource and energy use, and incorporated low-carbon concepts into all aspects of corporate operations. This comprehensive low-carbon operational strategy not only showcases the Company's commitments to sustainable development, but also helps reduce environmental impacts and improve resource efficiency.

Green Office

Paperless office system

- Office system: We establish a mobile office automation (OA) platform to manage applications such as online attendance, approvals, contact lists, and email.
- Conference system: We extensively use teleconferencing and video conferencing equipment and coordinate with suppliers through online systems, significantly reducing the need for offline meetings.
- We implement a paperless travel and visitor registration system to comprehensively promote paperless office operations, reinforce environmental awareness, enhance resource conservation, and improve overall operational efficiency.

Work from home

- Most of the scientific work involves dedicated lab space and instruments which require the employees to carry out their work on site. If the nature of the job permits, the Company allows certain flexibility to work from home (WFH) on an as-needed basis, thus reducing carbon emissions caused by employee commuting.

Shared office

- To promote green office practices and reduce office resource waste, the Company regularly conducts inventory assessments of vacant spaces and utilization rates. It implements a shared seating policy to improve space efficiency, reduce unnecessary energy consumption, and minimize resource waste, thereby optimizing resource usage.

Transition from gasoline and diesel vehicles to electric vehicles

- Gasoline-powered vehicles in company fleets and shuttle services are gradually being replaced with electric vehicles, while diesel vehicles have been phased out to reduce greenhouse gas emissions. Electric vehicles are more efficient and consume less energy than gasoline-powered cars, effectively decreasing overall energy consumption.
- In 2024, Pharmaron Beijing phased out nine gasoline vehicles, replacing them with electric vehicles. Following the shuttle bus upgrade, the Company now operates 13 electric shuttle buses.
- At Coventry Site, Pharmaron US, two electric vehicles have been deployed for internal administrative use, with plans to add another.

Resource recycling

- Office and protective equipment are distributed based on demand, with a policy encouraging the exchange of old items for new ones.
- At Hoddesdon Site, Pharmaron UK, a lab coat recycling program has been implemented, allowing old or unused lab coats to be returned to suppliers for recycling, effectively reducing resource waste.

Building energy management

- Pharmaron Clinical adjusts air conditioning based on temperature conditions and encourages employees to reduce air conditioning use by one hour per day.
- Pharmaron UK implements a Building Management System (BMS) to manage and monitor heating usage.

Water Management

Pharmaron attaches great importance to water use and conservation. To effectively manage clean production, we developed and implemented the *Cleaner Production Work Instruction*. To support this initiative, we established a Clean Production Leadership Group responsible for relevant management tasks. The Group is led by the COO, with members including the heads of various management departments. The leadership group oversees a Clean Production Task Force and a Clean Production Office to assist in advancing clean production efforts. In addition, other departments actively participate in target setting, management, and supervision, working together to achieve clean production goals and ensure the effective implementation of clean production measures.

Facility Management Department	• Be responsible for reviewing technical issues and solutions related to clean production • Manage daily water usage, develop and implement water conservation plans to effectively reduce water resource consumption, and promote the implementation of water-saving measures • Review water conservation plans proposed during clean production audits and organize corresponding implementation efforts to promote the efficient use of resources and environmental protection
Administration Department	• Be responsible for supervising and inspecting water-saving measures during the cleaning process of laboratory utensils to ensure the efficient use and management of water resources

Water resource risk is among our top priorities. To address water-related risks, the Company has formulated and implemented strict water resource management strategies. We also strive to reduce water waste in the production process through methods such as water recycling. In regions facing water scarcity, such as Shaanxi in the northwest, Hebei and Shanxi in the north, Anhui and Shandong in the east, and Henan in the central region, we plan to conduct in-depth studies to identify ways to reduce water usage. We will focus on technologies like reclaimed water reuse and wastewater recycling to effectively protect water resources. Protecting water resources helps us manage water-related risks. Since water resources mainly rely on municipal water supply, the sites are currently not facing difficulties in water extraction and usage. Stable water supply ensures the normal operation of each site and ensures the smooth progress of all operations.

- AniKeeper Zhaoqing utilizes a microbiological decomposition system to purify wastewater from animal husbandry, which is then used to irrigate papaya and other fruits and vegetables for animal consumption.
- Pharmaron TSP collects condensate water, boiler wastewater, wastewater from pure water production, and wastewater from cage washing for secondary reuse, such as irrigation for green spaces and pre-rinsing dirty cages.
- AniKeeper Zhanjiang collects wastewater and animal excrement from animal husbandry into a biogas digester for fermentation, which is then used for irrigating banana plantations.
- Hoddesdon Site, Pharmaron UK installs water purification equipment. The treated water can be directly used for production and equipment cleaning. Wastewater generated during the cleaning process is collected and treated in compliance with relevant regulations.

During daily operations, the Company reduces water waste through measures such as inspecting public facilities regularly and installing signage. Furthermore, we carry out water conservation campaigns and incorporate water-saving content into quarterly training sessions to raise the water-saving awareness of all employees and fulfill corporate responsibilities.

Biodiversity Protection

Pharmaron has been upholding the concept of biodiversity protection. We closely monitor the potential impacts of corporate operations on the surrounding environment and ecosystems and actively conduct ecological impact assessments. We take biodiversity into full consideration, identifying potential biodiversity risks, and evaluating the impact of operational activities on ecosystems. We also protect biologically sensitive areas by avoiding the construction of facilities and operational activities in these sensitive areas, thereby safeguarding the local ecological environment and biodiversity. This approach ensures that our operations do not cause significant adverse effects on local biodiversity and ecosystem stability. We did not conduct operational activities within the ecological protection red lines.

In 2024, Pharmaron conducted biodiversity assessments across its sites based on their geographical locations and environmental characteristics. This assessment covered 11 sites and included multiple dimensions such as basic knowledge of biodiversity, strategic management, information disclosure, and the degree of dependence on natural resources. Through scientific evaluation, we further clarified the potential impacts of each site's production activities on the ecological environment and conducted an in-depth analysis of the current status and challenges of biodiversity conservation. The assessment results showed that each site has gradually recognized the importance of biodiversity conservation and can clearly identify the potential impacts of production activities on the local ecological environment.

In the future, based on the assessment results, we will continue to deepen biodiversity conservation efforts, such as developing biodiversity protection recommendations for each site. At the same time, we will persistently optimize operational models, strengthen ecological impact management, and promote the deep integration of ecological protection and corporate development, contributing our efforts to global ecological sustainability.

Case: Hoddesdon Site, Pharmaron UK conducts biodiversity assessment

Hoddesdon Site, Pharmaron UK has implemented a biodiversity assessment study, which includes detailed documentation of the identified plant communities on the site. During Earth Day week, we organized a series of field visits, carefully observing the plant communities and using the Plantnet program for data collection. At the same time, we set up wildlife cameras in various locations around the site, successfully capturing the presence of squirrels, birds, and other wildlife, and monitoring some rare natural phenomena.

Case: Rushden Site, Pharmaron UK implements biodiversity conservation measures

At the Rushden Site, Pharmaron UK, a small area has been designated as a potential site for a biodiversity garden. To monitor wildlife activity in this area, the site has installed wildlife cameras to continuously monitor the ecological conditions. By carefully observing and recording wildlife activity, we aim to more effectively protect and enhance biodiversity levels on the site.

Environmental Awareness Training and Communications

In 2024, Pharmaron actively carried out a series of environmental protection publicity and training activities, focusing on the proper disposal of waste, emergency response to environmental incidents, and the sharing of environmental protection knowledge. By raising the environmental awareness of all employees and effectively conveying the Company's concept of low-carbon development, we make relentless efforts to create a green and environmentally friendly workplace.

All employees

- Conduct quarterly EHS training, covering topics such as "Environmental Knowledge" and "Contingency Plan of Environmental Emergencies" to raise environmental awareness and and enhance the capabilities among all employees, enabling them to respond effectively to environmental emergencies and ensure the implementation of proper environmental protection measures in daily work.
- Regularly promote safety, environmental protection, and occupational health knowledge through the quarterly "Pharmaron EHS Newsletter".

Quarterly "Pharmaron EHS Newsletter"

Employees in special positions

- Provide professional training tailored to the needs of part-time safety officers, EHS department staff, laboratory scientific employees, and other relevant personnel. The training includes "Common Issues in Laboratory Inspections", "Training for High-Risk Operations Permits", "Chemical Safety", "Laboratory Safety Operating Requirements", "Reaction Safety Requirements", "Accident Emergency Reporting and Laboratory Response" and "Daily Management and Maintenance of Laboratory Emergency Rescue Facilities" to ensure that employees acquire the necessary knowledge and skills to effectively enhance safety management.
- Provide professional training to system management personnel in various departments, including ISO 14001 and ISO 45001 management system training.
- Provide professional training for research department employees, including topics on "Environmental Protection and Energy Saving" and "Chemical Reagent Disposal Procedures and On-Site Reception Standards".

New employees

- Include environmental protection-related training sessions such as "Environmental Knowledge Training", "Classification of Hazardous Waste", and "Case Studies of Laboratory Violations" in the onboarding training program for new employees to raise their awareness of environmental protection.

Case: Hoddesdon Site, Pharmaron UK organizes "Earth Day" activity

During the Earth Day, Hoddesdon Site, Pharmaron UK conducted biodiversity research and provided an online learning course on sustainable development, with active participation from on-site employees. In addition, we organized a "Paint a Pot" activity, encouraging employees to bring unused vases to the workplace for painting in preparation for the upcoming "Adopt a Pot" event during Earth Week. A table was set up near the cafeteria, offering sunflower and chili seeds, potting soil, and flowerpots, encouraging employees to sign up for the "Adopt a Pot" activity. The event received enthusiastic responses from employees, enhancing their awareness of protecting the Earth and increasing participation in daily environmental protection efforts. In the future, we will continue to implement more innovative and effective measures to contribute to creating a greener and more sustainable planet.

Case: Pharmaron Beijing holds "Safety Event Month" activities

In June and August 2024, Pharmaron Beijing hosted "Safety Event Month" activities, aiming to encourage all employees at Pharmaron to actively participate in various activities to raise safety and environmental awareness. The "Safety Event Month" activities were rich and diverse, including encouraging employees to propose innovative low-carbon environmental protection suggestions, enhancing employees' environmental knowledge through fun competitions, encouraging employees to practice low-carbon living through actions, and showcasing employees' environmental creativity and achievements. The event attracted active participation from many employees, sparking their attention to environmental protection practices. In the future, we will continue to hold similar events to further enhance employee engagement while promoting the Company's continuous improvement in safety and environmental protection.

Low-Carbon Environmental Protection Activities

Performance Indicator	Unit	2024	2023	2022	2021
Total water consumption	tonnes	1,818,289.19	1,787,904.25	1,710,203.52	1,155,027.40
Water consumption per RMB10,000 of revenue	t/RMB10,000	1.48	1.55	1.67	1.55
Total amount of packaging materials used	kg	20,380.00	16,210.00	13,870.00	11,170.00
Packaging materials used per RMB10,000 of revenue	kg/RMB10,000	0.017	0.014	0.014	0.015

Pollution Prevention and Mitigation

Pharmaron strives to develop in harmony with nature. We make persistent efforts to reduce the generation of pollutants, protect the environment, and ensure compliant disposal of waste. The Company strictly complies with applicable laws and regulations, including the *Integrated Emission Standard of Air Pollutants*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, the *Control of Pollution Act 1974* of the UK and the *Waste (England and Wales) Regulations 2011* of the UK, the *Clean Water Act* of the US and the *Clean Air Act* of the US. Pharmaron has established and followed standard operating procedures such as the *Wastewater Treatment Station Management Procedures*, the *Waste Management Procedure*, and the *Exhaust Gas Control Management Procedure* to comprehensively strengthen the management of pollutant emissions. The Company regulates the management of emissions, wastewater, and solid waste generated during production and operations. In 2024, the Company did not experience any major environmental pollution incidents or incur any related penalties and had no cases of exceeding emission standards.

The Company has established a sound pollution prevention and mitigation system. We focus on preventing emergency environmental pollution events, enhancing the management of facilities on site, and regulating the collection and classification of waste. The aim is to construct an efficient and scientific pollution prevention and mitigation system and prevent environmental pollution and ecological damage events starting from the source.

Air Pollutant Management

Pharmaron is committed to minimizing pollutant emissions by adopting a "classification – disposal – monitoring" approach for full-process management, with the help of advanced technologies, equipment, and refined production processes.

Routine management

Classification

- Collect and classify the exhaust gas from boilers, laboratories, and animal laboratories as required by applicable rules and regulations.

Disposal

- Utilize activated carbon adsorption technology to treat all exhaust emissions except those from boilers. Regularly replace activated carbon filters and inspect fume hoods and ventilation management systems to ensure emissions meet standards and maintain the air quality of sites.
- Properly collect and treat exhaust gas and process tail gas generated in the process of R&D and production before discharge.

Monitoring

- Entrust qualified third-party testing companies every quarter to conduct regular testing of exhaust gas from laboratories and boilers according to the requirements of each operating site and issue testing reports. In 2024, all of the Company's exhaust gas tests were qualified.
- Conduct routine Leak Detection and Repair (LDAR) inspections in accordance with the *Technical Guidelines for Leak Detection and Repair of Volatile Organic Compounds in Industrial Enterprises* issued by the Ministry of Ecology and Environment of China and utilize a volatile organic compounds (VOCs) management database platform for efficient data management and report generation.

Emission reduction measures

R&D

- Promptly seal all containers storing chemicals to minimize the volatilization of volatile organic compounds (VOCs) and put chemicals in explosion-proof cabinets or medicine cabinets with exhaust ventilation.

Production

- Adopt low-nitrogen combustion heads for heating boilers, significantly reducing nitrogen oxide emissions.

Wastewater Management

The Company's wastewater primarily comes from production wastewater and domestic wastewater. The Company has developed and continuously improved wastewater management systems and procedures to reduce the environmental impact of wastewater discharge. We strictly adhere to national and local discharge standards for wastewater treatment and discharge. The Company centrally handles wastewater in the production, and after meeting the water quality standards, it is discharged into the municipal sewage treatment plant.

The Company takes multiple measures to ensure the ongoing compliance and effectiveness of wastewater management, such as developing wastewater emergency response plans and properly handling pharmaceutical residual wastewater to further reduce environmental risks. Additionally, we commission a qualified third-party testing agency to monitor the wastewater monthly and provide testing reports to ensure that the results meet relevant standards. At Pharmaron Shaoxing, we specifically focus on the potential impact of pharmaceutical residues in wastewater on biodiversity. We manage this through the implementation of the *API Residue Assessment and Control Management Procedure for Wastewater* and regularly assess compliance with wastewater discharge regulations. To enhance employees' environmental awareness, we regularly conduct environmental protection training, including wastewater management knowledge training for all scientific employees, to improve their environmental awareness and management capabilities.

Solid Waste Management

Pharmaron continuously improves its solid waste management system, ensuring proper source classification and appropriate disposal of hazardous waste, animal carcasses, and household garbage, to ensure standardized management throughout the waste disposal process. In 2024, the Company continued to achieve 100% compliant disposal of waste.

Classification

- Classified into categories such as household waste, general industrial waste, sharp-edged waste, and hazardous waste based on the nature of the waste and local regulatory requirements.
- Each department and laboratory are equipped with waste bins and posted with classification labels to prevent mixed disposal.
- Different functional departments are responsible for the storage and transfer of different categories of waste, adhering to the "three prevention" requirements of "rainproof, leakproof, and dustproof" during storage to avoid secondary pollution.

Disposal

Hazardous Waste	• In accordance with the requirements of each operational site, hazardous waste is processed in cooperation with qualified third-party companies. • Implement source control, recording information such as type, quantity, and disposal of hazardous waste like organic solvents, flammable waste, and DEA waste for real-time management. In 2024, Pharmaron Shaoxing utilized the distillation tower in the site to recover and reuse waste solvents, which will be used for the initial cleaning of equipment in the production process of early intermediates, expecting to reduce approximately 300 tonnes of waste solvents annually. At the same time, in the hazardous waste disposal phase, we actively entrust qualified units to carry out waste solvent recovery through the distillation tower, with about 3,000 tonnes of waste solvents being downgraded for use after distillation recovery each year. • Some harmful waste will be recycled to reduce production costs while decreasing the generation of harmful waste and preventing environmental pollution.
Animal carcasses	• Entrust a qualified third party for the harmless treatment of carcasses and sign an agreement: designated personnel will collect animal carcasses, tissues, and other waste daily at scheduled times and place them in a dedicated storage area, strictly following legal and regulatory requirements for collection and disposal.
Household waste	• General household waste is regularly collected and processed by a qualified third-party company. The collected household waste is treated by incineration, which can be used for thermal power generation. • Kitchen waste is uniformly processed by a qualified third party, achieving recycling in accordance with legal and regulatory requirements.
Recyclable waste	• Classify and recycle cardboard, wood, plastic, foam, glass, among others.

Monitoring

- The functional departments comprehensively supervise the generation, storage, and disposal of waste to ensure proper management.

Case: Enhancing chemical spill emergency response capability

In 2024, Pharmaron Shaoxing conducted multiple emergency drills for chemical spills, simulating scenarios where small amounts of wastewater leaked due to the tipping of waste liquid drums. Environmental operators and solid waste managers collaborated in the handling of the spill, strictly following procedures to complete the drills. This effectively raised employees' awareness of environmental safety and emergency response skills, while strengthening the prevention and response capability for chemical spills.

The drills verified the effectiveness of emergency response plans, such as the *Chemical Spill Site Disposal Plan*, and addressed any deficiencies. By checking emergency supplies, equipment, and team preparedness, we clarified departmental responsibilities and improved the coordination and operability of the plans. The drills also disseminated emergency knowledge, raising employees' risk prevention awareness and self-rescue capabilities, and providing a solid foundation for environmental safety management.

Chemical Spill Emergency Drill

Case: Strengthening hazardous waste management and training

In 2024, Pharmaron Qingdao implemented the *Hazardous Waste Environmental Management Training Plan*, organized specialized training for relevant departments, and held emergency response training for hazardous waste management for all employees. The training content covered laws and regulations, waste classification management, and emergency disposal procedures, further enhancing employees' environmental awareness and management skills. The Company also introduced an intelligent hazardous waste management system to optimize management processes and regularly conduct specialized inspections and data assessments, enabling standardized management and compliance with discharge standards throughout the entire waste process, thereby effectively ensuring ecological environmental safety.

Noise Management

Pharmaron places great emphasis on the potential hazards of noise pollution. We actively take measures to reduce noise and minimize impacts on employees and the surrounding environment. The Company strictly abides by applicable laws and regulations of the operating sites, including the *Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise*, the *Emission Standard for Industrial Enterprises Noise at Boundaries*, the *Control of Noise at Work Regulations 2005* of the UK, and the *Noise Control Act* of the US. We also engage third-party agencies to conduct noise inspections to ensure compliance.

The Company continuously employs low-noise equipment for noise control and implements vibration damping, noise reduction, and sound insulation measures for high-noise equipment such as circulating water pumps, air compressors, and fans. By optimizing equipment layout and site soundproofing design, and leveraging the noise-reducing effects of greenbelts, the Company comprehensively minimizes noise impact on the surrounding environment, ensuring that all noise levels during production comply with relevant regulatory requirements. Pharmaron Shaoxing has established the *Environmental Noise Management Procedure* and set noise emission standards according to national and local requirements. For newly constructed factories, the site has installed noise barriers and strictly controls construction time in accordance with construction standards. AniKeeper Zhanjiang has implemented system upgrades and regional optimization by improving processes and production workflows, effectively reducing noise at the source and significantly lowering noise levels in various areas. Furthermore, Pharmaron UK conducts noise surveys both inside and outside the buildings, ensuring compliance with noise standards at the factory boundary and within indoor environments.

Performance Indicator	Unit	2024	2023	2022	2021
Exhaust gas[85]					
Total emission of exhaust gas	standard cubic meter	34,518,547,920.94	38,929,953,297.28	31,225,570,734.59	19,765,426,359.32
Total emission of exhaust pollutants	tonnes	162.11	118.10	84.38	64.33
Sulfur dioxide	tonnes	0.91	0.58	0.26	0.12
Nitrogen oxide	tonnes	13.73	12.71	1.90	1.34
Particulate matter	tonnes	3.26	1.71	0.18	0.08
Volatile organic compound	tonnes	144.2	103.10	82.04	62.79
Waste water					
Discharge of waste water	standard cubic meter	1,290,008.76	1,179,158.65	1,054,522.70	820,896.50
Total amount of wastewater pollutants discharged	tonnes	156.74	160.81	170.44	45.48
Chemical oxygen demand	tonnes	145.96	149.37	162.40	37.04
Ammonia nitrogen emissions	tonnes	2.55	3.14	2.18	2.64
Total nitrogen	tonnes	6.81	7.80	4.94	5.27
Total phosphorus	tonnes	1.42[86]	0.50	0.92	0.53
Non-hazardous waste					
Total amount of non – hazardous waste	tonnes	8,195.79[87]	6,107.73	4,778.25	2,035.04
Intensity of non-hazardous waste	tonnes/RMB10,000	0.007	0.005	0.005	0.003
Amount of non-hazardous waste recycled	tonnes	956.49	876.69	540.12	/
Hazardous waste[88]					
Total amount of hazardous waste	tonnes	29,246.89[89]	23,018.80	20,210.57	15,569.54
Intensity of hazardous waste	tonnes/RMB10,000	0.024	0.020	0.020	0.020
Amount of hazardous waste recycled	tonnes	4,756.94	2,304.33	1,196.99	–

[85] The total emissions of exhaust pollutants, including sulfur dioxide, particulate matter, and volatile organic compounds, increased in 2024, primarily due to the increased production output and higher production load in some of the industrial sites.

[86] The increase in total phosphorus levels in wastewater in 2024 is related to factors such as business growth and the commissioning of wastewater treatment equipment.

[87] The increase in non-hazardous waste in 2024 is primarily due to a rise in employee numbers, business expansion leading to more waste, maintenance work, and relocations of certain sites.

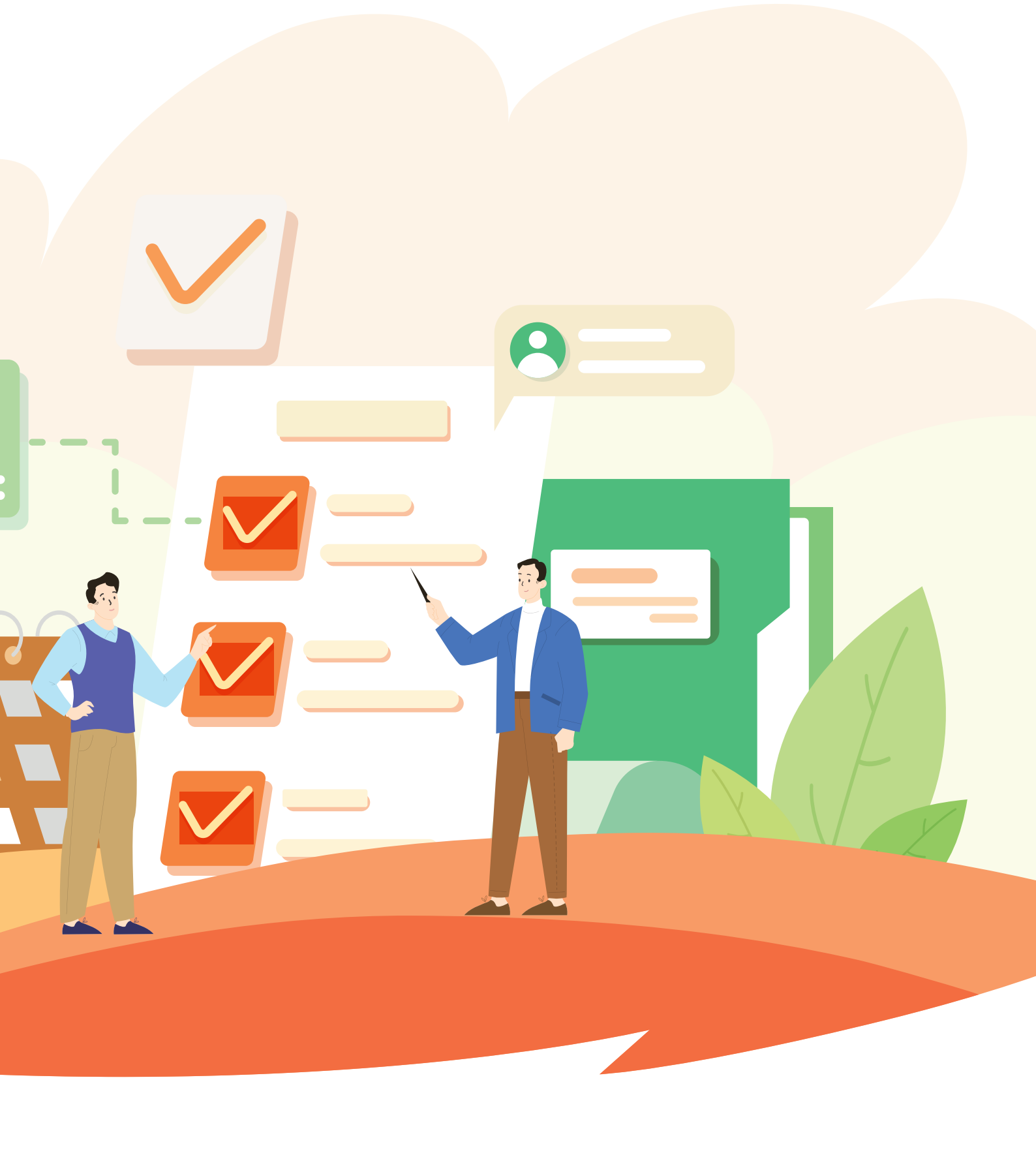
[88] Hazardous waste is classified and counted according to the *National Hazardous Waste List (2021)* issued by the Ministry of Ecology and Environment.

[89] The generation and treatment of hazardous waste in 2024 increased mainly due to changes in industry projects, resulting in more radioactive waste treatment, a significant increase in production load and capacity, growth in production activities, and regular chemical waste disposal.

06 Public Welfare and Charity

Adhering to a people-oriented philosophy, Pharmaron delves deep into the actual needs of the public. We actively engage in charitable endeavors, concern about the demands of vulnerable groups, prioritize ecological and environmental conservation, and spare no efforts to support the development of local communities.

- Advancing Industrial Development
- Social Contribution



Advancing Industrial Development

Pharmaron places a high priority on industry exchange and cooperation. We participate in various industry activities and strive to contribute to industrial development. By sharing our experience, knowledge, and technologies, we continuously enhance our competitiveness. We look forward to new opportunities for collaboration with more partners to jointly create a better future.

Case: Pharmaron UK participates in the exchange activities of the industry

In 2024, Pharmaron UK actively engaged in key exchange activities within the biopharmaceutical industry. Our team attended the IAS Symposium, showcasing our leadership position in the industry while engaging in in-depth discussions with other companies and industry experts.

Moreover, Pharmaron UK participated in national symposiums, such as the Institute of Isotope Symposium and AURPO, fostering academic exchange and collaboration across the industry.

As an important participant in the industry, Pharmaron is dedicated to sharing best practices and promoting technological advancements. Through active participation in various conferences and events, we closely align with industry frontiers, proactively address industry challenges, and drive sustainable development and innovation.

Case: Pharmaron UK participates in the exchange activities organized by Biophorum

Biophorum is a global collaboration group in the biopharmaceutical industry that brings together numerous company leaders and industry experts to address existing and emerging challenges that impact the industry. It also aims to share best practices and implement solutions. As an active member, we engage in a variety of activities including online events, case sharing, writing and reviewing white papers, and delivering presentations at webinars and conferences in addition to regular meetings. Our efforts have effectively facilitated resource sharing and promoted technological advancement and development.

Social Contribution

Promoting the progress of community and socioeconomic development is crucial to Pharmaron's sustainable development. Under the guidance of the *Standard Procedures for Managing Donation and Sponsorship*, we actively engage in various public welfare and charitable activities, dedicated to serving communities and enhancing social well-being. We systematically plan and implement social responsibility projects, such as participating in natural disaster relief, promoting education in technology and innovation, supporting rural teachers, and donating supplies, thereby spreading warmth and care. At the same time, to optimize community development goals and plans, we continuously monitor and assess the Company's contributions and participation in community affairs.

In addition, Pharmaron signed a cooperation agreement with the Beijing E-Town Cooperation & Development Foundation in 2021 and officially established the "Pharmaron Health Wisdom" special fund to fully leverage industry advantages and better integrate resources of all sides. Through a systematic management process, Pharmaron ensures that every sponsorship and donation meet the standards to maximize benefits for community residents. Within this framework, Pharmaron has organized a variety of public welfare activities, including educational support and community assistance programs. As of the end of 2024, the Company has contributed to the continuous improvement and restoration of the ecological environment and sustainable development as a member of the Alxa SEE Ecological Association for six consecutive years.

In 2024, Pharmaron donated a total of RMB3.2273 million, including RMB1.357 million through the special fund for public welfare, as part of our endeavor to fulfill social responsibility and give back to society.

Certificate of Alxa SEE Ecological Association

Case: Donating to Beijing Chaoyang District Relief Management Station

In January 2024, coordinated by the Beijing E-Town Cooperation & Development Foundation, we participated in a public welfare project (Batch IV) to donate daily necessities to the Chaoyang District Relief Management Station through the "Pharmaron Health Wisdom Special Fund". Pharmaron donated a total of 88 bags of millet, a total donation value of RMB1,232, to Beijing Chaoyang District Relief Management Station.

Case: Honoring the veterans of the War to Resist U.S. Aggression and Aid Korea in the Economic-Technological Development Area

In August 2024, Pharmaron actively participated in and donated RMB5,000 as a gesture of goodwill to honor the veterans of the War to Resist U.S. Aggression and Aid Korea in the Economic-Technological Development Area during the Army Day commemoration activities organized by the Administrative Committee of the Economic-Technological Development Area through the "Pharmaron Health Wisdom Special Fund".

Case: The Third National Youth Science and Technology Education Achievement Exhibition Competition – Beijing Regional Competition

In May 2024, Pharmaron contributed RMB110,000 to support the Beijing Regional Competition of the National Youth Science and Technology Education Achievement Exhibition Competition. The funds supported venue setup, material design, catering and accommodation, event consulting, referee services, publicity, security, and emergency medical services.

Case: "Spark Plan" for rural excellent female teachers

In active response to the central government's strategy for rural revitalization, Pharmaron fully supports the development of rural education. In July 2024, the Company donated RMB1 million to support the "Spark Plan", a public-welfare training program for excellent rural teachers, through the "Pharmaron Health Wisdom Special Fund". Additionally, Pharmaron set up the "Pharmaron Wisdom Class" consisting of 100 excellent rural female teachers from 19 provinces and regions, including Guizhou, Inner Mongolia, and Xinjiang. We facilitated various activities for these outstanding teachers, including visits to enterprises in the Beijing Economic-Technological Development Area, tours of workshops and manufacturing bases, as well as participation in lectures by professors from prestigious universities, and team-building activities. These initiatives broadened the teachers' educational perspectives and enriched their practical knowledge.

Opening Ceremony of Training Class and Presentation of Class Banner

Case: "China Chip Powering the Chinese Dream" – Beijing Youth ICT Competition

Pharmaron actively encourages young people to explore and develop innovative technologies. In June 2024, through the "Pharmaron Health Wisdom Special Fund", the Company donated RMB45,000 to the Beijing Youth ICT Competition, providing support for material production, equipment rental, brand promotion and other aspects.

Case: "Exploring Science, Igniting Dreams" – Science Exploration Journey

Pharmaron is committed to supporting and paying attention to the educational development of left-behind children, giving them opportunities to pursue their scientific dreams. In August 2024, Pharmaron allocated RMB78,500 through the "Pharmaron Health Wisdom Special Fund" to support the public welfare event of the "Exploring Science, Igniting Dreams" science exploration journey initiated by the foundation. The sponsorship enabled eight left-behind children from Inner Mongolia to travel to Beijing for activities such as site visits and educational courses.

Case: Donating flood prevention supplies to Doudian Town, Fangshan District

In July 2024, Pharmaron donated flood prevention supplies to the People's Government of Doudian Town, Fangshan District. The donation included inflatable motorboats, outboard motors, life jackets, and lifebuoys, with a total value of RMB118,500, to support disaster preparedness during the rainstorm season.

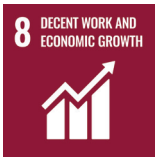
Case: Material donation projects of Pharmaron Tianjin and Pharmaron Qingdao

In January 2024, a sudden earthquake struck Gansu, and Pharmaron Qingdao responded quickly by donating emergency supplies through the Red Cross Society of Qingdao to the affected area. We not only focused on the immediate needs of the disaster zone but also actively supported the restoration of livelihoods and infrastructure, demonstrating the Company's sense of social responsibility and deep concern for the people in the affected areas.

In October 2024, Pharmaron Tianjin donated supplies to the Tianjin Economic-Technological Development Area Charity Association, including rollaway beds, mattresses, sleeping bags and moisture-proof pad, to provide warmth and support for people living in difficult conditions.

Appendix 1 Responses to UN 2030 SDGs

Pharmaron supports the UN 2030 SDGs and contributes its efforts in the frontiers such as social welfare, education, gender, energy, resources, and climate, among others.

SDGs	Pharmaron's Actions in 2024
	• Growing Together with Talent
	• Growing Together with Talent
	• Responsible Operations • Growing Together with Talent • Public Welfare and Charity
	• Growing Together with Talent
	• Sustainability Governance • Growing Together with Talent
	• Low-carbon Development
	• Low-carbon Development
	• Growing Together with Talent

SDGs	Pharmaron's Actions in 2024
	• Responsible Operations • Superior Quality and Service • Growing Together with Talent
	• Sustainability Governance • Growing Together with Talent • Public Welfare and Charity
	• Low-carbon Development • Public Welfare and Charity
	• Responsible Operations • Superior Quality and Service • Low-carbon Development
	• Low-carbon Development
	• Low-carbon Development
	• Public Welfare and Charity
	• Sustainability Governance
	• Responsible Operations • Public Welfare and Charity

Appendix 2 Key Performance Table

Environmental Performance Table

Indicator	Unit	2024	2023	2022	2021
Energy consumption					
Consumption of natural gas	10,000 standard cubic meters	1,493.05[90]	1,264.53	873.23	636.70
Diesel consumption	tonnes	21.00	40.78	11.98	9.72
Gasoline consumption	tonnes	46.47	82.01	37.86	33.83
Consumption of purchased electricity	10,000 kWh	32,331.49	29,425.57	23,418.79	15,679.04
Consumption of purchased heat	million kJ	42,227.92[91]	207,050.43	111,312.57	48,427.17
Consumption of purchased steam	tonnes	151,148.30	149,808.51	132,771.74	91,999.00
Comprehensive energy consumption	tce	80,570.46	79,459.31	61,341.60	41,285.45
Comprehensive energy consumption per RMB10,000 of revenue	tce/RMB10,000	0.066	0.069	0.060	0.055
GHG emissions					
Total GHG emissions (Scope 1 + Scope 2)	tCO_2e	198,700.78	251,495.98	183,166.48	128,641.76
GHG emissions per RMB10,000 of revenue (Scope 1 + Scope 2)	tCO_2e/RMB10,000	0.16	0.22	0.18	0.17
Scope 1: Direct GHG emissions	tCO_2e	34,268.00	34,755.68	19,261.36	14,066.22
Scope 2: Indirect GHG emissions	tCO_2e	164,432.78	216,740.30	163,905.13	114,575.54
Scope 3: GHG emissions	tCO_2e	414,817.33	395,142.93	–	–
Resource use					
Total water consumption	tonnes	1,818,289.19	1,787,904.25	1,710,203.52	1,155,027.40
Water consumption per RMB10,000 of revenue	tonnes/RMB10,000	1.48	1.55	1.67	1.55
Total consumption of packaging materials	kg	20,380.00	16,210.00	13,870.00	11,170.00
Consumption of packaging materials per RMB10,000 of revenue	kg/RMB10,000	0.017	0.014	0.014	0.015
Exhaust gas[92]					
Total emission of exhaust gas	Standard cubic meter	34,518,547,920.94	38,929,953,297.28	31,225,570,734.59	19,765,426,359.32
Total emission of exhaust pollutants	tonnes	162.11	118.10	84.38	64.33
Sulfur dioxide	tonnes	0.91	0.58	0.26	0.12
Nitrogen oxide	tonnes	13.73	12.71	1.90	1.34
Particulate matter	tonnes	3.26	1.71	0.18	0.08
Volatile organic compound	tonnes	144.21	103.10	82.04	62.79

[90] The increase in natural gas consumption in 2024 compared to 2023 was primarily due to the gradual commissioning of the site's business units, leading to higher gas usage.

[91] The decrease in outsourced heat consumption in 2024 compared to 2023 was attributed to the optimization of statistical criteria in 2024.

[92] In 2024, the total emissions of exhaust pollutants, including sulfur dioxide, particulate matter, and volatile organic compounds, increased primarily due to higher production output and increased operational loads at certain sites.

Indicator	Unit	2024	2023	2022	2021
Wastewater					
Discharge of wastewater	Standard cubic meters	1,290,008.76	1,179,158.65	1,054,522.70	820,896.50
Total amount of wastewater pollutants discharged	tonnes	156.74	160.81	170.44	45.48
Chemical oxygen demand	tonnes	145.96	149.37	162.40	37.04
Ammonia nitrogen emissions	tonnes	2.55	3.14	2.18	2.64
Total nitrogen	tonnes	6.81	7.80	4.94	5.27
Total phosphorus	tonnes	1.42[93]	0.50	0.92	0.53
Non-hazardous waste[94]					
Total amount of non-hazardous waste	tonnes	8,195.79	6,107.73	4,778.25	2,035.04
Density of non-hazardous waste	tonnes/RMB10,000	0.007	0.005	0.005	0.003
Total recovered amount of non-hazardous waste	tonnes	956.49	876.69	540.12	–
Total non-hazardous waste – by treatment methods					
Incineration	tonnes	3,271.63	2,437.68	578.58	–
Landfill	tonnes	2,306.80	1,838.22	65.32	–
Composting	tonnes	900.75	936.29	0.22	–
Recycling	tonnes	956.49	876.69	540.12	–
Reuse	tonnes	15.36	18.57	6.66	–
Other treat methods[95]	tonnes	744.76	–	3,587.35	2,035.04
Hazardous waste[96]					
Total amount of hazardous waste	tonnes	29,246.89	23,018.80	20,210.57	15,569.54
Density of hazardous waste	tonnes/RMB10,000	0.024	0.020	0.020	0.020
Total recovered amount of hazardous waste	tonnes	4,756.94	2,304.33	1,196.99	–
Total hazardous waste-by treatment methods					
Incineration	tonnes	11,573.73	12,916.45	8,888.32	–
Landfill	tonnes	192.34	11.63	308.59	–
Composting	tonnes	–	–	33.33	–
Recycling	tonnes	4,756.94	2,304.33	1,196.99	–
Reuse	tonnes	8,967.61	3,503.26	1,046.51	–
Materialization	tonnes	14.00	6.45	127.25	–
Supercritical water oxidation technologies	tonnes	2,855.41	3,218.60	2,889.15	–
Other treatment methods	tonnes	886.86	1,058.09	5,720.43	15,569.54

[93] The rise in total phosphorus levels in wastewater in 2024 was attributed to business growth, the commissioning of wastewater treatment facilities, and other related factors.

[94] The increase in non-hazardous waste in 2024 was mainly driven by a growing workforce, business expansion leading to higher waste generation, maintenance activities, and relocation at certain sites.

[95] The 2022 breakdown by treatment method is derived from internal information collection and is summed to be consistent with that disclosed data in the 2022 ESG Report. The data on non-hazardous waste in 2021 is uniformly classified as other treatment methods by default.

[96] The generation and disposal of hazardous waste in 2024 increased primarily due to changes in industry projects resulting in a rise in radioactive waste disposal, significant growth in production capacity and operational loads, increased manufacturing activities, and routine chemical waste disposal.

Social performance

Indicator		Unit	2024	2023	2022	2021
Employment	Total number of employees	person	21,370	20,295	19,481	14,923
	Number of male employees	person	9,587	9,200	9,057	7,093
	Number of female employees	person	11,783	11,095	10,424	7,830
	Number of full-time employees	person	21,370	20,295	19,459	14,906
	Number of informal employees in other forms of employment	person	687[97]	400[98,99]	22	17
	Number of employees aged 30 and below	person	14,294	14,424	13,928	10,202
	Number of employees aged 31-50 (inclusive)	person	6,525	5,651	5,342	4,548
	Number of employees aged 51 and above	person	551[100]	220	211	173
	Number of employees with a bachelor's degree and below	person	14,376	13,888	13,789	10,606
	Number of employees with a master's degree	person	5,961	5,436	4,810	3,647
	Number of employees with a doctor's degree and above	person	1,033	971	882	670
	Number of Chinese employees (including Hong Kong, Macao and Taiwan)	person	19,686	18,653	17,896	13,773
	Number of employees in the UK	person	981	961	–	–
	Number of employees in the US and other overseas regions	person	703	681	–	–
	Number of employees in other overseas regions	person	0	0	–	–
	Number of senior managers (including executive directors)	person	88	90	92	87
	Number of middle-level managers	person	4,547	4,194	3,615	2,862
	Number of non-management employees	person	16,735	16,011	15,774	11,974
	Number of employees with disabilities	person	232	161	131	–
	Number of internal hires	person	309	–	–	–
	Percentage of internal hires	%	7.50	–	–	–
	Number of new hires	person	4,122	3,683	–	–
	Total new hire rate	%	19.29	18.15	–	–
	Average recruitment cost	RMB/person	3,233	–	–	–
	Total number of employees in management positions within revenue-generating functions	person	95	–	–	–
	Total number of R&D personnel in STEM-related positions	person	19,166	–	–	–
Percentage of Female Employees	Percentage of female employees in the workforce	%	55.14	54.67	53.51	52.47
	Percentage of female employees in the management	%	45.59	45.47	44.59	–
	Percentage of female middle-level management in the management	%	46.01	45.95	–	–
	Percentage of female senior management (including executive directors) in the management	%	23.86	23.33	–	–
	Percentage of female management within revenue-generating functions	%	55.79	53.47	–	–
	Percentage of female employees in STEM-related positions	%	56.28	55.57	–	–

[97] Non-formal employees under other forms of employment primarily include interns, part-time employees, and labor dispatch workers, who are not counted in the total employee headcount.

[98] They are not included in the total employee headcount.

[99] The statistical methodology was revised in 2023.

[100] In 2024, we optimized our data collection system to enhance data quality and accuracy. As a result, the number of employees aged 51 and above has increased compared to 2023.

Indicator			Unit	2024	2023	2022	2021
Percentage of employees by region	China (including Hong Kong, Macao, and Taiwan)		%	92.12	91.91	–	–
	UK		%	4.59	4.74	–	–
	US and other overseas regions		%	3.29	3.36	–	–
Percentage of employees from ethnic minorities and/or disadvantaged groups	The proportion of ethnic minority employees[101]	Han	%	85.68	86.36	–	–
		Manchu	%	1.72	1.68	–	–
		Mongol	%	0.67	0.68	–	–
		Tujia	%	0.66	0.66	–	–
		Hui	%	0.68	0.60	–	–
		Zhuang	%	0.48	0.44	–	–
		Miao	%	0.37	0.42	–	–
		Dong	%	0.13	0.11	–	–
		Korean	%	0.09	0.09	–	–
		Other ethnic minorities besides the above	%	9.52	8.96	–	–
		Percentage of ethnic minorities employees	%	14.32	13.64	–	–
	Percentage of ethnic minority managers in the total management team	Han	%	84.38	–	–	–
		Manchu	%	1.83	–	–	–
		Mongol	%	0.54	–	–	–
		Tujia	%	0.30	–	–	–
		Hui	%	0.52	–	–	–
		Zhuang	%	0.22	–	–	–
		Miao	%	0.09	–	–	–
		Dong	%	0.02	–	–	–
		Korean	%	0.13	–	–	–
		Other ethnic minorities besides the above	%	11.97	–	–	–
	Percentage of employees from ethnic minorities and/or disadvantaged groups in senior management		%	3.41	2.22	–	–
Employment length	Average employment length of male employees		year	3.96	3.41	–	–
	Average employment length of female employees		year	3.04	2.50	–	–

[101] The data standards were updated in 2024 to include all employees across the group. Therefore, the 2023 data had been recalculated.

Indicator		Unit	2024	2023	2022	2021
Employee turnover	Employee turnover	person	3,047	2,869	–	–
	Employee turnover rate	%	14.26	14.14	14.61	14.79
	Male employee turnover	person	1,519	1,291	–	–
	Female employee turnover rate	%	15.84	14.03	12.81	–
	Female employee turnover	person	1,528	1,578	–	–
	Female employee turnover rate	%	12.97	14.22	16.15	–
	Turnover of employees aged 30 and below	person	2,320	2,381	–	–
	Turnover rate of employees aged 30 and below	%	16.23	16.51	15.67	–
	Turnover of employees aged 31-50 (inclusive)	person	656	462	–	–
	Turnover rate of employees aged 31-50 (inclusive)	%	10.05	8.18	11.66	–
	Turnover of employees 51 and above	person	71[102]	26	–	–
	Turnover rate of employees 51 and above	%	12.89	11.82	17.54	–
	Turnover of Chinese employees (including Hong Kong, Macao and Taiwan)	person	2,791	2,638	–	–
	Turnover rate of Chinese employees (including Hong Kong, Macao and Taiwan)	%	14.18	14.14	14.45	–
	Employee turnover in the UK	person	115	118	–	–
	Employee turnover in the US and other overseas regions	person	141	113	–	–
	Employee turnover rate out of China	%	15.20	14.07	16.21	–
	Employee turnover with doctor's degrees and above	person	120	114	–	–
	Employee turnover with master's degrees	person	714	629	–	–
	Employee turnover with bachelor degrees	person	1,645	1,703	–	–
	Employee turnover with associate degrees or below	person	568	423	–	–
	Voluntary employee turnover	person	2,844	2,638	–	–
	Voluntary employee turnover rate	%	13.31	13.00	14.43	14.52
	Turnover of employees who have worked in the Company for more than 3 years	person	582	468	–	–
	Turnover rate of employees who have worked in the Company for more than 3 years	%	2.72	2.31	–	–
	Voluntary turnover of employees who have worked in the Company for more than 3 years	person	525	423	–	–
	Voluntary turnover rate of employees who have worked in the Company for more than 3 years	%	2.46	2.08	–	–
Training data	Total number of employee training sessions	session	20,014	22,647	11,735	2,621
	Total number of employees trained	person	20,351	19,723	–	119,128
	Percentage of employees trained	%	95.23	97.18	96.48	97.94
	Total number of employee training hours	hour	938,723.97	633,785.89	635,479.56	943,116.50
	Average training hours per employee	hour/person	43.93	31.23	32.62	63.27
	Percentage of female employees trained	%	95.76	98.22	96.96	99.92
	Average training hours for female employees	hour/person	46.04	33.16	28.80	53.02
	Percentage of male employees trained	%	94.59	95.92	94.67	98.67
	Average training hours for male employees	hour/person	41.33	28.90	37.02	74.60
	Percentage of senior management trained (including directors)	%	100	100	75.00	61.90
	Average training hours for senior management (including directors)	hour/person	37.26	26.90	5.07	8.79
	Percentage of middle-level management trained	%	92.83	93.40	93.86	47.57

[102] In 2024, we have optimized the data collection system for overseas sites, enhancing data quality and accuracy. As a result, the turnover of employees aged 51 and above has increased compared to 2023.

Indicator		Unit	2024	2023	2022	2021
	Average training hours for middle-level management	hour/person	46.58[103]	25.37	11.67	39.50
	Percentage of non-management employees trained	%	95.86	98.07	96.48	97.94
	Average training hours for non-management employees	hour/person	43.24	32.80	37.58	69.34
	Percentage of employees aged 30 and below trained	%	96.95	–	–	–
	Average training hours for employees aged 30 and below	hour/person	44.15	–	–	–
	Percentage of employees aged 31-50 trained	%	94.42	–	–	–
	Average training hours for employees aged 31-50	hour/person	44.97	–	–	–
	Percentage of employees aged 51 and above trained	%	60.25	–	–	–
	Average training hours for employees aged 51 and above	hour/person	25.76	–	–	–
	Percentage of Chinese employees (including Hong Kong, Macau, and Taiwan) trained	%	100	–	–	–
	Average training hours for Chinese employees (including Hong Kong, Macau, and Taiwan)	hour/person	47.33	–	–	–
	Percentage of UK employees trained	%	53.01	–	–	–
	Average training hours for UK employees	hour/person	7.12	–	–	–
	Percentage of US and other overseas employees trained	%	20.63	–	–	–
	Average training hours for US and other overseas employees	hour/person	0.09	–	–	–
	Percentage of Han ethnicity employees trained	%	100	–	–	–
	Average training hours for Han ethnicity employees	hour/person	47.32	–	–	–
	Percentage of Manchu ethnicity employees trained	%	100	–	–	–
	Average training hours for Manchu ethnicity employees	hour/person	46.43	–	–	–
	Percentage of Mongolian ethnicity employees trained	%	100	–	–	–
	Average training hours for Mongolian ethnicity employees	hour/person	45.65	–	–	–
	Percentage of Tujia ethnicity employees trained	%	100	–	–	–
	Average training hours for Tujia ethnicity employees	hour/person	47.99	–	–	–
	Percentage of Hui ethnicity employees trained	%	100	–	–	–
	Average training hours for Hui ethnicity employees	hour/person	48.14	–	–	–
	Percentage of Zhuang ethnicity employees trained	%	100	–	–	–
	Average training hours for Zhuang ethnicity employees	hour/person	49.73	–	–	–
	Percentage of Miao ethnicity employees trained	%	100	–	–	–
	Average training hours for Miao ethnicity employees	hour/person	45.64	–	–	–
	Percentage of Dong ethnicity employees trained	%	100	–	–	–
	Average training hours for Dong ethnicity employees	hour/person	45.72	–	–	–
	Percentage of Korean ethnicity employees trained	%	100	–	–	–
	Average training hours for Korean ethnicity employees	hour/person	49.84	–	–	–
	Percentage of employees from other minority ethnicities trained	%	49.93	–	–	–
	Average training hours for employees from other minority ethnicities	hour/person	11.84	–	–	–
	Total anti-corruption training hours for board members	hour/person	2	–	–	–
	Coverage rate of anti-corruption training among board members	%	100	100	100	–

[103] In 2024, the Leadership Program was deepened, resulting in an increase in the average training hours for middle-level management employees compared to the previous year.

Indicator			Unit	2024	2023	2022	2021
	Total anti-corruption training hours for employees		hour	9,989	4,669	3,012	–
	Coverage rate of anti-corruption training among employees[104]		%	100	100	100	–
	Total number of anti-corruption training participants[105]		participants	19,832	–	–	–
Supplier Data	Total number of suppliers		/	7,582	7,032	4,731	3,332
	Number of suppliers implementing relevant practices		/	7,582[106]	3,026	4,731	3,332
	Number of suppliers by region	Chinese suppliers (including Hong Kong, Macau, and Taiwan)	/	5,097	4,784	2,848	2,857
		Overseas suppliers	/	2,485	2,248	1,883	475
	Total number of significant Tier 1 suppliers		/	100	100	–	–
	Proportion of total spending on significant Tier 1 suppliers		%	49	86	–	–
	Total number of non-Tier 1 suppliers		/	0	0	–	–
	Total number of significant and critical suppliers		/	20	20	–	–
	Critical suppliers		/	20	20	–	–
	Non-critical suppliers		/	7,562	7012	–	–
	Number of supplier audits		/	574	454	705	1,160
Employee Health	Number of employees completed health checkups		person	18,062[107]	16,149[108]	–	–
	Employee coverage of health checkup		%	84.52[109]	86.58[110]	–	–
	Social insurance coverage[111]		%	100	100	100	–
Occupational Health and Safety	Number of fatalities due to work-related injuries		person	1[112]	0	0	0
	Proportion of work-related fatalities		%	0.005[113]	0	0	0
	Number of workdays lost due to work-related injuries		day	1,401	972	1,377	562
	Employee lost workday rate (LWR)		/	6.53	4.79	7.07	–
	Contractor lost workday rate (LWR)		/	0	–	–	–
Other	Total donations		RMB10,000	322.73	490.44	–	–
	Expenditure amount of the "Pharmaron Health Wisdom Special Fund"		RMB10,000	135.70	250	–	–
	Return on investment in human capital		%	137.60	140.71	–	–

[104] This coverage rate statistic does not include Pharmaron UK and Pharmaron US.

[105] Employees in service as of December 31, 2024.

[106] In 2024, all suppliers will be included within the scope of executing relevant practices.

[107] Scope covers employees across the entire group.

[108] Scope covers employees in China.

[109] Scope covers employees across the entire group.

[110] Scope covers employees in China.

[111] Scope covers employees in China.

[112] An employee tragically passed away in a traffic accident on the way to work, and the party responsible for the accident was not an employee of Pharmaron.

[113] An employee tragically passed away in a traffic accident on the way to work, and the party responsible for the accident was not an employee of Pharmaron.

Appendix 3 ESG Index

Disclosure Indicators		Sections
Environmental		
A1: Emissions		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride. Hazardous wastes are those defined by national regulations.		Addressing Climate Change Green Operations Pollution Prevention and Mitigation
A1.1	The types of emissions and respective emissions data.	Pollution Prevention and Mitigation
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).	Addressing Climate Change
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Pollution Prevention and Mitigation
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Pollution Prevention and Mitigation
A1.5	Description of emission target(s) set and steps taken to achieve them.	Addressing Climate Change Green Operations
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Operations
A2: Use of Resources		
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.		Addressing Climate Change Green Operations
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).	Addressing Climate Change
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Green Operations
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Addressing Climate Change
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Green Operations
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Green Operations

Disclosure Indicators		Sections
A3: The Environment and Natural Resources		
General Disclosure Policies on minimizing the issuer's significant impacts on the environment and natural resources.		Green Operations
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Operations
A4: Climate Change		
General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact the issuer.		Addressing Climate Change
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.	Addressing Climate Change
Social		
Employment and Labor Standards		
B1: Employment		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Employment and Development
B1.1	Total workforce by gender, employment type (for example, full- or part time), age group and geographical region.	Employment and Development
B1.2	Employee turnover rate by gender, age group and geographical region.	Key Performance Table
B2: Health and Safety		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		Safe Operations Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Safe Operations
B2.2	Lost days due to work injury.	Safe Operations
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Safe Operations Health and Safety
B3: Development and Training		
General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.		Employment and Development
B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Employment and Development
B3.2	The average training hours completed per employee by gender and employee category.	Employment and Development

Disclosure Indicators		Sections
B4: Labor Standards		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.		Employment and Development
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment and Development
B4.2	Description of steps taken to eliminate such practices when discovered.	Employment and Development
B5: Supply Chain Management		
General Disclosure Policies on managing environmental and social risks of the supply chain.		Supply Chain Management
B5.1	Number of suppliers by geographical region.	Supply Chain Diversity
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.	Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
B6: Product Responsibility		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.		Quality Service Innovation, Research and Development Information Security
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality Service
B6.2	Number of products and service-related complaints received and how they are dealt with.	Quality Service
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Innovation, Research and Development
B6.4	Description of quality assurance process and recall procedures.	Quality Service
B6.5	Description of consumer data protection and privacy policies and how they are implemented and monitored.	Information Security

Disclosure Indicators		Sections
B7: Anti-corruption		
General disclosure Information on: (a) Policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		Integrity and Compliance
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.	Integrity and Compliance
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Integrity and Compliance
B7.3	Description of anti-corruption training provided to directors and employees.	Integrity and Compliance
Community		
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.		Public Welfare and Charity
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Public Welfare and Charity
B8.2	Resources contributed (e.g. money or time) to the focus area.	Public Welfare and Charity

Appendix 4 GRI Content Index

Statement of use	Pharmaron has reported in accordance with the GRI Standards for the period January 1, 2024 to December 31, 2024.
GRI 1 used	GRI 1: Foundation 2021

Disclosure issues/items	Disclosure	Sections
GRI 2: General Disclosures		
The Organization and its Reporting Practices		
2-1	Organizational details	About Us
2-2	Entities included in the organization's sustainability reporting	About This Report
2-3	Reporting period, frequency and contact point	About This Report
2-4	Restatements of information	About This Report
2-5	External assurance	External Assurance
Activities and Workers		
2-6	Activities, value chain and other business relationships	Supply Chain Management
2-7	Employees	Employment and Development
2-8	Workers who are not employees[114]	Employment and Development
Governance		
2-9	Governance structure and composition	Corporate Governance
2-10	Nomination and selection of the highest governance body	Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance
2-13	Delegation of responsibility for managing impacts	ESG Governance
2-14	Role of the highest governance body in sustainability reporting	Corporate Governance
2-15	Conflicts of interest	Integrity and Compliance
2-16	Communication of critical concerns	ESG Governance
2-17	Collective knowledge of the highest governance body	ESG Governance
2-18	Evaluation of the performance of the highest governance body	ESG Governance
Strategy, Policies and Practices		
2-22	Statement on sustainable development strategy	ESG Governance
2-23	Policy commitments	ESG Governance List of Laws, Regulations and Internal Policies
2-24	Embedding policy commitments	ESG Governance
2-25	Processes to remediate negative impacts	Addressing Climate Change Business Ethics
2-27	Compliance with laws and regulations	List of Laws, Regulations and Internal Policies

[114] The informal employees under other forms of employment mentioned in the report mainly include interns, part-time employees, labor dispatch workers, etc., and are not included in the total employee count.

Disclosure issues/items	Disclosure	Sections
Stakeholder Engagement		
2-29	Approach to stakeholder engagement	ESG Governance
GRI 3: Material Topics		
3-1	Process to determine material topics	ESG Governance
3-2	List of material topics	ESG Governance
3-3	Management of material topics	ESG Governance
Economic		
GRI 201: Economic Performance		
201-1	Directly generated and distributed economic value	Annual Report
201-2	Financial implications and other risks and opportunities due to climate change	Innovation, Research and Development
201-3	Defined benefit plan obligations and other retirement plans	Employment and Development
GRI 205: Anti-corruption		
205-1	Operations assessed for risks related to corruption	Integrity and Compliance
205-2	Communication and training about anti-corruption policies and procedures	Integrity and Compliance
205-3	Confirmed incidents of corruption and actions taken	Integrity and Compliance
GRI 206: Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	/
Environmental		
GRI 302: Energy		
302-1	Energy consumption within the organization	Addressing Climate Change
302-3	Energy intensity	Addressing Climate Change
302-4	Reduction of energy consumption	Addressing Climate Change
302-5	Reductions in energy requirements of products and services	Addressing Climate Change
GRI 304: Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Green Operations
304-2	Significant impacts of activities, products and services on biodiversity	Green Operations
304-3	Habitats protected or restored	Green Operations
GRI 305: Emissions		
305-1	Direct (Scope 1) GHG emissions	Addressing Climate Change
305-2	Energy indirect (Scope 2) GHG emissions	Addressing Climate Change
305-4	GHG emissions intensity	Green Operations
305-5	Reduction of GHG emissions	Green Operations

Disclosure issues/items	Disclosure	Sections
Social		
GRI 401: Employment		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Communication and Care
GRI 403: Occupational Health and Safety		
403-1	Occupational health and safety management system	Safe Operations Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Safe Operations
403-3	Occupational health services	Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety
403-5	Worker training on occupational health and safety	Health and Safety
403-6	Promotion of worker health	Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety
403-8	Workers covered by an occupational health and safety management system	Health and Safety
403-9	Work-related injuries	Safe Operations
403-10	Work-related ill health	Health and Safety
GRI 404: Training and Education		
404-1	Average hours of training per year per employee	Employment and Development
404-2	Programs for upgrading employee skills and transition assistance programs	Employment and Development
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Employment and Development
GRI 406: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	Employment and Development
GRI 413: Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	Public Welfare and Charity
GRI 414: Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	Supply Chain Management
414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management

Appendix 5 List of Laws, Regulations and Internal Policies

Category	Title
International principles and guidelines	*World Medical Association Declaration of Helsinki*
	International Ethical Guidelines for Biomedical Research Involving Human Subjects
	ICH Q2 (R2) *Validation of Analytical Procedures*
	ICH Q7 *Good manufacturing practice for active pharmaceutical ingredients – Scientific guideline*
	ICH Q8 *Pharmaceutical Development*
	ICH Q9 *Quality Risk Management*
	ICH Q10 *Pharmaceutical Quality System*
	ICH Q11 *Development and Manufacture of APIs*
	ICH Q13 *Continuous Manufacturing of Drug Substances and Drug Products*
	Universal Declaration of Human Rights
Chinese laws and regulations	*Civil Code of the People's Republic of China*
	Criminal Law of the People's Republic of China
	Company Law of the People's Republic of China
	Securities Law of the People's Republic of China
	Anti-unfair Competition Law of the People's Republic of China
	Drug Administration Law of the People's Republic of China
	Cybersecurity Law of the People's Republic of China
	Personal Information Protection Law of the People's Republic of China
	Good Clinical Practice (GCP) E6(R3)
	Biosecurity Law of the People's Republic of China
	Regulation on the Administration of Laboratory Animals
	Laboratory Animal – Requirements of Environment and Housing Facilities
	Advertising Law of the People's Republic of China
	Copyright Law of the People's Republic of China
	Good Clinical Practice for Medical Devices ("Device GCP")
	Good Manufacturing Practice for Drugs (2010 Revision) of China)
	The Appendix: *Drugs for Clinical Trial (Trial) (July 2022) of China*
	Good Laboratory Practice (GLP)
	Good Clinical Practice (GCP) E(R1)
	NMPA Requirements for Drug Record and Data Management (Trial) (December 2020) of China
	Veterinary Drug Production Quality Management Standards (2020 Edition) of China
	Patent Law of the People's Republic of China
	Trademark Law of the People's Republic of China

Category	Title
	Law of the People's Republic of China on Work Safety
	Labor Law of the People's Republic of China
	Labor Contract Law of the People's Republic of China
	Law of the People's Republic of China on the Protection of Minors
	Employment Promotion Law of the People's Republic of China
	Social Insurance Law of the People's Republic of China
	Interim Provisions on Wage Payment
	Regulation on Paid Annual Leave for Employees
	Law of the People's Republic of China on Prevention and Treatment of Occupational Diseases
	Occupational Health and Safety Management System Certification
	Energy management systems – Requirements with guidance for use
	Environmental Protection Law of the People's Republic of China
	Energy Conservation Law of the People's Republic of China
	Integrated Emission Standard of Air Pollutants
	Water Pollution Prevention and Control Law of the People's Republic of China
	Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste
	Law of the People's Republic of China on the Prevention and Control of Noise Pollution
	Emission Standard for Industrial Enterprises Noise at Boundary
European and American laws and regulations	*EudraLex* of the EU
	General Data Protection Regulation of the EU
	Food, Drug, and Cosmetic Act of the US
	PSCI Responsible Supply Chain Management Principles
	Animal Welfare Act of the US
	Current Good Manufacturing Practice (CGMP) Regulations of the US
	FDA Data Integrity and Compliance with CGMP Guidance of the US
	Electronic Records: Electronic Signatures of the US
	Foreign Corrupt Practices Act (FCPA)
	Pay Transparency Non-discrimination Provision of the US
	National Labor Relations Act of the US
	Fair Labor Standards Act of the US
	Occupational Safety and Health of the US
	Energy Policy Act of 2020 of the US
	Clean Water Act of the US
	Clean Air Act of the US
	Noise Control Act of the US
	UK Bribery Act 2010

Category	Title
	Animals (Scientific Procedures) Act 1986 of the UK (amended 2021)
	General Data Protection Regulation of the UK
	MHRA GxP Data Integrity Definition and Guidance of the UK
	Employment Rights Act 1996 of the UK
	Children (Protection at Work) Regulations 1998 of the UK
	Children Act 2004 of the UK
	Health and Safety at Work Act 1974 of the UK
	Management of Health and Safety at Work Regulations 1995 of the UK
	Environmental Protection Act 1990 of the UK
	Environment Act 2021 of the UK
	Control of Pollution Act 1974 of the UK
	Waste (England and Wales) Regulations 2011 of the UK
	Control of Noise at Work Regulations 2005 of the UK
Internal policies and systems	*Rules of Procedure for the Board of Directors*
	Work Rules of Independent Non-executive Directors
	Articles of Association
	Pharmaron Code of Conduct
	Anti-Money Laundering Policy
	ESG Management Measures
	ESG Information Management Handbook
	Board Diversity Policy
	Recruitment and Selection Policy
	Anti-Harassment and Bullying Policy
	Equal Opportunities Policy
	Employee Diversity, Equality, and Inclusion Policy
	Child Labor Risk Control and Rescue System
	Employee Handbook
	Conflict of Interest Management Measures
	Anti-corruption Compliance Policy
	Trade Compliance Policy
	Internal Whistleblowing and Investigation Policy
	Compliance Due Diligence for Business Partner
	Internal Audit Management System
	Protection of Data Privacy and Client Confidentiality
	Laboratory Animal Center Management Handbook
	Measures for the Administration of Disciplines Related to the Management and Use of Laboratory Animals
	Constitution of the Institutional Animal Care and Use Committee (IACUC)

Category	Title
	Responsible Marketing Policy
	Pharmaron Information Security Management Policy
	Pharmaron Employee Information Security Handbook
	Pharmaron Application Security Policy Throughout Application Life Cycle
	Pharmaron Information Security Law and Regulation Compliance Management
	Pharmaron Data Privacy Policy
	Procurement Management Regulations
	Purchase Management Standard Operating Procedures
	Code of Conduct for Business Partners
	Supplier Approval Policy
	Supplier Monitoring Policy
	Supplier DEI Policy
	Quality Manual
	Pharmaron Quality Guidelines
	Phase Appropriate Quality Management in API Manufacture
	GxP Regulatory Surveillance
	IEC or IRB Submission
	OOS and OOT Results Investigation
	Quality Risk Management Guidance for the Manufacture of Different Medical Products in Shared Facilities
	The Management Procedure for Manufacture of Different Medicinal Products In Shared Facilities
	Recommended Acceptable Intake Limits for Nitrosamine Drug-Substance-Related Impurities (NDSRIs) Guidance for Industry
	Management of Nitrosamine Risks
	Regulation on Veterinary Drug Administration
	Special Requirements for the Production Management of Veterinary Drug Substances
	Veterinary Drug Good Manufacturing Practice (GMP) Inspection and Acceptance Evaluation Criteria
	Pharmaron IP Handbook
	Pharmaron Information Confidentiality System
	Management Measures for Trade Secrets of Pharmaron
	Information Resource Control Procedures of Pharmaron
	Confidentiality System Construction Plan of Pharmaron
	Hazard Identification, Risk Assessment, and Control Management Procedures
	Accident Hazards Investigation and Control Management Procedures
	Hazardous Materials Management Procedures
	Accident Reporting, Investigation, and Handling Procedures
	Hazardous Chemicals Management Procedures
	Contractor Safety Management Procedures
	Special Operations Personnel Safety Management Procedures
	Safety Production Responsibility System
	Management Procedures of Work Safety Responsibility System
	Work Instruction for Hot Work
	Work Instruction for Height Work

Category	Title
	Work Instruction for Confined Space
	Corrective Action Plan for the Risk in Concentrative Safety Program
	Standard Operating Procedures for Customer Complaints
	Standard Operating Procedures for Product Recall
	Management Procedures for Non-conforming Products
	Labor and Human Rights Management System
	Disciplinary Procedure Policy
	*Intern Manage*ment Policy
	Performance Management and Evaluation System
	People Strategy Implementation Roadmap
	People Strategy Newsletter Special Edition
	Learning and Development Policy
	Safety Manual
	Standard Operating Procedures
	Work Instruction
	Emergency Plan
	Management Procedure for Publicity, Education and Training of Occupational Disease Prevention and Control
	Energy Conservation Management System
	Environmental Protection Management System
	Environmental Protection and Energy Conservation Reward and Punishment System
	Energy Conservation and Environmental Protection Responsibility System
	Environmental Protection Management Procedures
	Environmental Monitoring and Measurement Management Procedures
	Environmental Pollution Incident Management Procedures
	Environmental Pollution Accident Emergency Rescue Plan
	Disaster Response Plan and Emergency Response Procedures
	Wastewater Treatment Station Management Procedures
	Waste Management Procedure
	Exhaust Gas Control Management Procedure
	Hazardous Waste Management Plan
	Environmental Noise Management Procedure

Appendix 6 Reporting Scope

Company name
Beijing Headquarters:
Pharmaron Beijing Co., Ltd.
Pharmaron Shaoxing Co., Ltd.
Pharmaron (Beijing) Technology Development Co., Ltd.
Beijing AniKeeper Biotech Co., Ltd.
Pharmaron (Ningbo) Technology Development Co., Ltd.
Pharmaron (Ningbo) Bioscience Services Co., Ltd.
Pharmaron (Ningbo) Biologics Co., Ltd.
Pharmaron Ningbo Co., Ltd.
Pharmaron CRI (Ningbo) Co., Ltd.
AniKeeper (Ningbo) Biotech Co., Ltd.
Pharmaron (Tianjin) Process Development and Manufacturing Co., Ltd.
Hangzhou Ruituo Intelligent Technology Co., Ltd.
Shanghai Jiying Intelligent Technology Co., Ltd.
Pharmaron (Chengdu) Clinical Services Co., Ltd.
Nanjing Sirui Biotechnology Co., Ltd.
Pharmaron (Beijing) Clinical Services Co., Ltd.
Pharmaron (Shanghai) Clinical Services Co., Ltd.
Enyuan Pharmaceutical Technology (Beijing) Co., Ltd.
Beijing LinkStart Biotechnology Co., Ltd.
Beijing Kangsida Health Management Co., Ltd.
RAMED (Beijing) Medical Technology Co., Ltd.
Shanghai RAMED Medical Technology Co., Ltd.
Hainan Shenzhou Deshu Medical Technology Co., Ltd.
Pharmaron (Hangzhou) Clinical Services Co., Ltd.
Pharmaron (Wuhan) Clinical Services Co., Ltd.
DeltaMed (Beijing) Co., Ltd.
Pharmaron (Nanjing) Clinical Services Co., Ltd.
Pharmaron (Ningbo) Medical Device Testing Co., Ltd.
Pharmaron (Zhuhai) Clinical Services Co., Ltd.
Pharmaron (Xi'an) Technology Development Co., Ltd.
Pharmaron Xi'an Co., Ltd.
Pharmaron Chongqing Co., Ltd.
Pharmaron Qingdao Co., Ltd.
AniKeeper (Zhanjiang) Biotech Co., Ltd.
AniKeeper (Zhaoqing) Biotech Co., Ltd.
Pharmaron (Beijing) TSP Services Co., Ltd.
Pharmaron (Beijing) Pharmaceutical Technology Co., Ltd.
Pharmaron Shanghai Co., Ltd.
Pharmaron (Beijing) Biologics Co., Ltd.
Pharmaron, Inc.
Pharmaron (Germantown) Lab Services Inc.
Pharmaron Manufacturing Services (US) LLC
Pharmaron (Exton) Lab Services LLC
Pharmaron (Boston) Lab Services LLC
Pharmaron (San Diego) Lab Services LLC
Pharmaron (US) Clinical Services, Inc.
Pharmaron CPC, Inc.
Pharmaron (UK) Limited
Pharmaron Biologics (UK) Ltd
Pharmaron Manufacturing Services (UK) Ltd
Pharmaron (Hong Kong) International Limited
Pharmaron (Hong Kong) Investments Limited
Pharmaron Biologics (HK) Holdings Limited
Pharmaron (US) Clinical Holdings, Inc.
Pharmaron Japan LLC
Pharmaron US, Inc.
Pharmaron (US) Lab Services, Inc.
Pharmaron Biologics (US) Holdings, Inc.
Pharmaron (UK) Investments Limited
Quotient Bioresearch (Radiochemicals) Limited
Pharmaron Biologics (UK) Holdings Limited

Appendix 7 Suggestions and Comments

Thank you for reading Pharmaron 2024 Environmental, Social and Governance Report. We would love to receive your feedback so that we can provide you and all the other stakeholders with more valuable information while moving forward in our overall ESG performance. You could send us your feedback in the following ways:

Address: 6 Tai-He Road, Beijing Economic-Technological Development Area, Beijing, China

Postal code: 100176

Email: pharmaron@pharmaron.com

1. Which of the following stakeholder categories do you belong to? _____

A. Governments and regulators B. Institutional investors/shareholders
C. Individual investors/shareholders D. Board members
E. Company executives F. Employees G. Clients and potential clients
H. Suppliers and subcontractors I. Colleges and universities J. Communities and the public
K. Charity organizations and industry associations L. Media M. ESG experts

2. Do you think this report addresses your concerns about the Group? _____

A. Yes B. No. (What do you think should also have been disclosed in this report?)

3. Do you think the Group has responded to your expectations? _____

A. Yes B. No. (Which of your expectations do you think are not well responded to?)

4. Do you think the content and design of this report make it friendly to read? _____

A. Very friendly B. Friendly C. Average D. Unfriendly

5. Do you have any other comments or suggestions on the Group's ESG performance or this report?

Thank you again for your time!

Appendix 8 External Assurance

ASSURANCE STATEMENT CN25/00001898

SGS-CSTC'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE 2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT OF PHARMARON BEIJING CO., LTD

NATURE OF THE ASSURANCE/VERIFICATION
SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. (hereinafter referred to as SGS) was commissioned by Pharmaron Beijing Co., Ltd (hereinafter referred to as Pharmaron) to conduct an independent assurance of the Chinese version of *2024 Environmental, Social And Governance Report* (hereinafter referred to as the Report).

INTENDED USERS OF THIS ASSURANCE STATEMENT
This Assurance Statement is provided with the intention of informing all Pharmaron's Stakeholders.

RESPONSIBILITIES
The information in the Report and its presentation are the responsibility of the governing body and the management of Pharmaron. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance with the intention to inform all Pharmaron's stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE
The SGS ESG & Sustainability Report Assurance (SRA) protocols used to conduct assurance are based upon internationally recognised assurance standards including the AA1000 series of standards and ISAE3000.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options	Level of Assurance
AA1000AS v3 Type 2	Moderate

SCOPE OF ASSURANCE AND REPORTING CRITERIA
The assurance was conducted to evaluate the accuracy and reliability of the sustainability performance information included in the Report. The engagement assessed the Report's reference to GRI Standards 2021 and verified its compliance with Appendix C2 'Environmental, Social and Governance Reporting Guide' under the HKEX Listing Rules which took effect before January 1 2025.

ASSURANCE METHODOLOGY
The assurance comprised a combination of pre-assurance research, interviews with relevant employees (located at 6 TaiHe Road, BDA, Beijing, on-site); documentation and record review and validation where relevant.

LIMITATIONS AND MITIGATION
Data reported in the Report and obtained directly from an independent auditor audited financial report was not verified in the assurance process.
The verification conclusions of quantitative data in this report are based on sampling methods.
The on-site verification was conducted at the Pharmaron Beijing and did not conduct on-site verification at other branches.

STATEMENT OF INDEPENDENCE AND COMPETENCE
The SGS Group of companies is the world leader in inspection, testing and certification, operating in multiple countries and providing services. SGS affirm our independence from Pharmaron, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised of CCAA registered ISO 9001, ISO 14001, ISO37001, ISO37301 auditor and SGS recognized CSR/ESG lead auditor with knowledge of GRI, AA1000 etc.

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION
On the basis of the methodology described and the assurance performed, the information and data in the Report is accurate, reliable, fairly and pertinently presented Pharmaron's sustainability management activities.

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS BASED ON *GRI STANDARDS 2021*
The assurance team concludes that the Report references the GRI Standards 2021 in its preparation.

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS BASED ON *APPENDIX C2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE OF LISTING RULES* PUBLISHED BY HKEX
The assurance team concludes that the Report has been prepared in accordance with the requirements of *Appendix C2 Environmental, Social and Governance Reporting Code of Listing Rules* published by HKEX.

FINDINGS AND RECOMMENDATIONS
All observations pertaining to commendable practices, sustainable development activities, and managerial recommendations identified throughout the assurance process have been thoroughly documented in the *Internal Management Report on Sustainability Reporting Assurance*. This report has been officially presented to the relevant management divisions of Pharmaron to serve as a reference for their ongoing efforts towards continuous improvement.

Signed:

For and on behalf of SGS-CSTC

David Xin
Sr. Director – Business Assurance
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Beijing, P.R. China

Apr. 10th, 2025
WWW.SGS.COM

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