复旦张江
FUDAN-ZHANGJIANG

上海復旦張江生物醫藥股份有限公司
Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd.*

(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 1349)

2025
Environmental, Social and Governance Report



** For identification purpose only*

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Environmental, Social and Governance Report

ABOUT THE ESG REPORT

Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd. hereby issues the 2025 Environmental, Social and Governance Report (the "ESG Report") of the Group, to demonstrate the Group's philosophy and practice for sustainable development and social responsibility to its stakeholders in both environmental and social areas.

For related information on corporate governance, please refer to the Corporate Governance Report.

Reporting Scope

The ESG Report covers our main businesses for the period from 1 January 2025 to 31 December 2025 (the "Reporting Period"). The key performance indicators ("KPIs") disclosed in the report cover Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd. ("Shanghai FDZJ"), Taizhou Fudan-Zhangjiang Pharmaceutical Co., Ltd. ("Taizhou FDZJ") and Shanghai Tracing Bio-technology Co., Ltd. ("Shanghai Tracing") for the Reporting Period.

There is no significant adjustment to the reporting scope as compared to the 2024 ESG Report included in the 2024 Annual Report of Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd.

Reference and Principles

This report is prepared in accordance with the *Environmental, Social and Governance Reporting Code* (the "ESG Reporting Code") set out in Appendix C2 to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* and the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)* (the "Guideline") and the *Guide No.13 for Self-Regulatory Supervision on Listed Companies of the SSE STAR Market – Compilation of Sustainable Development Reports* (the "Guide"). The ESG Report complies with the principles of "Materiality", "Quantitative", "Balance" and "Consistency". The description on how to comply with the principles of "Materiality", "Quantitative", "Balance" and "Consistency" is as follows:

- **Materiality:** The Group determines material ESG issues by stakeholder engagement and materiality assessment, the process and results of which are detailed illustrated in the "Improve Responsible Governance" chapter;

- **Quantitative:** Information on the standards, methodologies and source of conversion factors used for the reporting of emission and energy consumption has been disclosed;

- **Balance:** Information provided in this ESG Report is unbiased and comprehensive for the readers to make decisions or judgment.

- **Consistency:** During the Reporting Period, the Company included fugitive emission sources in the scope of greenhouse gas emissions and simultaneously calculated methane and nitrous oxide emissions from fuel combustion. The statistical scope and data calculation methods for other KPIs are consistent with those of previous years.

IMPROVE RESPONSIBLE GOVERNANCE

Governance Framework

The Group fully understands that the implementation of responsible governance is crucial to the sustainable development of the enterprise. We uphold the ESG management policy of sustainable development, incorporate ESG risks and opportunities into the Group's business strategy, and are committed to providing customers with safe and healthy products and providing employees with a safe and healthy working environment and scientific and practical training plans. We are also committed to establishing a transparent, standard and environmental-friendly supply chain and a positive industry environment.

The Group has established a top-down three-layer ESG management structure to properly manage ESG issues:

The Board of Directors	It is the top decision-making body, taking full responsibility for ESG strategy and reporting	✓ Assessing, prioritising and managing material ESG issues and their risks on the business of the Group; ✓ Developing ESG management policies, strategies and objectives; ✓ Regularly assessing the Group's performance against relevant objectives; ✓ Reviewing and approving the annual ESG report.
Senior Management	It organises the ESG Working Group to carry out relevant work pursuant to the ESG strategies made by the Board	✓ Implementing ESG risk management and internal control system, and reporting to the Board about ESG trends, risks and opportunities; ✓ Regularly reporting to the Board on the progress and achievement of ESG work; ✓ Reporting the annual ESG report to the Board.
ESG Working Group	It is composed of the heads of each department of the Group	✓ Implementing ESG strategies and policies made by the Board; ✓ Carrying out ESG work according to the arrangement of Senior Management; ✓ Preparing annual ESG report; ✓ Reporting on the ESG working progress and annual ESG report to senior management.

Stakeholders Engagement

We keep revising and improving the internal governance in accordance with the *Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies,* the *Rules for Stock Listing in Shanghai Stock Exchange STAR Market* and other laws and regulations. Independent directors monitor the daily operating and managing activities of the Company, providing a significant guarantee for the legal rights and interests of the Company and its shareholders, especially the minority shareholders. Interactive communication is carried out through a variety of channels, such as general meetings, investor hotline, investor mailboxes, Shanghai Stock Exchange E-interactions, etc. Consequently, the communication has been enhanced and transparent relationship has been established between the Company, shareholders, and investors. With attention attached to the comments and suggestions from investors, the Group will strive to improve business performance and reward investors.

We actively establish a diversified communication mechanism and communicate with various stakeholders to understand their opinions and suggestions on our sustainable performance and future development strategies.

Stakeholders	Governments and regulators	Shareholders and investors	Employees
Expectation and concerns	Compliance with laws and regulations Tax expense Product compliance Leading the healthy development of industry	Operational compliance Return on investment Corporate governance Information disclosure	Protection of employee rights and interests Career development channel Employee capacity training Healthy and safe working environment
Communication channels	Compliance management Proactive in tax payment Implementation of national policies Continuous R&D and innovation Risk analysis reporting Timely reporting adverse events Active participation in government projects	Annual report, announcements, and circulars General meeting Results presentation Roadshows Investor meeting	Employee satisfaction survey Regular meetings and trainings Employee care activities Internal communication platform

Stakeholders	Distributors and consumers	Suppliers	Community	Environment
Expectation and concerns	Product quality and safety Protection of customer rights and interests Compliance promotion R&D and innovation Privacy protection	Business ethics Win-win cooperation	Promoting community harmony Improving public welfare awareness Poverty reduction	Environment protection Improving energy efficiency Climate change mitigation
Communication channels	Satisfaction survey Complaint channel On-site communication Academic seminar Proper information management	Business visit Daily meeting Academic exchange conference	Charitable activities Supporting farmers for poverty alleviation	Concentrating on environmental protection Energy conservation and emissions reduction Risk and opportunity identification

Double Materiality Assessment

Identifying, assessing, and proactively addressing material ESG issues is key to enhancing the Group's ESG performance. The Group continuously conducts materiality assessments and annually reviews and discusses the results, incorporating feedback from internal and external stakeholders and changes in the Group's business operating environment. In 2024, we assessed the Group's material ESG issues based on the principle of "double materiality". We comprehensively analysed the impact of ESG issues on the Group's business and finance as well as on the external environment and society, and guided the Group's ESG work accordingly:

1. Identify the issues

- We identified ESG issues relevant to the Group by fully considering the Group's strategic priorities, actual business and industrial characteristics, and following the ESG Reporting Code, the Guidelines, and other regulatory requirements as well as market trends.

2. Assess the issues

- We conducted materiality assessment of the issues from two dimensions, i.e. "impact materiality" and "financial materiality":
- "Impact materiality": Through stakeholder surveys, we assessed from perspectives of the likelihood, scale, scope and irremediability of impacts whether the Group's performance on the relevant issues could have actual or potential significant impacts on the economy, society, and environment.
- "Financial materiality": Through interviews with internal management, shareholders, investors and other stakeholders, we assessed from perspectives of the likelihood and degree of impact whether the issues were expected to have a significant impact on the Group's business model, business operations, development strategy, financial position, operating results, cash flow, financing methods and costs in the short, medium and long term.

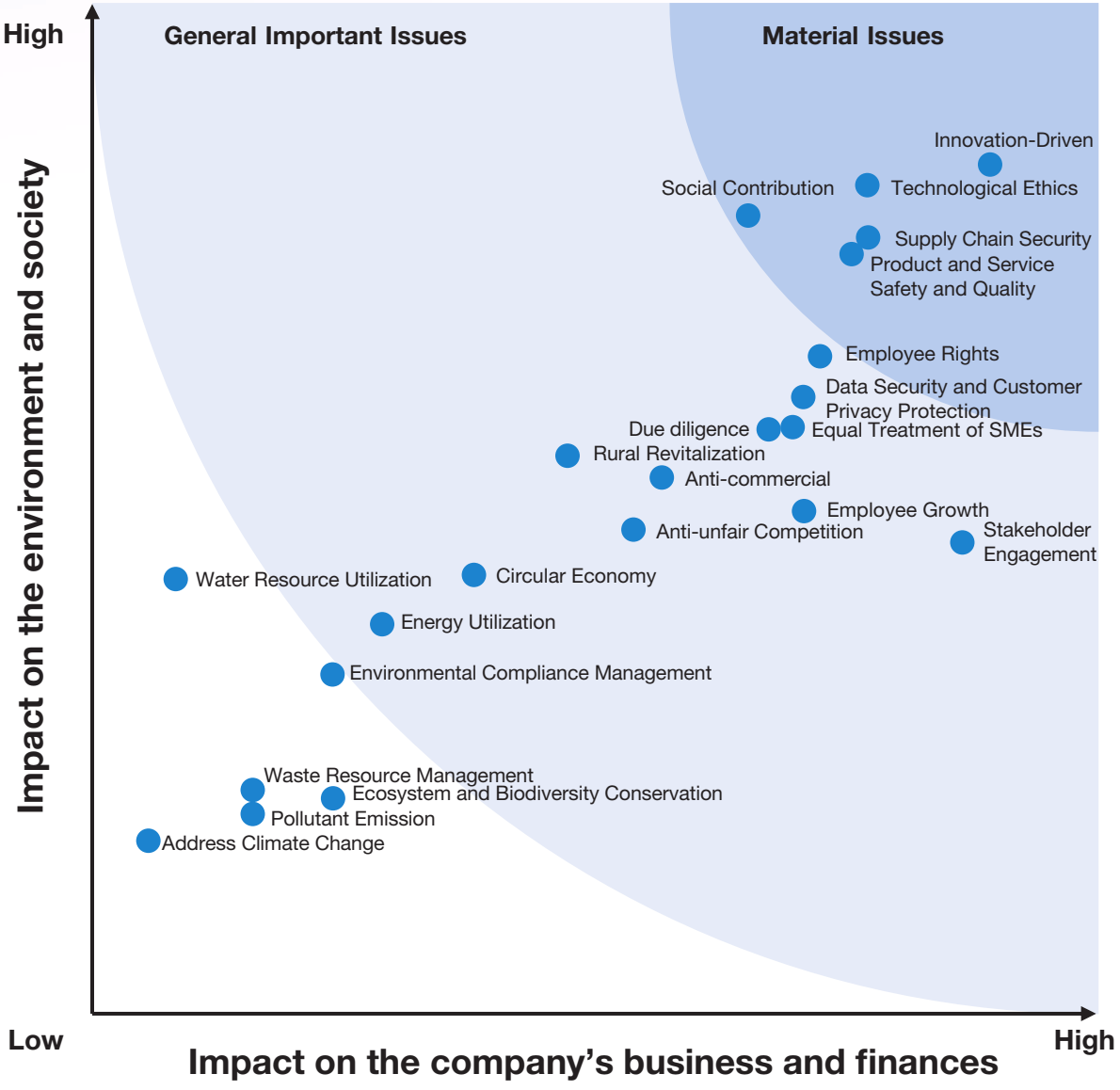
3. Confirm the issues

- Based on the assessment results from step 2, we conducted consultations with internal and external experts and organized discussions and communications with relevant departments to prioritize the ESG issues. We then established a double materiality matrix, and reported to the Board of Directors to confirm the Group's materiality assessment results.
- For the identified material ESG issues, we further established targeted management strategies and implemented enhancement actions.

Based on the results of double materiality assessment in 2024, we identified a total of 1 issue with financial materiality and 5 issues with impact materiality. In 2025, the Group's Senior Management further discussed the assessment results of the previous year and, considering that there were no material changes in the Company's business and operating environment, continued to adopt the 2024 double materiality assessment results:

Issue	Financial materiality	Impact materiality	Stakeholders affected
Innovation-Driven	Yes	Yes	Shareholders and Investors, Government and Regulatory Bodies, Distributors and Consumers, Employees
Technological Ethics	No	Yes	Government and Regulatory Bodies, Distributors and Consumers, Employees
Social Contribution	No	Yes	Government and Regulatory Bodies, Distributors and Consumers, Suppliers, Community
Product and Service Safety and Quality	No	Yes	Government and Regulatory Bodies, Distributors and Consumers, Employees
Supply Chain Security	No	Yes	Government and Regulatory Bodies, Distributors and Consumers, Suppliers

The Group's matrix of material issues for 2025 is set out below:



Double Materiality Assessment Results

Sustainability Risk Management

We have integrated sustainability risks into enterprise risk management system. Each year, the Risk Management and Internal Audit & Control Department coordinates with relevant departments to carry out risk management activities. In doing so, we consider the Group's strategy and business operations, industry trends in sustainability risks, insights from external experts, and stakeholder concerns to identify and assess sustainability-related risks including business ethics risks, supply chain risks, environmental risks, and climate risks. Based on these assessments, we determine risk levels and priorities and develop corresponding risk management strategies and response measures. Furthermore, we supervise the responsible departments to implement appropriate risk response measures according to risk ownership, and we regularly report the status of sustainability risks and the implementation of these measures to the Board of Directors, ensuring that all sustainability-related risks are properly managed.

ENSURE COMPLIANCE OPERATION

Building a Clean Enterprise

The Group treats integrity and compliance as a fundamental baseline for its business operations and management and strictly complies with laws and regulations relating to anti-corruption, anti-extortion, anti-fraud and anti-money laundering, including but not limited to these on anti-commercial bribery and anti-unfair competition practices, such as the *Criminal Law of the People's Republic of China,* the *Anti-money Laundering Law of the People's Republic of China,* and the *Anti-Unfair Competition Law of the People's Republic of China*, etc. The Group continuously strengthens internal control and supervision system, refines risk identification, review, and accountability mechanisms, steadfastly upholds integrity and compliance in business practices, strictly enforces fair competition principles, and maintains a standardized and orderly market operating environment. According to *Employee Handbook* and *Regulations on Anti-Commercial Bribery*, the Group requires the employees to be honest and self-disciplined, comply with laws/regulations and the Group's management regulations on honesty and self-discipline, follow principles of "law-abiding, honest, fair, scientific" etc., resolutely refuse to accept commercial bribery, offer bribery and commit other improper business practices. During the Reporting Period, the Group did not have any legal cases regarding corrupt practices or anti-unfair competition penalties.

To strengthen integrity and compliance management, the Risk Management and Internal Audit& Control Department, as the regulatory department for preventing commercial bribery, publicizes and implements relevant national laws, regulations and policies against commercial bribery within the Group, updates relevant internal rules and regulations based on policy changes, and arranges each department to learn and conscientiously implement these requirements in daily business practices. In addition, the department is also responsible for supervising and managing personnel on important positions and practical implementing anti-corruption and anti-commercial bribery work in business.

The Group continues to carry out compliance training and learning activities to enhance employees' compliance awareness and risk identification capabilities. Every year, we provide anti-corruption and business ethics training to board members and employees to ensure compliance operations. The Group's HR department arranges for new employees to study the relevant anti-commercial bribery requirements before induction, keeps written training records and requires new employees to sign for acknowledgement. The Risk Management and Internal Audit & Control Department actively participates in compliance trainings provided by external professional organizations. In response to the release of the *Compliance Guidelines for Pharmaceutical Enterprises to Prevent Commercial Bribery Risks* by the State Administration for Market Regulation, the issuance of key documents on rectifying malpractice in the pharmaceutical sector and related regulatory changes, we organized relevant departments of the Group to study the anti-commercial bribery compliance guidelines for pharmaceutical enterprises, anti-corruption laws and regulations, policy documents and relevant enforcement cases, and promoted implementation in daily business practices. In addition, in January 2025, the Group's Legal Department organized a related session for all departments to strengthen legal awareness and reinforce the concept of compliant operations. The Group also strengthened fair competition and antitrust compliance management by organizing relevant departments to study the *Anti-monopoly Guidelines in the Field of Drugs* issued by the Anti-monopoly and Anti-unfair Competition Committee of the State Council, as well as frontier trends and core features of antitrust litigation and domestic and overseas penalty cases, so as to effectively prevent relevant risks and ensure compliance operation in practice.

To further strengthen internal governance and control and ensure the compliance and orderliness of the Group's operations and management activities, the Group has formulated the "Complaint and Whistleblowing Management Regulations" in accordance with relevant national laws and regulations, company policies, and the Group's actual circumstances. These regulations establish guidelines for the scope of complaints, reporting channels, handling procedures, rewards and penalties, whistleblower protection, and incentives to promote integrity among employees. Specifically, the Risk Management and Internal Audit & Control Department is responsible for receiving and reviewing whistleblowing reports, responding to whistleblowers, protecting and rewarding them, and promoting whistleblowing policies. Meanwhile, relevant departments are responsible for implementing integrity management, providing whistleblowing leads, and cooperating with investigations and oversight when necessary. Whistleblowers may report issues through telephone (021-58953355-1309), email (report@fd-zj.com), or mail (No. 308 Cailun Road, Pudong New Area, Shanghai, Risk Management and Internal Audit & Control Department). Suspected criminal activity will be reported promptly to the relevant authorities.

We also focus on supply chain integrity management. When the Group cooperates with distributors and promotion agents, we make clear agreement about anti-commercial bribery in the distribution agreement and promotion agreement. In the agreement, all parties promised to strictly comply with regulations on anti-commercial bribery, such as the *Unfair Competition Law of the People's Republic of China* and create fair and honest marketing environment. We strengthen our due diligence on new suppliers and clients and develop *Regulations on Anti-Commercial Bribery*. While selecting cooperative partners, the Group paid close attention to its internal management and compliance commitment including anti-corruption, anti-commercial bribery, anti-unfair competition and other compliance matters. The Group placed emphasis on integrity management in the contract, requiring both parties to comply with related laws and regulations on anti-corruption, anti-commercial bribery and anti-unfair competition, etc.

Protecting Consumer Rights and Interests

Upholding the principle of integrity, we try the best to provide accurate consumption information, protect consumer's right to know, and provide a reliable service environment for consumers. In accordance with the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and other laws and regulations, we have developed the management procedure of *Product Complaint* to regulate procedure of complaint registration, evaluation, investigation and treatment, under which problems from consumers should be solved immediately and effectively to improve consumers' satisfaction. During the Reporting Period, the Group did not receive any complaints about products and/or services.

To ensure standardized operation and closed-loop improvement in complaint management, the Group has established mechanisms across three dimensions: complaint channels, handling procedures, and continuous improvement. These mechanisms are outlined as follows:

Complaint Channels	Customers may submit complaints through verbal feedback, telephone, email, fax, or in-person visits.
Processing Procedure	• The department or personnel receiving a customer complaint shall immediately relay the complaint information to the Sales Department and Quality Management Department; • The Quality Management Department shall investigate the complaint, formulate and approve relevant corrective and preventive action plans as necessary, assist the Sales Department in responding to the customer, and report to the competent drug regulatory authority when required; • The Sales Department shall assist the Quality Management Department in investigating complaints, propose and implement measures related to sales operations, communicate with customers, and respond to complaints.
Continuous Improvement	The Group regularly reviews and analyses complaint trends for relevant products during quality reviews, identifies opportunities for improvement, and continuously optimizes product and service quality.

We place high priority on patient medication safety and continuously strengthen the monitoring, collection, and standardized reporting of adverse drug reactions. We have established the company's pharmacovigilance system and carried out pharmacovigilance activities in accordance with the national *Quality Management Standards for Pharmacovigilance*, the *Announcement on Direct Reporting of Adverse Reactions by Drug Marketing Authorization Holders* and other laws and regulations. The specific procedures include:

- Gradually improve the pharmacovigilance system in daily work, and report safety incidents in clinical trials to drug regulatory authorities in accordance with relevant laws and regulations;

- Prevent any possible adverse drug reactions/events during the use of our drugs, collect, deal with and report the adverse reaction cases after the drugs entering the market;

- Timely report the information on drug safety to regulatory authorities, patients, medical staff and the public to protect the rights and interests of patients.

Safeguarding Information Security

The Group incorporates information pertaining to stakeholders such as partners, trial subjects, and patients into its strict confidentiality management framework. We continuously enhance our information security and privacy protection management system, strengthen risk identification and prevention measures across the entire process, and ensure information security and compliant usage. During the Reporting Period, there were no major information security or privacy leakage incidents in the Group.

In terms of information security protection, the Group has established the *Information System Management Policy,* the *Management Regulations on Electronic Information Data Backup and Data Archiving,* the *Management Regulations on Financial Software Operation of ERP* and other policies and regulations. These efforts standardize the management of information systems and network security, server room management, user account and authority management of information systems, management of data backup and data archiving, to reasonably safeguard the security and authority control of data in various information systems.

The Group also places great importance on protecting the privacy of its partners and patients. We sign with partners the *Confidentiality Agreement* at the preliminary business contact stage and the confidentiality clauses attached to the cooperation agreement upon official establishment of cooperation. We strictly comply with the confidentiality requirements throughout the entire process. Subjects are required to sign the *Subjects' Informed Consent Form* before participating in clinical research. We strictly comply with and implement the requirements of relevant laws and regulations such as the *Personal Information Protection Law*, the *Data Security Law*, the *Good Clinical Practice,* and the *Regulations on the Management of Human Genetic Resources*, as well as the confidentiality obligations included in the *Subjects' Informed Consent Form*. In doing so, we collect, store, utilize and manage relevant information and data in a lawful and compliant manner. Additionally, we strictly adhere to the *Drug Administration Law*, the *Administrative Measures for Reporting and Monitoring Adverse Drug Reactions* and other relevant regulations during the drug sales phase. We ensure the confidentiality of personal privacy, and information of patients and reporters obtained during the process of adverse drug reaction reporting and monitoring.

In addition, we have established a comprehensive document and record management system in accordance with the Good Manufacturing Practice (GMP) regulations. We have formulated a document management protocol, which specifies the types, retention period, retention location, retention media, archiving and borrowing, and destruction of documents and records. We carry out document management strictly in accordance with the protocol. In addition, we have set up an archive room managed by designated personnel, only authorized personnel are allowed to access relevant records.

Advertising Labelling Compliance

We manage labelling and advertising by laws to protect consumers' rights and maintain brand reputation. We conform to the requirements of the *Advertising Law of the People's Republic of China*, the *Drug Administration Law of the People's Republic of China*, the *Interim Measures for the Administration of Censorship of Advertisements on Drugs, Medical Devices, Dietary Supplements and Formula Foods for Special Medical Purposes, Good Manufacturing Practices (2010 revision)* and other laws and regulations. The Group formulated *Design and Change of Packing Materials* to manage design and change of packaging materials used for new products or additional existing products to make the product package conform to characteristics of products, demand of market, technical conditions and provisions of national laws and regulations.

During the implementation process, design drafts for labels, instructions, and packaging boxes must address product specifications, packaging dimensions, size requirements, material specifications, appearance standards, and product packaging safety requirements. All design drafts require review and approval by the Marketing Department, Manufacturing Department, Logistics Department, Quality Management Department, and the quality authorized person to ensure the accuracy of information disclosure, compliance with procedures, and clarification of responsibilities among all parties.

Intellectual Property Protection

Intellectual property management is indispensable to the production and operation activities of pharmaceutical enterprises. The Group consistently places high importance on protecting the intellectual property rights of innovative drugs and scientific research achievements, and resolutely prohibits any form of intellectual property infringement.

We strictly abide by the *Patent Law of the People's Republic of China,* the *Trademark Law of the People's Republic of China,* the *Copyright Law of the People's Republic of China*, the *Enterprise Intellectual Property Management Standards* and other laws and regulations. We have established a full-process intellectual property management system following the management principle of "implementing intellectual property management throughout production and operation activities" to avoid infringement, protect self-owned intellectual properties and stimulate innovation practices in all aspects of research and development, procurement, production and sales, and set long-term and short-term work objectives regarding intellectual property to promote sustainable development. Through the implementation of the *Intellectual Property Management Manual,* the *Intellectual Property Document Control Procedures* and relevant documents, we have clearly defined the responsibilities of each department and conducted regular inspection, analysis and evaluation of intellectual property management to improve our intellectual property management system on a continuous basis.

During the Reporting Period, the Group updated the *Patent Application Management Measures* and the supporting OA online approval workflow to further enhance the standardization, refinement and systematization of patent application management in terms of procedures and documentation. Meanwhile, we updated the *Reward Measures for Employee Inventions* and the related OA online approval workflow for employee invention applications and introduced reward arrangements for inventors at key project milestone stages, reflecting the Group's continued efforts to strengthen innovation incentives. During the Reporting Period, the Group applied for 15 new invention patents. As of the end of the Reporting Period, the Group had cumulatively applied for 139 invention patents and obtained the authorisation of 70 invention patents.

ENHANCE QUALITY MANAGEMENT

Full-Cycle Product Quality Control

With the tenet of "The More We Explore, the Healthier the People Will Be", the Group constantly develops new drugs on multiple research and development platforms. To ensure product quality and safety, we are in strict compliance with the *Drug Administration Law of the People's Republic of China*, the *Regulations for Implementation of the Drug Administration Law of the People's Republic of China*, the *Law of the People's Republic of China on Product Quality,* the *Good Manufacturing Practice for Drugs*, the *Administrative Measures for Reporting and Monitoring Adverse Drug Reactions* and other laws and regulations. In the past three years, the Group has not been involved in product quality and safety related warnings or penalties.

To guarantee product quality, we have established a comprehensive GMP quality management system in accordance with Chinese GMP regulations and quality management principles. The system covers all the factors affecting medicine quality, including personnel, equipment, materials, production, testing, quality assurance, ongoing monitoring, etc., to provide guidelines for management and operation of every step and minimise risks such as pollution, cross contamination, confusion, and errors in drug production.

In the production process, we strictly control product quality which helps us win the market. The small-dose injection (antineoplastic drugs), bulk drug (Aminolevulinic Acid Hydrochloride), bulk drug (Hemoporfin), powders and freeze-dried powder injections have passed GMP compliance inspection conducted by National Medical Products Administration.

Material and Product Inspection

According to the *GMP* and the *General Notice of Chinese Pharmacopoeia*, we have formulated the management procedure, *Material and Product Inspection*, to regulate inspection basis, requirements and result processing operation procedure for materials and products such as raw materials, packaging materials, intermediate products and finished products.

For materials and products, sampling inspection is carried out on site and physical and chemical inspection and microbiological inspection are finished in laboratory. Inspection procedures and related records should comply with GMP management regulations and relevant requirements in the *General Notice of Chinese Pharmacopoeia*. Inspection report should be prepared after inspection and quality certificate should be issued for finished products to ensure the quality of materials and products.

We strictly implement the *Materials and Products Destruction Management* developed according to the *GMP* to regulate and control the destruction procedure of materials and products.

Quality Risk Control

We have established a sound quality risk management procedure which is applied to whole quality management in a systematic manner, and specified the product manufacturing process and responsibilities of every department, including supplier management, corrective and preventive measures, quality complaint, validation, production management, laboratory management, intermediate control, change control, etc.

- **Supplier management:** All suppliers which provide materials for the products to be marketed are audited. Only qualified and approved suppliers could provide products to the Group. For details of management measures, please refer to the Section "Supply Chain Management";

- **Material release management:** When receiving materials, Logistics Department is responsible for checking materials, and storing them according to specified conditions; Quality Management Department is responsible for sampling and testing, and finally determining whether the materials can be used;

- **Production and release management:** The Manufacturing Department ensures that production is carried out according to nationally approved product formulations and manufacturing processes, guaranteeing that production equipment, operational procedures, and production/packaging environments meet process requirements. Upon completion, products are stored in warehouses under specified storage conditions. Concurrently, the Quality Management Department conducts sampling inspections at critical control points during production, with the quality authorized person determining product release. In daily operations, we continuously enhance our pharmacovigilance system and report safety events occurring during clinical trials to regulatory authorities in accordance with relevant laws and regulations. We also proactively prevent potential adverse reactions or events associated with the use of Fudan Zhangjiang pharmaceuticals, while collecting, processing, and reporting post-marketing adverse drug reactions. Relevant drug safety information is promptly communicated to regulatory bodies, patients, healthcare professionals, and the public to safeguard patient rights and interests.

- **Return and recall:** Customers or distributors may file complaints or request returns after verification if they discover product quality issues during use or sales. If risks to customers are identified during product supply, or if regulatory authorities require a recall, the Group will promptly initiate recall procedures. During the Reporting Period, there was no product recall in the Group for safety or health reasons.

Innovative Technical Platform

Governance

In the field of pharmaceutical research and innovation, our Group has established a clear and efficient governance framework designed to ensure that the strategic direction of R&D activities is effectively implemented and continuously monitored.

The Group's management serves as the decision-making body for R&D and innovation, responsible for setting the Group's R&D strategic direction, defining the long-term goals and short-term execution of each project in the pipeline, and reviewing major decisions at all stages from research to industrialization. To ensure the effective operation of our R&D and innovation governance framework, the Group has established several departments, including the R&D Management Office, the Intellectual Property Department, the ADC Small Molecule Drug R&D Department, the Biotechnology Drug R&D Department, the Chemical Drug R&D Department, and the Clinical Medical Center. Through centralized management, these departments collaborate in a timely and efficient manner to fulfill their functions, ensuring that our R&D activities align with the Group's strategic planning and market demands, and providing robust support for the Group's drug R&D and innovation endeavors.

To advance R&D progress, management holds regular biweekly project review meetings where the aforementioned operational departments report on R&D developments and achievements. These reports cover patent management, project initiation, clinical research progress, domestic and international clinical trial statuses, production line construction, and operational status. This ensures management stays informed about R&D dynamics and can adjust priorities as needed.

Strategy

Since its inception, our Group's R&D philosophy has been predicated on clearly identifying clinical gaps and unmet needs, with the demonstration of unique clinical therapeutic effects serving as the decisive factor for initiating and evaluating new drug development projects. Simultaneously, the Group selectively advances the industrial development of marketed products with substantial technological barriers, thereby achieving differentiated competition by meeting clinical needs and effectively leveraging R&D resources and capacity to maximize economic benefits.

Supported by this philosophy, our Group has established the Photodynamic technical platform, Genetic engineering technical platform, Nano technical platform, etc., while strategically concentrating on the fields of photodynamic drugs and antibody–drug conjugates to cultivate a distinctive and competitive R&D profile.

- **Photodynamic technical platform:** The scientific exploration of photodynamic therapy began in the early 20th century, with its true application in human clinical settings starting in the late 1970s. The first photosensitizing drug was approved for market release in 1993. Recognizing the unique therapeutic value of photodynamic therapy in treating certain untreatable or unmanageable precancerous lesions and non-tumor diseases and in the absence of international scientific standards the company proactively established a photodynamic technology platform in 1999. Our company's photodynamic technology is at the forefront globally, and over the years, we have continually expanded drug research and development based on this platform. Photodynamic drugs constitute one of our important product groups.

- **Genetic engineering technical platform:** Since its inception, our company has been rooted in genetic engineering technology. Addressing significant unmet clinical needs, we have successively developed products such as cytokines, fusion proteins, monoclonal antibodies, and antibody-drug conjugates (ADCs), establishing corresponding technical platforms. In our early years, we achieved multiple transfers of genetic engineering technologies, contributing revenue to our initial operations. As the company has grown, the industrialization of genetic engineering drugs has become feasible. In the future, we will enhance research and registration of projects within the genetic engineering technology platform that have entered clinical stages, striving for the early realization of gene drug industrialization. ADCs are a key research and commercial focus of our genetic engineering technology platform. Combining the potent cytotoxicity of small-molecule drugs with the targeting ability of monoclonal antibodies, ADCs have emerged over the past decade as a hotspot in tumor-targeted therapy research and development.

- **Nano technical platform:** Nano preparations can not only improve drug water solubility and bioavailability but also utilize the Enhanced Permeability and Retention (EPR) effect to deliver antitumor drugs selectively, achieving enhanced efficacy and reduced toxicity. However, developing nanomedicines presents several technical challenges: First, Complexity of liposomal formulations, with few approved drugs, making it difficult to establish comprehensive technical systems. Second, Lack of high-quality excipients; developing new lipids has high barriers and costs. Third, Shortage of industrial-scale equipment; existing liposomal products vary in design, leading to differences in production techniques and processes, with equipment often customized by manufacturers. Fourth, Challenges in quality control; diverse and complex preparation methods for liposomes result in numerous quality control points, making consistency difficult to ensure. In the context of domestic liposomal drugs being limited to basic research without industrial application, our company initiated liposomal drug development and gradually established a nanotechnology platform.

Risk Management

We have integrated the risks associated with pharmaceutical R&D and innovation into our corporate risk management and internal control systems. In addition, the Group consistently adopts a conservative and prudent capitalization policy for R&D projects – capitalizing only those initiatives that are technically feasible, have clearly defined future objectives, controllable risks, and a strong likelihood of generating future economic benefits – to ensure that risks remain manageable.

Metrics and Targets

Since its establishment, the Group has upheld the corporate mission of "The More We Explore, the Healthier the People Will Be," With a core focus on identifying gaps and dissatisfaction in clinical treatments and providing more effective treatment solutions and drugs, the Group strives to become an innovator and leader in the biopharmaceutical industry. The Group remain closely attuned to emerging technologies, actively adopting new innovations, continually exploring, and consistently developing new projects. For detailed innovation-driven metrics, please refer to the "Core Technologies and R&D Progress" section of our annual report.

Complying with Technology Ethics

While advancing innovation and research and development, the Group consistently adheres to the compliance requirements of scientific ethics. We rigorously comply with all relevant laws, regulations, and guidelines – including, but not limited to, the *Regulations on the Ethical Review of Life Sciences and Medical Research Involving Human Subjects (2023)*, *Interim Measures for the Ethical Review of Science and Technology (2023)*, *Good Clinical Practice for Pharmaceutical Clinical Trials (2020)*, the *Declaration of Helsinki (2024 Revision)*, the *Biosafety Law of the People's Republic of China*, the *Regulations on the Administration of Human Genetic Resources of the People's Republic of China*, the *Implementation Rules for the Administration of Human Genetic Resources (Ministry of Science and Technology Order No. 21)*, and the *ICH "E6 (R3): Good Clinical Practice for Pharmaceutical Clinical Trials (2025)*". During this Reporting Period, our Group recorded no violations related to technology ethics.

Prior to initiating clinical trials, we conduct rigorous internal reviews in accordance with applicable laws and guidelines and submit the necessary declarations to the relevant authorities. Additionally, we strictly adhere to the management and oversight requirements of each trial centre's ethics committee, ensuring that all necessary approvals are obtained before any research commences.

Furthermore, the Group continuously strengthen our technology ethics compliance system by regularly organizing internal training on GCP and related regulations to enhance our employees' ethical awareness and professional capabilities, thereby ensuring full compliance throughout the clinical trial process. Looking ahead, we will further optimize our compliance management mechanisms and reinforce risk prevention measures in technology ethics to provide a solid foundation for the healthy development of our innovative R&D initiatives.

Proper Supply Chain Management

Supplier Management System Construction

Supplier management is one of the most important parts of quality management for pharmaceutical enterprises. Stability, safety and effectiveness of product are directly influenced by the selection of suppliers. The Group formulated *Supplier Management Policy* to regulate the operational procedures of evaluation and approval for material suppliers, and clarify the suppliers' qualification, selection principle, quality evaluation methods, evaluation standard, and approval procedure for material suppliers. In the procedure of selecting suppliers, the Group requires the suppliers should have relevant qualification certificates and be able to guarantee uniform source and controllable quality. Priority is given to suppliers passing GMP examinations and suppliers with good reputations. As of the end of the Reporting Period, the Group had 800 suppliers. The number of suppliers by geographical region is shown as below:

Region	Number
Shanghai	277
Guangdong	116
Beijing	80
Jiangsu	63
Zhejiang	50
Others	214

Note: The number of suppliers by region is only listed for the top 5 regions and other regions.

Supply Chain Risk Assessment

We conduct risk assessment for suppliers and assess and control suppliers based on the assessment result. Quality Management Department conducts document audit and on-site audit for material suppliers based on the result of risk assessment:

- **Document Audit:** Quality Management Department evaluates suppliers based on information from completed supplier questionnaires.

- **On-site Audit:** Quality Management Department organizes related departments (Logistics Department and Manufacturing Department) to set up audit team. The audit covers personnel institutions, facilities and equipment, material management, production process and production management. The audit also verifies authenticity of qualification certificates and testing reports of suppliers.

We conduct continuous testing to performance of approved suppliers, including annual review and regular audit. Annual review includes testing result of quality testing, quality complaints and unqualified management records etc., by which the risk of supplier is further assessed. We will increase audit frequency or change document audit to on-site audit or immediate audit in the circumstances where suppliers have quality issues or their production condition, technology, quality standard, inspection methods and other significant factors influencing quality have great change.

In 2025, during an on-site audit of a production material supplier, we found that the supplier had shortcomings in the quality management system in terms of product turnover, verification plan, public system maintenance and product quality review and analysis. In response to these problems, we communicated with the supplier and put forward requirements for improvement: strengthen the training of product turnover personnel to avoid confusion and errors; postpone the application for cleaning verification and complete the cleaning within the extension period; clarify that the cleaning cycle of deionised water tanks and intermediate water tanks in the public system is every 6 months; in product quality review and analyse the return of the product in the report. After receiving the rectification request, the supplier carried out rectification in time to avoid the negative impact on subsequent production and delivery.

Supply Chain Environmental and Social Risk Management

To promote suppliers to reduce environmental pollution and fulfill relevant requirements of social responsibilities, we formulate *Regulations on Environmental and Social Responsibility of Suppliers* and raise strict requirements of environmental and social responsibility to suppliers. For instance, it is required that the pollutant discharged by suppliers should comply with relevant standards, and priority selection should be given to environmental-friendly and energy saving technologies. During storage and transportation process, the suppliers should ensure that the discharge meets relevant standards and the process is safe. In addition, for the suppliers' social responsibility, the Group requires all suppliers to prevent child and forced labour, ensure employees' health and safety, strictly fulfil the responsibilities to their product, etc.

The Group formulated Supplier Questionnaire for the evaluation of the suppliers' quality system. The questionnaire is set up to investigate and manage relevant qualifications of suppliers and investigate the EHS management situation of suppliers, requiring them to strengthen environmental and social risk management. The Group formulated *Materials Purchase Management* to regulate management and procedure of material purchase and control rationality and normalisation of purchasing process.

Equal Treatment of SMEs

In our supply chain management, we consistently uphold the principles of fairness and transparency to ensure that small and medium-sized enterprises have equal opportunities in our collaborations. We support their sustainable development through a series of actionable measures, striving to build mutually beneficial partnerships based on shared risks and resources that foster joint growth.

In our supplier selection process, we employ diversified evaluation criteria that not only assess scale and cost, but also emphasize technical and service capabilities, quality management, and sustainable development potential, ensuring that SMEs enjoy equal opportunities in bidding and collaboration. Additionally, we strictly adhere to contractual payment cycles to guarantee timely payments, thereby alleviating financial pressures and promoting their healthy development.

PROTECT GREEN PLANET

The Group consistently regards environmental protection as a vital component of its corporate social responsibility, committed to achieving sustainable development goals and safeguarding the Earth's ecological environment. We strictly abide the *Energy Conservation Law of the People's Republic of China, Environmental Protection Law of the People's Republic of China, Atmospheric 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, Water Pollution Prevention and Control Law of the People's Republic of China* and other relevant laws and regulations, attaching great importance to environmental protection and having established a sound management system and setting up a leadership team for environmental protection management to comprehensively manage environmental affairs. The Group did not commit any environmental-related violations during the past three years.

As a publicly listed company, the Group has long actively and proactively fulfilled its social responsibilities, with a focus on environmental protection. This responsibility is an important factor considered at all stages of our operations. These stages refer not only to daily processing and production but also to functions such as procurement, logistics, and administration. In our environmental work, best practices are applied wherever possible and reasonable, and relevant functional departments consider environmental management through evaluating policies, strategies, objectives, implementation, and measurement methods concerning water, air, noise, and waste pollution.

During the Reporting Period, the Group adhered to its consistent environmental policies, strictly implemented national laws, regulations, and emission standards, and proactively carried out the environmental target objectives set by the Board at the beginning of the year. During the Reporting Period, the Group underwent multiple specific inspections of wastewater discharge by relevant government agencies and no violations of applicable laws and regulations were found. In addition, we have commissioned independent third-party professional organizations to regularly assess environmental indicators including noise, air, and water, striving to effectively control environmental risks and ensure that pollution is discharged in compliance with standards.

Adopting the vision for environmental and social sustainable development, the Group strives to prevent pollution, actively promote energy conservation and emission reduction and protect ecological diversity, thus to build an environment-friendly society. During the Reporting Period, the Group has invested approximately RMB2,000,000 in environmental protection.

In order to continuously improve the Group's environmental management and performance, and further implement the concept of green development, the Group has updated the aforementioned environmental target with 2023 as the base year, so as to continuously fulfil its environmental responsibilities.

Environmental Indicators	Environmental Targets	Progress
Emissions	• All wastewater shall be treated and discharged in compliance with the standards	Achieved
	• Gradually reduce Greenhouse Gas (GHG) emissions, reduce GHG emissions intensity by 3% by 2025	In progress
Wastes	• All hazardous and non-hazardous waste are entrusted to qualified organizations for disposal	Achieved
	• Gradually reduce the discharge density of hazardous wastes	Achieved
Energy	• Gradually reduce energy consumption, reduce the intensity of energy consumption by 3% by 2025	In progress
Water Resources	• Gradually reduce water usage, reduce water intensity by 3% by 2025	In progress

Note: During the Reporting Period, the Group continued to increase investment in research and development and actively promoted R&D progress, leading to an increase in R&D and related supporting activities. This resulted in a periodical rise in energy use and water demand, causing the energy consumption intensity and water usage intensity targets to fall short of expectations. At the same time, this year, the Group refined the greenhouse gas accounting boundaries in accordance with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*, including refrigerants, methane, and nitrous oxide in Scope 1 accounting, leading to an increase in Scope 1 greenhouse gas emissions, thereby affecting the achievement of greenhouse gas emission intensity targets. In the future, the Group will continue to advance energy-saving and emission reduction as well as water-saving management efforts, continually improving resource use efficiency and environmental management standards.

Proper Emissions Management

The Group continuously improves design, uses clean energy and resources, adopts advanced technologies and equipment, improves management and comprehensive utilisation in production, by which resources are used more efficiently, pollutions are reduced from the source, and generations and emissions of pollutants in production and services are reduced or avoided. The Group formulated *Environmental Protection Management Regulation* to guarantee the practical implementation of normalised measures and provide a basis for emission management.

Our pollutant discharges consist primarily of effluents, air emissions, greenhouse gases and solid waste. In accordance with national standards, local standards and biopharmaceutical discharge standards, the Group invites qualified institutions to monitor effluents and air emissions. At the same time, we standardize and implement the management of emissions through internal management regulations, ensuring that emissions management follows established procedures.

Effluents and Air Emissions

Industrial effluents and domestic sewage from drug development and production consist of most of the wastewater in the Group. We strictly control effluent emissions and comprehensively treat the effluents, ensuring wastewater is treated to meet standards before discharge into municipal sewer lines. In accordance with the *Discharge Standard of Pollutants for Bio-pharmaceutical Industry*, the Group adopts primary treatment to effluents which cannot be directly discharged and accepts irregular monitoring by relevant authorities.

Exhaust gas from drug development and production consists of most of the air emissions in the Group. In accordance with the *Emission Standard of Air Pollutants for Pharmaceutical Industry and the Integrated Emission Standard of Air Pollutants*, the Group regulated and controlled operation of air treatment equipment to make the air emissions reach relevant standard.

In accordance with the *Emission Standard of Air Pollutants for Pharmaceutical Industry*, the *Integrated Emission Standard of Air Pollutants* and other emission standards. The Group developed *Standard Operation Procedures of Air Emission Treatment Equipment* to regulate and control operation of air treatment equipment to make the air emissions reach relevant standard.

During the Reporting Period, the Group's KPIs related to emissions are shown as below:

Types of Emissions	**2025**	2024	2023
Wastewater (tonne)	**39,225.25**	51,617.60	52,586.40
COD (kg)	**3,068.44**	2,106.00	850.79

Notes:

1. The Group's wastewater chemical oxygen demand (COD) emission data are calculated by multiplying the wastewater volume by the periodically monitored COD concentration. The Group's COD emissions are related to project arrangements such as product clinical trials, production approvals, and R&D progress.

Wastes

Hazardous and non-hazardous wastes are produced from drug development and production by various departments in the Group.

The Group has registered with Solid Waste Management Information System in Shanghai and Taizhou to monitor the treatment of wastes and conducted strict management over wastes as per *internal management regulations*. The Group requires departments to fill in the *Application Form for the Disposal of Toxic and Hazardous Waste* which requires material name, packing specification, chemical property, component, content, amount, waste form and waste reason. After the form is approved and signed by the department head, it is submitted to the Environment, Health and Safety (EHS) Department for approval and filing, wastes are stored in specified waste storage room or neutralisation tank.

We have commissioned manufacturers in Shanghai and Taizhou, holding local "Hazardous Waste Management Licenses," to handle the hazardous waste generated in Shanghai and Taizhou respectively. General solid waste is handled by qualified companies, while household waste is transported and disposed of by the local municipal sanitation departments.

Furthermore, we have incorporated the concept of a circular economy into our production and operations, striving to reduce solid waste generation through measures such as waste recycling and promoting waste sorting. During the Reporting Period, we recycled a total of 33 tons of solid waste, including waste cardboard boxes.

During the Reporting Period, the Group's KPIs related to hazardous and non-hazardous waste discharge are shown as below:

Wastes	**2025**	2024	2023
Hazardous Waste Emissions in Total (tonne)	**108.82**	153.98	166.39
Intensity (tonne/million RMB of revenue)	**0.16**	0.22	0.23
Non-hazardous Waste Emissions in Total (tonne)	**50.66**	52.20	49.80
Intensity (tonne/million RMB of revenue)	**0.07**	0.07	0.07

Notes:

1. The types and emissions of hazardous wastes of the Group are calculated according to the *Hazardous Wastes Transfer Form*.
2. The Group's non-hazardous wastes only include domestic wastes and are collected and disposed by the local Municipal Environmental Sanitation Department, which estimates the total amount of wastes and charge the Group accordingly.

Resources Conservation

Resources used by the Group are principally electricity, steam and water. To improve energy and resource usage efficiency and reduce waste, the Group implements the principles of "saving energy, reducing consumption, reducing pollution, and improving efficiency".

The Group motivates departments to save energy and water through an energy and water-conservation performance management system. Historical data and the actual production conditions are considered to set energy and water conservation targets for departments. Department heads should develop energy and water-conservation targets for their department according to the Group's energy and water-conservation targets. Departments of using production resources should improve utilisation of raw materials, take measures to reduce unqualified product rate, gradually reduce resources used for unit product, promote regular statistics and analysis on resources loss, make solutions and decide the agenda and responsible person. Resource consumption in departments is monitored and measured regularly to find the reason for the projects which do not complete energy and water-conservation plan. Relevant measures should be made and the implementation of the measures should be supervised and examined.

The Group seasonally adjusts the high electricity consumption equipment such as air conditioner in clean plant to reduce load. After energy-conservation reconstruction, warm water generated in heat source of water equipment, such as heat exchange of cooling water in distilled water machine and pure steam generator, is used as boiler makeup water. This could recycle boiler water, reduce cooling water discharge, not only save water, but also cut down boiler heat consumption, saving energy and reducing emissions.

Shanghai Fudan Zhangjiang Chiller Unit Renovation Project

To further improve the operational efficiency and load balance of the cleanroom's air conditioning system, Shanghai FDZJ conducted energy-saving renovations and optimized operational strategies for its existing chiller units and circulation systems. Before the renovation, the building's chiller plant and air conditioning system operated in a decentralized configuration. After the renovation, through pipeline integration and online control, and by optimizing equipment start-up and shutdown strategies, single-unit operation is implemented for approximately four months during autumn and winter, while independent operation is used as needed during the remaining seasons. This has reduced the overall annual electricity consumption to approximately 1,563.6 MWh, achieving significant energy savings. It is estimated that annual electricity savings will be approximately 489.3 MWh, a reduction of about 24%, equivalent to a reduction of 259.62 tons of greenhouse gas emissions, balancing environmental and economic benefits.

We actively promote the use of green energy. During the Reporting Period, Shanghai FDZJ purchased 19.5 MWh of green electricity during the reporting period, and Taizhou FDZJ installed a grid-connected solar photovoltaic power generation system on its factory roof. In 2025, photovoltaic power generation reached 169 MWh, reducing greenhouse gas emissions by a total of 100.02 tons.

Furthermore, Taizhou FDZJ always adheres to the principle of prioritizing safe and environment and energy-saving measures when introducing new products and processes. In the design of the utility refrigeration system and the PA system of the Phase II ADC Production Project, the screw inverter + centrifuge energy-saving concept and the inverter + industrial frequency energy-saving concept were adopted respectively, so as to achieve the goal of low energy consumption in the long term.

During the Reporting Period, the Group's KPIs for resources usage are as follows:

Resource Consumption	**2025**	2024	2023
Diesel (MWh)	**0.00**	0.00	0.13
Gasoline (MWh)	**10.94**	12.03	15.30
Natural Gas (MWh)	**0.00**	0.00	1,393.23
Total Direct Energy (MWh)	**10.94**	12.03	1,408.66
Electricity (MWh)	**15,693.10**	11,326.48	12,774.10
Steam (MWh)	**7,873.63**	9,827.44	6,221.47
Total Indirect Energy (MWh)	**23,735.73**	21,153.92	18,995.57
Total Energy Consumption (MWh)	**23,746.67**	21,165.95	20,404.23
Total energy consumption (tons of standard coal)	**2,918.47**	2,601.30	2,507.68
Intensity (MWh/Million RMB of Revenue)	**34.63**	29.84	28.69
Total Water Consumption (tonne)	**130,784.50**	175,412.85	135,340.00
Intensity (tonne/Million RMB of Revenue)	**190.70**	247.27	190.30
Packaging Materials in Total (tonne)	**41.62**	49.04	52.19

Notes:

1. Total energy consumption is calculated based on purchased electricity, purchased steam, natural gas, and diesel and gasoline consumption. The energy conversion factor is derived from the default values of fossil fuel-related parameters in Table 2.1 of the "Guidelines for Greenhouse Gas Emission Accounting Methods and Reporting of Chemical Production Enterprises in China" issued by the National Development and Reform Commission, the saturated steam enthalpy value in Table 2.4 of the "Guidelines for Greenhouse Gas Emission Accounting Methods and Reporting of Enterprises in Other Industrial Sectors," the fuel density in the "Energy Statistics Manual" of the Energy Department of the National Bureau of Statistics, and the "China Energy Statistical Yearbook."

2. Due to the complexity and diversity of the Group's products, it is difficult to accurately measure the total weight of products. Therefore, this report does not disclose the percentage of packaging materials per unit of finished products used in key performance indicators A2.5. We will disclose this percentage per unit of finished product packaging materials in a future, as appropriate.

3. The Group's water consumption mainly consists of production and domestic water use, sourced from tap water, which meets the daily operating water needs.

4. The Group's production activities are drug research and development and manufacturing, which do not involve other environmental and natural resources. Therefore, A3 level (environment and natural resources) and A3.1 (describe the significant impact of business activities on the environment and natural resources and the actions taken to manage the impact) are not applicable and are not disclosed in this report.

Address Climate Change

Global climate change has a profound impact on human survival and restricts sustainable development on enterprise. Accelerating adaptation to climate change is a common global issue. We continue to monitor the impact of climate change trends and regulations evolution at home and abroad on the pharmaceutical industry and our business operations.

Governance

The ESG working group of the Group actively identifies the risks and opportunities that the Group faces in relation to climate change, develops the desired response, and reports regularly to the Senior Management and the Board. The Board of Directors reviews the responses to climate related risks and opportunities at least once a year, oversees the implementation and disclosure of related issues and takes climate issues into strategy and business consideration.[1].

Strategy

In 2024, in accordance with the climate disclosure requirements of the Hong Kong Stock Exchange and the Shanghai Stock Exchange, and with reference to IFRS S2 (International Financial Reporting Sustainability Disclosure Standard 2 – Climate-Related Disclosures), we identified and assessed significant climate-related risks and opportunities. Specific steps included:

- **Identification:** Based on a database of mainstream international climate risks and opportunities, we conduct extensive peer research and, in conjunction with the Group's current operations, strategic planning, and the latest global climate regulatory trends, identify climate-related risks and opportunities.

- **Analysis:** We invite the Group's management and department representatives to assess the short-, medium-, and long-term impacts of climate-related risks and opportunities from two dimensions: severity and probability of occurrence. We then prioritize these risks and opportunities based on management feedback and external expert recommendations, identifying significant climate-related risks and opportunities.

- **Assessment:** Using publicly available climate scenario assumptions, we assess the impact of climate factors on operational continuity, compliance and supply chain stability, cost structure, and customer experience, considering both high-emission and low-emission scenarios.

- **Response:** We integrate the scenario analysis results with the Group's climate response strategies to assess the Group's business resilience and the effectiveness of its climate response measures, thus determining future course of action.

Scenario Definitions	High-emission scenario: Referring to IPCC climate scenarios, global warming will exceed 4℃ by the end of this century. Low-emission scenario: Based on the Paris Agreement, global warming is limited to 1.5℃ or well below 2℃.
Timeframe[2]	Short-term: 2025 Medium-term: 2030 Long-term: 2050

1 At present, Fudan Zhangjiang has not incorporated climate-related factors into its compensation policy.

2 Based on the Group's business plan, energy conservation and emission reduction targets and strategies, and the climate-related policies of the countries or regions where the operating sites are located.

In 2025, the ESG Working Group reviewed and assessed the significant climate-related risks and opportunities identified in the previous year. Given that there were no significant changes in the Group's business and operating environment, the Working Group confirmed that the relevant risks and opportunities remained applicable and continued to use the identification results from the previous year:

Climate risks/opportunities		Business and financial impact[3,4]	Time horizon	Impact on value chain	Response measures
Physical risk	Rising mean temperatures	Pharmaceutical production, storage and transportation have high requirements for temperature. The increase in mean temperatures will lead to a greater demand for air conditioners, refrigerators and other equipment, resulting in increased energy consumption and higher production and operating costs.	Medium/ long term	Operation	We have established a comprehensive energy-saving performance management system. We actively reduce energy consumption through measures such as introducing high-efficiency equipment and retrofitting existing equipment for energy conservation. For specific energy-saving measures, please refer to the Resources Conservation section.
	Extreme weather such as typhoons and floods	The increasing frequency and severity of extreme weather will damage our plants, equipment and facilities, resulting in lower asset values and higher insurance expenses. In addition, extreme weather can cause disruption to operation and supply chain, resulting in lower revenue.	Short/ medium term	Upstream Operation	We have formulated emergency procedures and protective measures for extreme weather such as typhoons, floods and heavy rains to minimize the risk of operational disruption and reduce asset losses.
Transition risk	Rising raw material costs	Climate change may affect the production and supply stability of raw materials, resulting in higher raw material prices and higher production costs.	Short/ medium/ long term	Upstream Operation	We continue to focus on the supply of key raw materials, strengthen communication with suppliers, and promote an alternative supplier system to diversify the sources of raw materials, thereby enhancing the stability of raw material supply.

Climate risks/opportunities		Business and financial impact[3,4]	Time horizon	Impact on value chain	Response measures
Climate-related opportunities	Use of low-carbon energy	Promoting the use of low-carbon energy such as photovoltaic, will help reduce carbon emissions, decrease dependence on fossil energy and lower the cost of potential carbon emissions.	Short/ medium/ long term	Operation	Based on the actual situation, we have installed solar photovoltaic grid-connected power generation facilities on the factory roof of Taizhou Fudan-Zhangjiang. The photovoltaic power generation reached 169 MWh in 2025.
	Improving production and operation efficiency	Improving energy efficiency in production, storage and transportation will help reduce energy use, lower operating costs and reduce carbon emissions.	Short/ medium/ long term	Upstream Operation Downstream	We have established a comprehensive energy-saving performance management system. We actively reduce energy consumption through measures such as introducing high-efficiency equipment and retrofitting existing equipment for energy conservation. For specific energy-saving measures, please refer to the Resources Conservation section.

3 Fudan Zhangjiang has not identified any climate risks or opportunities that could have a material impact on its current financial condition, financial performance, and cash flows. Based on Appendix D of the ESG Reporting Code, "compliance or interpretation," Fudan Zhangjiang is not required to conduct a quantitative analysis of the current financial impact.

4 When assessing the expected financial impacts, Fudan Zhangjiang adopted a "financial effects relief" approach for the quantitative analysis of the expected financial impacts of climate-related risks and opportunities because the measurement methods for these impacts were too uncertain.

Based on our experience, including the Reporting Period, the Group's plants have never experienced significant asset losses or major disruptions to production and operation due to extreme weather such as typhoons, floods and heavy rains. To cope with potential operational risks caused by extreme weather and natural disasters such as typhoons, heavy rains and floods, we have developed corresponding emergency procedures and protective measures to minimize losses. In addition, the Group is not involved in large-scale production activities, so the risk of increased raw material costs is relatively low. We will continue to monitor the trends of climate policies both at home and abroad. We will also regularly assess climate-related risks and review our climate strategies and resilience. Our goal is to enhance the Group's sustainability performance and continuously strengthen our climate resilience[5].

Risk Management

We have integrated climate-related risks into enterprise risk management and internal control system. Through the *Risk Management System*, the Risk Management and Internal Audit & Control Department organizes, coordinates, guides and supervises the execution of the basic risk management process by each department every year. This includes collecting initial risk management information, conducting risk assessment, formulating risk management strategies, developing and implementing risk response measures, and carrying out risk management supervision and improvement. Regular management reports are also provided to management and the Audit Committee of the Board.

Indicators and Targets

Our greenhouse gas emissions primarily originate from electricity and steam consumption in production facilities and offices (Scope 2: Indirect Greenhouse Gas Emissions from Energy), and from the release of gasoline and diesel fuel from vehicles and a small portion of fire extinguishing equipment and refrigerant (Scope 2: Direct Greenhouse Gas Emissions). The main emission types are carbon dioxide, methane, nitrous oxide, and hydrofluoric acid compounds. The Group has set targets for "gradually reducing greenhouse gas emissions, aiming to reduce greenhouse gas emission density by 3% by 2025" and "gradually reducing energy consumption, aiming to reduce energy consumption density by 3% by 2025."[6,7,8]

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5 In climate resilience assessment, quantitative analysis of climate resilience under different emission scenarios requires undue costs to obtain all reasonable and evidence-based data. Therefore, a "reasonable information relief" is adopted for the quantitative analysis of climate resilience.

6 Fudan Zhangjiang has addressed climate change through relevant goals and measures. Given that the Group is not involved in large-scale manufacturing and has a relatively small impact on the climate, no climate-related transition plans were formulated during the Reporting Period.

7 At present, the Group has not yet introduced an internal carbon price mechanism in its investment decisions, transfer pricing and scenario analysis, nor has it determined the carbon price per metric tonne parameter for assessing the cost of greenhouse gas emissions.

8 Going forward, the Group will continue to monitor changes in climate-related disclosure requirements based on regulatory requirements, business development, and internal preparedness, and will review relevant disclosure arrangements as appropriate.

During the Reporting Period, the Group's KPIs[9] related to greenhouse gas emissions are shown as below:

Greenhouse gas	**2025**	2024	2023
Direct Greenhouse Gas Emissions (Scope 1) (tCO_2e)	**413.19**	2.94	282.34
Energy Indirect Greenhouse Gas Emissions (Scope 2, market base) (tCO_2e)	**11,467.71**	9,350.55	9,650.97
Energy Indirect Greenhouse Gas Emissions (Scope 2, location base) (tCO_2e)	**11,478.06**	9,870.52	9,748.77
Total Greenhouse Gas Emissions (market base) (tCO_2e)	**11,880.90**	9,353.49	9,933.31
Total Greenhouse Gas Emissions (location base) (tCO_2e)	**11,891.25**	9,873.46	10,031.11
Intensity (market base) (tCO_2e/million RMB of revenue)	**17.32**	13.18	13.97
Intensity (location base) (tCO_2e/million RMB of revenue)	**17.34**	13.92	14.10

Notes:

1. During the Reporting Period, the Group conducted a greenhouse gas inventory in accordance with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* published by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Greenhouse gas accounting was presented in carbon dioxide equivalents. The greenhouse gas accounting methods and conversion factors were derived from the *Guidelines for Greenhouse Gas Emission Accounting and Reporting Methods for Chemical Production Enterprises in China* and *Guidelines for Greenhouse Gas Emission Accounting and Reporting Methods for Other Industrial Enterprises* published by the National Development and Reform Commission, the *2019 National Greenhouse Gas List Guidelines* published by the Intergovernmental Panel on Climate Change (IPC), and the national power grid average emission factors for 2021, 2022, and 2023 published by the Ministry of Ecology and Environment.

2. The significant increase in greenhouse gas emissions in Scope 1 during the reporting period compared to last year is due to the inclusion of refrigerant fugitive emission sources in the calculations this year in accordance with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*.

3. Due to the undue costs required to obtain all reasonable and well-founded data, the Group adopted the "reasonable information relief" for Scope 3 emissions.

[9] When calculating specific cross-industry indicators "the amount and percentage of assets or business activities vulnerable to climate-related physical and transition risks" and "the amount and percentage of assets or business activities exposed to climate-related opportunities", "reasonable information relief" is applied as it needs undue cost or effort to obtain all reasonable information and data.

CREATE A HAPPY WORKPLACE

Protection of Employees' Rights and Interests

The Group consistently regards safeguarding employee rights as a core responsibility, ensuring compliance with relevant laws and regulations to uphold employees' lawful rights and interests. We strictly comply with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and relevant laws and regulations. The lawful rights and interests of the Group's employees are actively protected through a series of employee management policies such as the *Labour Management Policy*, the *Employee Handbook*, the *Work Summary Management Policy*.

Recruitment and Dismissal

We adhere to the principle of equality in the recruitment process and make recruitment plan conform to the principle of "capable, efficient and putting quality before quantity", and recruit talents through open recruitment and employee referral according to the principle of "compete openly and select the best". We select employees by work attitude, applicable ability, knowledge, experience, potential and teamwork. All employees of the Group are entitled to an employment contract according to relevant laws and regulations at the start of their employment. Resignation and dismissal are processed according to the standard procedures of work handover to meet requirements of relevant laws and regulations and internal policies.

As of the end of the Reporting Period, the Group had a total of 876 employees, of which 871 were full-time employees and 5 were part-time employees. The total number of employees by gender, age group and region, as well as the employee turnover rate during the reporting period, are shown in the table below:

Indicator	**Indicator Dimension**	**Detail**	**2025**	2024
Employee Structure	Gender	Male	**301**	325
		Female	**575**	600
	Age Group	＜30	**287**	312
		30-49	**546**	579
		≥50	**43**	34
	Region	Shanghai	**725**	788
		Taizhou	**151**	137
Employee Turnover Rate	Gender	Male	**22%**	20%
		Female	**21%**	21%
	Age Group	＜30	**27%**	19%
		30-49	**19%**	20%
		≥50	**16%**	26%
	Region	Shanghai	**23%**	20%
		Taizhou	**13%**	23%

Note: Employee Turnover Rate = Number of employees lost during the Reporting Period/Total number of employees at the end of the Reporting Period*100%

Compensation and Promotion

Our Group implements a classified remuneration system, setting salary grades for each position based on job responsibilities and requirements, and constructing a comprehensive compensation system covering standard salary, subsidy, benefit, performance distribution and award. In accordance with relevant national laws and regulations, we legally contribute to employees' social insurance programs, including public pension fund, public housing fund, medical insurance fund, unemployment insurance fund, labour union expenditure, while also providing holiday benefits.

Our Group implements a diversified assessment approach. The company's Board of Directors is responsible for developing and evaluating the annual work plans of senior management (including vice presidents and above). Department managers and deputy managers submit annual work summaries and self-assessments based on the *Annual Work Plan and Budget Management Policy*, which are then evaluated by the vice president in charge based on target achievement. And then the company conducts a comprehensive assessment. Employee performance appraisals are typically conducted at the end of the year and consist of three parts: employee self-assessment, supervisor assessment, and company appraisal. Employee self-assessment is conducted through the annual summary. Supervisor and company assessments are conducted by department managers based on a comprehensive evaluation of employee work performance, work attitude, ability, workload, and suitability, while also considering feedback from relevant departments. Individual year-end summaries, department manager performance reviews, and annual comprehensive evaluation results will form an important part of employee files and provide crucial evidence for salary adjustments, promotions, job reassignments, and training.

We have established a job level system covering P1 to P13, providing clear career development paths for employees at different positions and skill levels. Every employee can find a growth path that matches their abilities and career plans. The company conducts regular job level assessments annually, adhering strictly to the principles of fairness, impartiality, and transparency. The selection criteria include skill level matching, results-oriented approach, and continuous improvement. During the assessment process, multiple dimensions, including professional skills and job value, are comprehensively considered to ensure fairness and transparency.

Working Hours and Holidays

We employ the standard working hours system to regulate attendance management. Employees are entitled to overtime pay if they obtain prior approval. We provide employees with paid days off from work for national public holidays, maternity leave and accompanying maternity leave, compassionate leave, medical treatment period and sick leave, personal leave and injury leave. Employees working for more than one year are entitled to paid annual leave and marriage leave.

Labor Standards

In accordance with the *Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China, Provisions on the Prohibition of Using Child Labour* and other laws and regulations, we avoid any use of child labour and forced labour. According to *Labour and Personnel Regulations*, all new employees' identification cards will be checked before they join in the Group to ensure their ages meet requirements of laws and regulations. If any child labour occurs by accident, we will immediately terminate the employment contract and handle it properly according to the laws and regulations. According to the *Working Hours and Attendance Management System*, if any employee has to work overtime, he/she should submit an overtime application. The Group will reasonably arrange for compensatory leave and provide overtime allowance. During the Reporting Period, the Group did not use child labour or forced labour.

Equality and Inclusiveness

In strict compliance with national and local regulations, every department, organisation and personnel of the Group allows no biases against any employee based on race, gender, skin color, age, family background, ethic, religion, physical quality, national origin and other personal characteristics, so as to ensure that employees are treated in a fair and open manner in every aspect such as recruitment, duty performing, remuneration, training, promotion and compensation.

Development and Training

We respect talents and apply sound regulations to select talents and explore employees' potential. Various types of training are provided based on work and employees' career needs. *Management Policy for Education and Training* was formulated to regulate training and continuing education. The following types of training are already in place:

Internal Training: Internal training includes routine training by internal trainer and external trainer.

Orientation Training: After new employees join in the Group, the Human Resources Department jointly with employing department conducts trainings on policy and business.

Professional Training: Arrangements are made for employees to take online or offline professional trainings based on employees' technical and business development demand.

Work License Training: Work license training and continuing education should be taken according to work demand.

To promote employees' interpersonal communication and teamwork, Shanghai FDZJ has founded teamwork training fund to provide expenditure for every department, and developed *Regulations of Use of Teamwork Training Fund* to specify fund amount and usage.

In 2025, each department organized multi-dimensional specialized training programs in accordance with its core work functions, categorized and structured across different levels. These programs will cover key modules such as practical professional skills training, in-depth professional knowledge development, quality management document standardization, professional platform operation, and project management. Through systematic training, employees' overall competence and teamwork capabilities will be significantly improved. We will also innovatively adopt various methods, including offline practical exercises, video self-study, and face-to-face instruction from professional lecturers, and actively collaborate with well-known pharmaceutical platforms to ensure the efficient implementation of employee training programs.

During the Reporting Period, the Group organized a total of 24,643.58 hours of training. The percentage of employees trained by gender, job level, and job function, and the average training hours completed per employee are shown in the table below:

Indicator Dimension	Detail	Percentage of trained employees	Average training hours completed per employee
Gender	Male	33.4%	29.1
	Female	66.6%	22.4
Employee Grade	Senior management	0.6%	35.8
	Middle management	3.5%	24.0
	Junior employees	95.9%	24.6
Employee Functions	Technician	26.0%	30.7
	Marketing	56.6%	18.5
	Manufacturing	13.4%	39.9
	Administration personnel	4.0%	20.2

Note:

1. Percentage of Employees Trained = the number of employees trained in the specified category during the Reporting Period/the total number of employees trained *100
2. Average Training Hours per Employee = total hours of training for that category of employees during the Reporting Period/number of employees for that category
3. Technician includes employees with professional skills such as R&D personnel, quality assurance (QA) personnel, and quality control (QC) personnel, etc

Diverse Employee Activities

We pay close attention to demands of employees and organise meaningful events for employees, with an aim to share a warm family feeling among employees.

- **Annual meeting:** We clarify the company's strategic goals, add speeches by Senior Management, listen to employees, and provide opportunities for individuals and departments to showcase achievements through annual meeting.
- **Management meeting:** We hold management meeting every six months to summarize and affirm the work of departments and employees for the year. Based on the Company's annual strategic priorities, we provide management suggestions for future work and develop annual work plans.

- **Team building activities:** Every year, according to actual situation, we organise various group activities such as outing, cross-departmental learning and knowledge sharing, to strengthen cross-departmental communication and achieve a good work-life balance. We also arrange team building expenditure for every department.

- **Employee care:** We held an interview event on Labour's Day in 2025 to express our blessings and encouragement to our employees; we also held two book recommendation events to foster a positive learning environment and help everyone experience a work-life balance. In addition, we designed special ceremonies for employees on special occasions, such as birthday wishes, congratulatory letters for probationary periods, and promotions.

- **Employee experience:** To help new employees quickly adapt to their new environment, we organized intensive training programs, workshops, and experiential learning camps. The training programs and workshops were designed to help employees gradually understand the company's current situation and future development direction. In 2025, over 35 new and existing employees participated. These programs were primarily visually presented and included learning about the company's organizational structure, internal and external information, and company management systems. They also included sections for self-introduction, highlighting key moments, success factors, building trust, and future action plans to facilitate interaction and exchange. Simultaneously, based on work needs, we held themed events such as "In the AI Era, Emotions Grow with Us" and "AI Empowering Personal Strengths: Exploring the Path of Collaboration Between Individuals and Technology." Employees shared their insights, experiences using AI, and practical tools during these events, enhancing individual skills and promoting cross-departmental collaboration.

Improving Employee Satisfaction

We regularly assess employee satisfaction through various methods to ensure that employee needs are addressed and met, thereby promoting long-term employee development and company culture building. The following are some of the measures we take in assessing employee satisfaction:

- **Clear Career Development Paths:** Based on the Company's development needs and employees' growth needs, in early 2025, we officially released technical job level management rules, providing employees with clearer career development paths. In addition, we have developed growth plans for employees with potential, ensuring they receive appropriate training and support according to the organisation's and talent development needs.

- **Probationary Period Interviews:** During the probationary period, the Human Resources Department conducts satisfaction interviews with employees regarding their work environment, interpersonal relationships, work goals, and work progress. In 2025, we conducted comprehensive interviews with 14 probationary employees, ensuring 100% coverage, to understand their adaptation and satisfaction, identify problems promptly, and make adjustments.

- **Feedback Collection:** To ensure the rationality and implement ability of the company's management systems, the Human Resources Department formulates relevant systems according to standardized management requirements and widely solicits employee opinions through emails and special meetings. These opinions, after being reviewed by various departments and approved by the company, officially take effect, ensuring that employee opinions and needs are fully considered and reflected in the company's management practices.

- **Employee Experience Camps:** We collect employee opinions and suggestions on the company and their work through thematic workshops. These workshops not only provide employees with opportunities to express their opinions but also help us assess overall employee satisfaction. In 2025, we held multiple experience camps, covering 35 employees, and obtained valuable feedback.

- **Employee Interviews:** We regularly conduct one-on-one interviews with key departments and key personnel, providing them with an open communication channel. In 2025, the departmental interview coverage rate reached 100%. In addition, we also conduct in-depth interviews with new and departing employees, assessing employee satisfaction with the company across dimensions such as salary, work environment, career planning, and interpersonal relationships. In 2025, we conducted in-depth interviews with 63 employees, ensuring comprehensive feedback collection and analysis. All interview results are recorded and transformed into "Interview Records" and "Exit Interview Forms," providing practical evidence for future improvements.

Through these diverse methods, we can understand employee satisfaction in real time, promptly identify potential problems and take effective measures to ensure that employee needs and expectations are met, thereby improving overall employee motivation and company cohesion.

Safeguarding Employees' Safety and Health

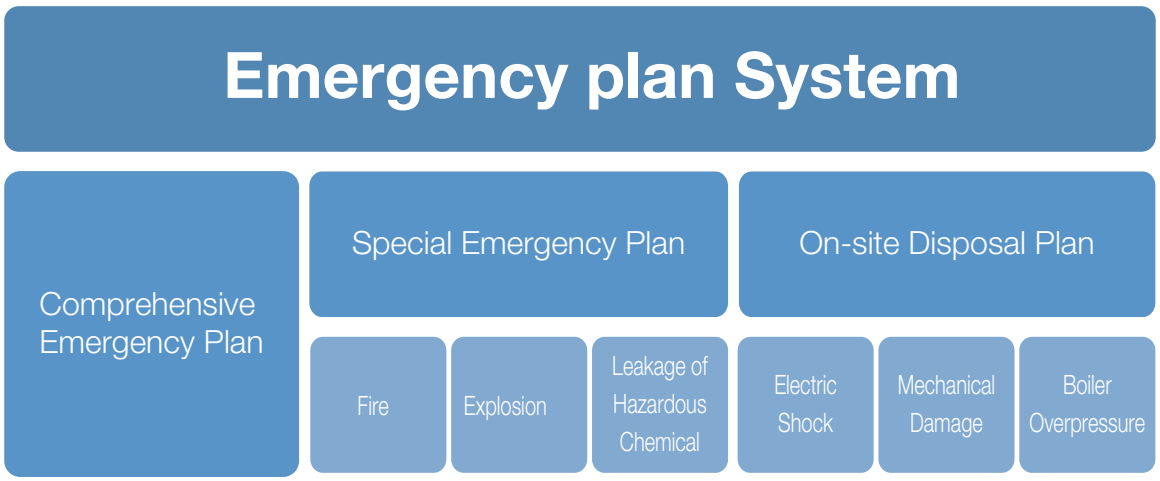
We make efforts to safeguard employees' occupational health and safety, provide safe working environment and equipment, and implement safe working behaviours. We strictly observe the *Production Safety Law of the People's Republic of China*, the *Emergency Response Plan Management Measures for Production Safety Accidents*, and other laws and regulations. In combination with the Group's operational characters, we have developed a sound emergency management system for production safety accidents and a strict hazardous chemicals management procedure. We make continuous improvements and conduct safety education and emergency drills to enhance employees' safety awareness and emergency response capabilities. Additionally, we regularly conduct occupational disease medical examinations and testing for occupational hazards to safeguard the occupational health and safety of our employees. In the past three Reporting Periods, there was no work-related fatality. During the Reporting Period, the total number of lost days due to work injury was 43.

Guaranteeing Occupational Health

We develop an occupational health prevention and control plan and provide medical examinations for our employees every year, which includes orientation examination and on-the-job examination under the Good Manufacturing Practice (GMP) and pre-employment, on-the-job and exit examinations to prevent employees from occupational diseases. We entrust qualified inspection and testing institutions to regularly test and evaluate the working environment involving occupational hazards and provide corresponding reports. In addition, we actively organize sports activities and encourage employees to take part in to build up their bodies and enhance their physical fitness, we carry out sports activities including swimming, badminton, table tennis, billiards, basketball, etc.

We also regularly maintain and test firefighting facilities, special equipment and security facilities to ensure their proper operation.

We have established an emergency command centre based on the principle of "reporting in time, responding rapidly and human oriented", to effectively response to emergency events. We popularise our accident emergency operation procedures among employees through the *Emergency Plan for Work Safety Accidents*, so that emergency rescue can be implemented rapidly, efficiently and orderly after an accident to protect employees' life safety and reduce property loss.



Conforming to the principle of "Prevention First and Human-oriented", we have developed the *Emergency Plan for Fire, Explosion and Chemical Accidents* and the *Hazardous Operation Management Policy* and other regulations so that we can respond to and control accident rapidly and orderly, prevent pollution, protect production safety and employee life safety, and minimise loss and damage in case of any chemical, fire or explosion accident.

We combine accident emergency response with prevention work, enhance management of hazardous sources, and carry out accident prevention, monitoring, warning and forecast. We have equipped fire-fighting equipment in offices, factories, and warehouses, such as fire sprinkler, smoke detector, fire extinguishers, etc. We have also posted evacuation map at visible places. Emergency supplies and equipment are checked once every month to ensure that employees could use nearest emergency supplies in case of emergency accident. We also organised fire protection training and drill to raise employees' fire protection awareness and knowledge.

To standardise management regulations for hazardous materials and protect the safety of life, production and property, we have formulated the Management for Toxic, Inflammable and Explosive Hazardous Materials to regulate the purchase, acceptance, entering, storage, distribution and usage of hazardous materials as well as scrap disposal and emergency treatment. We have developed standard safety protection operation procedures specifically for categories of hazardous materials.

- Hazardous materials should be managed by special personnel who have attended relevant training and obtained job skill certificate;

- Hazardous materials should be stored by category according to minimum safe storage amount, and enough safety distance should be arranged for passageway between stackings;

- Safety measures should be taken for places dedicated to storing chemicals, such as ventilation, anti-explosion, fire protection, lightning protection, extinguishment and sunblock according to materials' type and property;

- Hazardous chemicals, which easily burn, explode and produce toxic gas in case of fire or moist, should not be stored in any place which is open, humid, low-lying and easy to collect water.

In 2025, in order to comprehensively test the reliability and authenticity of the Group's emergency response plans and strengthen the construction of the safety system, we conducted a series of emergency response drills, including but not limited to leakage emergency response drills, fire fighting drills, evacuation drills, and emergency drills for limited space operations.

Safety Culture Construction

We ensure safe production and strengthen safety awareness education by implementing the Management Policy for Production Safety Education and Training. We organise emergency exercises to strengthen employees' safety awareness and emergency ability. We have established a safety production leading group, which takes charge of propaganda of laws, regulations, prevention of production safety accidents, risk avoidance, disaster avoidance, and common sense of self-rescue and mutual-rescue among all employees and organises safety education and training irregularly.

We organise safety education and training on three levels, including company level (level 1), workshop or department level (level 2), section or team level (level 3). Employees should take relevant training and pass the examination before taking up the posts. Pressure vessel operator, electrician, high matches electrician, metering personnel, driver and other special operation personnel should take technical training and get certificates from competent authority before taking special operation

To enhance employees' emergency response capabilities and test the reliability of emergency plans, the Group conducted a series of emergency drills in 2025, including leak emergency response drills, firefighting drills, evacuation drills, and emergency drills for limited space operations. In addition, Shanghai FDZJ also organized and conducted safety training, including on hazardous chemical management, to ensure the effective implementation of all safety training programs.

CREATING SOCIAL VALUE

While creating value for shareholders and wealth for customers, we actively engage in public welfare, promoting social co-development through activities such as drug donations, supporting elderly protection, targeted assistance for farmers, and charitable donations.

Charitable Activities	We have cooperated with Beijing Huakang Public Welfare Foundation since April 2020 to carry out a public welfare assistance program, "For Their Tomorrow Patient Assistance Program", which aims to help low-income patients to obtain more sustainable and effective medical treatment, so as to alleviate patients' financial burdens and improve their quality of life. During the Reporting Period, the Group successively donated medicines worth approximately RMB9 million.
Support For Elderly Well-Being	To promote the traditional virtues of respecting and caring for the elderly, and to provide substantial assistance and care to the senior population, thereby improving their quality of life in their later years, the Group donated RMB200,000 to the Shanghai Xinyuan Jiujiu Public Welfare Foundation during the reporting period to support its online and offline charitable activities for the elderly. As of the end of the Reporting Period, over 50 online science popularization/promotional videos were released in 2025, garnering tens of millions of views; over 90 offline activities were successfully organized, covering 14 administrative districts and 28 sub-districts in Shanghai, benefiting over 10,000 people, promoting the social integration of the elderly, and strengthening intergenerational harmony.
Targeted Agricultural Support And Assistance	During the Reporting Period, the Group's labour union made purchases of agricultural products totalling approximately RMB 130,000 from economically disadvantaged farmers in Dayu Village, Malu Town, Shanghai, and impoverished mountainous farmers in Rongjiang County, Guizhou, in order to support rural revitalization and benefit farmers through concrete actions.
Public Donations	In response to the call of community charitable organizations, in December 2025, the Group donated RMB50,000 to the Zhangjiang Town Government of Pudong New Area, Shanghai, to support the "Joint Charity Donation" campaign. The funds were used for specific projects such as assisting the disabled, providing medical care, helping the poor, Red Cross care, supporting the military and their families, providing charitable assistance, and helping the elderly, in order to support poverty alleviation and promote community development.

APPENDIX

ESG Reporting Code Index

KPI	Description	Section(s)	Pages
A1 Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Protect Green Planet	P19
A1.1	The types of emissions and respective emissions data.	Proper Emissions Management Address Climate Change	P20 P24
A1.3	Total hazardous waste produced and, where appropriate, intensity.	Proper Emissions Management	P20
A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	Proper Emissions Management	P20
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Protect Green Planet	P19
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.	Protect Green Planet	P19

KPI	Description	Section(s)	Pages
A2 Use of Resource			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Resources Conservation	P23
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Resources Conservation	P23
A2.2	Water consumption in total and intensity.	Resources Conservation	P23
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Protect Green Planet	P19
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Protect Green Planet	P19
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Resources Conservation	P23
A3 The Environment and Natural Resources			
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Protect Green Planet	P19
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Protect Green Planet	P19

KPI	Description	Section(s)	Pages
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.	Protection Of Employees' Rights And Interests	P30
B1.1	Total workforce by gender, employment type, age group and geographical region.	Recruitment And Dismissal	P30
B1.2	Employee turnover rate by gender, age group and geographical region.	Recruitment And Dismissal	P30
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.	Safeguarding Employees' Safety And Health	P35
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Safeguarding Employees' Safety And Health	P35
B2.2	Lost days due to work injury.	Safeguarding Employees' Safety And Health	P35
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Safeguarding Employees' Safety And Health	P35

KPI	Description	Section(s)	Pages
B3 Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development And Training	P32
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development And Training	P32
B3.2	The average training hours completed per employee by gender and employee category.	Development And Training	P32
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.	Labor Standards	P31
B4.1	Description of measures to review employment practices to avoid child and forced labor.	Labor Standards	P31
B4.2	Description of steps taken to eliminate such practices when discovered.	Labor Standards	P31
B5 Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Environmental And Social Risk Management	P18
B5.1	Number of suppliers by geographical region.	Supplier Management System Construction	P17
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.	Supplier Management System Construction Supply Chain Risk Assessment	P17 P17

KPI	Description	Section(s)	Pages
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 Environmental And Social Risk Management	P18
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 Environmental And Social Risk Management	P18
B6 Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Full-Cycle Product Quality Control Protecting Consumer Rights And Interests Advertising Labelling Compliance	P12 P9 P11
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality Risk Control	P13
B6.2	Number of products and service related complaints received and how they are dealt with.	Protecting Consumer Rights And Interests	P9
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Management	P11
B6.4	Description of quality assurance process and recall procedures.	Quality Risk Control	P13
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protecting Consumer Rights And Interests	P9

KPI	Description	Section(s)	Pages
B7 Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Building a Clean Enterprise	P7
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.	Building a Clean Enterprise	P7
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Building a Clean Enterprise	P7
B7.3	Description of anti-corruption training provided to directors and staff.	Building a Clean Enterprise	P7
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.	Creating Social Value	P38
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Creating Social Value	P38
B8.2	Resources contributed (e.g. money or time) to the focus area.	Creating Social Value	P38

D Part: Climate-Related Disclosure

Governance	Description	Chapter Name	Page
19 (a)	the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	Protect Green Planet-Address Climate Change	P24
19 (b)	management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	Protect Green Planet-Address Climate Change	P24

Strategy	Description	Chapter Name	
20	Climate-related risks and opportunities	Protect Green Planet-Address Climate Change	P24
21	Business model and value chain	Protect Green Planet-Address Climate Change	P24
22、23	Strategies and decisions	Protect Green Planet-Address Climate Change	P24
24、25	Financial position, financial performance and cash flows	Protect Green Planet-Address Climate Change	P24
26	Climate resilience	Protect Green Planet-Address Climate Change	P24

Risk management	Description	Chapter Name	
27	Risk management	Protect Green Planet-Address Climate Change	P24

Indicators and Targets	Description	Chapter Name	
28、29	Greenhouse gas emissions	Protect Green Planet-Address Climate Change	P24
30	Climate-related transition risks	Protect Green Planet-Address Climate Change	P24
31	Climate-related physical risks	Protect Green Planet-Address Climate Change	P24
32	Climate-related opportunities	Protect Green Planet-Address Climate Change	P24
33	Capital deployment	Protect Green Planet-Address Climate Change	P24

Indicators and Targets	Description	Chapter Name	
34	Internal carbon pricing	Protect Green Planet-Address Climate Change	P24
35	Compensation	Protect Green Planet-Address Climate Change	P24
36	Industry metrics	Green Development Low-Carbon Future – Addressing Climate Change	P24
37~40	Climate-related goals	Protect Green Planet-Address Climate Change	P24
41	Cross-Industry Metrics and Applicability of Industry Metrics	Protect Green Planet-Address Climate Change	P24

Shanghai Stock Exchange Sustainability Report Disclosure Index

Disclosure requirements	Chapters in the Report
Address climate change	Address Climate Change
Pollutant emissions	Proper Emissions Management
Water Resource Management	Proper Emissions Management
Ecosystem and biodiversity Conservation	The Group's business activities do not have an impact on ecosystems or biodiversity; therefore, this issue is not applicable to the Group.
Environmental compliance management	Protect Green Planet
Energy utilization	Resources Conservation
Water resources utilization	Resources Conservation
Circular economy	Resources Conservation
Rural revitalization	Creating Social Value
Social Contribution	Creating Social Value
Innovation-driven	Innovative Technical Platform
Technology Ethics	Complying with Technology Ethics
Supply chain safety	Proper Supply Chain Management
Equal treatment of SMEs	Equal treatment of SMEs
Product and service safety and quality	Enhance Quality Management
Data security and customer privacy protection	Safeguarding Information Security
Employees	Create a Happy Workplace
Due diligence	Sustainability Risk Management
Stakeholder engagement	Stakeholders Engagement
Anti-commercial bribery and anti-corruption	Building a Clean Enterprise
Anti-unfair competition	Building a Clean Enterprise