聯康集團
Uni-Bio Science

Uni-Bio Science Group Ltd.
聯康生物科技集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code : 0690)

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2025



心創造新醫藥
LEADING GENUINE INNOVATION

## ABOUT UNI-BIO

Uni-Bio Science Group Limited (the "Group") is a leading biopharmaceutical and healthcare company, whose core business involves the research and development, manufacturing and sale of innovative biopharmaceuticals that can treat human diseases. The Group is currently specialised in endocrinology, dermatology and ophthalmology. The Group is headquartered in Hong Kong and principally operates in Mainland China.

The Group continued to strengthen direct sales channels, and establish closer customer and business partner relationships with hospitals and sector-specific distributors respectively to increase sales of core products. In addition, the Group has established a digital marketing department and is actively expanding its online sales business. During the year, the Group achieved breakthrough progress across its three core sectors of "Drug &Medical Device & Aesthetics". The new ophthalmic drug Jinyinkang (金因康) (Diquafosol Sodium Eye Drops) was officially approved for marketing, effectively addressing the unmet need in dry eye syndrome treatment and demonstrating the Group's commitment to enhancing drug accessibility and safeguarding patient health. Meanwhile, through the cross-brand collaboration involving brands such as GeneQueens (肌顏態) and Jinyinfu (金因敷), the Group continues to drive product upgrades through scientific research and innovation, and is committed to expanding the coverage of medical and healthcare resources to create long-term health value for society.

| Turnover | Gross profit margin | Proportion of R&D expenses to turnover |
|---|---|---|
| 587 (HK$ in millions) | 83.2% | 7.7% |

## ABOUT THE REPORT

The Report is the ninth Environmental, Social and Governance ("ESG") Report (the "Report") released by the Group. The Report describes the Group's ESG policies, measures and performance during the year to help stakeholders understand the Group's progress and direction for sustainable development issues. For details of the Group's corporate governance, please refer to the section "Corporate Governance Report" in the Group's annual report for the year ended 31 December 2025. The Report is prepared in Chinese and English and has been uploaded to the website of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (www.hkexnews.hk) and the Group's website (www.uni-bioscience.com).

### Scope of Reporting

The Report discloses the Group's environmental, social and governance performance for the financial year from 1 January 2025 to 31 December 2025 (the "Year"). The Report covers the operations in relation to the biological and chemical pharmaceutical product business in the Group's production bases in Beijing, Shenzhen and Dongguan(the "Plants"), as well as the head office in Hong Kong. Looking forward, the Group will review the scope of reporting on a regular basis, and gradually expand the scope of disclosure based on the principle of substantiality, thereby providing more comprehensive information for investors and stakeholders.

## Reporting Standards

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "Guide") set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange, and is based on four reporting principles — materiality, quantitative, balance and consistency. A complete index is attached to the final chapter of the Report to facilitate the readers in browsing the Report according to the Guide.

| Reporting principles | Definition | Application of the Reporting Principles |
|---|---|---|
| Materiality | Importance shall be attached to reporting the ESG issues that have great impact on the Group and its stakeholders. | In 2025, the Group determined the impact of various ESG issues on the Group's operations through conducting a questionnaire with internal and external stakeholders. Based on the questionnaire results, the Group identified major environmental, social and governance related issues and made key disclosures. |
| Quantitative | KPI data must be measurable and comparative where appropriate. | Where feasible, the Group recorded and estimated quantitative data and compared them with the previous performance where appropriate. To ensure the accuracy of environmental KPIs, the Group has commissioned an external consultant to conduct a carbon assessment, which follows national and international standards such as guidelines issued by the National Development and Reform Commission of the People's Republic of China, ISO14064-1 and the Greenhouse Gas Protocol. Quantitative data on social KPIs in the Report are derived from statistical records of relevant departments. |
| Balance | The Group shall report its ESG performance during the Year objectively and truthfully. | By reporting in an objective and unbiased manner, the Report ensures that the disclosed information reflects the Group's overall ESG performance. |
| Consistency | The Group shall use consistent methodologies (including statistical methods for disclosures) to prepare the ESG report and allow for comparison of relevant data, thereby understanding its business performance. | Where feasible, the Group used consistent methodologies apply on the ESG data. Where any changes exist that may affect the date comparison with previous reports, the Group has added annotations to the Report accordingly. |

## Opinion and Feedback

The Report is available in both English and Chinese. In case of discrepancy, the Chinese version shall prevail.

The Group relies on valuable feedback provided by stakeholders for improvement. Should you have any questions or suggestions, please send your opinions and feedbacks to info@uni-bioscience.com.

## BOARD INCLUSIVENESS

The board of directors of the Group (the "Board") is principally responsible for overseeing and the accountability of the Group's ESG strategy and reporting, with the assistance of the ESG task force of the board of directors of the Company (the "ESG Task Force"). The Board integrates the Group's ESG goals into businesses, identifies and manages the Group's ESG risks. The Board assesses the impact and consequences of the identified risks on the business and their likelihood of occurrence, and compares the risk assessment results to prioritise the risks. Following the ESG goals set by the Board, the ESG Task Force assists the Board in collecting data, assessing, evaluating and regularly reporting ESG performance, and compares the data with previous years, in order to provide strategic advice for future sustainable development. Our ESG Task Force is chaired by the Chief Executive Officer and comprised of independent directors and senior management, while the Finance Centre is responsible for execution. The Finance Director of the Group is directly responsible for the ESG Task Force and is responsible for organizing the implementation of the ESG-related structure.

The Board recognizes the importance of ESG and devotes time to discuss ESG-related issues, hold regular annual meetings with the ESG Task Force to receive briefings on any latest ESG issues, and reviews the ESG Report each year. During the Reporting Period, the ESG Task Force conducted regular meetings each year to review the Group's material ESG issues of different aspects at both strategic and operational levels. In order to achieve better ESG performance, the ESG Task Force evaluated and employed various strategies to increase energy efficiency and lower emission. The Board reviews ESG reports to identify and communicate issues to the management team in a timely manner to avoid ESG risks wherever possible. The Board dedicates the Finance Center to monitor ESG issues in each Business Unit. At the same time, the Board specifically reviews the relevant data indicators in ESG report on a quarterly basis and reviews the timeliness of the Group's current ESG-related policies after the ESG report is issued.

The Board has also engaged an independent ESG consultant to facilitate our ESG data collection and analysis, as well as to provide strategic advices on its future ESG development. The Board prepares the annual ESG report in accordance with the ESG Reporting Guide set out in the Listing Rules on the Stock Exchange of Hong Kong Limited. The Board ensures that the issuer has fully disclosed the relevant ESG risks and that the Board has not concealed any ESG-related risks. During the Year, the Group's short-term goals for sustainable development have been set and regular board meetings have been held to oversee the goal-setting process and the progress of related goals. The Board regularly reviews and follows up on the achievement of goals on key ESG topics in order to close the gap between the current progress and expectations. The Board also ensures that the Group's policies are consistently implemented.

## DIRECTOR'S MESSAGE

As a biopharmaceutical company, the Group specialises in endocrinology, dermatology, orthopaedics and ophthalmology. The Group has established a fully integrated business platform for research and development, manufacturing, sales and distribution of biopharmaceutical and chemical products serving the entire value chain. The Group will strengthen the Board supervision and accountability on ESG issues and require the ESG Task Force to provide regular updates on environmental, social and governance issues.

Maintaining good communication with stakeholders plays an important role in the business development of the Group. During the Year, the Group has commissioned an external consultancy company to conduct a questionnaire with relevant stakeholders for identifying and determining the ESG issues that have a significant impact on the Group. The results of the questionnaire serve as an important basis for the Group to formulate its sustainable development strategy in the future, and they were also taken as a focus of disclosure in the Report to give the stakeholders a better understanding of the Group's sustainable development performance.

The quality of drugs has a direct impact on patient health. Therefore, the Group needs to maintain the quality of products continuously and ensure the safety of the drug used by the patients. The Group has developed various management strategies and standard operating procedures (SOP) to standardize the pharmaceutical production process and ensure that the quality of our products meets standards. In addition, the Group regards its employees as the cornerstone of its development. Adhering to the principle of "People First", the Group strives to provide an efficient workplace and reasonable rewards for its employees and protect their legitimate rights and interests by providing competitive remuneration and equal development opportunities. On the basis of protecting the safety, health and legitimate rights and interests of employees, the Group has built a diversified staff training and development system that can help employees at all levels and positions to improve their professional skills and comprehensive abilities, thus achieving common development with the Group so as to create a good working environment. To address the use of hazardous chemicals during operations, the Group has also developed various contingency plans and taken early warning and preventive measures to cope with unexpected environmental and safety accidents. Meanwhile, the Group actively fulfills its social responsibilities and participates in public welfare undertakings, carrying out activities such as primary medical support, free medical consultations and health education to promote equitable access to medical resources and demonstrate its commitment as a corporate citizen.

With global climate commitments and carbon reduction as the top of the climate agenda, the Group's business units have taken into account climate considerations in their business activities and have identified key climate-related issues that may have significant financial or strategic implications to further guide the direction of sustainable development strategies. The Group strives to comply with the national air pollutant emission standards, greenhouse gas emission standards, water pollutant comprehensive emission standards and environmental noise emission standards, and gradually increases the use of green electricity by setting the energy conservation and carbon reduction as the general direction. Regarding the supplier management, the Group promotes environmental management throughout the supply chain through implementing the programmes to vet and screen suppliers for their sustainability performance. The Group will also continue to strengthen communication with stakeholders so as to better understand their expectations and views on the operations of the Group and to identify and respond to potential environmental and social risks as early as possible, thereby creating long-term values for shareholders and society.

I would like to express my heartfelt gratitude for the steadfast commitment of our employees and the support from our esteemed investors, stakeholders, partners, customers, and suppliers. We have, once again, achieved remarkable milestones together. As we look to the future, we are enthusiastic about continuing this extraordinary journey, pursuing even greater success and creating a future rich with opportunities.

Uni-Bio Science Group Limited
**Kingsley Leung**
*Chairman*

## COMMUNICATION WITH STAKEHOLDERS

Communication with stakeholders helps stakeholders understand the Group's management policy for sustainable development and allows the Group to understand stakeholders' expectations and views. Stakeholders' opinions will help the Group to review its performance and potential risks and further improve its business development and management.

### Major Ways of Communication with Stakeholders during the Year

**Directors and Employees**

- Maintaining two-way communication through various channels, including internal communications, staff activities and staff opinion collection boxes, etc.

**Customers**

- Maintaining good communication with customers via telephone and email
- Establishing the customer complaint mechanism to ensure high customer satisfaction
- Organising relevant meetings with customers

**Suppliers and Business Partners**

- Evaluation and review of candidate suppliers
- Field investigation and on-site audit of key suppliers
- Collecting supplier-related information during daily process and regularly check compliance and output performance of suppliers

**Communities**

- Encouraging employees to participate in volunteer and fund-raising activities
- Making donations to charitable organizations and drug donation activities

**Investors and Shareholders**

- Convening the annual meeting of shareholders every year to provide opportunities for shareholders to ask questions and reflect their views to directors
- Reporting to shareholders and investors on business operations and financial position of the Group through annual reports and other information disclosures
- Business operation and financial conditions of the Group
- Providing daily telephone and email inquiries

**Regulatory Authorities**

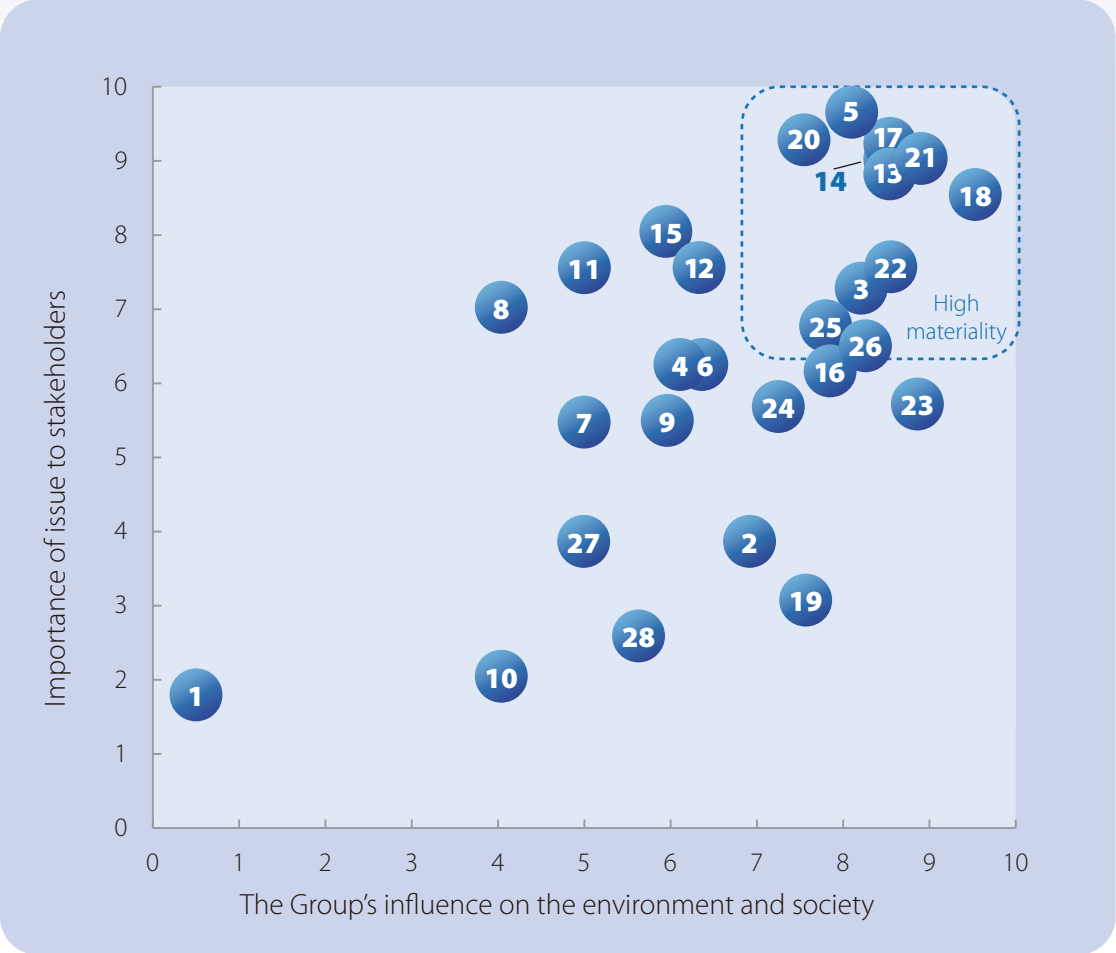
- Conducting management as required by national laws and regulations
- Responding to the inquires of regulatory authorities

## Materiality Assessment

To identify the environmental and social issues that are critical to the Group and the stakeholders, the Group commissioned an external consultancy company BMI Environmental Consultancy Limited ("BMIEC") to collect the opinions of stakeholders through an online survey. All questionnaires were conducted anonymously to ensure that participating stakeholders can express their views and expectations freely and honestly.

Based on the ESG Reporting Guide and the business and industrial conditions of the Group, BMIEC identified 28 issues that were most relevant to the Group's business, covering four major areas, namely "environmental protection", "employment and labour practices", "operational practices" and "community investment", and used them as a basis for this questionnaire. The stakeholders were asked to rate the importance of the 28 issues to stakeholders and the Group's influence on the environment and society. Based on the questionnaire results, BMIEC conducted materiality analysis, identified the materiality issues and established the materiality matrix for determination and assessment. The following graph is the materiality matrix of the Group. The first 11 issues of high materiality in the upper right box are the high materiality issues of the Group. The Group reviews the identified materiality issues and discloses them in the report.

**ESG materiality matrix of Uni-Bio Science**




**Issues of high materiality (in order of ranking)**

| Rank | No. | Issue |
|---|---|---|
| High materiality | 18 | Protecting intellectual property rights |
| | 21 | Taking responsibility for products or services provided |
| | 5 | Innovative research and development |
| | 14 | Providing a healthy and safe working environment for employees and preventing occupational diseases and work-related injuries |
| | 17 | Complying with labour laws and rules |
| | 13 | Providing an equal and diversified work environment to eliminate discrimination or sexual harassment in the workplace |
| | 20 | Establishing a GMP certification system to ensure drug quality |
| | 22 | Customer information and privacy protection |
| | 3 | Wastewater discharge management |
| | 26 | Customer service quality and communication |
| Low materiality | 25 | Establishing anti-corruption whistle-blowing channels and procedures, and promising not to disclose the whistleblower's privacy |

| Issue Category | Issue |
|---|---|
| Environmental protection | 1. Managing greenhouse gas emissions |
| Environmental protection | 2. Managing exhaust emissions |
| Environmental protection | 3. Wastewater discharge management |
| Environmental protection | 4. Waste management |
| Environmental protection | 5. Innovative research and development |
| Environmental protection | 6. Saving energy/improving energy efficiency |
| Environmental protection | 7. Managing the impacts of business operations on the environment and natural resources |
| Environmental protection | 8. Use of water resources and water saving measures |
| Environmental protection | 9. Waste reduction and rational use of packaging materials |
| Climate change | 10. Mitigation of and adaptation to climate change |
| Climate change | 11. Climate change governance, strategy and risk management |
| Employment and labour practices | 12. Establishing a comprehensive employment system |
| Employment and labour practices | 13. Providing an equal and diversified work environment to eliminate discrimination or sexual harassment in the workplace |
| Employment and labour practices | 14. Providing a healthy and safe working environment for employees and preventing occupational diseases and work-related injuries |
| Employment and labour practices | 15. Providing training for employees to improve their knowledge and skills |
| Employment and labour practices | 16. Preventing child or forced labour |
| Employment and labour practices | 17. Complying labour laws and rules |
| Operational practices | 18. Protecting intellectual property rights |
| Operational practices | 19. Evaluating and managing environmental and social risks of the supply chains |
| Operational practices | 20. Establishing a GMP certification system to ensure drug quality |
| Operational practices | 21. Taking the responsibility for products or services provided |
| Operational practices | 22. Customer information and privacy protection |
| Operational practices | 23. Implementing the advertising supervision and drug labeling review system to regulate advertising and ensure proper use of products by consumers |
| Operational practices | 24. Putting an end to corruption and bribery |
| Operational practices | 25. Establishing anti-corruption whistle-blowing channels and procedures, and promising not to disclose the whistleblower's privacy |
| Operational practices | 26. Customer service quality and communication |
| Community investment | 27. Understanding the needs of the community and managing the impact of operations on the community |
| Community investment | 28. Investing resources for community development |

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group firmly believes that good corporate governance becomes increasingly important to the Group's long-term business development. The Board is responsible for corporate governance and is fully in charge of formulating the Group's strategies and monitoring the Group's operations, so as to achieve the Group's strategic goals.

As regulatory authorities and stakeholders continually increase their expectations for sustainable development governance, the Group is committed to further improving its work on sustainable development, and will consider setting up an environmental, social and governance committee in the future, and clarifying the committee's scope of powers and available resources. The members of the committee will include the Group's core management personnel, so as to ensure the effective management of sustainable development issues.

## CLIMATE CHANGE

The Group is aware of the urgency of response to climate change and is committed to taking the steps possible to manage its climate risks. The ESG Task Force regularly reviews the impact of its day-to-day operations on climate change and is committed to implementing environmentally-friendly operational measures that seek to mitigate GHG emissions and the pressure on global climate change. At the same time, we will actively assess and manage climate-related business risks and improve our adaptability to climate change. During the Reporting Period, the ESG Task Force continued to identify climate-related risks that could cause financial and operational disruptions and incorporating them into a monitoring list.

***Governance***

The Board assumes responsibility for overseeing the Group's ESG vision, comprehensively directing the formulation of relevant goals, strategies and management policies, and supervising the procedures for identifying, prioritizing and managing material ESG matters. The Board regularly reviews associated risks and opportunities, determines the strategic direction accordingly, and ensures that comprehensive and effective internal control mechanisms are in place across all ESG aspects within the business operations. During the annual board meeting, approximately one-sixth of the time is devoted to discussing climate-related risks and opportunities. To effectively respond to climate change, the Group has established a governance structure led by the Board to promote the implementation of relevant measures.

The Group embraces the benefits of Board diversity, which enables the Board to function effectively. The Nomination Committee reviews the composition of the Board annually, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, to ensure a balanced skill set. We will continue to enhance and develop the capabilities of Board members through internal and external training programs (covering, but not limited to, topics such as climate risks and opportunities), thereby strengthening their competence in overseeing strategies for addressing climate-related risks and opportunities.

The Board is responsible for promoting environmental compliance management and energy conservation and emission reduction practices, as well as formulating and establishing appropriate policies and monitoring measures. The Company of business units must strictly comply with the above policies when formulating strategic plans or making significant transactions decisions. Upon approval by the Board, the Environmental Management Committee and the ESG Task Force has established a set of regular processes to continuously assess and review whether each business unit complies with relevant policies, so as to ensure that each business unit effectively implements the policies. The ESG Task Force reports the audit results and recommendations for improvement to the Board annually. This framework ensures that our efforts align with national 'dual carbon' goals and ESG governance requirements, while the Group assumes ultimate responsibility for the formulation and implementation of climate change management policies and strategies, maintaining a balance between costs and benefits in addressing climate-related risks and opportunities.

Position Duties of the Environmental Management Committee are as follows:

| Position | Responsibility |
|---|---|
| Director of the Environmental Management Committee | • Leading environmental management work of the Group; and<br>• Approving the execution documents of all environmental management work |
| Executive Director of the Environmental Management Committee | • Assisting the Director of the Environmental Management Committee to coordinate the environmental management work of various departments of the Group. |
| Secretary General of the Environmental Management Committee | • Implementing environmental management policies;<br>• Working with government departments; and<br>• Arranging training in relation to internal environmental management. |
| Members of the Environmental Management Committee | • Measuring the relevant data of environmental management. |

At present, the Group has not incorporated ESG performance indicators into its remuneration policies. However, in the future, we will actively promote climate-related management and information disclosure, and continuously enhance the standardization and transparency of our governance practices.

***Strategy***

The strategic time horizon adopted by the Group when making strategic decisions are defined as: short-term (1 to 3 years); medium-term (3 to 10 years); and long-term (over 10 years). As part of its assessment of climate change risks and opportunities, the Group applies a commercial sensitivity exemption to climate-related opportunities when considering the following climate-related physical and transition risks most relevant to the Group. In respect of climate-related scenario analysis, the reasonable information exemption and capability exemption have been applied. In addition, the Group currently has not formulated a climate-related transition plan. As we are still in the process of assessing the relevant impacts, quantified information regarding the financial impact has not been provided. For the amounts and percentages of assets or business activities affected by climate-related transition risks, physical risks and opportunities, the reasonable information exemption and capability exemption have been applied.

*Physical Risks*

Physical risks encompass acute risks triggered by extreme weather such as floods and storms, as well as chronic risks caused by long-term climate change (such as global warming and sea level rise). The Group anticipates that these physical risks will materialise in the short to medium term. In terms of financial implications, the increasing frequency and intensity of extreme weather events may cause temporary disruptions to the operation of production facilities, laboratories or cold chain logistics in the short-term, resulting in a decline in productivity and delivery delays, thereby leading to a reduction in revenue. In addition, to enhance the defensive capabilities of the facilities and restore damaged assets, the Group may be required to incur additional capital expenditure to upgrade disaster-resilient equipment or reinforce infrastructure. Furthermore, this may lead to additional costs such as equipment maintenance and emergency transportation, as well as fluctuations in cash flow due to delivery delays.

Operationally, biological samples or cell lines developed over many years are at risk of damage or contamination, which may result in a significant prolongation of the research and development cycle. This not only increases the financial pressure on partners and investors, but also has a negative impact on the Company's reputation. In light of the above, despite the Group's efforts to maintain constant temperature and humidity conditions for precision laboratory equipment, extreme heat will place an excessive load on the cooling systems, leading to a significant increase in electricity expenses. As a result, the Group's overall operating costs are expected to increase significantly.

To mitigate the physical risks arising from climate change, the Group is committed to enhancing energy and water efficiency, and increasing the deployment of real-time monitoring equipment. The Group has also formulated contingency plans for environmental emergencies, strengthened preventive and control measures against extreme weather events, and enhanced its emergency response capabilities.

*Transition Risks*

— *Policy and Legal Risks*

Changes in environmental regulations or shifts in customer preferences may pose transition risks to the business and operations.

The Group anticipates that policy and legal risks will materialise in the medium to long term. In terms of financial implications, with evolving environmental and carbon-related regulatory requirements, the Group is required to continuously invest dedicated funds in low-carbon R&D technologies, environmental management system certifications, and professional training for employees, which will directly drive up R&D expenses and administrative operating costs. Failure to comply with regulations may not only result in contingent cash outflows due to potiential fines, but may also increase liabilities due to damage to goodwill (causing a decrease in revenue) or legal settlements, thereby reducing shareholders' equity.

— *Technology Risks*

With the accelerating pace of innovation in low-carbon and energy-saving technologies, traditional chemical synthesis processes with high energy consumption and high pollution are becoming increasingly unsuitable in today's society. Failure to transition to green biomanufacturing will weaken the Group's competitiveness and operational resilience.

The Group anticipates that technological risks will materialise in the medium term. In terms of financial implications, the initial phase of transitioning to new technologies requires investing substantial capital expenses, such as R&D investment in green biomanufacturing processes or technological transformation expenditures for existing production lines, as well as the acquisition of high-efficiency and energy-saving equipment, which will lead to a significant increase in cash outflows in the short term. Despite enhancing intangible and fixed assets, technological upgrades may accelerate the depreciation of existing assets. The impairment of existing obsolete assets will have a negative impact on the net asset value in the medium to long term, which in turn will affect the health of the balance sheet. However, by promoting the optimization of biosynthesis technologies and digital intelligent production, the efficiency of resource utilization can be significantly improved in the long run.

— *Market Risks*

With heightened global demands for green supply chains, major medical institutions and government procurement have gradually incorporated carbon emission indicators. In particular, the Action Plan for Green Procurement issued by the State Council of China marks the transition of green procurement from an initiative to a mainstream mechanism. Failure to implement the transformation or meet compliance requirements in a timely manner will significantlyundermine competitiveness in tendering and market access advantages in core markets. Therefore, we anticipate that market risks will materialise in the medium to long term.

In terms of financial implications, customer preferences are shifting towards low-carbon products. Any delay on the part of the Group in responding to climate issues could result in a loss of existing market share, leading to fluctuations in revenue and a reduction in operating cash flow. In addition, rebranding and market expansion efforts undertaken to realign with green market standards will incur additional operating and marketing expenses and increase capital expenses.

In terms of the impact on business model and value chain, failure to optimize the full lifecycle carbon footprint of core products may result in the risk of their exclusion from the Catalog of Medicines Covered by Medical Insurance or major international procurement organizations, leading to a significant reduction in the commercial value of the products.

— *Reputation Risks*

With growing global attention on the pharmaceutical industry's environmental responsibilities, investors, regulators and the general public now regard corporate climate action as a key indicator of brand value. In particular, the tightening of climate disclosure requirements by the Hong Kong Stock Exchange, coupled with the international community's rigorous scrutiny of the carbon footprint in the pharmaceutical R&D process, signifies that green goodwill has evolved from an ethical initiative into a core competitive advantage. Failure on the part of the Group to establish a transparent climate governance mechanism or fulfill its carbon reduction commitments, will raise public doubts about its brand integrity, which in turn will cause a significant blow to its corporate reputation. We therefore anticipate that reputational risks will begin to materialise in the short term and persist over the long term.

In terms of financial implications, the Group's social responsibility performance is directly linked to its financing premium. If a downgrade in ESG ratings occurs due to poor climate performance, it will diminish international capital markets' trust in the Group, leading to restricted access to financing or higher borrowing rates, thereby raising the overall cost of capital. In addition, reputational damage may trigger investor divestment or share price volatility, exerting a negative impact on the financial stability and asset valuation of the Group.

In terms of the impact on business model and value chain, reputation risk will severely erode the trust of downstream customers. In the core business areas directly serving patients and medical institutions, customers are becoming increasingly sensitive to the environmental sustainability of the pharmaceutical manufacturing process. The Group's slow response to climate issues could lead to large hospitals, pharmacy chains or end patients turning to competitors with a stronger reputation for sustainability, resulting in a loss of market share. At the same time, partners within the value chain (such as international licensing collaborators) may also terminate cooperation to avoid associated reputational risks, which would significantly weaken the commercialisation value and internationalization process of the Group's innovative products.

The Group had no capital expenses in the fiscal year 2025 in addressing climate-related risks and seizing related opportunities. However, the Group plans to set aside sufficient funds in the future to address the identified risks and seize the related opportunities. The reasonable information exemption has been applied to the amount and proportion of assets or business activities that are vulnerable to, or aligned with, climate-related transition risks, climate-related physical risks and climate-related opportunities.

***Risk Management***




The Group is committed to implementing effective risk management and internal monitoring system to safeguard the Group's assets and interests. The Board is fully responsible for the Group's internal monitoring system and reviews its effectiveness on a regular basis, and continuously identifies, evaluates and manages the risks, including but not limited to climate-related risks. Through the Audit Committee, the Group conducted an annual review of the Group's risk management and internal system.

The process of identifying, evaluating and managing climate-related risks is carried out on a regular and ongoing basis. The process is summarized as follows:

1. Identifying potential climate-related risks: Identify risks that may potentially affect the Group's business and operations.

2. Evaluating and prioritizing climate-related risks: Evaluate the impact and consequences of the identified risks on the business, as well as the likelihood of their occurrence. Comparing risk evaluation results to prioritise the order of risk treatment.

3. Determining risk management strategies and internal control processes: prioritize risks to prevent, avoid or mitigate risks.

4. Monitoring climate-related risk changes and reporting risks: Continuously and regularly monitor risks to ensure that appropriate internal control processes are in place. Refine risk management strategies and internal control processes in the event of any material changes in circumstances; and report the results and effectiveness of risk management and internal control to the Board on a regular basis.

In the annual risk assessment report, the management sets out in detail the various identified risks (including climate-related risks), together with an assessment of the impact of such risks on the Group. The review covered the budget of the Group's accounting and financial reporting function, adequacy of resources, staff qualifications and experience and training programmers during the year ended 31 December 2025. Based on review results, the Board considers that the Group's risk management and internal control systems are adequate and effective.

In addition, we have formulated and implemented appropriate policies and monitoring measures to ensure compliance with relevant laws and regulations. The Board, through the Audit Committee, has conducted a review of the effectiveness of the Group's risk management and internal control systems during the Year, the scope of which covers all major control functions, including financial, operational and compliance controls. The Board considers that the Group's risk management and internal control systems are adequate and effective.

In terms of monitoring and managing risks, including but not limited to climate-related risks, the Group adopts the following mechanisms:

1. Risk Control: The Group incorporates climate-relatedf factors into its operational procedures and internal controls, covering energy efficiency measures, waste reduction, water conservation, and maintenance and safety protocols for facilities vulnerable to physical risks. Through business continuity plans and regular maintenance, the Group effectively reduces the likelihood of climate-related incidents or mitigates their impact.

2. Risk Transfer: The Group transfers potential financial losses to third parties through financial and contractual instruments. For its factories and key production facilities, the Group has purchased property insurance to hedge against the risk of asset damage caused by unforeseen accidents such as fires. In addition, climate compensation clauses are included into logistics outsourcing contracts to transfer the risk of cold chain failure during transportation to third-party suppliers.

3. Risk Mitigation: The Group adopts proactive measures to minimize the impact of risks should they materialise. For example, we implement a distributed storage strategy to back up key R&D samples in different geographical regions to prevent the total loss of research findings due to a single point of failure. At the same time, a green supply chain audit mechanism has been established to conduct ESG due diligence on suppliers of core raw materials, thereby mitigating the risk of supply chain disruption caused by policy transition or resource shortages.

4. Risk Acceptance: For residual risks with a low probability of occurrence or excessively high mitigation costs, the Group monitors and chooses to accept such risks within its defined risk appetite. For example, costs associated with repairing damage caused by short-term, unpredictable extreme weather events are incorporated into annual operational budget provisions, rather than undertaking large-scale engineering modifications. Meanwhile, for long-term, chronic risks (such as sea-level rise), the Group includes them in its long-term scenario analysis monitoring list, deferring decision-making until technology matures or the risks become significant.

The Group has made a conscious decision to bear such risk on the basis that the cost of managing or transferring the risk would exceed the expected impact. For climate risks with a low probability of occurrence and minor impact, the Group may simply accept and monitor them, rather than taking active mitigation measures, to ensure that resources are targeted precisely at risk areas with significant financial implications.

The Group will continue to regularly review the impact of climate change on its operations and formulate corresponding measures for the various types of risks faced by the Group. We will also continue to explore innovative schemes and solutions to help us adapt to climate change, contribute to climate change mitigation, and achieve sustainable operations in the future.

## Risk Issues

In addition, the Group has identified five operational risks related to social issues, including potential danger of explosive hazardous chemicals, storage and use of hazardous chemicals, potential production accidents, fire safety and occupational health. The Group has established corresponding risk management strategies and internal management measures to reduce the operational risks and their impacts on the Group. Details of risk management are as follows:

| Operational Risks | Internal Management Measures |
|---|---|
| Potential danger of explosive hazardous chemicals | 1. Access the public security system platform for real-time monitoring<br>2. Double lock management<br>3. The maintenance unit inspects the integrity of the monitoring regularly<br>4. The alarm system is connected to the guard room for 24-hour monitoring to ensure that problems can be found immediately<br>5. Conduct a safety assessment every three years<br>6. Regular special training for managers |
| Storage and use of hazardous chemicals | 1. Special chemical inspection has been included in monthly safety inspection and regular inspection<br>2. Organize special training<br>3. Record keeping for the purchasing department |
| Potential production accidents | 1. Establish a safety leading group and a voluntary safety management team<br>2. Conduct risk analysis and hierarchical control of analysis results<br>3. Regular inspection and patrol<br>4. Strengthen publicity, education and safety training<br>5. Set up voluntary safety administrators to conduct frontline management and inspection, and timely feedback and rectification of problems and keep records<br>6. Provide necessary labor protection equipment according to the post |
| Fire safety | 1. Regular inspection and maintain proper handover records<br>2. Organize training and exercises<br>3. Strictly implement monthly fire maintenance and linkage tests<br>4. Test electrical fire and lightning protection devices every year |
| Occupational health | 1. Carry out annual occupational hazard testing, control occupational hazard factors and publicize them<br>2. Carry out occupational health examination for employees every year<br>3. Labor protection equipment shall be distributed according to the occupational hazard factors of the post |

Looking ahead, the Group plans to incorporate sustainable development issues into the risk management system to effectively identify and manage related issues.

***Metrics and Targets***

The Group is committed to reducing greenhouse gas emissions and waste generation during its operations, and actively promoting the conservation and efficient use of energy and water resources. To this end, the Group has formulated a series of carbon reduction targets and response initiatives to fully prepare for the transition to a low-carbon economy and to achieve reductions in greenhouse gas emissions wherever possible. During the reporting year, the Group is continuously strengthening the measurement and monitoring of carbon emissions from our business operations, with the aim of establishing science-based phased emission reduction and elimination targets. The targets and the methodology for setting the targets have not been validated by a third party. With respect to certain metrics in its complex supply chain, the Group currently applies the reasonable information exemption. The Group currently does not apply carbon pricing in its decision-making process, nor does it incorporate climate-related considerations into its remuneration policy. With regard to greenhouse gas emission targets, these targets have not been established using the Sectoral Decarbonisation Approach (SDA), and there are currently no plans to use carbon credits to offset greenhouse gas emissions to achieve these targets.

## RESPONSIBLE OPERATION

The Group attaches importance to product quality and supply chain management, and maintains long-term relationship of mutual trust with customers. Therefore, the Group has developed a number of policies and measures to manage the risks related to supply chain, quality management and corporate integrity.

### Product Responsibility

As a pharmaceutical enterprise, the Group is deeply aware of the importance of product quality. The Group's pharmaceutical manufacturing plants in Beijing and Shenzhen have passed the GMP certification, and have established all kinds of procedures under the GMP system to manage the Group's pharmaceutical production process, including quality assurance, verification and confirmation, shipment and recall, and production technology. During the Year, the Group achieved fruitful results in product quality and R&D innovation, earning high recognition from all sectors. Through a robust quality management system and compliance measures, we exercise comprehensive oversight over product development, production and distribution, with safeguarding consumer safety as our primary duty. The Group will also continue to implement a series of policies and measures to ensure the products comply with the quality standards during the development, production and sales process, thereby providing consumers with quality products. Further, the Group continues to invest in research and development of innovative and patented products that have potential and commercial values.

**Product Responsibility Measures**

| | |
|---|---|
| Product Development | In 2025, the Group achieved another milestone in product development. In the field of ophthalmology, 金因康 Eye Drops, a new product developed by the Group, officially received marketing approval from the China National Medical Products Administration (NMPA). Designed to provide an innovative clinical treatment solution for approximately 360 million dry eye patients in China, this product further improves the Group's product portfolio in specialist pharmaceuticals.<br><br>Furthermore, the Group continued to deepen its comprehensive "Drug & Medical Device & Aesthetics" strategy, with its brands 肌顏態, GeneQueens and 金因敷 making a grand debut at the 2025 Annual Meeting of Chinese Society of Dermatology organized by the Chinese Medical Association. The Group successfully launched a number of new products, reinforcing its leading position in the medical aesthetics and wound repair markets, and demonstrating the Group's unwavering commitment to research and development innovation and to improving patients' quality of life. |

## Product Responsibility Measures

| | |
|---|---|
| Quality Management | In order to ensure the quality level of products, the Group has implemented the Production Process Management SOP during the Year to standardise the requirements on the staff, materials, equipment, technology and environment during the production process, in an attempt to prevent cross-contamination and errors in production.<br><br>The Group also established the Finished Product Distribution Management to standardise the distribution process of finished products, where finished products can be distributed only after qualified for inspection and approved by the Quality Assurance Department. In accordance with the Administrative Regulations for Non-Conforming Products, if there is a quality problem during the materials, inspection, storage and production process, staff of the Production Department shall report to the Production Department and the Quality Assurance Department according to the Deviation Management SOP, then analyze the reasons and formulate solutions. |
| Product Labeling and Advertisement | To ensure the labels, instructions and other packaging materials of the products comply with the requirements of relevant laws and regulations, the Group formulated the Administrative Regulations for Printed Packaging Materials, and specified the process for handling and making the printed packaging materials. The Quality Assurance Department will report the printed packaging materials to the drug regulatory authority for review, so as to guarantee the customers' accurate understanding of the labeling content and proper use of the products.<br><br>The Group strictly complies with relevant laws and regulations on drug advertisements to ensure that promotional information are accurate, professional and compliant, and promises not to publish advertisements in mass media or publish prescription drug advertisements to the public by giving away medical publications and pharmaceutical journals. The Group will consider formulating policies in the future to regulate advertising behavior. |
| Complaint and Product Recall | In order to maintain customer satisfaction with the Group's products, the Group formulated the Administrative Regulations for Quality Complaints to handle customer complaints about product quality. Upon receipt of a customer complaint, the Quality Assurance Department will, based on the content of complaint, cooperate with relevant production and testing department for investigation. The Quality Assurance Department will initiate the recall procedures according to the investigation results and make corresponding correction as soon as possible, as well as formulate measures to prevent the recurrence of the incidents in the future. No complaints were received during the Year.<br><br>To ensure the safety of the drug used by the public, the Group has developed the Administrative Regulations for Drug Recall and the Administrative Regulations for Drug Return to regulate the drug recall and return process. If the drug is likely to cause serious health hazards, it will be handled at the highest recall level, for which, the General Manager of the Group will take full responsibility and give the order for drug recall. In that case, drugs with problems will be comprehensively recalled within 24 hours. During the Year, the Group had not conducted any product recall to be recalled for safety and health reasons. |
| Customer Privacy | The Group highly values customer privacy. The Group possesses a confidentiality system which strictly prohibits employees from disclosing any confidential information (including customer information) to any third parties to protect customer privacy. Employees who violate confidentiality shall be liable for any economic damages and take relevant legal liabilities. |

In addition, in terms of intellectual property rights, effective protection of intellectual property plays an important role in securing the research and development of an enterprise. Accordingly, the Group stipulates that an employee must sign a Commitment Letter on Intellectual Property Ownership with the Group upon his/her employment to ensure the employee familiar with the Group's provisions on intellectual property rights and to protect relevant benefits of the Group from infringement. At the same time, employees shall also abide by relevant provisions of the Employee Handbook relating to intellectual property rights, and protect relevant information from being leaked. The Group will continue improving relevant provisions on protection of the intellectual property rights to safeguard the interests of the partners. In addition, the Group has implemented the "Intellectual Property Management System" to promote technological innovation and the transformation of achievements, enhance core competitiveness and market position, standardize internal intellectual property management, and prevent intellectual property disputes. The Group also encourages employees to engage in innovative activities, thereby improving the overall innovation capability and level of the enterprise.

## Anti-Corruption

The Group has been following a high standard of business ethics, integrity and compliance with relevant laws and regulations. The Group adopts a zero-tolerance attitude towards any form of corruption such as bribery, corruption, extortion, fraud and money laundering. The Group establishes provisions on business gifts in the Employee Handbook, which prohibits employees from accepting business gifts in any amount and form from customers or other partners. Where an employee is unable to refuse, he/she should hand over gifts to the relevant departments of the Group in full. The Group has also established a complaint mechanism to encourage employees to monitor and report any corrupt behaviour of employees, whereby they can report to the person in charge of human resources or the General Manager on any non-compliance found. The Group will then carry out investigation into the relevant incidents and take the follow-up actions. The Group holds anti-corruption training every year, and keeps communication with employees to improve their professional quality and prevent legal risks. During the reporting period, there was no concluded legal case regarding corrupt practices brought against the Group or its employees. Additionally, the Group has established an Anti-Corruption Agreement, primarily aimed at preventing and combating corrupt practices while fostering a clean, honest, and law-abiding corporate environment. The agreement clearly defines the ethical standards and code of conduct for the company, ensuring employees understand what behaviors are permitted and prohibited, thereby regulating their actions. During the Reporting Period, the number of concluded corruption lawsuits filed against the Group or its employees was zero.

The Group specifically implements the comprehensive measures to secure the confidentiality of personal information and materials provided by whistleblowers. Unless consent for disclosure is given, whistleblower identity remains protected. The Group will ensure that employees are not subject to any form of threats, reprisals or inappropriate censures arising from reporting the aforesaid matters. Harassment or harm to whistleblowers is considered gravely inappropriate behaviour and verified cases will be severely dealt with.

## Supply Chain Management

During the Year, the Group has 574 suppliers, mainly from Beijing, Guangdong Province and other regions in mainland China, which mainly supply raw materials, packaging materials, reagents, accessories, labels and equipment. The Group formulates relevant process of supplier selection in accordance with the Supplier Selection SOP and the Administrative Measures and Related Processes for Materials Purchase and Distribution.

The Group carefully selects quality suppliers through market comparison where possible. The Group evaluates and reviews candidate suppliers through the Questionnaire on Suppliers and the Supplier Qualifications Assessment Form on the basis of their performance record, experience, financial strength, reputation, ability to produce high-quality products and quality control effectiveness. For critical level materials, the Quality Management Department will also carry out testing and trial use, and evaluate according to the New Materials Test & Evaluation Form. The Group has also incorporated the sustainability and social responsibility of suppliers into its procurement process and established environmental requirements for suppliers. The Group will also conduct regular on-site audits on key suppliers and carry out field investigation on manufacturing plants and facilities of the suppliers; other suppliers will be reviewed in writing, and the selection process of all suppliers will be confirmed by the Quality Assurance Department.

In addition, in order to reduce the environmental and social risks related to supply chains, the Group also has environmental and social requirements on the suppliers, including:

**The Group's Requirements on Suppliers in the Environmental and Social Aspects**

- Product quality: GMP certificates for relevant pharmaceuticals, registration certificates for imported pharmaceuticals and ISO 9001 Quality Management System Certification
- Environmental protection: ISO 14001 Environmental Management System Certification and regular environmental monitoring
- Staff: Regular staff trainings and occupational health and safety of the staff

The Group collects relevant information about suppliers during the daily operation process and checks their compliance and output performance on a regular basis to ensure that suppliers consistently meet the relevant requirements of the Group. If a supplier fails to meet our criteria after assessment, its qualification as a supplier will be cancelled.

## VALUING OUR EMPLOYEES

The success of the Group depends on the joint efforts and contributions of our employees. The Group has established various personnel systems and formulated related policies to provide a safe, comfortable and healthy working environment for employees and to ensure that all employees can receive reasonable remuneration, benefits, training, and promotion opportunities.

### Health and Safety

The Group deeply understands the importance of occupational health and safety of employees. The Occupational Health Management SOP, the Operating Rules of Occupational Health on Post, the Occupational Health Management SOP and the Emergency Plan for Hazardous Chemical Accidents have been established to ensure the health and safety of employees and the protection from occupational disease hazards.

***Occupational Disease Prevention and Control***

In order to prevent, control and eliminate relevant risks related to occupational diseases, the Group has implemented the Occupational Health Management SOP, which establishes the responsibility system, rules and regulations and operating procedures for prevention and control of occupational disease. The purpose is to supervise and inspect the prevention and control work for occupational diseases during operations and eliminate the occupational hazard accidents and risks.

Based on the Responsibility System for Prevention and Control of Occupational Diseases, the Group has set up a leading group of occupational health work under the leadership of general manager of the Plants, which carries out the occupational disease prevention and control among employees, formulates and implements the annual occupational disease prevention and control plan and solution. The Group also provides employees with an annual report on the work plan for occupational disease prevention and control and implementation, actively listens to employees' opinions on occupational safety and health measures, and improves relevant system and measures.

The Group provides occupational health examination and establishes occupational health records for employees according to the category of occupational disease hazard factors, level of exposure, etc. If an employee is suspected of the occupational disease during the health examination, the Group will arrange the employee to accept treatment as soon as possible. The Group has entrusted an external inspection agency to test the production environment and identify the occupational hazard factors.

In accordance with the Hazard Warning and Notification System of Occupational Diseases, the Group shall truthfully disclose the potential occupational disease risks (such as exposure to dust, noise, high temperature and harmful gases) while recruiting an employee, and shall specify such risks in the labour contract. The Group also set up a bulletin board in the production workshop to announce the rules and regulations, operating procedures and emergency measures for prevention and control of occupational diseases, as well as the potential or generated hazards of occupational diseases and the potential risks. In view of the risk of potential hazards, the Group will provide employees with relevant protective measures such as dust masks or gas masks, sound insulation measures and heat insulation equipment.

***Emergency Response for Hazardous Chemicals***

In order to strengthen the prevention of hazardous chemical accidents and reduce the risks, the Group has formulated the "Emergency Plan for Hazardous Chemical Accidents", which stipulates that the Equipment Department should monitor and control the key hazard sources of the production sites every day. The Group has implemented preventive and early warning measures, including daily irregular inspection of hazard sources in workshops and warehouses, and has also established the safety inspection system for job positions with hazardous nature. If an unexpected incident occurs, the on-site personnel will report and make an alarm according to the emergency plan and the five-level response procedures, and respond to the incident based on how controllable it is. The purpose is to bring the source of the hazard under control in a timely manner, rescue any casualties and evacuate all personnel, and eliminate the potential dangers, thereby reducing the impact on the business operations and the safety and health of employees.

***Safety Training and Emergency Drill***

The Group provides regular occupational health trainings to its employees, so as to enhance their awareness of occupational safety and health and to teach them how to use the protective equipment and personal protection articles properly. The Group also holds fire drills and emergency evacuation drills on a regular basis to enhance the employees' awareness of emergency response.

No work-related accident or work-related fatalities occurred to the Group in the past three years including the current year.

## Employment

The Group firmly believes that having a sound employment system will enable us to attract and retain talents. The Group has formulated the Employee Manual, the Attendance and Leave Management System of the Group, the Staff Welfare Management System, the Recruitment Management System of the Uni-Bio Group and the Human Resource Management Manual, which specify the recruitment, dismissal, salary, promotion, working hours, vacation, anti-discrimination, equal opportunities, benefits and other treatments for employees.

### Recruitment and Dismissal

The Group carries out recruitment according to the principles of impartiality, fairness and equal competition. The personnel department will provide persons who are employed with orientation to help them understand the rules and systems of the Company, work contents and requirements, etc.

The Group and its employees may also terminate their labour contracts as required. Employees who voluntarily resign shall make an application according to resignation procedures.

### Remuneration and Benefits

The Group is committed to maintaining its competitiveness in the remuneration market in the industry and determines the remuneration of its employees based on their performance.

The Group also provides a benefit system to its employees in accordance with government regulations, including making contribution to the social and labour insurance funds, the housing provident fund, endowment insurance, medical insurance, employment injury insurance, maternity insurance, unemployment insurance funds for employees. The Group provides employees with dormitory, meals, holiday allowances and organise annual check-up for them.

### Promotion

According to the performance management system, the Group provides employees with promotion opportunities. The Group regularly conducts performance assessment of its employees, and employees with outstanding performance will be given priority in promotion. In addition, national professional qualifications or academic qualifications at a higher level obtained by employees after self-study may also be taken into consideration for promotion.

### Vacation

In addition to statutory holidays, employees of the Group are also entitled to various paid holidays, including annual leave, marriage and funeral leave, maternity leave and nursing leave. Employees who have worked in the Group for more than one year are entitled to seven to fourteen days of annual leave each year, while employees who have worked for the Group for over ten years are entitled to up to twenty days of annual leave each year.

The Group is committed to providing a diverse and inclusive work environment for employees. It has implemented the employment system in accordance with the Labour Law of the People's Republic of China and other laws and regulations, and does not allow discrimination by employees in any form based on gender, age, nationality, marital status, physical condition or position. As an employer advocating equal opportunities, the Group is committed to providing equal employment opportunities for every job applicant so that they can integrate into society.

Looking ahead, the Group will review the current employment system, and review and improve its diversification-related policies.

In order to foster good relationships with employees, the Group regularly organises various team building and employee activities, including sports meeting, travel, birthday parties and welcome parties for new employees, to enhance employees' sense of belonging to the Group. The Group has established suggestion box management rules to collect opinions from employees for helping the Group improve the employment system and employee-related policies.

## Development and Training

The Group attaches great importance to the personal development of employees, providing various knowledge and skill training opportunities according to the needs of employees and corporate needs. The Group formulates annual training plans and related measures for its employees and individual departments in accordance with the Personnel Training Management SOP and the Performance Management System.

| Training Type | Training Contents |
|---|---|
| Internal training | • Corporate culture and company management system;<br>• Safety knowledge (including hazardous chemical safety management) , theory and operation training (including firefighting equipments);<br>• GMP knowledge training (including pharmaceutical enterprise laws and regulations); and<br>• Professional skills, operation, safety knowledge and skills training. |
| External training | • Regulation application training organised by the training center of National Medical Products Administration, and various industry associations;<br>• Professional and technical training provided by equipment manufacturers;<br>• Industry exchange and training in technologies; and<br>• Professional quality training. |

In order to encourage employees to actively pursue personal career development, the Group may take the training results of employees as an important basis for year-end performance evaluation and promotion. In addition to the priority in promotion and salary increase, outstanding employees may obtain more opportunities for future external training. The Group has arranged anti-corruption training for its employees and directors.

During the Year, there were 544 employees of the Group who received training, which accounted for 100% of the total number of its employees. During the Year, the average training hours per employee were 30.9 hours.

## LABOUR STANDARDS

The Group prohibits the employment of child labour in its operations. In accordance with the Employee Manual and the Human Resource Management Manual, the employment of child labour under the age of 16 is strictly forbidden by the Group. The Group's personnel administration department checks the identity documents of the applicants during the recruitment process. If child labour is employed by mistake, the Group will immediately terminate their employment contracts and contact their parents to take them home.

The Group also prohibits forced labour. In accordance with the overtime work management rules in the Employee Manual and the Human Resource Management Manual, all overtime work is subject to the submission of a written application, and approval by the department head and the general manager. All overtime work is compensated in the form of compensatory time off or overtime allowance. In addition, the Group strictly prohibits any unfair restrictions on the employment relationship between employees and the Group, such as withholding deposits or identity documents, and restricting personal freedom of employees and forcing them to work by means of violence and coercion.

## COMMUNITY CARE

The Group is well aware of the symbiotic value of balancing shareholder interests with the fulfilment of its social responsibilities, and is committed to giving back to society through concrete actions, thereby promoting the sustainable growth of economic and social well-being. During the Year, we actively engaged in a diverse range of community outreach initiatives and provided substantive support through financial and material donations. These public welfare practices not only demonstrate the Group's sense of responsibility but also respond precisely to social needs, achieving mutual benefit and a win-win situation for both the enterprise and society. Looking ahead, the Group is committed to continuously investing resources in community development and public welfare undertakings, deepening its connection with society and fulfilling its corporate social responsibility with enduring dedication.

During the Year, the Group donated materials of approximately HK$15,000 to charitable organizations and activities, with employees spending approximately 16 hours participating in these activities. These efforts included the Group's sustainable engagement with the Beijing Changping Yuzhu School (北京市昌平區雨竹學校), the Shenzhen Min'ai Special Children's Welfare Institute (深圳市民愛特殊兒童福利院) and the Dongguan Changping Home for the Elderly (東莞市常平敬老院).








## ENVIRONMENTAL PROTECTION

The Group attaches great importance to the use of resources and emissions in its operation and the impact of its operation on the surrounding environment. The Group has formulated various environmental protection policies to reduce the negative impact of its operation on the environment and improve the energy efficiency of its operation.

### Emissions

The Group pays attention to the environmental impact of emissions generated in its operation. The Group has formulated the SOP for Management of Three Wastes, the Internal Guidelines of the Group for Environmental Protection and Use of Natural Resources, and the Hazardous Waste Management Plan to standardise the treatment processes of various hazardous wastes, solid wastes, wastewater and exhaust gas. In addition, the Group regularly conducts exhaust gas and wastewater testing to ensure safe discharge and meet relevant testing standards.

***Waste and Liquid Waste***

In order to ensure the proper disposal of waste from operation and production, the Group disposes of waste in accordance with the SOP for Management of Three Wastes and the Hazardous Waste Management Plan. Non-hazardous wastes, such as general wastes and office wastes, are collected and disposed of by the environmental hygiene department. Liquid wastes and other hazardous wastes are generally stored by the Plants in corresponding containers, such as reinforced plastic buckets, or lidded paper buckets or iron buckets, with labels indicating corresponding hazardous wastes, and are finally collected and treated by qualified waste treatment companies. Liquid wastes such as mercury-containing liquid waste and liquid waste of chemical reagents, must be neutralised and steam sterilised before being discharged. All hazardous wastes are recorded in the Waste Handover Records for future review.

During the Year, a total of approximately 5.0 tonnes of hazardous waste and approximately 378.4 tonnes of non- hazardous waste were generated.

| | Waste Type | Emissions in 2025 | Emissions in 2024 | Unit |
|---|---|---|---|---|
| Hazardous Waste | Waste engine oil | – | – | Tonne |
| | Liquid waste of chemical reagents | – | – | |
| | Laboratory waste | 0.75 | 0.27 | |
| | Laboratory organic waste liquid | 2.20 | 1.93 | |
| | Empty reagent bottles | 0.30 | 0.86 | |
| | Liquid waste from tests | 0.86 | 0.96 | |
| | Mercury-containing waste lamps | 0.89 | 0.01 | |
| Non-Hazardous Waste | Cartons and woven bags | – | 4.02 | |
| | Kitchen waste | 119.0 | 119.0 | |
| | Domestic waste | 259.4 | 214.6 | |

The following table set forth the trend analysis and target of reduction in the discharge of waste and waste liquid during the Year. For detailed description, please refer to the corresponding section:

| | Trend analysis | Target | Progress | Steps required |
|---|---|---|---|---|
| Hazardous and non-hazardous waste | The Group's hazardous and non-hazardous waste emissions increased by approximately 12% and the discharge of hazardous and nonhazardous waste also increased relatively in 2025, as compared with that in 2024.[1] | The Group has set its target to adopt 2022 as the base year and maintain its emission intensity (per million units of production) with respect to hazardous and non-hazardous waste at the Reporting Period level by 2027. | Target achieved | The Group continued to recycle reusable hazardous waste into the production process. As a resource, recyclable waste will be collected and handed over to the joint venture unit for reuse, so as to effectively reduce the amount of waste disposal. |

***Wastewater***

During the Year, the Group generated a total of 31,184.81 $m^3$ of wastewater. The Group's wastewater discharge volume in 2025 increased by approximately 25%, primarily attributable to the increase in production volume and the new production facility, as compared with that in 2024.

In order to properly treat the sewage discharged from the production workshop and boiler room, the Group has completed the construction of a sewage treatment system in the Plants, which will be used to treat the production wastewater and domestic wastewater of the Plants.

***Exhaust Gas***

Air emissions from the Group mainly come from the operation of the production base in Beijing and Shenzhen, including respirable particulate matter from the production process, pollutants released from the combustion of natural gas by gas-fired boilers, and exhaust gas produced from the use of automobiles. Exhaust gas must be purified before being discharged. According to the SOP for Management of Three Wastes, the Group regulates the emission of exhaust gas. The gas generated from the fermentation area, and the positive bacteria control area of the laboratory of the Group is treated by filters before being discharged.

During the Reporting Period, exhaust gas arising from the combustion process of the Group mainly include nitrogen oxides (NOx), sulfur oxides (SOx) and respirable particulate matter (PM). As stated in the table below, the Group generated 11.93 kg, 0.29 kg and 0.88 kg of NOx, SOx and PM during the Reporting Period respectively.

| Emission Type | Emissions in 2025 | Emissions in 2024 | Unit |
|---|---|---|---|
| Nitrogen oxides (NOx) | 11.93 | 10.62 | Kg |
| Sulfur oxides (SOx) | 0.29 | 0.26 | |
| Respirable particulate matter (PM) | 0.88 | 0.78 | |

1. As the production volume increased by approximately 35% compared to 2024, the amount of waste also increased accordingly in 2025.

***Greenhouse Gas ("GHG")***

During the Year, the Group commissioned a consultancy company to conduct a carbon assessment to quantify GHG emissions (or "carbon emissions) generated by its operations. The quantitative process is based on the guidelines issued by the National Development and Reform Commission of the People's Republic of China and international standards such as ISO14064-1 and the Greenhouse Gas Protocol.

The Group's carbon emissions come mainly from indirect emissions from purchased electricity (scope 2), accounted for 58% of the total emissions. For the main sources of carbon emissions, the Group will continue to assess record and disclose its greenhouse gas emissions and other environmental data every year, and review the effectiveness of existing measures, so as to facilitate further development of emission reduction targets in future. The Group will consider formulating relevant policies for the management of greenhouse gases and emission reduction targets, so as to reduce greenhouse gas generated by the operation.

| | **Total greenhouse gas emission** | **Carbon emissions from purchased electricity** | **Greenhouse gas intensity (based on production volume)[1]** |
|---|---|---|---|
| 2025 | 4,953 $tCO_2e$[2] | accounted for: 58% | 461.60 $tCO_2e$ per million pieces |
| 2024 | 2,654 $tCO_2e$ | accounted for: 93% | 333.42 $tCO_2e$ per million pieces |

The Group controls and reduces exhaust gas emissions and greenhouse gas emissions through strict control of business practices during its operation. We will ensure that our business vehicles meet national standards and make greater use of digital technology to reduce unnecessary business travel.

| | **Trend analysis** | **Target** | **Progress** | **Steps required** |
|---|---|---|---|---|
| Greenhouse Gas | The Group's greenhouse gas emissions increased by approximately 87% and the discharge intensity of greenhouse gas also increased relatively in 2025, as compared with that in 2024. | The Group revised its target this year to adopt 2022 as the base year, with the goal of maintaining greenhouse gas (Scope 1 & 2) emission intensity (per million units of production) at the Reporting Period level by 2029. The Company is currently collecting data on other material categories to complete its Scope 3 greenhouse gas emissions inventory. Once the baseline data is clarified, further reduction targets will be set. | Target achieved | The Group has set targets for greenhouse gas emissions and reduced electricity consumption and use of automobiles, and continued to increase the use of sustainable raw materials. Furthermore, the Group has reduced its business air travel, placing greater emphasis on curtailing unnecessary flights. |

1 The annual production volume in 2025 and 2024 is 10.73 million and 7.96 million pieces, respectively. This data is used to calculate intensity data.

2 Due to an increase in production volume compared to 2024 and the expansion of the disclosure scope to three categories in 2025, the total greenhouse gas emissions also incresed in 2025.

## Environment and Natural Resources

Chemical leakage accidents have a great impact on the surrounding environment. Therefore, the Group has formulated the Hazardous Waste Management Plan and established the Environmental Management Committee. In addition to arranging and implementing the environmental management of the Plants, the committee also handles the abnormal events in environmental management, and reduces the impact of the operation on the surrounding environment.

## Use of Resources

In order to ensure the effective use of resources in the course of operation, the Group has formulated the Corporate Energy Conservation Management System and the Internal Guidelines of the Group for Environmental Protection and Use of Natural Resources, which specify the policies on resource management and regulate resource management. In 2025, the Group has no problems in obtaining suitable water sources.

| Use of Resources | Saving Measures |
|---|---|
| Water consumption | • Use water economisers and avoid keeping taps running for a long time, and regularly check water equipment to ensure that there is no water leakage;<br>• When possible, clean vehicles with buckets of water and avoid leaving the hose running;<br>• Check the water supply pipes regularly. If pipe damage is found, the pipe shall be repaired and replaced in a timely manner, so as to reduce water leakage and ensure that no water is wasted; and<br>• Place "Water Conservation" in prominent places to encourage water conservation. |
| Electricity | • Use more environmentally-friendly and energy-saving electrical appliances;<br>• Turn off the power supply of idle electrical appliances and avoid leaving appliances on standby; and<br>• Check the electric power facilities regularly, and report any leakage or trip found, for repair, in a timely manner. |
| Packaging materia | • Packaging materials shall be printed, distributed and used in accordance with the SOP for Packaging Materials Management in Production Workshops to ensure the proper use of packaging materials;<br>• If repackaging is required due to any abnormal condition in the packaging and production process, the repackaging shall be carried out only after inspection and investigation by and approval from relevant personnel, and shall be recorded for future review; and<br>• Reduce the use of packaging materials. |

The following table set forth the trend analysis and target of reduction in water consumption during the Year. For detailed description, please refer to the corresponding section:

| | Trend analysis | Target | Progress | Steps required |
|---|---|---|---|---|
| Water consumption | The Group's water consumption decreased by approximately 7%, and the discharge intensity by production volume of water consumption also decreased relatively in 2025, as compared with that in 2024. | The Group has set a target to maintain its water intensity (per million units of production) at the level of the Reporting Period by 2029, using 2022 as the base year. | Target achieved | The Group has set targets for water reuse, continuing to reduce freshwater consumption while enhancing inspection and maintenance. |

During the Year, the resources used by the Group mainly included fossil fuels burned in the Plants and electricity, water, raw materials and packaging materials consumed in our daily operation. The consumption of electricity, which is a form of indirect energy, ranked first among all consumed energy of the Group, and accounted for approximately 64% of the total energy consumption of the Group. The increase in total energy consumption in 2025 was mainly due to the increase in production volume.

| | Total direct energy consumption[1] | Total indirect energy consumption[1] |
|---|---|---|
| 2025 | 3,341 MWh-equivalent | 7,193 MWh |
| 2024 | 2,804 MWh-equivalent | 5,544 MWh |

The following table set forth the trend analysis and target of reduction in energy consumption during the Year. For detailed description, please refer to the corresponding section:

| | Trend analysis | Target | Progress | Steps required |
|---|---|---|---|---|
| Energy | The Group's energy consumption increased by approximately 26% and the intensity of energy consumption also increased relatively in 2025, as compared with that in 2024. | The Group has set a target to maintain its energy intensity (per million units of production) at the level of the Reporting Period by 2029, using 2022 as the base year. | Target in progress | By implementing energy-saving measures, the Group has reduced its energy consumption.<br><br>Through enhancement and procurement, the Group strove to enhance equipment energy efficiency. |

For the use of other resources, please see the section headed "OVERVIEW OF KEY PERFORMANCE INDICATORS" in relation to environmental performance.

Looking ahead, the Group will conduct more refined control and management to improve the efficiency in the use of resources in the process.

1. The energy conversion method adopted by the Group is based on the "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" and the IPCC Default Net Calorific Values Database.
2. As the production volume increased by approximately 35% compared to 2024, the total energy consumption increased in 2025.

## COMMUNITY ENGAGEMENT

The Group is committed to fulfilling its corporate social responsibility and encouraging its employees to give back to the society. The Group has formulated the Community Interest Policy, which specifies policies and objectives of the Group on social investment. In the Year, the Group organized employee representatives to visit and donate supplies (such as daily necessities) to the Shenzhen Min Ai Disabled Children's Welfare Center, and to extend care and material donations (including daily necessities) to the elderly living alone at the Changping Nursing Home for the Elderly in Dongguan. Looking ahead, the Group will consider reaching more institutions and expanding the scope of projects that could be benefited from our donations, so as to further increase social participation and bring positive impact on the society.

**Objectives under the Community Interest Policy**

1. Creation of jobs;
2. Driving the development of local related industries;
3. Improving local infrastructure construction;
4. Public welfare and charity;
5. Employment promotion; and
6. Local economic development.

## PERFORMANCE ON COMPLIANCE

The Group understands that violation of laws and regulations will lead to material impacts such as administrative penalties and even suspension of business for rectification. The Group has formulated policies and standard operating procedures in accordance with relevant laws and regulations to provide concrete working guidelines for employees. The following laws and regulations have a significant impact on the Group. During the Year, the Group has complied with relevant laws and regulations, and there was no violation (including not receiving any corruption-related litigations against enterprises or employees).

| Aspects | Relevant laws and regulations that have significant impacts on the Group |
|---|---|
| Emission | • Environmental Protection Law of the People's Republic of China<br>• Law of the People's Republic of China on Prevention and Control of Water Pollution<br>• Law of the People's Republic of China on the Prevention and Control of Atmospheric and Pollution<br>• Emission Standards for Air Pollutants in the Pharmaceutical Industry |
| Employment | • Labour Law of the People's Republic of China<br>• Labour Contract Law of the People's Republic of China<br>• Law of the People's Republic of China on the Protection of Women's Rights and Interests<br>• Regulations Concerning the Labour Protection of Female Staff and Workers |
| Health and safety | • Production Safety Law of the People's Republic of China<br>• Law of the People's Republic of China on the Prevention and Control of Occupational Diseases<br>• Fire Protection Law of the People's Republic of China |
| Labour standards | • Labour Law of the People's Republic of China<br>• Law of the People's Republic of China on the Protection of Minors |

| Aspects | Relevant laws and regulations that have significant impacts on the Group |
|---|---|
| Product liability | • Product Quality Law of the People's Republic of China<br>• Patent Law of the People's Republic of China<br>• Pharmaceutical Administration Law of the People's Republic of China<br>• Good Manufacturing Practices for Pharmaceutical Products<br>• Trademark Law of the People's Republic of China<br>• Advertising Law of the People's Republic of China<br>• Reviewing and Standards for the Examination and Publication of Drug Advertisements<br>• Interim Measures for the Administration of Censorship of Advertisements on Drugs, Medical Devices, Dietary, Supplements and Formula Foods for Special Medical Purposes<br>• Provisions on the Administration of Pharmaceutical Directions and Labels<br>• Regulations for the Implementation of the Drug Administration Law of the People's Republic of China<br>• Measures for the Administration of Drug Registration<br>• Measures for the Supervision over and Administration of Pharmaceutical Production<br>• Measures for the Supervision and Administration of Circulation of Pharmaceuticals<br>• Standards for Quality Control of Pharmaceutical Trading<br>• Measures for the Reporting and Monitoring of Adverse Drug Reactions<br>• Good Pharmacovigilance Practice<br>• Good Laboratory Practice |
| Anti-corruption | • Anti-Unfair Competition Law of the People's Republic of China<br>• Anti-Money Laundering Law of the People's Republic of China |

In order to ensure that the Group complies with the above laws and regulations, the Group has formulated various systems and policies, and requires its employees to comply with them. Meanwhile, the Group regularly provides training to employees to enhance their awareness of compliance with laws and regulations. The Group also strengthened the monitoring of potential risks to ensure its business operation complies with laws and regulations.

# OVERVIEW OF KEY PERFORMANCE INDICATORS

## Environmental Performance

| Environmental KPIs | | Amount 2025 | Amount 2024 | Unit |
|---|---|---|---|---|
| **A1.1** | **The types of emissions and respective emissions data** | | | |
| | Nitrogen oxides | 11.93 | 10.62 | Kg |
| | Sulfur oxides | 0.29 | 0.26 | Kg |
| | Respirable particulate matters | 0.88 | 0.78 | Kg |
| **A1.2** | **Total greenhouse gas emission[1]** | | | |
| | Scope 1[2] | 67.81 | 58.97 | $tCO_2e$ |
| | Scope 2[3] | 2,865.64 | 2,476.01 | $tCO_2e$ |
| | Scope 3[4] | 2,019.09 | 118.74 | $tCO_2e$ |
| | Total greenhouse gas emission | 4,952.54 | 2,653.72 | $tCO_2e$ |
| | Greenhouse gas intensity (based on area)[5] | 0.25 | 0.10 | $tCO_2e$ per square meter |
| | Greenhouse gas intensity (based on production value)[5] | 461.60 | 333.38 | $tCO_2e$ per million units |
| **A1.3** | **Total hazardous waste** | | | |
| | Total hazardous waste | 4.26 | 4.03 | Tonne |
| | Hazardous waste intensity (based on area)[5] | 0.21 | 0.16 | Tonne per thousand square meters |
| | Hazardous waste intensity (based on production volume)[5] | 0.40 | 0.51 | Tonne per million units |
| **A1.4** | **Total non-hazardous waste** | | | |
| | Total non-hazardous waste | 378.4 | 357.6 | Tonne |
| | Non-hazardous waste intensity (based on area)[5] | 18.81 | 13.89 | Tonne per thousand square meters |
| | Non-hazardous waste intensity (based on production volume)[5] | 35.27 | 44.92 | Tonne per million units |

1 The greenhouse gas emissions are based on (but not limited to) "Greenhouse Gas Protocol: Corporate Accounting and Reporting Standards" published by the World Resources Institute and the World Business Council for Sustainable Development and the "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the SEHK and the supply chain greenhouse gas emission factors published by the United States Environmental Protection Agency (USEPA).

2 We are adopting the operational control approach to measure our Scope 1 GHG emissions, including emissions from the combustion of fossil fuels from stationary and mobile sources and fugitive emissions from refrigeration equipment. Although R-22 refrigerant used in refrigeration equipment is not included in the six greenhouse gases covered by the Kyoto Protocol, the emissions resulting from its leakage are also included in the assessment, so as to provide true and fair presentation of the information on greenhouse gas.

3 We are adopting the location based method to measure our Scope 2 GHG emissions, including emissions from electricity purchased from power companies, with reference to, including but not limited to, the Notice on the Management of Greenhouse Gas Emission Report of Enterprises in 2023-2025 issued by the Ministry of Ecology and Environment of China in 2023 and the "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the SEHK.

4 Scope 3 includes purchased goods and services, waste generated in operations, and upstream and downstream emissions caused by employee business trips. Scope 3 increased in 2025 as the production volume increased by approximately 35% compared to 2024. Other categories are excluded from the calculation scope due to either their low relevance to the Company's business operations or the difficulty in quantification arising from a lack of data reliability.

5 The total construction area of the Group in 2025 and 2024 is approximately 20.12 thousand square meters and 25.75 thousand square meters, and the annual production volume in 2025 and 2024 is 10.73 million and 7.96 million pieces respectively.

| Environmental KPIs | | Amount 2025 | Amount 2024 | Unit |
|---|---|---|---|---|
| **A2.1** | **Total energy consumption[1]** | | | |
| | Natural gas | 3,166.75 | 2,635.01 | MWh-equivalent |
| | Diesel | 58.00 | 56.91 | MWh-equivalent |
| | Gasoline | 116.63 | 111.74 | MWh-equivalent |
| | Electricity | 6,721.07 | 5,282.52 | MWh-equivalent |
| | Heating | 471.19 | 261.27 | MWh-equivalent |
| | Total energy consumption | 10,534.23 | 8,347.45 | MWh-equivalent |
| | Energy intensity (based on area)[2] | 0.52 | 0.32 | MWh-equivalent per square meter |
| | Energy intensity (based on production volume)[2] | 981.70 | 1,048.67 | MWh-equivalent per million pieces |
| **A2.2** | **Total water consumption** | | | |
| | Total water consumption | 48,343 | 51,782 | Cubic meter |
| | Water consumption intensity (based on area)[2] | 2.40 | 2.01 | Cubic meter per square meter |
| | Water consumption intensity (based on production volume)[2] | 4,505.41 | 6,505.28 | Cubic meter per million pieces |
| **A2.5** | **Total packaging material used for finished products** | | | |
| | Total amount of packaging materials | 208.98 | 152.78 | Tonne |
| | Packaging material intensity (based on area)[2] | 10.39 | 5.93 | Tonne per thousand square meters |
| | Packaging material intensity (based on production volume)[2] | 19.48 | 19.19 | Tonne per million units |

1 The energy conversion method adopted by the Group is based on the "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" and the IPCC Default Net Calorific Values Database.

2 The total construction area of the Group in 2025 and 2024 is approximately 20.12 thousand square meters and 25.75 thousand square meters, and the annual production volume in 2025 and 2024 is 10.73 million and 7.96 million pieces respectively.

3 As the production volume increased by approximately 35% compared to 2024, the total energy consumption and packaging materials increased in 2025.

## Social Performance

| Number of Employees[1] | | 2025 | 2024 |
|---|---|---|---|
| By gender | Male | 273 | 244 |
| | Female | 271 | 243 |
| By age | Aged under 30 | 160 | 152 |
| | Aged 30-39 | 191 | 173 |
| | Aged 40-49 | 154 | 129 |
| | Aged above 50 | 39 | 33 |
| By rank | Directors | 10 | 8 |
| | Senior executives | 16 | 19 |
| | Middle-level executives | 89 | 118 |
| | General staff | 429 | 342 |
| By geography | Mainland China | 537 | 475 |
| | Hong Kong | 7 | 12 |
| **Total number of employees** | | 544 | 487 |
| **Ratio of male to female employees** | | 1:1 | 1:1 |

[1] The data of the number of employees is based on the labour contract signed with employees provided by the human resources department of the Group. The data cover employees who have a direct employment relationship with the Group in accordance with relevant local laws and those whose work or workplace is controlled by the Group. The above method of reporting employment data is based on the "How to prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs".

| Number of new employees and new hire rate | | 2025 | | 2024 | |
|---|---|---|---|---|---|
| By gender | Male | 107 | 39% | 82 | 34% |
| | Female | 87 | 32% | 75 | 31% |
| By age | Aged under 30 | 109 | 68% | 83 | 55% |
| | Aged 30-40 | 55 | 29% | 52 | 30% |
| | Aged 41-50 | 30 | 19% | 21 | 16% |
| | Aged above 50 | – | – | 1 | 3% |
| By rank | Directors | – | – | 2 | 25% |
| | Senior executives | 1 | 6% | 2 | 11% |
| | Middle-level executives | 22 | 25% | 20 | 17% |
| | General staff | 171 | 40% | 133 | 39% |
| **Total** | | 194 | 36% | 157 | 32% |

| Number of turnovers and turnover rate of employees[1] | | 2025 | | 2024 | |
|---|---|---|---|---|---|
| By gender | Male | 74 | 27% | 42 | 18% |
| | Female | 63 | 23% | 35 | 13% |
| By age | Aged under 30 | 75 | 47% | 44 | 28% |
| | Aged 30-40 | 45 | 24% | 22 | 13% |
| | Aged 41-50 | 16 | 10% | 6 | 5% |
| | Aged above 50 | 1 | 3% | 5 | 15% |
| By rank | Directors | – | – | 1 | 13% |
| | Senior executives | 3 | 19% | 1 | 5% |
| | Middle-level executives | 13 | 15% | 8 | 7% |
| | General staff | 121 | 28% | 67 | 19% |
| By geography | Mainland China | 137 | 26% | 77 | 15% |
| | Hong Kong | 0 | 0% | 0 | 0% |
| **Total** | | 137 | 25% | 77 | 15% |

| Occupational Safety and Health Performance[2] | 2025 total | 2024 total | 2023 total |
|---|---|---|---|
| Number and rate of work-related fatalities in the past three years | 0 (0%) | 0 (0%) | 0 (0%) |
| Number of work-related injuries | 0 | 0 | 0 |
| Lost days due to work-related injuries | 0 | 0 | 0 |

1 Employee turnover data are based on labour contracts signed with employees provided by the human resources department of the Group. The turnover rate is calculated by dividing the number of employees who left during the Year by the number of employees during the Year. The reporting method used for the above turnover data is based on the "How to prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

2 Information on employee casualties was obtained from the human Resources department of the Group. The methodology used to report the above number and ratio of work-related deaths is based on the "How to prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

| Breakdown of the number of employees trained in 2025[1] | | | Percentage of employees trained | Training hours (hours) | Average training hours (hours) |
|---|---|---|---|---|---|
| By gender | Male | 273 | 100% | 8,434 | 30.9 |
| | Female | 271 | 100% | 8,372 | 30.9 |
| By rank | Directors | 10 | 100% | 50 | 5.0 |
| | Senior executives | 16 | 100% | 128 | 8.0 |
| | Middle-level executives | 89 | 100% | 2,225 | 25.0 |
| | General staff | 429 | 100% | 14,403 | 33.6 |
| **Total** | | 544 | 100% | 16,806 | 30.9 |

| Breakdown of the number of employees trained in 2024[1] | | | Percentage of employees trained | Training hours (hours) | Average training hours (hours) |
|---|---|---|---|---|---|
| By gender | Male | 244 | 100% | 8,444 | 34.6 |
| | Female | 243 | 100% | 8,444 | 34.7 |
| By rank | Directors | 8 | 100% | 310 | 38.8 |
| | Senior executives | 19 | 100% | 655 | 34.5 |
| | Middle-level executives | 118 | 100% | 4,032 | 34.2 |
| | General staff | 342 | 100% | 11,891 | 34.8 |
| **Total** | | 487 | 100% | 16,888 | 34.7 |

[1] The training materials were obtained from the human resources department of the Group. Training refers to the vocational training attended by the Group's employees during the Year. The method adopted in reporting the number and percentage of trainees above are based on the "How to prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

| | 2025 | |
|---|---|---|
| **Region where the supplier is located** | **Number of suppliers** | **Number of suppliers implementing relevant practices** |
| Beijing | 133 | 133 |
| Guangdong Province | 213 | 213 |
| Zhejiang Province | 34 | 34 |
| Hubei Province | 7 | 7 |
| Hunan Province | 9 | 9 |
| Shanghai | 75 | 75 |
| Tianjin | 12 | 12 |
| Chongqing | 2 | 2 |
| Shaanxi Province | 2 | 2 |
| Guizhou Province | 2 | 2 |
| Shandong Province | 16 | 16 |
| Jiangsu Province | 22 | 22 |
| Hebei Province | 7 | 7 |
| Henan Province | 6 | 6 |
| Anhui Province | 7 | 7 |
| **Total** | 547 | 547 |

| | 2024 | |
|---|---|---|
| **Region where the supplier is located** | **Number of suppliers** | **Number of suppliers implementing relevant practices** |
| Guangdong Province | 112 | 112 |
| Zhejiang Province | 5 | 5 |
| Shanghai | 13 | 13 |
| Hunan Province | 3 | 3 |
| Hubei Province | 3 | 3 |
| Jiangsu Province | 12 | 12 |
| Shanxi Province | 1 | 1 |
| Anhui Province | 3 | 3 |
| Fujian province | 4 | 4 |
| Jiangxi province | 1 | 1 |
| Shandong Province | 5 | 5 |
| Hebei Province | 1 | 1 |
| Shanxi province | 1 | 1 |
| Liaoning province | 1 | 1 |
| Beijing | 30 | 30 |
| Chongqing | 1 | 1 |
| Switzerland | 1 | 1 |
| **Total** | 198 | 198 |

| **Product quality** | **2025 total** | **2024 total** |
|---|---|---|
| Percentage of products recalled due to safety and health issues | 0 | 0 |
| Number of complaints related to products or services | 0 | 0 |

## REPORTING CONTENT INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

| Main areas | Description | Page index/remarks |
|---|---|---|
| **A1 Emissions** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste | 23, 24, 28 |
| A1.1 | The types of emissions and respective emissions data | 23, 30 |
| A1.2 | Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility) | 25, 30 |
| A1.3 | Total hazardous waste produced (in tonnes) and intensity (e.g., per unit of production volume, per facility) | 23, 30 |
| A1.4 | Total non-hazardous waste produced (in tonnes) and intensity (e.g., per unit of production volume, per facility) | 23, 30 |
| A1.5 | Description of emissions target(s) set and steps taken to achieve them | 24, 25 |
| 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 | 23, 24 |
| **A2 Use of Resources** | | |
| General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials | 26 |
| A2.1 | Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (in '000 kWh) and intensity (e.g., per unit of production volume, per facility) | 27, 31 |
| A2.2 | Water consumption in total and intensity (e.g., per unit of production volume, per facility) | 24, 31 |
| A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them | 27 |
| 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 | 26, 27 |
| A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, volume per production unit | 31 |

| Main areas | Description | Page index/remarks |
|---|---|---|
| **A3 Environment and Natural Resources** | | |
| General Disclosure | Policies on minimising the issuer's significant impact on the environment and natural resources | 26, 28 |
| A3.1 | Description of the significant impact of activities on the environment and natural resources and the actions taken to manage them | 23, 26 |
| **B1 Employment** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare | 20, 21 28 |
| B1.1 | Total workforce by gender, employment type, age group and geographical region | 32 |
| B1.2 | Employee turnover rate by gender, age group and geographical region | 34 |
| **B2 Health and Safety** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards | 14, 18, 19 , 28 |
| B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year | 19, 34 |
| B2.2 | Lost days due to work injury | 34 |
| B2.3 | Description of occupational health and safety measures adopted, how they are implemented and monitored | 14, 18, 19 |
| **B3 Development and Training** | | |
| General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities | 21 |
| B3.1 | The percentage of employees trained by gender and employee category (e.g., senior management, middle management) | 35 |
| B3.2 | The average training hours completed per employee by gender and employee category | 21, 35 |

| Main areas | Description | Page index/remarks |
|---|---|---|
| **B4 Labour Standards** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour | 22, 28 |
| B4.1 | Description of measures to review employment practices to avoid child and forced labour | 22 |
| B4.2 | Description of steps taken to eliminate such practices when discovered | 22 |
| **B5 Supply Chain Management** | | |
| General Disclosure | Policies on managing environmental and social risks of the supply chain | 17, 18 |
| B5.1 | Number of suppliers by geographical region | 36, 37 |
| B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored | 17, 18 |
| B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored | 18 |
| B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored | 17, 18 |
| **B6 Product Responsibility** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress | 15–17, 29 |
| B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons | 37 |
| B6.2 | Number of products and service related complaints received and how they are dealt with | 16 |
| B6.3 | Description of practices relating to observing and protecting intellectual property rights | 17 |
| B6.4 | Description of quality assurance process and recall procedures | 16 |
| B6.5 | Description of consumer data protection and privacy policies, how they are implemented and monitored | 16 |

| Main areas | Description | Page index/remarks |
|---|---|---|
| **B7 Anti-corruption** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering | 17, 29 |
| 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 | 17 |
| B7.2 | Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored | 17 |
| B7.3 | Description of anti-corruption training provided to directors and staff | 17 |
| **B8 Community Investment** | | |
| General Disclosure | olicies 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 | 22, 28 |
| B8.1 | Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport) | 22, 28 |
| B8.2 | Resources contributed (e.g., money or time) to the focus area | 22 |

| Main areas | Description | Page index/remarks |
|---|---|---|
| **D. Climate Change** | | |
| **(I) Governance** | | |
| | In relation to climate change governance: | 9–10 |
| | (a) the governance body(s) (such as the board of directors, a committee or an equivalent body) or individual responsible for oversight of climate-related risk & opportunities; and | |
| | (i) How to select a supervisory role with appropriate skills and competencies | 9 |
| | (ii) How and how often would be informed about climate-related risks and opportunities | 9 |
| | (iii) Whether the trade-off assessments associated with those climate-related risks and opportunities are taken into account when overseeing the issuer's strategy, decision-making, and risk management | 9–12 |
| | (iv) How to oversee the setting of climate-related targets and monitoring progress towards those targets, and whether related performance metrics are included in remuneration policies | 10, 15 |
| | (b) management's role in the governance procedures, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities | |
| | (i) Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee | 9–10 |
| | (ii) Whether the role uses controls and procedures to support the oversight of climate-related risks and opportunities and how these controls and procedures are integrated with other internal functions | 10–11, 15 |
| **(II) Strategies** | | |
| **Climate Change Risks and Opportunities** | | |
| | Disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term | 10–12 |
| | (a) Description of the climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, access to finance or cost of capital in the short, medium or long term. | 10–12 |
| | (b) Explanation of each climate-related risks, and considers whether the risk is classified as a climate-related physical risk or climate-related transition risk | 10–12 |
| | (c) The specification of the time horizons (short, medium or long term) over which the effects of each identified climate-related risk and opportunity could reasonably be expected to occur | 10–12 |
| | (d) An explanation of how the issuer defines 'short term', 'medium term' and 'long term', and the linkage between these definitions and the planning horizons used for strategic decision-making | 10 |

| Main areas | Description | Page index/remarks |
|---|---|---|
| **Business Model and Value Chain** | | |
| | Disclose a description that enables an understanding of the current and anticipated effects of climate-related risks and opportunities arising from the business model and value chain; | 10–12 |
| | (a) The current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain | 10–12 |
| | (b) In which parts of the issuer's business model and value chain are the climate-related risks and opportunities concentrated (e.g., specific geographical areas, facilities, or types of assets) | 10–12 |
| **Strategy and Decision-making** | | |
| | Information regarding the effects of climate-related risks & opportunity on its strategy & decision-making that: | |
| | (a) Information on responding to climate-related risks and opportunities; and | 9–12 |
| | (b) How resources are provided to support the activities described in (a) above | 24–25, 27 |
| | (i) Current and anticipated changes to the issuer's business model, including its resource allocation to address climate-related risks and opportunities | 10–12 |
| | (ii) Current and anticipated direct or indirect adaptation and mitigation efforts | 12–13, 15 |
| | (iii) Any climate-related transition plan the Group has, including key assumptions used in developing its plan and dependencies on which the plan relies; or an appropriate negative statement where the issuer does not have such a plan | 10 |
| | (iv) How the Group plans to achieve any climate-related targets described in the Report (including greenhouse gas emission target) | 15, 24–25, 27 |
| | The Group shall disclose information on the progress of plans disclosed in previous reporting periods | 24–25, 27 |
| **Financial position, Financial Performance and Cash Flows** | | |
| | Current financial effect | |
| | Qualitative and quantitative information regarding the Group's current and anticipated financial position, financial performance and cash flows | 10–12 |
| | (a) How the issuer's financial position, financial performance and cash flows during the reporting period have been affected by climate-related risks and opportunities | 10–12 |
| | (b) Where there is a significant risk that will lead to a material adjustment to the carrying amounts of assets and liabilities in the related financial statements for the next reporting year, information regarding the climate-related risks and opportunities identified above | NA |
| | Anticipated financial effect | |
| | (a) How the Group expects its financial position to change in the short, medium and long term after taking into account its strategy for managing climate-related risks and opportunities, and shall consider: its investment and disposal plans; and the planned sources of financing for implementing that strategy | 10–12 |
| | (b) The Group's strategy for managing climate-related risks and opportunities, how it expects its financial performance and cash flows to change in the short, medium and long term | 10–12 |

| Main areas | Description | Page index/remarks |
|---|---|---|
| **Climate Resilience** | | |
| | In disclosing information after considering identified climate-related risks and opportunities, the issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with its circumstances, so as to enable an understanding of the 'resilience' of the issuer's strategy and business model to climate-related changes, developments and uncertainties | 10–12 |
| | (i) Explain how the results of the analysis have influenced the existing strategy, and how the issuer responds to the potential impacts identified in the scenarios | 10–12 |
| | (ii) Clearly define the scope of material uncertainties considered when assessing resilience | 10–12 |
| | (iii) Capacity to adjust or adapt strategies and business models to climate change over the short, medium and long term | 10–12 |
| | Information about the inputs used in climate-related scenario analysis, including:<br>1. climate-related scenarios used by the Group in the analysis and the sources<br>2. whether the analysis included a diverse range of climate-related scenarios<br>3. whether the scenarios are associated with transition risks or physical risks<br>4. whether the scenarios consistent with the latest international climate agreement are included<br>5. the rationale for why the chosen scenarios are considered relevant to assessing the resilience to climate-related changes, developments, or uncertainties<br>6. the time horizons used in the analysis<br>7. what scope of operation covered in the analysis (for example, operating locations, and business units covered) | 10–13 |
| | Key assumptions the Group made in the analysis | 10 |
| | Reporting period in which the climate-related scenario analysis was carried out | 10 |
| **(III) Risk Management** | | |
| | Information regarding risk management:<br>1. The processes and related policies used to identify, assess, prioritise, and monitor climate-related risks, including information about:<br>(a) The inputs and parameters used;<br>(b) Whether and how climate-related scenario analysis is used to identify climate-related risks;<br>(c) How climate-related risks are prioritised relative to other types of risks;<br>(d) How management monitors climate-related risks; and<br>(e) Whether and how the processes used by the issuer have changed compared with the previous reporting period. | 9–10, 12–13 |
| | 2. the process (including information about whether and how the issuer uses climate-related scenario analysis to determine climate-related opportunities); and | 12–13 |
| | 3. The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process | 12–14 |

| Main areas | Description | Page index/remarks |
|---|---|---|
| **Greenhouse gas emissions** | | |
| **(IV)Metrics and Targets** | | |
| | The total greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of $CO_2$ equivalent ($tCO_2e$), and classified as: (a) Scope 1; (b) Scope 2; and (c) Scope 3 greenhouse gas emissions | 25, 30 |
| | The issuer shall: | |
| | (a) measure its greenhouse gas emission in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting standard (2004) | 2, 24 |
| | (b) Disclose the approach used to measure greenhouse gas emissions, including: measurement approach, inputs, and assumptions used; reasons for choosing those specific approaches, inputs, and assumptions; and changes made to the approach, inputs, or assumptions during the reporting period, along with the reasons for those changes | 25, 30 |
| | (c) For the Scope 2 greenhouse gas emissions disclosed during the reporting period, disclose its location-based Scope 2 greenhouse gas emissions and provide information about any contractual instruments that is necessary to enable an understanding of such emissions | 30 |
| | (d) Disclose the categories included in the measurement of Scope 3 greenhouse gas emissions | 30 |
| **Climate-related Transition Risks** | | |
| | Amount and percentage of assets or business activities vulnerable to climate-related transition risks | 10 |
| **Climate-related Physical Risks** | | |
| | Amount and percentage of assets or business activities vulnerable to climate-related physical risks | 10 |
| **Climate-related Opportunities** | | |
| | Amount and percentage of assets or business activities aligned with climate-related opportunities | 10 |
| **Capital Deployment** | | |
| | Amount of capital expenditure, financing or investment deployed towards climate-related risks & opportunities | 10–11 |
| **Internal Carbon Price** | | |
| | Information about the internalization of environmental costs and taking into account future carbon charges or carbon tax risks in advance: | 15 |
| | (a) weather and how carbon pricing is applied in decision-making; and | |
| | (b) The price per metric tonne of greenhouse gas emissions used when assessing the cost of greenhouse gas emissions, or an appropriate negative statement confirming that the issuer does not apply carbon pricing in its decision-making | |

| Main areas | Description | Page index/remarks |
|---|---|---|
| **Remuneration** | | |
| | The policy regarding the consideration of and how to integrate climate-related factors into remuneration calculation | 10, 15 |
| | Disclose industry-based metrics associated with one or more specific business models and activities, or associated with common characteristics of participation in the relevant industry. When determining the industry-based metrics that shall be disclosed, the Exchange encourages the issuer to refer to the industry-based metrics relating to the disclosure topics set out in the Industry-based Guidance on Implementing IFRS Sustainability Disclosure Standard S2 and the industry-based disclosure requirements set out in other international environmental, social and governance reporting frameworks, and consider whether they are applicable | |
| **Industry based metrics** | | |
| **Climate-related Targets** | | |
| | In relation to climate-related targets:<br>(a) "qualitative" and "quantitative" climate-related targets set for monitoring progress towards achieving strategic objectives; and<br>(b) any targets required to be met by laws and regulations | 15, 24–25, 27 |
| | The metric used to set the target | 15, 24–25, 27 |
| | Purpose of climate-related targets | 15, 24–25, 27 |
| | Scope of application of the target (e.g., specific business unit or geographical region) | 1, 24–25, 27 |
| | Applicable time period of the target | 24–25, 27 |
| | The baseline period for measuring progress | 24–25, 27 |
| | Interim targets or milestones (if any) | 25 |
| | Type of quantitative target (absolute target or intensity target) | 24–25, 27 |
| | How the latest international agreement on climate change and the resulting jurisdictional commitments affect the setting of such targets | 9 |
| | The approach to setting and reviewing each target, and the monitoring of progress, including:<br>(a) Whether the target and its methodology have been validated by a third party;<br>(b) The processes for reviewing the target;<br>(c) The metrics used to monitor progress towards reaching the target; and<br>(d) Any revisions to the target and an explanation for those revisions | 15, 30 |
| | Disclose information on the performance of each climate-related target and an analysis of trends or changes in the issuer's performance | 15 |
| | For greenhouse gas emission targets, the issuer shall additionally disclose:<br>(a) Which greenhouse gasses are covered<br>(b) Whether Scope 1, 2 or 3 is covered<br>(c) Whether it is a "gross emissions target" or a "net emissions target"<br>(d) Whether the target was derived using a Sectoral Decarbonisation Approach (SDA) | 15, 30 |
| | The plan for how carbon credits will be used to offset emissions in order to achieve the net target<br>(a) The extent to which, and how, achieving the net target relies on carbon credits<br>(b) Which third-party scheme(s) will verify or certify the carbon credits<br>(c) The type of carbon credit (nature-based or technological removals) and the method (reduction or removal)<br>(d) Any other material factors necessary for understanding the credibility and integrity of the carbon credits the issuer plans to use | 15 |