Medtide

泰德醫藥（浙江）股份有限公司
Medtide Inc.

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

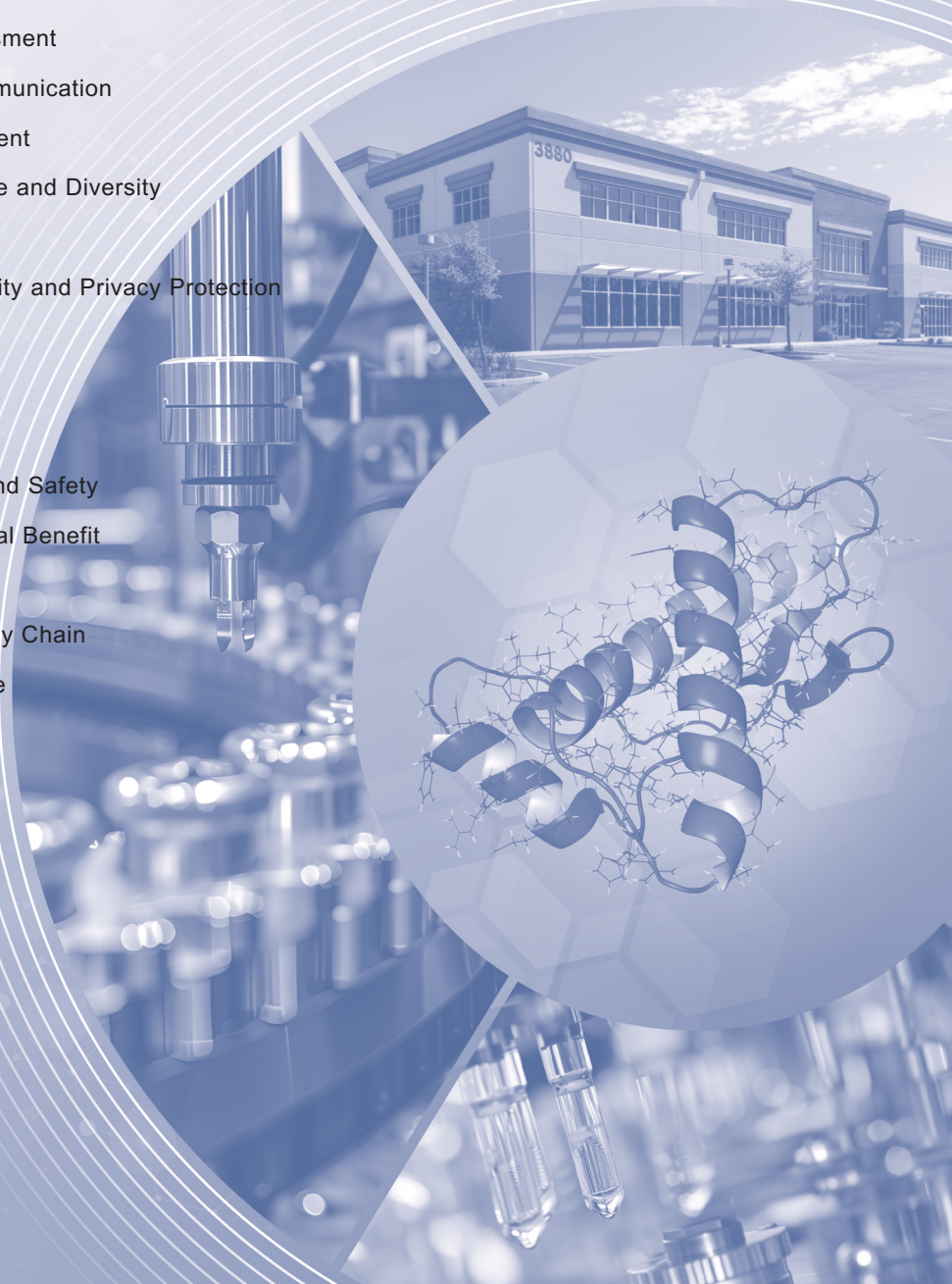
Stock Code : 3880



2025
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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1 ABOUT THIS REPORT

1 ABOUT THIS REPORT

This report is the first Environmental, Social and Governance (ESG) report of Medtide Inc. It sets out the Company's management approach, key initiatives and 2025 performance in relation to ESG matters, in response to stakeholders' concerns and expectations regarding sustainable development.

Reporting Scope

This report mainly discloses the specific ESG performance and related information of Medtide Inc. (泰德醫藥(浙江)股份有限公司) and its subsidiaries for the period from 1 January 2025 to 31 December 2025.

Basis of Preparation

This report has been prepared in accordance with the Mandatory Disclosure Requirements and the "comply or explain" provisions of the ESG Reporting Code of The Stock Exchange of Hong Kong Limited, with reference to the United Nations Sustainable Development Goals (SDGs) and other disclosure frameworks.

Reporting Principles

Materiality: In preparing this report, the Company identified issues closely related to its operations and matters of concern to key stakeholders and disclosed its management approach and performance in relation to these material ESG issues.

Quantitative: Key performance indicators (KPIs) have been established for environmental and social aspects. Unless otherwise stated, quantitative disclosures are prepared with reference to Appendix 2 "Environmental KPIs Reporting Guidance" and Appendix 3 "Social KPIs Reporting Guidance" to "How to Prepare an ESG Report" issued by the Hong Kong Stock Exchange.

Consistency: Consistent statistical methods are used in this report so that data can be compared effectively and meaningfully over time.

Balance: This report follows the principle of balance and provides an unbiased presentation of both positive and negative information, so as to give an objective view of the Company's ESG management and performance.

Where indicators are not applicable to the Company, appropriate explanations are provided.

Information Description

All data and case studies in this report are sourced from the statistical reports and relevant documents of Medtide Inc. The Company confirms that this report contains no false records or misleading statements and accepts responsibility for the authenticity, accuracy, and completeness of its contents. This report is published in both Chinese and English. In the event of any discrepancy between the two versions, the Chinese version shall prevail. Unless otherwise specified, all monetary amounts in this report are denominated in Renminbi (RMB).

1 ABOUT THIS REPORT

References in This Report

For ease of reference, Medtide Inc. is also referred to in this report as "Medtide", "the Company" or "we".

Approval of the Report

This report was reviewed and approved by the Board on 30 March 2026 and is hereby published.

Access to This Report

This report is available in Traditional Chinese and English for readers' reference. The electronic version of this report is available on the website of The Stock Exchange of Hong Kong Limited (https://www.hkexnews.hk) and the official website of Medtide Inc. (https://www.medtideinc.com).

2 BOARD STATEMENT

2 BOARD STATEMENT

The Board of Directors is responsible for coordinating, leading, and overseeing the Company's sustainable development management and ESG information disclosure. The Company incorporates ESG factors into strategic decision-making and daily operations, and the Board guides the identification of sustainability trends relevant to the industry and determines key ESG priorities.

The Company has established a three-tier governance structure comprising the Board, the ESG Committee, and the ESG Working Group. The ESG Committee provides recommendations to the Board on ESG objectives, strategies, risks, and material issues. It regularly monitors progress on ESG governance, reviews the annual ESG report, and reports performance to the Board. The ESG Working Group is responsible for formulating ESG objectives and strategies, identifying and assessing ESG risks in daily operations, and integrating ESG requirements into the Company's management systems and business processes.

The Board of Directors conducts annual reviews of reports submitted by the ESG Working Group. By systematically assessing the Company's ESG management status, the Board identifies relevant risks, monitors and evaluates progress against ESG targets, and approves the annual ESG report to ensure comprehensive and accurate disclosure of sustainability-related information.

During the reporting period, the Board participated in evaluating and prioritizing ESG issues, providing insights and recommendations on key matters that could impact the Company's long-term sustainable development, and reviewing their priority levels. The Board has also progressively integrated climate-related risks and opportunities into the overall risk management framework, ensuring the Company can identify potential impacts and implement appropriate countermeasures.

We are committed to continuously advancing ESG practices across all levels of the Company, collaborating with various sectors of society to jointly create a sustainable future. This report provides a detailed disclosure of Medtide's progress and achievements in ESG initiatives for 2025, which was approved by the Board of Directors on 30 March 2026.

3 CHAIRMAN'S MESSAGE

3 CHAIRMAN'S MESSAGE

The year 2025 was marked by continued changes in the market environment and profound adjustments in the global economic landscape. It was also a pivotal year for Medtide as it remained focused on its strategic goals, advanced innovation-driven development, and fulfilled its responsibilities while continuing to pursue sustainable development in the peptide field.

Over the past year, Medtide has steadfastly upheld its original mission while proactively addressing challenges, further integrating ESG principles into corporate development strategies and daily operations. The Company has continuously strengthened technological capabilities in innovation and R&D, maintained rigorous quality control standards, actively fulfilled responsibilities in green transformation initiatives, and consistently demonstrated corporate social responsibility through philanthropic practices. These efforts aim to achieve synergistic improvements in economic, social, and environmental benefits, while creating sustainable long-term value for all stakeholders.

The Company consistently regards compliance governance as a cornerstone of sound operations and sustainable development. During the reporting period, it further refined its multi-tiered compliance management framework centred on the Board of Directors, continuously enhanced anti-corruption measures, risk management systems, and internal audit mechanisms, established diversified reporting channels, and strictly protected whistleblowers' information and rights. The Company also strengthened compliance training for directors and senior management, integrating compliance awareness into decision-making and operational processes to reinforce the foundation for high-quality development.

The Company consistently regards product quality and safety as the lifeline of its development. During the reporting period, it continuously refined its quality management system covering the entire process from R&D, production to delivery, successfully obtaining multiple international certifications with a customer satisfaction rate reaching 99.7%. Meanwhile, the Company has made steady progress in generic drug development while expanding its innovative drug pipeline. Several groundbreaking achievements have been showcased on international academic and industry exchange platforms, providing sustained momentum for the Company's long-term growth.

3 CHAIRMAN'S MESSAGE

The Company consistently prioritizes green and low-carbon development as a key pathway to sustainable growth. During the reporting period, it established a top-down environmental management framework, continuously refined environmental management systems for exhaust gases, wastewater, and solid waste, and steadily advanced energy conservation and emission reduction initiatives. By integrating green chemistry principles throughout R&D and production processes, the Company has progressively optimized traditional technological approaches through safer and more eco-friendly processes. These efforts have enhanced resource utilization efficiency and environmental management standards, effectively translating green development concepts into tangible outcomes.

The Company consistently regards social responsibility as an essential part of its corporate development. During the reporting period, it continuously enhanced its employee training systems and compensation mechanisms to foster professional growth. The Company actively participated in setting industry standards, supported the cultivation of young scientific talents, and conducted quality improvement initiatives along with public science outreach programs. Furthermore, it extended its commitment to integrity and compliance into supply chain management, collaborating with partners to build a fair, transparent, and responsible industrial ecosystem.

In 2025, the Company was successfully listed on the Main Board of the Stock Exchange of Hong Kong. This is not only the capital market's recognition of the company's deep commitment to the peptide industry for over two decades, but it also marks the company's entry into a new phase of high-quality development, embarking on a new journey toward the future. Looking ahead, Medtide will stay united and seize new opportunities, while continuing to uphold its mission of becoming a trusted global integrated peptide/oligonucleotide CRDMO partner. Adhering to the two core development pillars of technological innovation and global quality, the Company will drive green development through technological innovation and safeguard human health through responsible commitment. Together with global partners, the Company will continue to provide customers with more competitive solutions and make new contributions to the development of the global health industry.

Dr. Xu Qi
Chairman of the Board, Medtide Inc.

4 ABOUT MEDTIDE

4 ABOUT MEDTIDE

4.1 Company Profile

Medtide Inc. (Stock Code: 03880.HK) is a peptide-focused contract research, development, and manufacturing organization (CRDMO) providing integrated end-to-end services to global customers, from early-stage discovery to commercial production. Headquartered in Hangzhou, the company operates production facilities and offices in both China and the United States, with more than 20 years of experience in the peptide industry and established global operating capabilities.

The Company's business covers CRO services (discovery and synthesis of novel peptide molecules) and CDMO services (CMC development and commercial production). Since its establishment, it has provided peptide and oligonucleotide drug development and manufacturing services that meet the regulatory requirements of major markets, including China, the United States, Europe, and Japan, to more than 1,000 customers worldwide, with projects spanning over 50 countries. Leveraging a rigorous quality management system, efficient production capabilities, and substantial capacity reserves, the Company has built strong advantages in technology and project management. Its customer base includes large pharmaceutical and biotechnology companies in North America, Asia, and Europe, while also providing customised services to start-ups. As a trusted partner, Medtide remains patient-centric and is committed to helping bring medicines that improve human health to market through deep collaboration and by advancing global healthcare.

4.2 Corporate Culture

Corporate Vision: Expanding the World of Peptides and Oligonucleotides, Serving Life Sciences

Corporate Mission: As a trusted global integrated TIDES CRDMO partner, we accelerate and transform discovery, development, and manufacturing in the rapidly growing peptide and oligonucleotide field for the benefit of patients worldwide.

Core Values: Efficiency, Quality, Professionalism, Innovation

5 ESG MANAGEMENT

5 ESG MANAGEMENT

5.1 ESG Governance

The Company strictly follows the requirements of the Hong Kong Stock Exchange's ESG Reporting Code and has established a three-tier ESG governance framework led by the Board to coordinate and oversee ESG-related work and promote the implementation of relevant strategies and measures.

Board of Directors

The Board is the highest decision-making body for the Company's ESG management and bears ultimate responsibility for the overall direction, strategy, objectives, performance and reporting of the Company's sustainable development. It is primarily responsible for considering and determining ESG strategic objectives and medium- to long-term plans, reviewing and approving ESG-related risks and material issues, and reviewing the annual ESG report and other significant matters.

ESG Committee

The ESG Committee comprises representatives from relevant departments, including technology, human resources, quality, safety and environmental protection, and the Office of the Board Secretary. It is responsible for providing professional recommendations to the Board on ESG objectives, strategy, risks and material issues, regularly monitoring and reviewing the implementation and progress of ESG initiatives, and reviewing the annual ESG report and related disclosure documents.

ESG Working Group

As the day-to-day execution unit for ESG management, the working group is responsible for promoting the implementation of specific ESG initiatives. Its key duties include understanding ESG objectives and strategies, identifying and assessing ESG risks and opportunities, prioritising material issues, facilitating ESG activities, and regularly reviewing their effectiveness, managing stakeholder communication and feedback, organising ESG training, and preparing the annual ESG report.

5 ESG MANAGEMENT

5.2 ESG Targets

Topic	Our Targets	Our Actions
Occupational Health and Safety	• Environmental incidents: 0 (including zero leakage incidents at the plant boundary) • Significant safety incidents: 0 (zero fatalities or serious injuries) • Fewer than 3 first-aid cases • Zero cases of occupational disease • Zero public security or criminal cases	• Enhance work safety governance and create a healthy and safe working environment by establishing a sound safety management system, strengthening safety protection, improving safety awareness, and conducting emergency drills • Carry out monitoring of occupational disease hazard factors at work sites, and arrange pre-employment, on-the-job, and exit health examinations • Expand the coverage of fixed anchorage points for work at height to prevent falls • 2025: No major production safety incidents Rectification rate for safety hazards reached 100%

5 ESG MANAGEMENT

Topic	Our Targets	Our Actions
Employee Rights and Benefits	Working conditions: • Ensure that all employees receive adequate pay, reasonable working hours and benefits, and enjoy good working conditions • Maintain 100% employee medical insurance coverage Social dialogue: • Maintain constructive relationships with employees and employee representatives Career management and training: • Support employee career development through adequate training Child labour and forced labour: • Comply with international human rights laws and regulations, safeguard the fundamental human rights of internal and external workers, including those in the supply chain, and firmly eliminate child labour and forced labour • Zero child labour or forced labour incidents Discrimination and harassment: • Ensure equal treatment, fairness, and respect for all employees, whether temporary, part-time, or full-time	• Create a diverse and equal work environment that provides equal employment opportunities for all, without discrimination based on ethnicity, race, nationality, religious belief, gender, age, disability, marital status, etc. • Implement open, fair and equitable employment policies and offer competitive remuneration • Provide company-level, departmental, and job-level training to help new employees fully integrate into their roles 2025: • Employee medical insurance coverage: 100% • Child labour or forced labour incidents: 0 • Discrimination incidents relating to age, gender, or other factors in recruitment: 0

5 ESG MANAGEMENT

Topic	Our Targets	Our Actions
Climate Change Response and Energy Management	• Adhere to the concept of green development, systematically advance energy conservation and environmental protection, clean production, and green production initiatives, and mitigate climate change. • According to the energy assessment for the technical upgrade project for the new peptide production line, it is committed that non-fossil energy will account for not less than 50% of energy consumption for new projects • Strengthen energy management, optimise processes, and reduce the intensity of energy and raw/auxiliary material consumption • From 2025 to 2028, keep Scope 1 + Scope 2 greenhouse gas emission intensity at no more than 0.4 tCO_2e per RMB10,000 of revenue • Using 2024 as the base year, reduce Scope 1 + Scope 2 greenhouse gas emission intensity by 15% by 2030	• Use variable-frequency units in the air-conditioning system, and ensure all chillers meet Class 1 energy-efficiency standards • Develop energy management strategies and procedures, encourage technological innovation across R&D, production and operations, optimise process design, and reduce unnecessary energy and raw/auxiliary material consumption at source • Strengthen quality culture, raise quality awareness across the workforce, improve right-first-time production performance, and reduce waste of raw and auxiliary materials caused by quality issues 2025: • Total greenhouse gas emissions amounted to 9,517.95 tCO_2e • Scope 1 + Scope 2 emission intensity: 0.17 tCO_2e per RMB10,000 of revenue, down 19.73% from the base year

5 ESG MANAGEMENT

Topic	Our Targets	Our Actions
Product Lifecycle Management	• Commit to reducing environmental harm through the use of substitute materials with lower hazard or toxicity • Make zero product recalls a long-term quality management objective, continuously improve the quality management mechanism, strengthen risk identification, prevention, and improvement throughout the product lifecycle, and continuously raise product quality and safety standards • Adhere to the concept of green chemistry and develop and apply environmentally friendly, low-carbon technologies	• Develop a new synthetic process for impurities in goserelin peptide API. The process uses a convergent fragment method and replaces traditional trifluoroacetic acid and diethyl ether cleavage steps with safer solvents, significantly reducing environmental impact and material cost while maintaining purity and yield 2025: • No products were recalled for safety or health reasons; total product recalls: 0
Emissions and Waste Management	• Commit to minimizing waste generation and recycling or reusing waste to reduce resource depletion • Commit to minimizing exhaust emissions during production processes • Hazardous waste disposal rate: 100% • Achieve an 85% comprehensive utilisation rate of solid waste by 2030	• Optimise the resin-washing process in peptide synthesis to reduce solvent consumption. Compared with the original process, the optimised process can reduce washing-solvent usage by approximately 40% • Strengthen groundwater and environmental safety protection by setting up physical barriers and redundant measures such as leak prevention and corrosion protection to minimise leakage risk 2025: • The compliance disposal rate for hazardous waste is 100%.

5 ESG MANAGEMENT

Topic	Our Targets	Our Actions
Water Resources Management	• Commit to responsible management of water and other natural resources through actions to reduce water consumption • Commit to fulfilling water conservation obligations, strengthen water conservation management, and improve water resource utilization efficiency • Compliant wastewater discharge from environmental protection facilities • Using 2023 as the base year, reduce water-use intensity by 20% by 2030	• Implement rigorous water-use planning to ensure water is supplied according to demand, and assign dedicated personnel to inspect for leaks and waste • Emphasise routine maintenance of water-using equipment, prevent unnecessary continuous water flow, and post water-saving signage in water-use areas to strengthen employees' awareness of water conservation 2025: • Water-use intensity was 1.28 tonnes per RMB10,000 of revenue, representing a 40.78% decrease from 2023
Business Ethics and Anti-Corruption	• Uphold the highest standards of integrity and prohibit all forms of fraud, bribery, corruption, extortion, misappropriation of funds, and money laundering • 100% coverage of employee training on business ethics (including anti-corruption, conflict of interest, anti-fraud, and anti-money laundering)	• Require all employees to comply strictly with relevant laws and regulations, as well as internal policies such as the Employee Handbook, Anti-Bribery, Anti-Corruption, and Anti-Fraud Management System, and Anti-Fraud Work Guidelines 2025: • Confirmed corruption cases: 0 • Confirmed money laundering or insider trading cases: 0 • Coverage of employee training on business ethics: 100%

5 ESG MANAGEMENT

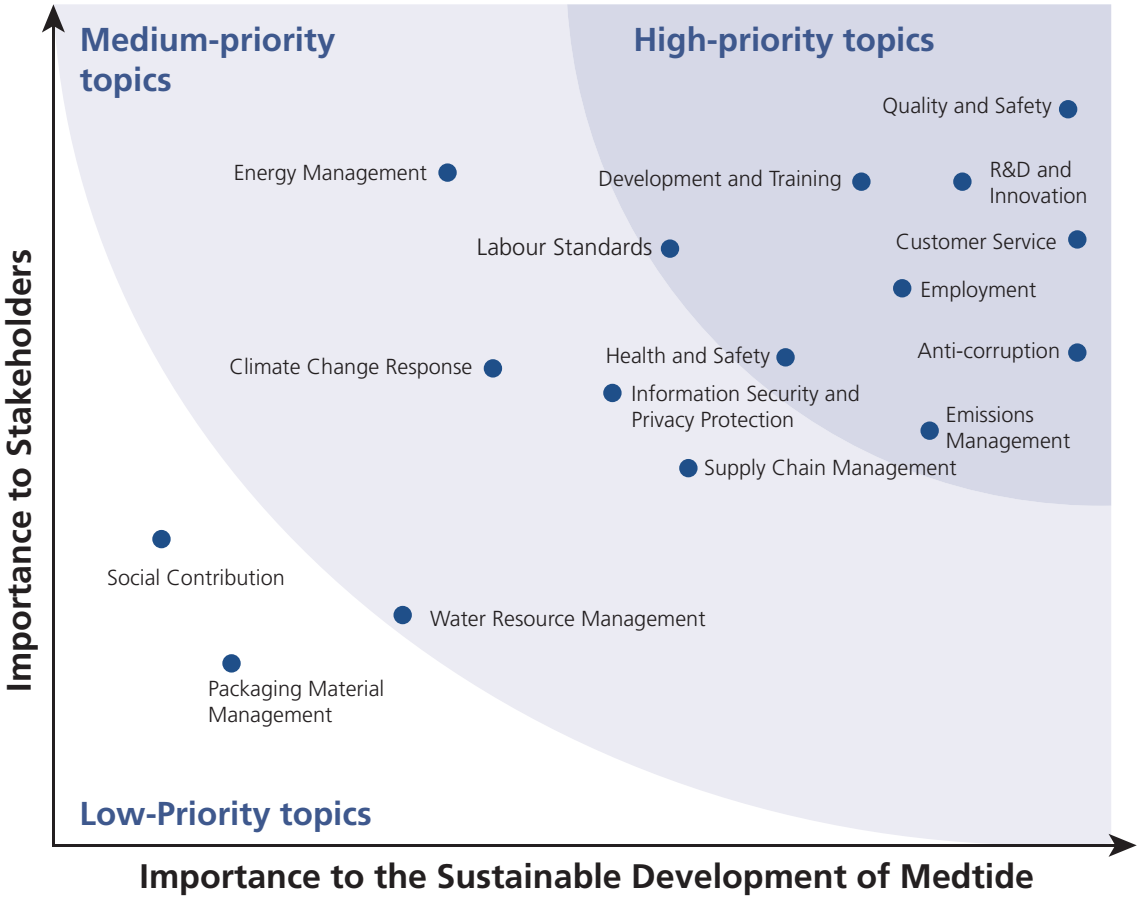
Topic	Our Targets	Our Actions
Information Security and Privacy Protection	• Ensure zero information leakage incidents	• Clearly require all employees to comply with operating standards covering account permission applications, software installation controls, compliant network use, password security management, data encryption, daily device security, and abnormal behaviour reporting 2025: • No material information leakage or cybersecurity incident occurred
Sustainable Supply Chain Management	• Commit to treating sustainability as an important part of supplier and subcontractor evaluation, with preference for high-quality suppliers that have sound environmental management systems and labour and human rights management systems	• Establish systems such as the "Supplier Management Procedures" and integrate the management of environmental and social issues into supplier contract terms and evaluation systems, thereby reducing negative environmental and social impacts across the supply chain 2025: • 36 suppliers had signed the Integrity Agreement

5 ESG MANAGEMENT

5.3 Materiality Assessment

Material issues are a key part of sustainable development. To more effectively identify and assess potential environmental, social, and governance (ESG) issues that may have a significant impact on the Company and its stakeholders, the Company carried out a comprehensive review of material issues. Considering stakeholder feedback, operational realities, regulatory trends of the Hong Kong Stock Exchange, international standards, and industry benchmarks, the Company identified the ESG priorities for the year and ranked them by priority.

Medtide Inc. Materiality Matrix



5 ESG MANAGEMENT

5.4 Stakeholder Communication

The Company actively engages in communication and collaboration with stakeholders. Key stakeholder groups currently identified include government authorities, shareholders, employees, customers, suppliers, communities, and the media. Through diversified communication channels, the Company continues to understand and respond to the concerns and expectations of all parties, fostering value co-creation and shared benefits.

Key Stakeholders	Expectations and Demands	Communication and Response Channels
Government and Regulatory Authorities	Compliance operations Anti-Corruption Product Quality and Safety Environmental Protection	Regulatory oversight Regular disclosure Ad hoc reporting Participation in relevant meetings
Shareholders and Investors	Investment returns Corporate governance Risk management Information disclosure	Regular and ad hoc disclosures General meeting Investor communication activities Telephone and email
Employees	Compensation and benefits Career development and promotion A safe and healthy working environment	DingTalk and WeCom Internal email system Regular meetings and training
Customers	R&D innovation Product Quality and Safety After-sales service Responsible marketing	Day-to-day service communication Customer complaint channels Social media Customer communication and visits
Suppliers	Product Quality and Safety Mutually beneficial cooperation Anti-Corruption Supply chain management	Supplier due diligence Supplier assessments and audits Supplier communication
Communities	Community engagement Environmental awareness Active participation in public welfare	Company website Community outreach activities Media platforms Information disclosure
Media	Environmental Protection Community engagement Transparency of information	Media interviews Information disclosure Telephone and email

6 COMPLIANCE MANAGEMENT

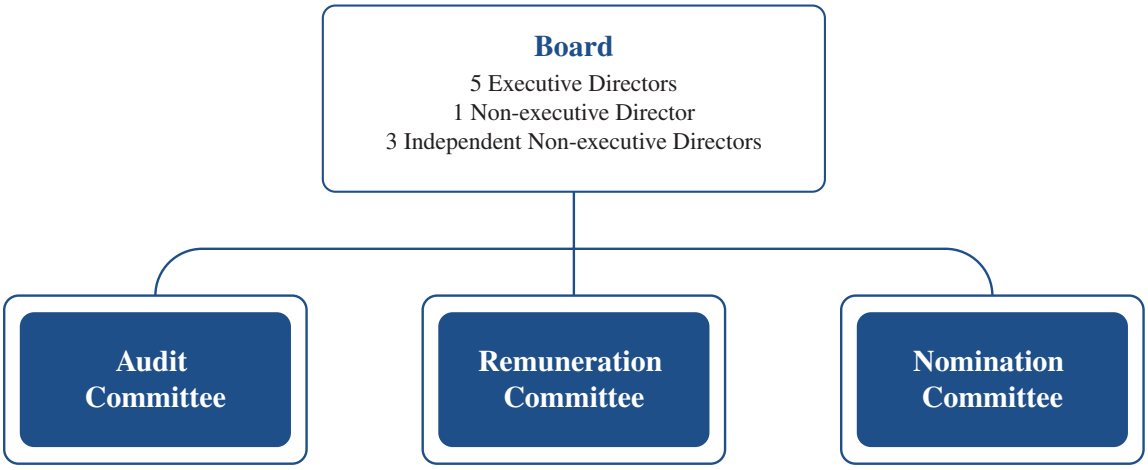
6 COMPLIANCE MANAGEMENT

Aligned with the United Nations Sustainable Development Goals (SDGs):



6.1 Board Governance and Diversity

The Company strictly complies with relevant laws and regulations, including the Company Law of the People's Republic of China and the Corporate Governance Code. It has established management systems, including the Articles of Association, to form a corporate governance framework with clear responsibilities, sound compliance and efficient operation, thereby safeguarding the interests of the Company and all shareholders. Under the Board are three specialised committees: the Audit Committee, the Remuneration Committee, and the Nomination Committee, each responsible for specific corporate matters. During the Reporting Period, the Company held one general meeting, four Board meetings, and one committee meeting.



Board Structure Diagram

The Company is committed to advancing board diversity by adhering to the principle of merit-based selection. It has established the "Board Diversity Policy," which comprehensively evaluates candidates' educational background, industry experience, professional skills, and job performance capabilities during the nomination and selection process. Additionally, the Company assesses key factors such as candidates' character, integrity, and independence. Decisions are ultimately made based on candidates' qualifications and their potential contributions to the board.

The Nomination Committee is responsible for annually reviewing the implementation of this policy and disclosing the board composition in the Corporate Governance Report. The board will proactively increase the proportion of female members to ensure appropriate gender diversity balance. As of the end of the Reporting Period, the Company had a total of 9 board members, including 4 female directors (44% of the board) and 46.8% of senior management positions were held by women.

6 COMPLIANCE MANAGEMENT

6.2 Anti-Corruption

The Company strictly complies with laws and regulations including the Anti-Money Laundering Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, and the Provisions on Combating Commercial Bribery. It maintains a zero-tolerance policy toward all forms of bribery, embezzlement, and misconduct. The Company has established a robust anti-fraud management system, formulated internal regulations such as the Internal Audit Management System and Risk Management System, and fully integrated anti-corruption requirements into the Employee Handbook, Reward and Punishment System, and Labor Employment Management System to provide employees with clear and specific behavioral guidelines.

The Company has established the "Whistleblowing Management Regulations" to encourage employees, suppliers, customers and other business partners to report any suspected violation of laws, regulations or improper conduct through dedicated hotlines, email addresses and other channels. We undertake to respond to and handle every report promptly and effectively, to keep whistleblowers' information strictly confidential and to prohibit any form of retaliation. In cooperation with suppliers, the Company signs an Integrity Agreement with each supplier, expressly requiring compliance with anti-corruption and anti-bribery laws and regulations, observance of the Company's business ethics standards, and a prohibition on seeking commercial benefits through any illegal or unethical means.

Furthermore, the Company has consistently conducted diverse compliance training programs, organizing directors, supervisors, and senior executives to participate in specialized compliance training sessions for listed companies. The training covers key areas such as information disclosure standards and insider trading prevention. Compliance lawyers are invited to conduct offline seminars to ensure staff have a clear understanding of their rights, obligations, and legal responsibilities, thereby continuously enhancing the integrity awareness of all employees. During the Reporting Period, 100% of employees received business ethics training, no reports were received through the whistleblowing procedures. No corruption-related lawsuits involving the Company or its employees were filed or concluded, nor were there any legal disputes related to unfair competition or antitrust regulations.

Reporting Channels

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6.3 Information Security and Privacy Protection

The Company has continuously strengthened information security and privacy protection management by establishing comprehensive information security management systems and standard operating procedures. It strictly enforces regulations such as the Employee Handbook, Confidentiality Policy, and Non-Disclosure and Non-Compete Agreement, requiring all employees to adhere to operational protocols including account permission requests, software installation controls, network compliance practices, password security management, data encryption protection, daily device security measures, and abnormal behavior reporting. This ensures strict compliance with confidentiality obligations and prohibits any leakage of Company or third-party information. The Company also conducts specialized training programs on information security and privacy protection to enhance staff awareness and operational compliance capabilities. Committed to legal compliance and business necessity principles, the Company securely collects, processes, and stores third-party information in accordance with regulations, ensuring comprehensive information security, data integrity, and privacy protection. During the reporting period, the Company experienced no major information leaks or cybersecurity incidents.

7 PRODUCT RESPONSIBILITY

7 PRODUCT RESPONSIBILITY

Aligned with the United Nations Sustainable Development Goals (SDGs):



7.1 Innovative R&D

In 2025, the Company continued to increase its R&D investment, achieving significant progress in technological innovation of peptide drugs, generic drug development, innovative drug portfolio planning, intellectual property protection, and innovation incentives, thereby injecting strong momentum into sustainable development.

- *Process Innovation*
  Through innovation in peptide production processes, the Company successfully developed TFA-free cleavage technology to address the challenge of TFA residues in peptide products. Concurrently, we optimized resin washing processes, reducing solvent consumption by 40% and enhancing environmental sustainability. Additionally, we introduced soluble resin Dmp-Tag application technology to minimize amino acid feedstock input and solvent usage, thereby lowering production costs. Furthermore, three new automated collection systems were deployed to enable continuous sample loading and purification, significantly improving purification efficiency.

- *Drug Development Progress*
  In the field of generic drugs, two key peptide generic drug products achieved breakthrough progress: the yield of process research for Peptide A was significantly improved, PQ production was successfully completed, and the project has entered the process validation stage; positive progress was made in process research for Peptide B, and production for the process validation stage is nearing completion.

  In the field of innovative drugs, R&D work for new drug projects progressed in an orderly manner as planned, and the R&D pipeline continued to expand, laying a solid foundation for future growth.

- *Upgrading the R&D Platform*
  The Company has established high-level R&D laboratories equipped with advanced instruments such as the Q Exactive™ Plus High Resolution Mass Spectrometry System, Quadrupole Time-of-Flight Mass Spectrometry, TECAN Microplate Readers, and an Ultra Performance Liquid Chromatography method-screening system, as well as a solid dosage form research platform, providing comprehensive technical support for peptide impurity studies, higher-order structure analysis and solid dosage form development.

- *Encouraging Employee Innovation*
  The Company has formulated the "Improvement and Innovation Proposal Management System" to stimulate employees' innovative enthusiasm and encourage them to contribute suggestions for corporate development. Employees may submit improvement and innovation proposals at any time, with outstanding proposals being awarded a Proposal Award and a Performance Bonus.

7 PRODUCT RESPONSIBILITY

7.2 Green Chemistry

The Company adheres to the concept of "green chemistry," dedicated to developing and applying environmentally friendly and low-carbon technologies to reduce emissions of waste gas, wastewater, and solid waste, enhance safety in large-scale production, and provide strong competitiveness for global innovative drug partners.

Case: Participation in the NextGen Biomed International Conference, presenting novel green synthesis processes

In March 2025, the Company made its debut as a silver-level sponsor at the NextGen Biomed conference in London, UK, where the Senior Manager of European Business Development delivered a keynote speech on green manufacturing. The presentation highlighted an innovative synthesis process for impurities in goserelin peptide API, employing a convergent fragment method that replaces traditional trifluoroacetic acid and diethyl ether cleavage steps with safer solvents. This breakthrough significantly reduces environmental impact and material costs while maintaining purity and yield levels. The innovative approach demonstrates the Company's expertise in green chemistry and provides new insights for sustainable peptide drug manufacturing.

7.3 Product Quality and Safety

Product quality and safety are the lifelines of corporate development. The Company continuously enhances the construction of a comprehensive quality management system, refines the product recall mechanism, strengthens intellectual property protection, and ensures the provision of safe and effective pharmaceutical products to patients worldwide.

7.3.1 Deepening Quality Management

The Company strictly complies with relevant laws and regulations including the Drug Administration Law of the People's Republic of China, the Implementing Regulations of the Drug Administration Law of the People's Republic of China, Good Manufacturing Practice for Pharmaceutical Products (2010 Revision), and the International Guidelines for Multicenter Drug Clinical Trials (Trial Implementation). It has established standard operating procedures such as Internal Audit (Self-Inspection) Management Procedures, Quality Management Review Procedures, Nonconforming Product Control Procedures, Risk Management Procedures, and Quality Audit Procedures. The Company implements rigorous quality control measures in new product introduction evaluation, raw material testing, production process monitoring, finished product release review, nonconforming product handling, and product recall management. During the reporting period, the Company successfully passed official inspections, customer audits, and third-party certifications, and obtained ISO 9001 quality management certification, ISO 13485 medical devices quality management certification, and ISO 22716 certification for Good Manufacturing Practices for cosmetics. Customer satisfaction reached 99.7%, and the on-time release rate of raw and auxiliary materials was 100%.

7 PRODUCT RESPONSIBILITY

- **New product introduction evaluation.** The Company has developed the "New Product Introduction Management Procedure" to collect data on product toxicity, allergenicity, and other characteristics prior to new product introduction. Conduct co-line evaluation for the proposed production line to confirm the compatibility of facilities, equipment, and production spaces. Subsequently, perform risk assessment for new product introduction and necessary modifications before proceeding with order review and subsequent production.

- **Material Inspection.** All materials are classified and managed according to their intended use. Samples of each batch of production materials are taken for testing, and only those passing the inspection are approved for use.

- **Production process monitoring.** The Validation Department organizes relevant departments to complete validation or confirmation of facilities, equipment, computerized systems, production processes, testing methods, and finished product transportation. The Quality Assurance Department is responsible for on-site supervision of the production area to ensure continuous compliance with regulatory requirements throughout the production process.

- **Deviation and out-of-specification (OOS) investigation.** The Company has developed the "Deviation Handling Procedure" and "Operational Procedures for Investigating Out-of-Specification or Out-of-Trend Test Results" to initiate the investigation process upon occurrence of quality incidents and determine corresponding corrective actions based on root cause investigation and risk assessment results.

- **Finished Product Release Review.** Each batch of finished products undergoes full testing in accordance with the applicable quality standards, and a test report is issued. Upon confirmation that the relevant production and testing records are complete, any batch-related deviations have been investigated and approved, relevant changes or actions have been completed, and the test results meet the applicable requirements, release is authorised by the Quality Authorised Person or a duly authorised delegate. Products may be delivered to customers only after sign-off has been completed.

7 PRODUCT RESPONSIBILITY

7.3.2 Quality Culture

The Company integrates a quality culture into its core values, continuously strengthens quality development initiatives, and actively organises quality-related activities such as Quality Month campaigns and quality competitions to comprehensively enhance employees' quality awareness.



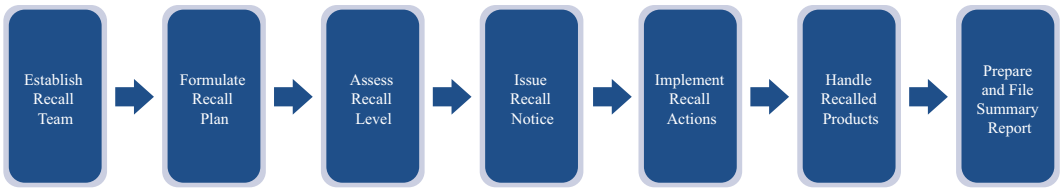
Quality Month Training



Quality Competition

7.3.3 Product Recall

In compliance with laws and regulations such as the Drug Administration Law of the People's Republic of China, Good Manufacturing Practice for Drugs, and Measures for Drug Recall Management, the Company has formulated the Product Recall Management Regulations to standardize the management of product returns or recalls due to quality defects, control drug risks and potential hazards, and ensure public medication safety. During the reporting period, the Company experienced no product recalls due to safety or health concerns, with zero product recalls recorded.



Product Recall Process

7.3.4 Intellectual Property Rights

The Company fully recognises the importance of intellectual property protection to its long-term development and core competitiveness. To effectively safeguard intellectual property rights and ensure the security and integrity of intangible assets, the Company has established the "Intellectual Property Dispute Resolution Management System" in accordance with the Patent Law of the People's Republic of China and other relevant laws and regulations, thereby forming a comprehensive IP protection framework, standardising operational processes, ensuring orderly implementation of IP management, and resolutely preventing infringement. During the reporting period, the Company filed seven new patent applications and obtained three patent grants. As of the end of the reporting period, the Company had 16 granted patents in total (all of which were invention patents) and 50 intellectual property rights in aggregate.

8 COLLABORATION FOR MUTUAL BENEFIT

8 COLLABORATION FOR MUTUAL BENEFIT

8.1 Customer Service

The Company prioritizes customer needs, continuously refining its communication and complaint management systems to promptly address customer feedback and suggestions. By delivering efficient and high-quality services, we aim to enhance customer experience and satisfaction.

8.1.1 Customer Complaint Handling

The Company has continuously refined its customer complaint handling mechanism, standardizing processes for complaint acceptance, investigation, resolution, and feedback to ensure timely and effective follow-up and proper handling of all complaints, thereby effectively safeguarding customer rights. During the reporting period, the Company received a total of 6 complaints, including 2 valid complaints and 4 invalid complaints, all of which were verified and properly resolved, achieving a 100% complaint response and resolution rate.

- **Case acceptance and processing.** Upon receipt of a customer complaint, the Company initiates complaint handling within 1 working day by verifying customer information and confirming the customer ID and records the complaint details in the "Product Complaint Ledger" and "Product Complaint Investigation Form". Concurrently, implement necessary product isolation measures and notify relevant departments.

- **Complaint investigation.** The Company organises relevant departments to conduct the investigation and complete it within 20 working days. Based on the investigation results, initiate the corrective and preventive action management procedure, and implement product returns or recalls in accordance with the "Product Return Management Procedure" or "Product Recall Management Procedure" when necessary. If an extension is required due to special circumstances, a request for extension must be submitted, stating the situation and reasons.

- **Investigation Summary.** Investigators draft the complaint investigation report, summarizing the investigation process, identifying root causes, impact assessment, and corrective/preventive actions. Upon completion of complaint resolution, relevant records are archived and preserved.

8.1.2 Customer Privacy Protection

The Company prioritizes customer privacy protection by implementing the "Employee Handbook," which explicitly stipulates that employees are obligated to maintain confidentiality regarding trade secrets. They are prohibited from disclosing customer information in any form, sharing it with third parties, or utilizing it for commercial purposes unrelated to customer service. Employees are required to securely store all confidential client-related documents and ensure proper disposal of obsolete customer records to prevent data breaches. Through institutional policies and regular training programs, the Company continuously enhances employees' confidentiality awareness to safeguard the integrity, confidentiality, and availability of customer information. During the reporting period, no incidents of customer information leakage occurred.

8 COLLABORATION FOR MUTUAL BENEFIT

8.1.3 Responsible Marketing and Promotion

The Company strictly complies with laws and regulations such as the Advertising Law of the People's Republic of China, adhering to the principles of authenticity, accuracy, and compliance in marketing practices to effectively safeguard the legitimate rights and interests of all stakeholders. For clients, we provide customized product information tailored to their specific needs, enhancing transparency to ensure full access to information. For partners, we furnish valid certifications, product documentation, and detailed product specifications to protect their legal rights while continuously improving the standardization and transparency of our marketing operations.

8.2 Sustainable Supply Chain

The Company attaches importance to the sustainable development of its supply chain, continues to improve supply chain process management, strictly complies with anti-corruption laws and regulations, and works with suppliers to build a transparent and integrity-driven supply chain.

8.2.1 Supply Chain Management

The Company has established the "Supplier Management Procedures", covering the full process from supplier selection, evaluation, approval and audit to exit, so as to ensure a secure and stable supply chain. During the reporting period, no product quality incidents caused by supplier issues occurred.

- **Supplier Selection and Development.** Suppliers are identified based on project needs, and potential suppliers are screened through the "Supplier Evaluation Confirmation Form". Comprehensive assessments are carried out based on quality, cost, delivery and service. Depending on the material grade, relevant documents such as factory quality standards are collected, and samples may proceed to the subsequent approval process only after passing inspection.

- **Supplier Evaluation and Approval.** New suppliers of critical and important materials are subject to on-site or remote audits, while new suppliers of general materials are evaluated through questionnaires. Suppliers that meet the requirements are approved and included in the "Qualified Supplier List", and quality assurance agreements are signed with suppliers of critical and important materials.

- **Qualified Supplier Audit.** Qualified suppliers are subject to dynamic management, with annual comprehensive evaluations conducted across four dimensions: supply quality, delivery timeliness, price and service. Suppliers are classified into A, B and C categories according to their scores, and C-category suppliers will have their qualified status revoked. In addition, supplier quality surveys or audits are conducted regularly to ensure ongoing compliance.

- **Supplier Exit Mechanism.** A supplier will be removed where it fails on-site audits, remote audits or questionnaire reviews; refuses to accept audits or provide the required certification and declaration documents; or fails to comply with quality assurance agreements or other obligations. Any subsequent cooperation requires re-evaluation.

8 COLLABORATION FOR MUTUAL BENEFIT

Supplier data:

Metric		2025	Unit
Total suppliers		246	suppliers
By region	Zhejiang Province	87	suppliers
	Mainland China (excluding Zhejiang Province)	155	suppliers
	Overseas (including Hong Kong, Macao, and Taiwan)	4	suppliers
Number of suppliers who signed the integrity agreement		36	suppliers
Local supplier ratio		35	%
Proportion of Target Suppliers Covered by Corporate Social Responsibility Assessment		35	%
Coverage Rate of Corporate Social Responsibility On-site Audits Among Target Suppliers		35	%
Percentage of all purchasers who received training on sustainable procurement		100	%

8.2.2 Supply Chain Risk Assessment

The Company integrates sustainable development principles into supply chain risk management. During supplier onboarding and periodic reviews, it consistently evaluates environmental and social performance to ensure a fair and impartial selection process free from any form of discrimination. For suppliers identified with risks related to environmental compliance, occupational health and safety, or business ethics, the Company promptly issues rectification requirements and monitors implementation to effectively mitigate risks. Additionally, the Company regularly conducts ESG training sessions for procurement teams, covering topics such as supplier environmental risk assessment, key social responsibility audit criteria, and integrity compliance standards, thereby enhancing their ability to identify and manage ESG factors in supplier selection and daily operations. During the reporting period, no incidents affecting product quality occurred due to supplier-related issues.

8.2.3 Supply Chain Environmental Management

The Company incorporates environmental performance into its supplier evaluation system, gives priority to environmentally friendly products and services in procurement, and encourages suppliers to provide energy-efficient, low-carbon and recyclable products and packaging. Where conditions are comparable, preference is given to suppliers certified to ISO 14001 or holding other green certification credentials, and their environmental responsibilities are expressly set out in contractual terms. At the same time, the Company actively promotes local procurement to reduce the supply chain's carbon footprint through shorter transport distances, reduce environmental impacts from operational activities and support local economic development in the communities where it operates.

8 COLLABORATION FOR MUTUAL BENEFIT

8.3 Industry Exchange

The Company continues to participate in the development of industry standards and to promote standardised development in the peptide field. During the reporting period, two group standards led by the Company — "Polystyrene-Divinylbenzene Cross-linked Resin for Solid-phase Peptide Synthesis" and "Fmoc-Protected Amino Acids for Peptide Synthesis" — were officially issued and implemented, further demonstrating the Company's technical capabilities and industry influence in the peptide sector.

The Company actively participated in various global industry conferences, trade exhibitions, and academic exchange activities, attending a total of 33 professional events in China and abroad during the year. These mainly included internationally renowned exhibitions and professional conferences such as DCAT 2025 (New York, the United States), Swiss Biotech Day (Basel, Switzerland), RNA Leaders Europe Congress (Basel, Switzerland), TIDES Asia 2025 (Kyoto, Japan), TIDES USA (San Diego, the United States), CPHI China 2025 (Shanghai, China), the European Peptide Synthesis Conference (Porto, Portugal), CPHI Korea 2025 (Seoul, South Korea), CPHI Frankfurt 2025 (Frankfurt, Germany), and TIDES EU (Basel, Switzerland). Through participation in these activities, the Company engaged in in-depth exchanges with domestic and international industry partners on peptide innovation achievements, technological development trends, and pathways to industrialization, continuously broadening its global industry perspective and enhancing its international influence.

9 ENVIRONMENTAL PROTECTION

9 ENVIRONMENTAL PROTECTION

Aligned with the United Nations Sustainable Development Goals (SDGs):



9.1 Environmental Management

The Company strictly complies with laws and regulations such as the Environmental Protection Law of the People's Republic of China, and has established environmental management systems including the Environmental, Occupational Health and Safety Management Manual and the Environmental Protection Management System to standardise all environmental protection activities. During the reporting period, the Company obtained ISO 14001 environmental management system certification and did not experience any incidents in violation of environmental protection laws and regulations.

Environmental management objectives:

Commitment/Goal	Completion status for 2025
Exhaust emissions comply with local government regulations.	Achieved
The COD levels of wastewater discharged from environmental protection projects comply with local government regulations.	Achieved
Power consumption intensity does not exceed 0.5 MWh per RMB10,000 of revenue.	Achieved
Manage water and other natural resources responsibly by implementing actions to reduce water consumption	Achieved

9 ENVIRONMENTAL PROTECTION

9.2 Emissions and Waste

The Company strictly complies with national environmental protection laws and regulations, implementing comprehensive control over exhaust gases, wastewater, and waste generated throughout all production and operational processes. Through standardized management and continuous improvement, it effectively reduces pollutant emissions and fulfills its commitment to green development.

9.2.1 Air Emissions

The Company complies with relevant laws and regulations such as the Air Pollution Prevention and Control Law of the People's Republic of China and the Comprehensive Emission Standard of Air Pollutants, and has formulated the Exhaust Gas Emission Management System. By upgrading equipment sealing performance and adopting highly enclosed equipment such as three-in-one systems, the Company prevents the generation of air pollutants during production and reduces emissions of VOCs, PM and other pollutants at the source. The Administrative Department coordinates and plans vehicle use, increases the proportion of new energy vehicles and reduces the use of fuel vehicles, so as to achieve scientific and reasonable vehicle use and reduce exhaust emissions. High-efficiency filters are installed in the freeze-drying room to reduce the generation and emission of particulate matter during production through high-efficiency filtration technology, thereby minimizing environmental impact.At the same time, the Company has strengthened odour control across the plant by adding organic high-efficiency filtration devices in the waste liquid collection process, maintaining a slight negative-pressure environment in laboratories, and using closed pipeline transmission throughout the handling of solvents and waste liquids. Through these measures, the Company reduces fugitive exhaust emissions and mitigates the impact of odours within the plant area.

Additionally, the Company regularly engages qualified third-party agencies for exhaust gas testing, systematically tracks air pollutant emissions, continuously monitors emission data, and evaluates treatment effectiveness to ensure all monitoring indicators remain below regulatory limits.

Key Performance:

Metric	2025	Unit
Exhaust gas emissions	25,410.32	10,000 cubic meters
Particulate Matter (PM) emissions	0.22	tonnes
Volatile Organic Compounds (VOC) emissions	0.67	tonnes

9 ENVIRONMENTAL PROTECTION

9.2.2 Wastewater

In compliance with national laws and regulations including the Water Pollution Prevention and Control Law of the People's Republic of China, the Company has established a Wastewater Discharge Management System to implement comprehensive and standardized wastewater management processes. This ensures that treatment and discharge operations meet national and local standards, with treated wastewater being transported through municipal sewage networks to local wastewater treatment plants. The Company has optimized the peptide synthesis process to reduce the solvents used in washing. Compared with the original process, the optimized process can reduce washing solvent consumption by approximately 40%, thereby reducing the impact of solvents on water quality. Meanwhile, the Company has established an online wastewater monitoring system to conduct real-time dynamic monitoring of water quality discharge, providing data support for routine wastewater treatment and refined management.

To ensure effective wastewater treatment, the Company has implemented targeted treatment measures for high-risk wastewater. Process wastewater is centrally collected and managed in accordance with hazardous waste requirements, while first-stage equipment cleaning water is also handled with reference to hazardous waste disposal standards, effectively reducing the content of active pharmaceutical ingredients in wastewater and mitigating adverse impacts on the surrounding aquatic environment. In addition, the Company has established a risk screening mechanism for soil and groundwater, carried out risk investigation and remediation, and implemented source control measures to effectively prevent the risks of soil and groundwater pollution.

Key Performance:

Metric	2025	Unit
Wastewater discharge	63,942.63	m^3
COD discharge in wastewater	4.21	tonnes
Ammonia nitrogen discharge in wastewater	0.48	tonnes

9.2.3 Waste Management

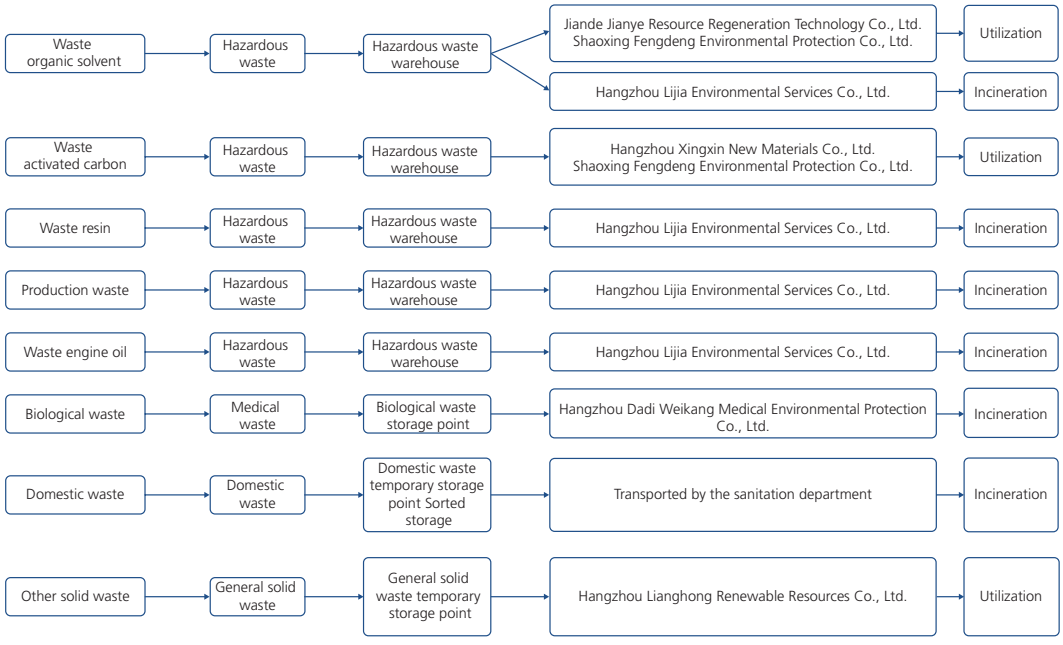
The Company has established the "Hazardous Waste Discharge Control Management System", "Solid Waste Management System", and "Biological Waste Management System" to clarify the responsibilities and disposal procedures of each department. Based on the properties of waste materials, classified control and differentiated treatment are implemented to enhance comprehensive resource utilization rates.

9 ENVIRONMENTAL PROTECTION

For hazardous waste such as spent solvents and spent catalysts, the Company strictly adheres to China's National Hazardous Waste Storage Pollution Control Standards. It maintains detailed hazardous waste records, formulates annual management plans, establishes centralized storage facilities, and displays prominent warning signs. Hazardous waste disposal is entrusted to third-party institutions with proper certification. Additionally, the Company conducts safety training on chemical spill response, hazardous material management, and fire/explosion prevention for employees, enhancing frontline staff's operational compliance and emergency response capabilities.

For non-hazardous waste such as waste paper and household garbage, the Company implements centralized storage and regularly entrusts recycling to qualified waste material recycling companies based on waste characteristics. Concurrently, the Company conducts training programs on waste reduction and classification to help employees master solid waste sorting requirements, promoting source reduction and standardized disposal practices. Medical waste is uniformly collected in designated bags, sterilized, and then transferred to licensed third-party companies for standardized transportation and processing.

In addition, the Company actively promotes the concept of resource recycling and encourages employees to reduce internal waste generation through methods such as double-sided printing and waste recycling. During the reporting period, the total amount of waste recovered by the Company reached 10.93 tonnes.



Waste Disposal Flowchart

9 ENVIRONMENTAL PROTECTION

Key Performance:

Metric	2025	Unit
Total amount of non-hazardous waste	21.6	tonnes
Total amount of non-hazardous waste generated per 10,000 yuan in revenue	0.000379	tonnes
Total hazardous waste volume	4,598.92	tonnes
Total amount of hazardous waste generated per 10,000 yuan in revenue	0.08	tonnes

9.2.4 Chemicals

The Company continues to promote the reduction of hazardous materials. On the premise of ensuring stable product quality and compliant production processes, it gives priority to raw and auxiliary materials that are low-toxicity, low-hazard, and environmentally friendly, and gradually replaces high-risk and highly toxic materials, thereby effectively reducing environmental impacts arising from production use and waste disposal. On the production side, the Company strictly controls the intensity of organic solvent consumption through process optimization. In the materials procurement process, it gives preference to solvents in larger packaging sizes, achieving reduction at both the source of use and the waste end, and further lowering the environmental risks posed by hazardous substances. Meanwhile, the Company has established a comprehensive chemical management training system and provides employees with safety management training on hazardous substances around topics such as chemical spill response and hazardous chemical management, thereby strengthening frontline employees' standardized operating practices and emergency response capabilities.

9.2.5 Noise

The Company strictly implements noise monitoring management requirements and conducts quarterly boundary noise monitoring to continuously track the status of noise emissions from the plant and ensure compliance with relevant control standards. To address noise generated during the operation of production equipment, the Company has installed anti-vibration devices for equipment, arranged major high-noise equipment indoors, and adopted flexible connection processes to reduce noise generation and transmission at the source.

9 ENVIRONMENTAL PROTECTION

9.3 Resource Use

The Company manages energy, water, and the use of packaging materials on a scientific basis during its operations, adhering to a balance between conservation and efficiency. It promotes water recycling and source reduction in packaging materials to continuously improve resource efficiency and support green development.

9.3.1 Energy Management

The Company strictly complies with laws and regulations such as the Energy Conservation Law of the People's Republic of China, having established an Environmental Protection Management System to prioritize rational energy utilization. In daily operations, its primary direct energy sources are gasoline and diesel, while indirect energy sources mainly consist of externally procured electricity and steam. Based on current energy consumption patterns, the Company continuously implements energy-saving measures, including adopting variable-frequency office air conditioning systems and selecting Class A energy-efficient chiller units to reduce energy consumption and enhance utilization efficiency. Additionally, the Company organizes employee training programs on energy conservation and climate action initiatives to foster awareness of emission reduction and integrate green, low-carbon practices into daily operations.

Key Performance:

Metric		2025	Unit
Total energy consumption		2,088.02	tonnes of standard coal equivalent
Direct energy	Gasoline	10,700	L
	Diesel	1,454	L
Indirect energy	Purchased electricity consumption	11,991.14	MWh
	Purchased steam consumption	17,609	GJ

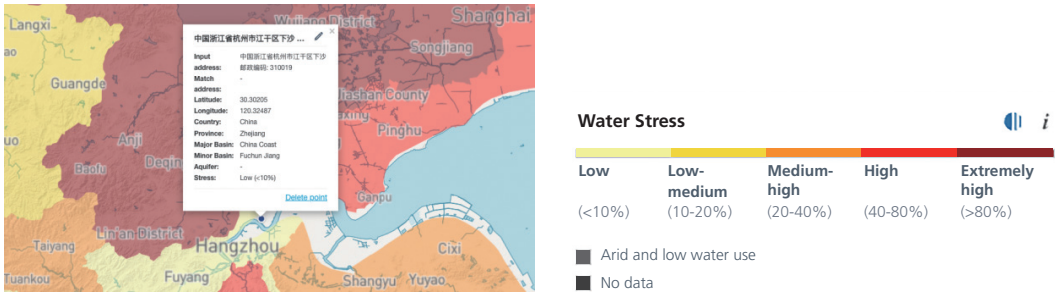
9.3.2 Water Resources Management

The Company attaches great importance to the conservation and reuse of water resources, strictly complies with the Water Law of the People's Republic of China and other relevant laws, regulations and management standards, and implements comprehensive water-use planning across the entire process of water withdrawal and consumption. Water used in production and operations is sourced mainly from the municipal water supply system. The operating site is located in an area with stable and controllable water sources and is not exposed to significant water sourcing risks. During production, the Company strictly implements water-use planning to ensure water resources are supplied according to demand and arranges dedicated personnel to inspect for leaks, overflows, drips and seepage. It also actively promotes the development of water-saving systems, continuously improves the infrastructure for water resource management, and enhances the efficiency of water resource utilization. In daily management, the Company places emphasis on the routine maintenance of water-using equipment to eliminate unnecessary continuous water flow, and posts water-saving signs in water-use areas to foster employees' awareness of water conservation.

9 ENVIRONMENTAL PROTECTION

Water Risk Assessment

The Company utilizes the Aqueduct Water Risk Atlas (WRI) developed by the World Resources Institute to conduct water risk assessments for production sites and formulate targeted countermeasures for risk prevention and control, ensuring business continuity. The evaluation reveals that the Company's primary production and operational sites are located in regions with relatively low water resource risk levels.



Water Stress risk map

Key Performance:

Metric	2025	Unit
Total water consumption	72,955	tonnes
Water-use intensity	1.28	tonnes per 10,000 yuan in revenue

9.3.3 Packaging Material Management

The packaging materials used by the Company mainly include cartons, plastics, and glass bottles. During the packaging development and design stage, the Company fully incorporates green and environmentally friendly concepts on the basis of ensuring product quality protection, implements packaging material reduction in design, continuously optimizes the design and management of primary packaging, appropriately simplifies packaging structure, controls packaging size and weight, and reduces the mixed use of complex materials. Meanwhile, the Company encourages the use of environmentally friendly aluminium cans as product packaging materials to replace original materials such as PE bags. In the packaging production and supply process, the Company gives priority to procuring recyclable green materials, thereby improving the recycling and reuse rate of packaging materials.

Key Performance:

Metric	2025	Unit
Packaging materials used	80.1	kg

9 ENVIRONMENTAL PROTECTION

9.3.4 Inventory Management

The Company strictly determines production batch sizes in accordance with approved manufacturing procedures, organises production activities in a standardised manner, and formulates monthly production plans reasonably based on market demand and inventory levels. It also strengthens process control, follows the first-in, first-out principle, minimises the generation of residual and slow-moving inventory, and avoids inventory backlog.

9.4 Climate Change

The Company places high importance on the risks and opportunities brought by climate change, integrating them into strategic decision-making and daily operational management. It has established a systematic climate governance framework encompassing governance, strategy, risk management, indicators, and objectives, continuously enhancing climate resilience and promoting green and low-carbon transformation.

9.4.1 Governance

In response to national initiatives, the Company closely monitors the impact of energy and carbon-related policies and regulations both domestically and internationally on the pharmaceutical industry and its business operations. In accordance with the climate-related disclosure requirements of the ESG Reporting Code/Appendix C2 to the Listing Rules, the Board of Directors oversees and manages ESG issues such as climate change, systematically integrating climate-related matters into the corporate ESG governance framework. During the reporting period, the Company conducted risk and opportunity identification for climate change by referencing the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations, implementing proactive measures to effectively address climate change challenges.

9.4.2 Strategy

The Company remains vigilant about climate change-related risks and opportunities. By leveraging a climate scenario analysis system, it evaluates potential impacts on its operations, strategy, and finances, incorporating these factors into strategic decisions and top-level planning to strengthen forward-looking positioning and resilience management.

Climate Scenario Analysis

Guided by the TCFD framework, the Company referenced the Shared Socioeconomic Pathways (SSP) scenario system developed by the United Nations Intergovernmental Panel on Climate Change (IPCC), selecting two representative scenarios: high-emission (SSP5-8.5) and low-emission (SSP1-2.6) for analysis. Under the low-emission scenario, the focus was on evaluating transition risks arising from policy, market, and technological changes to inform subsequent research on emission reduction targets and pathways. In the high-emission scenario, emphasis was placed on assessing potential impacts of physical risks such as extreme heat, heavy rainfall, and typhoons on production operations and supply chains, identifying directions for adaptation and resilience enhancement.

To further optimize resource allocation, we prioritize identified risks based on their likelihood of occurrence and impact severity, establishing strategic response priorities to ensure seamless integration of climate governance measures with business development strategies.

9 ENVIRONMENTAL PROTECTION

The Company defines the short term as 2025 to 2028, the medium term as 2029 to 2030, and the long term as 2031 and beyond, and aligns these time horizons with the Company's GHG emission reduction targets and strategic planning cycle.

During the Reporting Period, the Company had not established a standalone climate-related transition plan. At the current stage, the Company addresses transition-related considerations through existing Scope 1 and Scope 2 GHG emission intensity targets, energy-saving and consumption reduction initiatives, renewable energy applications, green product R&D, and supply chain resilience management. The Company will continue to enhance climate-related transition planning with reference to regulatory requirements, business development needs, data availability and available technology resources.

Through the ESG governance mechanism, the Company coordinates relevant functional departments, including production, equipment, procurement, R&D and supply chain, and allocates necessary human and financial resources to response measures such as energy-saving retrofits, equipment maintenance, emergency response to extreme weather, heat protection, supply chain resilience and green product R&D based on annual budgets and project evaluations. The Company will continue to optimize resource allocation in line with business needs and progress against emission reduction targets.

9 ENVIRONMENTAL PROTECTION

Climate Change Risk Inventory and Response Measures

Risk Type		Risk Description and Potential Impact on Medtide's Business Model and Value Chain	Response Measures
Physical risk	Acute risk	■ Extreme weather events such as typhoons and floods may cause damage to production facilities, disrupt supply chains, affect product manufacturing and delivery, and increase operational costs for companies. (Expected time horizon: short, medium and long term)	■ Implement rigorous monitoring and early warning systems for extreme weather events, establish the Emergency Response Plan for Sudden Environmental Incidents, and conduct regular inspections and maintenance of production facilities. ■ Optimize supply chain layout to ensure critical material reserves.
	Chronic risk	■ Persistent long-term temperature increases may lead to increased energy demand, elevated production costs, and adverse effects on employee health and productivity. (Expected time horizon: medium and long term)	■ Regularly conduct high-temperature protection training to enhance employees' awareness and coping abilities in hot weather, adjust working hours appropriately, and perform periodic employee health examinations.
Transition risk	Regulatory risk	■ With the gradual implementation of China's "dual carbon" goals, various regions have formulated clear development plans for low-carbon transition in energy structures and energy conservation and consumption reduction, which may require additional investments to meet compliance requirements. (Expected time horizon: short and medium term)	■ Monitor updates on climate change-related policies, enhance communication with governments and regulatory authorities, and promptly adjust strategic plans.

9 ENVIRONMENTAL PROTECTION

Risk Type	Risk Description and Potential Impact on Medtide's Business Model and Value Chain	Response Measures
Technological risk	■ Excessive or insufficient investment in the development of low-carbon products may lead to risks of investment losses or missed opportunities; the research and development of low-carbon-related new technologies or products may face the risk of failure, resulting in resource wastage. (Expected time horizon: medium and long term)	■ Increase R&D investment in energy-saving and low-carbon technologies to develop more efficient and environmentally friendly products. Collaborate with research institutions. Explore green innovation to reduce the cost of technology application.
Market risk	■ Climate change may impact the stability of raw material supply and the demand for green pharmaceutical technologies in the market, posing risks of declining market competitiveness and market share for the Company. (Expected time horizon: medium and long term)	■ Understand customer needs and market trends, promptly adjust product strategies, increase R&D investment in green products, and develop more environmentally friendly products. ■ Strengthen brand development by promoting the Company's environmental philosophy and product advantages to enhance brand awareness and customer loyalty.
Reputation risk	■ In the context of addressing climate change, if enterprises perform poorly in environmental protection and are exposed by the public or media, it may trigger a reputation crisis, affecting the trust of various stakeholders, investors, and partners in the enterprise. (Expected time horizon: short, medium and long term)	■ Establish a positive corporate environmental image, actively conduct environmental awareness campaigns, disclose the Company's environmental actions and achievements, enhance communication with the public and media, promptly address social concerns, and safeguard corporate reputation.

9 ENVIRONMENTAL PROTECTION

List of Climate Change Impacts and Response Measures

Opportunity category	Opportunity Description and Potential Impacts on Medtide's Business Model and Value Chain	Response Measures
Products and Services	■ Governments generally advocate technological improvements or innovations that facilitate the transition to a low-carbon economic system, while corporate clients may tend to seek green and low-carbon products and services. ■ To meet market demands, the Company will accelerate the delivery of products and services that align with market expectations, ensuring long-term sustainable growth in both business operations and revenue. (Expected time horizon: medium and long term)	■ Implement energy management measures in production and operations to enhance resource utilization efficiency, integrate green environmental protection concepts throughout all product lifecycle stages, develop low-carbon products, and meet customer demands. ■ Accelerate the provision of more products and services that align with market demands and expectations, promote the substitution of traditional energy sources with renewable energy, implement energy efficiency improvement measures, and continuously enhance resilience against climate change.
Resource Efficiency	■ By continuously advancing the concept of green operations through energy-saving technologies, purchasing green electricity, self-generation of renewable electricity, and resource recycling and reuse, enterprises can improve resource utilization efficiency, reduce resource consumption and waste generation during production processes, and lower operational costs. (Expected time horizon: short, medium and long term)	■ Adopt advanced manufacturing technologies and process flows to enhance production efficiency and reduce resource waste. ■ Install energy-efficient equipment and renewable energy systems (such as solar photovoltaic panels) to reduce dependence on traditional energy sources.

9 ENVIRONMENTAL PROTECTION

9.4.3 Risk Management

The Company has integrated climate risk management into its daily operational framework, maintaining regular communication with stakeholders to stay updated on climate policy developments and industry best practices. In terms of resource conservation and emission reduction, it actively implements energy efficiency initiatives and emission control measures to drive low-carbon transformation across operations. Additionally, climate risk identification has been incorporated into existing risk management processes, with continuous monitoring of production processes vulnerable to extreme weather events to ensure prompt response measures are implemented.

9.4.4 Metrics and Targets

The Company's greenhouse gas emissions primarily originate from direct emissions (Scope 1) generated by fuel consumption such as gasoline, diesel, and refrigerants during production operations, as well as indirect emissions (Scope 2) resulting from the use of externally sourced electricity and steam. In compliance with industry-standard management practices and greenhouse gas calculation methodologies, the Company maintains rigorous monitoring of its emission levels. During the reporting period, the Company identified greenhouse gas emission sources within its operational control scope and calculated 2025 emission data, laying the groundwork for climate change mitigation and adaptation efforts, as well as the development of evidence-based climate response strategies and emission reduction pathways.

The Company adopts the operational control approach to define the GHG accounting boundary and measures GHG emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and Appendix II to HKEX's How to Prepare an ESG Report, using the method of multiplying activity data by applicable emission factors. Scope 2 emissions are measured on a location-based basis, mainly based on purchased electricity and purchased steam consumption and the corresponding regional/energy emission factors. During the Reporting Period, the Company did not use contractual instruments such as green electricity certificates or power purchase agreements to adjust Scope 2 emissions on a market-based basis. Scope 3 emissions include Category 5 waste generated in operations and Category 6 business travel under the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). During the Reporting Period, there were no significant changes to the Company's GHG measurement approach, key inputs or assumptions compared with the previous reporting period.

For quantitative disclosures such as the amount and percentage of assets or business activities vulnerable to climate-related transition risks or physical risks or aligned with climate-related opportunities, as well as capital deployment and financial effects, the Company has not yet established relevant classification definitions, data collection procedures and accounting standards, and certain impacts are subject to high measurement uncertainty. Accordingly, such information is not currently available for separate, accurate and complete disclosure for the Reporting Period. The Company has set out the corresponding capabilities relief or negative statements in the content index and will continue to enhance its data management and accounting capabilities.

9 ENVIRONMENTAL PROTECTION

Management Objectives:

The above short-term and long-term targets apply to all businesses and operating sites within the Company's operational control boundary, covering Scope 1 and Scope 2 GHG emissions and excluding Scope 3 emissions. In setting the targets, the Company referenced the long-term goal of the Paris Agreement to hold the increase in global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the increase to 1.5°C, as well as jurisdictional commitments including China's targets to peak carbon emissions before 2030 and achieve carbon neutrality before 2060, and considered the Company's operational emission profile, baseline-year data and implementable emission reduction measures. The targets were not derived using a sectoral decarbonisation approach and are emission intensity targets rather than net GHG emissions targets. At this stage, the Company does not plan to use carbon credits to offset GHG emissions to achieve these targets.

Commitment/Goal	Completion status for 2025
• Short-term goal: From 2025 to 2028, the greenhouse gas emission intensity in Scope 1 + Scope 2 shall not exceed 0.4 tCO_2e per 10,000 yuan of revenue. • Long-term goal: With 2024 as the baseline, reduce Scope 1 + Scope 2 greenhouse gas emission intensity by 15% by 2030.	The emission intensity of Scope 1 + Scope 2 is 0.17 tCO_2e per 10,000 yuan of revenue, representing a 19.73% decrease compared to the baseline year.

Key Performance:

Metric	2025	Unit
Greenhouse gas emissions (Scope 1)[1]	1,161.97	tCO_2e
Greenhouse gas emissions (Scope 2)[2]	8,299.49	tCO_2e
Greenhouse gas emissions (Scope 3)[3]	56.49	tCO_2e
Total greenhouse gas emissions	9,517.95	tCO_2e
Greenhouse gas emission intensity	0.17	tCO_2e per 10,000 yuan of revenue

1 According to Appendix II of the "How to Prepare Environmental, Social and Governance Reports" issued by the Stock Exchange of Hong Kong, Scope 1 greenhouse gas emissions refer to direct emissions generated by equipment owned or controlled by the Company and its operations, primarily from gasoline and diesel used in our vehicles.

2 According to Appendix II of the "How to Prepare Environmental, Social and Governance Reports" issued by the Stock Exchange of Hong Kong, Scope 2 greenhouse gas emissions refer to emissions generated from the consumption of externally purchased or acquired electricity and steam within the Company.

3 Scope 3 greenhouse gas emissions primarily include waste generated during operations (Category 5) and greenhouse gas emissions from business travel processes (Category 6).

9 ENVIRONMENTAL PROTECTION

9.5 Biodiversity Conservation

The Company pays attention to the potential impact of its production and operating activities on the ecological environment and biodiversity, and continues to improve the sustainable management of raw material procurement. During production, the Company uses only a small amount of palmitic acid and does not directly procure or use palm oil. The Company recognises the potential impact of palm oil cultivation on tropical ecosystems and biodiversity, and therefore continues to focus on compliance and sustainability in the supply chain when procuring raw materials, giving priority to suppliers with sound environmental management practices. The Company also keeps track of international developments in biodiversity conservation and progressively improves relevant management measures in light of business needs so as to mitigate potential ecological and biodiversity risks. No significant incidents affecting biodiversity occurred during the reporting period.

Going forward, the Company will continue to continuously focusing on the sustainable development of raw material supply chains, incorporating biodiversity conservation into procurement management considerations, prioritizing suppliers with sustainable operations, and promoting the coordinated advancement of corporate development and ecological environmental protection.

10 TALENT DEVELOPMENT

10 TALENT DEVELOPMENT

Aligned with the United Nations Sustainable Development Goals (SDGs):



10.1 Employment Compliance

The Company strictly complies with relevant laws and regulations such as the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, and incorporates these requirements into collective contracts, labour contracts and various human resources management policies and systems. Through measures such as proper execution of labour contracts, payment of five social insurance schemes and one housing provident fund, and implementation of the Employee Handbook, the Company provides institutional safeguards for employee rights and interests in areas including remuneration, benefits, working hours and labour protection.

The Company strictly complies with the "Protection of Minors Law of the People's Republic of China" and the "Regulations on Prohibition of Child Labor," having established a "Labor Employment Management System." It explicitly requires applicants to be at least 16 years old, prohibits child labor, resists forced labor practices, and rigorously verifies employee age information. Upon detecting any violations involving child labor or forced labor, the Company immediately halts operations and implements necessary corrective measures. It commits to eliminating discrimination based on gender, age, ethnicity, or religious beliefs to foster an equal, inclusive, and healthy work environment. Furthermore, the Company incorporates core principles such as anti-discrimination, anti-harassment, and prohibition of child labor and forced labor into new employee training programs to strengthen compliance awareness. During the reporting period, the Company reported zero incidents of child labor, forced labor, or discriminatory harassment, as well as no major labor disputes. Additionally, 123 employees participated in anti-discrimination and harassment prevention training programs.

10 TALENT DEVELOPMENT

Recruitment	Employment	Rest and Leave
• Principle of fairness and openness During the personnel recruitment process, the principles of "integrity, transparency, and fairness" are adhered to.	• Prohibition of forced labor It is strictly prohibited to restrict employees' physical or mental freedom for any reason, or to force employees to perform work against their personal will.	• Working hours Comply with the working hours prescribed by applicable labour laws and regulations
• Non-discrimination The Company provides equal opportunities regardless of employees' skin colour, ethnicity, race, nationality, social background, disability, religious belief, gender or age.	• Prohibition of child labour The recruitment of minors is prohibited. If child labor is identified after employment, immediate measures shall be taken in accordance with established procedures.	• Leave Employees are entitled to all statutory holidays in accordance with the law, and the Company provides leave for marriage, maternity, personal leave, paternity leave, breastfeeding leave, and bereavement leave.

10.2 Diversity and Equality

The Company adheres to employee diversity policies and upholds fair and transparent recruitment principles. It has established the "Employee Handbook" and "Recruitment Management Procedures" to build a diversified talent pool. During the reporting period, the Company recruited various professionals through multiple channels, including posting job listings on the Company's official website and specialized platforms, as well as organizing offline recruitment fairs.

During the candidate screening process, the Human Resources Department collaborates with hiring departments to conduct comprehensive evaluations of applicants based on knowledge, competencies, skills, moral character, experience, health status, and job-related qualifications. Particular emphasis is placed on assessing candidates' alignment with the Company's strategic objectives, business operations, and corporate culture. Educational institutions attended, overseas study experiences, and learning methods (such as part-time postgraduate programs) are not used as restrictive hiring criteria. Recruitment decisions are not influenced by factors including ethnicity, race, marital status, gender, geographic location, or religious beliefs.

10 TALENT DEVELOPMENT

As at the end of the Reporting Period, the Company had a total of 566 employees, including 250 female employees and 6 employees with disabilities. Employees from minority or vulnerable groups accounted for 4.24% of the workforce, while their representation in senior management reached 6.38%. The breakdown by gender, age, employment type, region, and level is as follows:

Metric		2025
By Gender	Male	316
	Female	250
By Age	Under 30	312
	30 to 50	215
	Over 50	39
By Employment Type	Full-time	565
	Part-time	1
By Region	Mainland China	537
	Overseas (including Hong Kong, Macao, and Taiwan)	29
By Level	Senior executives	19
	Middle-level managers	75
	General and Technical Staff	472

10 TALENT DEVELOPMENT

10.3 Employee Communication and Retention

Talent retention is crucial for corporate stability and sustainable development. The Company actively establishes communication channels for employee feedback, implementing internal policies such as the Employee Handbook, Labor Employment Management System, and Company Complaint Handling Regulations. Through initiatives like employee meetings, feedback email platforms, and staff forums, the organization not only thoroughly understands employees' work-related opinions and needs but also safeguards their rights to information access, participation, expression, and supervision.

During the reporting period, the Company recorded zero cases under its human rights grievance mechanism. All departments achieved average employee satisfaction scores exceeding 90 points, with a voluntary turnover rate of 13.78%. The following breakdown shows employee turnover by gender, region, and age:

Metric		2025
By Gender	Male Employee Turnover Rate	12.34%
	Female Employee Turnover Rate	15.60%
By Age	Under 30	18.88%
	30 to 50	8.37%
	Over 50	2.56%
By Region	Mainland China	13.97%
	Overseas (including Hong Kong, Macao, and Taiwan)	10.34%

10.4 Compensation and Benefits

The Company has established a "Salary and Benefits System" to build a performance-oriented remuneration framework. The remuneration structure comprises base salary, performance bonuses, various allowances and subsidies, and combines monthly-pay and annual-pay arrangements. A position-points evaluation system is implemented, under which employees submit monthly "Position Points Management Forms". Performance management for managers and above is carried out in accordance with the "Performance Management Regulations" to ensure that outcomes are aligned with job contribution. A monthly performance review mechanism enables supervisors and employees to hold regular one-to-one meetings to enhance collaboration and provide support in achieving work objectives. In addition, the Company has developed a multi-tier incentive system covering conduct, operational efficiency, management capability, technical expertise and special contributions. Outstanding employees receive public recognition, commendations, promotions and annual performance bonuses based on business performance. Following its listing, the Company introduced an employee share ownership plan to enable core teams to share in the Company's growth.

10 TALENT DEVELOPMENT

Living Wage Statement

We declare that during the reporting period, all employees of the Company and its subsidiaries who entered into labour contracts or service agreements received remuneration meeting locally applicable living-wage standards. Guided by a long-term approach, we are committed to employee wellbeing and to ensuring that every employee's remuneration is sufficient to meet basic living needs. In strict compliance with applicable laws and regulations, we make social insurance and housing provident fund contributions for employees from the date of onboarding. We closely monitor policy developments in different regions and, where minimum wage or social security standards increase, promptly adjust our compensation policies accordingly, so as to protect employee rights and interests and foster a fair, positive and sustainable working environment.

The Company complies with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and the Social Insurance Law of the People's Republic of China and is committed to building a comprehensive employee welfare system. In terms of basic social security, the Company provides employees with five social insurance schemes and one housing provident fund in accordance with the law, together with supplementary medical insurance and health check-ups. To support work-life balance, the Company offers paid annual leave, statutory holidays, marriage leave, maternity leave, paternity leave, breastfeeding leave, bereavement leave, sick leave and personal leave. It also provides breastfeeding rooms and related facilities for working mothers, as well as holiday gifts, birthday benefits and wedding gifts for employees. In addition, the Company regularly organises team-building activities. During the 2025 National Day and Mid-Autumn Festival holiday period, it hosted a "Family and Nation Reunion" themed event featuring patriotic knowledge quizzes, traditional games and "Family Letter" message exchanges. These activities help employees relieve work pressure, support mental wellbeing in a relaxed atmosphere, put family-friendly values into practice and integrate corporate culture into daily working life, thereby creating a harmonious workplace.

10 TALENT DEVELOPMENT

10.5 Development and Training

The Company provides diversified career development opportunities for employees through its "Training Management System" and a comprehensive training framework covering the entire professional growth cycle. New hires receive three levels of training: company-level, departmental and job-level. Company-level training covers company profile, policies, employee guidelines and safety requirements, and successful completion is required before formal employment. Departmental and job-specific training is organised by the employing department and tailored to job responsibilities, covering departmental rules, workflow procedures and EHS/GMP compliance requirements. Employees must pass job competency assessments before taking up their posts. In addition to onboarding, the Company provides transition training for employees changing positions to help them adapt quickly. Ongoing skills enhancement training is delivered throughout employment to strengthen employees' sustainable development capabilities. The Company also encourages employees to leverage their strengths when selecting suitable positions, and implements clear job-transition policies to support smooth career progression. During the reporting period, the Company conducted 2071 training sessions, with a training pass rate of 99.90% and training coverage of 100%, averaging more than three training sessions per employee.

Number and percentage of trained employees:

Metric		Number of employees	Percentage
Employees trained		566	100%
By Level	Senior executives	19	3.36%
	Middle management	75	13.25%
	General and Technical Staff	472	83.39%
By Gender	Male	316	55.8%
	Female	250	44.2%

Average training hours per employee:

Metric		2025	Unit
Average employee training duration		24.29	hours
By Level	Senior executives	2.37	hours
	Middle management	20.66	hours
	General and Technical Staff	25.68	hours
By Gender	Male	21.8	hours
	Female	27.4	hours

10 TALENT DEVELOPMENT

10.6 Health and Safety

Health and safety have always been the cornerstone of corporate development. The Company focuses on safety objectives, continuously strengthens occupational safety management, standardizes occupational health surveillance, enhances safety training and education, and systematically establishes health and safety defenses to create a secure and healthy working environment for employees.

Management Objectives:

Commitment/Goal	Completion status for 2025
No safety incidents occurred (zero fatalities or severe injuries)	Achieved target
Fewer than 3 first-aid cases	Achieved target
Zero cases of occupational diseases	Achieved target
Zero public security or criminal cases	Achieved target

10.6.1 Safety Production Management

The Company strictly complies with laws and regulations such as the "Work Safety Law of the People's Republic of China," establishing a comprehensive occupational health and safety management framework. It clearly defines the responsibilities of safety officers and managers at all levels, rigorously implements production safety protocols, and has formulated key regulations including the "General Principles for Environmental and Occupational Health Safety Management," "Comprehensive Emergency Response Plan for Production Accidents," "Safety Training Management Procedures," "Fire Protection Facilities Management Regulations," "Safety Inspection and Hazard Mitigation System," "Accident Management System," and "Hazardous Chemicals Management System." Proactive measures are taken to strengthen health and safety risk management, committed to providing a safe and healthy working environment for all employees. During the reporting period, the Company obtained ISO 45001 occupational health and safety management system certification, and its investment in safety amounted to RMB 2.4698 million.

10 TALENT DEVELOPMENT

The Company conducts regular safety training and inspections for on-duty employees, organizing centralized safety bootcamps for new hires to ensure all staff acquire essential safety knowledge and emergency response skills. Aligning with the National Safety Month theme "Everyone Talks About Safety, Everyone Knows Emergency Response – Identifying Hidden Hazards Around Us," the Company implemented diverse safety campaigns and promoted them through its official WeChat account "Zhongpeiren." Additionally, comprehensive fire evacuation drills and waste liquid leakage response exercises were conducted to enhance employees' emergency response capabilities. During the Reporting Period, the Company organised a total of 232 hours of EHS training, recording 631 employee attendances, and conducted four employee health and safety risk assessments.



Comprehensive Fire Extinguishing and Evacuation Drill



Waste Liquid Leakage Disposal Drill

10.6.2 Occupational Health Management

In compliance with laws and regulations such as the Occupational Disease Prevention and Control Law of the People's Republic of China, the Company has established systems including the Occupational Health Surveillance and Record Management System and Occupational Health Management Regulations. It continuously monitors the health status of employees to ensure their physical and mental well-being. To prevent occupational diseases at the source, the Company conducts regular updates on occupational hazard assessments, performs comprehensive testing of hazardous factors at work sites, and publicly displays results to safeguard employees' right to information. Regarding workplace safety, the Company enhances hardware infrastructure by increasing fixed anchoring points for work at height, effectively reducing fall risks during climbing activities. Additionally, it strictly implements pre-employment, on-the-job, and post-employment occupational health examinations, maintaining comprehensive occupational health records to enable early prevention, detection, and intervention of occupational diseases. During the reporting period, no occupational disease cases were reported.

Key Performance:

Metric	Unit	2025	2024	2023
Number of deaths due to work-related causes	person	0	0	0
Accident fatality rate	%	0	0	0
Number of workdays lost due to work-related injury	days	3	184	/
Number of work-related accidents	case	1	/	/

11 SOCIAL CONTRIBUTION

11 SOCIAL CONTRIBUTION

Aligned with the United Nations Sustainable Development Goals (SDGs):



Case: **Proactive Support for Career Development and Biopharmaceutical Entrepreneurship Among Young Scientists**

In December 2025, the President of the group's subsidiary, CPC Scientific, was invited by Cornell University School of Medicine to conduct biomedical entrepreneurship training for doctoral students at the Feil Center in New York. The training centered on the core philosophy of "problem-solving orientation," guiding students to identify real medical needs and systematically share key modules of startup operations such as innovative design, team building, financing pathways, and intellectual property protection. This initiative aimed to assist young scientists in transforming research outcomes into socially impactful innovative practices, thereby advancing medical progress and improving human health.

The Company consistently regards social contribution as a fundamental responsibility in corporate development. Leveraging its technological expertise and industrial experience in the peptide field, it has maintained substantial investments in supporting scientific research talent cultivation, conducting public welfare initiatives, and promoting science popularization activities. These efforts actively drive innovation and collaborative development within the pharmaceutical industry, while creating long-term societal value through concrete actions. Over the past three years, the Company has donated a cumulative total of RMB2.73 million.

12 ESG INDEX

12 ESG INDEX

HKEX ESG Reporting Code Content Index

Aspect	Metric Number	Metric Content	Chapter
A1 Emissions	General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions and Waste
	A1.1	The types of emissions and respective emissions data.	Emissions and Waste
	A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Emissions and Waste
	A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Emissions and Waste
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental Management Emissions and Waste
	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.	Emissions and Waste

12 ESG INDEX

Aspect	Metric Number	Metric Content	Chapter
A2 Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Resource Use
	A2.1	Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility).	Resource Use
	A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	Resource Use
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Management Resource Use
	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.	Resource Use
	A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Resource Use
A3 The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Environmental Management Biodiversity Conservation
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Management Biodiversity Conservation

12 ESG INDEX

Aspect	Metric Number	Metric Content	Chapter
B1 Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment Compliance
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Diversity and Equality
	B1.2	Employee turnover rate by gender, age group and geographical region.	Employee Communication and Retention
B2 Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Safety Production Management Occupational Health Management
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health Management
	B2.2	Lost days due to work injury.	Occupational Health Management
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health Management

12 ESG INDEX

Aspect	Metric Number	Metric Content	Chapter
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
	B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Development and Training
	B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
B4 Labor Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Employment Compliance
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	Employment Compliance
	B4.2	Description of steps taken to eliminate such practices when discovered.	Employment Compliance
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
	B5.1	Number of suppliers by geographical region.	Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Risk Assessment
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Environmental Management

12 ESG INDEX

Aspect	Metric Number	Metric Content	Chapter
	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Quality and Safety
B6 Product Responsibility	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Quality and Safety
	B6.2	Number of products and service related complaints received and how they are dealt with.	Customer Service
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Quality and Safety
	B6.4	Description of quality assurance process and recall procedures.	Product Quality and Safety
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Customer Service
	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
B7 Anti-corruption	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
	B7.3	Description of anti-corruption training provided to directors and employees.	Anti-corruption

12 ESG INDEX

Aspect	Metric Number	Metric Content	Chapter
B8 Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social Contribution
	B8.1	Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sport).	Social Contribution
	B8.2	Resources contributed (e.g., money or time) to the focus area.	Social Contribution
D: Climate-related Disclosures			
Governance	Governance		Climate Change
Strategy	Climate-related risks and opportunities		Climate Change
	Business model and value chain		Climate Change
	Strategy and decision-making		Climate Change
	Financial position, financial performance and cash flows		Capabilities Relief. The Company currently does not have the capability to track and record the relevant financial data in a manner that would enable separate, accurate and complete disclosure.
	Climate resilience		Climate Change; the Company conducted qualitative climate scenario analysis during the Reporting Period and will continue to enhance its capability for quantitative climate resilience assessment.

12 ESG INDEX

Aspect	Metric Number	Metric Content	Chapter
Risk management	Risk management		Climate Change
	GHG emissions		Climate Change
	Climate-related transition risk		Climate Change
	Climate-related physical risk		Climate Change
	Climate-related opportunities		Climate Change
	Capital deployment		Capabilities Relief. As the Company has not yet established clear classification definitions, data collection procedures and accounting standards for the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities, the relevant information is not currently available for separate, accurate and complete disclosure. Accordingly, such information was not disclosed in this Report.
Metrics and target	Internal carbon prices		The Company does not apply a carbon price in decision-making during the Reporting Period.
	Remuneration		Climate-related considerations have not been factored into the Company's remuneration policy during the Reporting Period.
	Industry-based metrics		Not yet applied.
	Climate-related targets		Climate Change
	Applicability of cross-industry metrics and industry-based metrics		Climate Change

13 KEY PERFORMANCE INDICATOR TABLE

13 KEY PERFORMANCE INDICATOR TABLE

Environmental Performance

Metric		2025	Unit
Air Emissions Management			
Air emissions		25,410.32	10,000 cubic meters
Particulate Matter (PM) emissions		0.22	tonnes
Volatile Organic Compounds (VOC) emissions		0.67	tonnes
Wastewater Management			
Wastewater discharge		63,942.63	m^3
COD discharge in wastewater		4.21	tonnes
Ammonia nitrogen discharge in wastewater		0.48	tonnes
Waste Management			
Total amount of non-hazardous waste		21.6	tonnes
Total amount of non-hazardous waste generated per 10,000 yuan in revenue		0.0004	tonnes
Total hazardous waste volume		4,598.92	tonnes
Total amount of hazardous waste generated per 10,000 yuan in revenue		0.08	tonnes
Energy Management			
Total energy consumption		2,088.02	tonnes of standard coal equivalent
Direct energy	Gasoline	10,700	L
	Diesel	1,454	L
Indirect energy	Purchased electricity consumption	11,991.14	MWh
	Purchased steam consumption	17,609	GJ
Water Resources Management			
Total water consumption		72,955	tonnes
Water-use intensity		1.28	tonnes per 10,000 yuan in revenue
Packaging Material Management			
Packaging materials used		80.1	kg
Greenhouse Gases			
Greenhouse gas emissions (Scope 1)		1,161.97	tCO_2e
Greenhouse gas emissions (Scope 2)		8,299.49	tCO_2e
Greenhouse gas emissions (Scope 3)		56.49	tCO_2e
Total greenhouse gas emissions		9,517.95	tCO_2e
Greenhouse gas emission intensity		0.17	tCO_2e per 10,000 yuan of revenue

13 KEY PERFORMANCE INDICATOR TABLE

Social Performance

Metric		2025	Unit
Employee Employment			
By Gender	Male	316	person
	Female	250	person
By Age	Under 30	312	person
	30 to 50	215	person
	Over 50	39	person
By Employment Type	Full-time	565	person
	Part-time	1	person
By Region	Mainland China	537	person
	Overseas (including Hong Kong, Macao, and Taiwan)	29	person
By Level	Senior executives	19	person
	Middle-level managers	75	person
	General and Technical Staff	472	person
Employee Turnover Rate			
By Gender	Male	12.34	%
	Female	15.60	%
By Age	Under 30	18.88	%
	30 to 50	8.37	%
	Over 50	2.56	%
By Region	Mainland China	13.97	%
	Overseas (including Hong Kong, Macao, and Taiwan)	10.34	%
Employee Compensation[1]			
Percentage of directly employed employees covered by living-wage benchmark analysis		100	%
Percentage of directly employed employees whose pay is below the living-wage benchmark		0	%
Percentage of all employees (including regular and non-regular workers) whose pay is below the living-wage benchmark		0	%
Percentage gap between the average pay of directly employed employees whose pay is below the living-wage benchmark and the living-wage benchmark		0	%
Ratio of the highest individual annual remuneration to the median annual remuneration of all employees		1,400	%
Unadjusted average gender pay gap[2]		-15.7	%

[1] The scope of employee compensation-related indicators in this table covers only employees in Mainland China, and excludes employees in Hong Kong, Macau, Taiwan and other overseas regions.

[2] Unadjusted average gender pay gap = (Male average salary-Female average salary)/Male average salary × 100

13 KEY PERFORMANCE INDICATOR TABLE

Employee Training Performance

Metric		Number of Employees	Percentage
Employees trained		566	100%
By Level	Senior executives	19	3.36%
	Middle management	75	13.25%
	General and Technical Staff	472	83.39%
By Gender	Male	316	55.8%
	Female	250	44.2%

Metric		2025	Unit
Average employee training duration		24.29	hours
By Level	Senior executives	2.37	hours
	Middle management	20.66	hours
	General and Technical Staff	25.68	hours
By Gender	Male	21.8	hours
	Female	27.4	hours

Occupational Health and Safety

Metric	Unit	2025	2024	2023
Total working hours	hours	1,040,096	952,832	/
Number of deaths due to work-related causes	person	0	0	0
Accident fatality rate	%	0	0	0
Number of workdays lost due to work-related injury	days	3	184	/
Number of work-related accidents	case	1	/	/

13 KEY PERFORMANCE INDICATOR TABLE

Supply Chain Performance

Disclosure indicators		2025	Unit
Total suppliers		246	suppliers
By region	Zhejiang Province	87	suppliers
	Mainland China except Zhejiang Province	155	suppliers
	Overseas (including Hong Kong, Macao, and Taiwan regions)	4	suppliers
Number of suppliers who signed the integrity agreement		36	suppliers
Supplier localization ratio		35	%
Proportion of Target Suppliers Covered by Corporate Social Responsibility Assessment		35	%
Coverage Rate of Corporate Social Responsibility On-site Audits Among Target Suppliers		35	%
Percentage of all purchasers who received training on sustainable procurement		100	%