國藥控股股份有限公司
SINOPHARM GROUP CO. LTD.*

(A joint stock limited company incorporated in the People's Republic of China with limited liability and carrying on business in Hong Kong as 國控股份有限公司)

Stock Code: 01099

2025 | Sustainability Report

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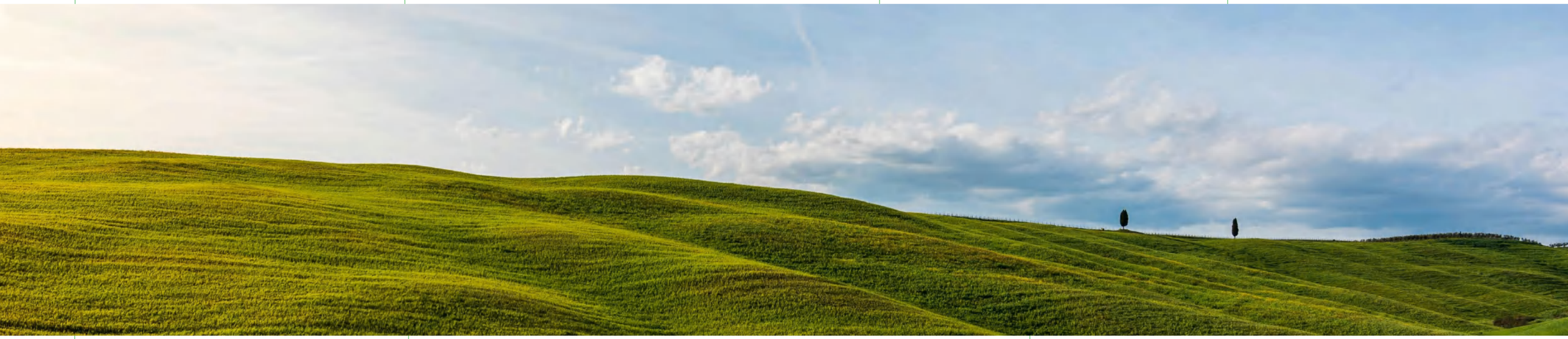

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Definitions

In this Report, unless the context otherwise requires, the following terms shall have the following meanings.

"Company" or "Sinopharm"	Sinopharm Group Co. Ltd.
"Group" or "we"	the Company and its subsidiaries
"CNPGC"	China National Pharmaceutical Group Co., Ltd.
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council
"ESG"	environmental, social and governance
"SFC"	the Securities and Futures Commission of Hong Kong
"HKEX"	the Stock Exchange of Hong Kong Limited
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"ESG Guide"	Appendix C2 ESG Reporting Guide to the Listing Rules
"KPI"	Key performance indicators
"Dual Carbon", "Dual Carbon Goals" or "Dual Carbon Strategy"	China's carbon peak and neutrality goals announced in 2020, that the nation's carbon dioxide (CO2) emissions would peak before 2030 and carbon neutrality would be achieved by 2060.
"IPCC"	The Intergovernmental Panel on Climate Change
"Discipline Inspection Committee"	the Discipline Inspection Committee of the Chinese Communist Party (CCP) at Sinopharm Group Co. Ltd.
"Legal and Compliance and ESG Committee"	the Legal and Compliance and Environmental, Social and Governance Committee of Sinopharm
"Sinopharm Weinan"	Sinopharm Holding Weinan Co., Ltd.
"Sinopharm Imaging"	Sinopharm General (Shenzhen) Medical Imaging Co., Ltd.
"CNPGC Reagent"	CNPGC Chemical Reagent Co., Ltd.
"Sinopharm Jiangsu"	Sinopharm Holding Jiangsu Co., Ltd.
"Sinopharm Yunnan"	Sinopharm Holding Yunnan Co., Ltd.
"Sinopharm Guizhou"	Sinopharm Holding Guizhou Co., Ltd.
"Sinopharm Fujian"	Sinopharm Holding Fujian Co., Ltd.
"Sinopharm Henan"	Sinopharm Holding Henan Holdings Co., Ltd.
"Sinopharm Shaanxi"	Sinopharm Holding Shaanxi Co., Ltd.
"Sinopharm Jining"	Sinopharm Holding Jining Co., Ltd.
"Sinopharm Guangzhou"	Sinopharm Holding Guangzhou Co., Ltd.
"Sinopharm Guangzhou Logistics Center"	Sinopharm Holding Guangdong Logistics Co., Ltd.
"Sinopharm Jiangxi"	Sinopharm Holding Jiangxi Co., Ltd.
"Sinopharm Tsingtao"	Sinopharm Holding Tsingtao Co., Ltd.
"Sinopharm Gansu"	Sinopharm Holding Gansu Co., Ltd.

"Company" or "Sinopharm"	Sinopharm Group Co. Ltd.
"Sinopharm Ningxia"	Sinopharm Holding Ningxia Co., Ltd.
"Sinopharm Nanjing Medical Testing"	Sinopharm Holding Nanjing Medical Testing Co., Ltd.
"Sinopharm Shanghai"	Shanghai Hospital Sales Management Headquarters of Sinopharm Group Co. Ltd.
"Sinopharm Southern Shandong"	Sinopharm Holding Southern Shandong Co., Ltd.
"Sinopharm Leshan"	Sinopharm Holding (Leshan) Sichuan Medicine Pharmaceutical Co., Ltd.
"Sinopharm Qiandongnan"	Sinopharm Holding Qiandongnan Pharmaceutical Co., Ltd.
"CNMDC"	China National Medical Device Co., Ltd.
"Sinopharm Medical Device "	Sinopharm Holding Medical Device Co.,Ltd.
"CNPGC Medical Device Research Institute"	CNPGC Medical Device Research Institute Co., Ltd.
"GuoDa Drugstore"	Sinopharm Holding GuoDa Drugstore Co., Ltd.
"Shanghai Guoda"	Sinopharm Holding GuoDa Drugstore Shanghai Chain Co., Ltd.
"Inner Mongolia Guoda"	Sinopharm Holding GuoDa Drugstore Inner Mongolia Co., Ltd.
"Sinopharm Xingsha"	Sinopharm Holding Xingsha Pharmaceuticals (Xiamen) Co., Ltd.
"Guorui Pharmaceutical"	CNPGC Guorui Pharmaceutical Co., Ltd
"CNPGC Logistics"	CNPGC Pharmaceutical Logistics Co., Ltd.
"Sinopharm Digital Technology"	Sinopharm Digital Technology (Beijing) Co., Ltd.
"Sinopharm Guangxi"	Sinopharm Holding Guangxi Co., Ltd.
"Sinopharm Sichuan"	Sinopharm Holding Sichuan Medical Holdings Co., Ltd.
"CNPGC Xinjiang"	CNPGC Xinjiang Xinte Pharmaceutical Co., Ltd.
Guorun Medical Supply Chain Services	Guorun Medical Supply Chain Services (Shanghai) Co., Ltd
"Sinopharm Supply Chain Company"	Sinopharm (Shanghai) Supply Chain Service Co., Ltd.
"Sinopharm (Shandong) Supply Chain"	Sinopharm Holding (Shandong) Supply Chain Management Co., Ltd.
"Sinopharm Le-Ren-Tang"	Sinopharm Holding Le-Ren-Tang Medicines Co., Ltd.
"Sinopharm Le-Ren-Tang Baoding Company"	Sinopharm Holding Le-Ren-Tang Baoding Medicines Co., Ltd.
"Sinopharm Inner Mongolia"	Sinopharm Holding Inner Mongolia Co., Ltd.
"Sinopharm Shenzhen Yanfeng"	Sinopharm Holding Shenzhen Yanfeng Co., Ltd.
"Sinopharm Lingshang"	Sinopharm Holding Lingshang Hospital Management Service (Shanghai) Co., Ltd.
"Sinopharm Yili"	Sinopharm Holding Xinte Yili Medicine Co., Ltd.
"Shanghai OurChem"	Shanghai OurChem Bio-Technology Co., Ltd.
"Ulanqab GuoDa Drugstore"	Sinopharm Holdings GuoDa Drugstore Ulanqab Co., Ltd.

About this Report

Report Introduction

Sinopharm Group Co. Ltd. is pleased to release the 2025 Sustainability Report (hereinafter referred to as the "Report"). This Report is aimed to disclose the efforts and performance on the aspect of environmental, social and governance of the Company and its subsidiaries in 2025, and respond to the key ESG issues concerned by stakeholders. This Report is published in Chinese and English versions.

Reporting Scope

Reporting Period: Unless otherwise specified, the Reporting Period of this Report is from 1 January 2025 to 31 December 2025 (hereinafter referred to as the "Reporting Period"). In order to enhance the comparability and foresight of this Report, some contents have been extended.

Business Scope: Unless otherwise specified, this Report covers the principal businesses of the Group in 2025, including Sinopharm and its subsidiaries, consistent with the reporting scope of the annual report.

Reporting Guidelines

This Report is prepared in accordance with Appendix C2 ESG Reporting Guide of the Listing Rules of HKEX. This Report follows the reporting principles of Materiality, Quantitative, Balance and Consistency, as well as "mandatory disclosure" requirements and the "comply or explain" provisions listed in the ESG Reporting Guide.

Materiality: The Group conducts materiality assessment to identify the extent of the impact of ESG-related issues on stakeholders, and ESG issues with high materiality have been responded to and disclosed in this Report.

Quantitative: The Group presents ESG key performance indicators (KPIs) in a measurable manner where practicable, and this Report discloses the basis for calculating quantitative values and the statistical methodology.

Balance: This Report provides objective facts and discloses both positive and negative indicators to present the Group's ESG performance in an unbiased manner.

Consistency: Unless otherwise stated, this Report uses the same statistical disclosure method as previous years, to ensure that the ESG data for the Reporting Period is comparable with historical data and future data. Changes in the statistical caliber of indicators will also be disclosed in this Report.

The preparation of this Report also abides by the Global Reporting Initiative ("GRI"), the GRI Standards, the Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises ("CASS-ESG6.0") issued by China Academy of Social Sciences and the relevant content of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC)'s ESG Special Report Reference Indicator System for State Owned Enterprises Holding Listed Companies ("ESG Indicator System") and ESG Special Report Reference Template for State Owned Enterprises Holding Listed Companies.

Data Description

The data and information in this Report are mainly derived from the Group's internal data collection system, work reports and publicly available information. Unless otherwise stated, the amounts shown in this Report are in RMB.

Reliability Assurance

The Board of Directors of the Company (hereinafter referred to as the "Board" or "Board of Directors") understand its responsibility for ensuring the authenticity and effectiveness of the information in this Report. The Board has reviewed this Report and confirmed that there are no false representations, or misleading statements contained in this Report.

Dissemination Channel

This Report can be read and downloaded from the HKEX News websites of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk, and the Investor Relations section of the Company's website at www.sinopharmgroup. com.cn.

Readers Feedback

If you have any comments or suggestions about this Report, please feel free to provide feedback through the website of the Company at www.sinopharmgroup.com.cn or the email address of the investor relations at sinopharm@wsfg.hk or ir@sinopharm.com, help us to make continuous improvement.

Chairman's Statement

Year 2025 marks a pivot year for the pharmaceutical distribution industry to deepen the reform and scratch to transition, as well as a crucial year for Sinopharm to deepen and systematically upgrade its ESG practices. Encountering the profound revolution of medical service models, increasingly severe climate challenges, and the external environment penetrated by digital technologies everywhere, Sinopharm has always insisted on the aspiration of "All for Health, Health for All" and also integrated sustainable development into the corporate strategy. Sinopharm has been responding to the era's theme with responsible operation, protecting the ecological system through green and low-carbon transformation action, and laying a solid development foundation with a well-regulated and steady governance system.

Stick to the Bottom Line of Compliance, and Build the Digital and Intellectual Risk Control System

The modernized governance is the foundation for a company's long-term success, while honesty and compliance are the most precious infrastructure of the market economy. In 2025, we structured a full-coverage, all-process, and penetrating compliance management system, and integrated the law-abiding, compliance, and honest operation into all processes, such as strategy making, operation, and assessment. We strictly abide by laws and regulations for pharmaceutical supervision, anti-bribery, data security, and information disclosure, and use digital technologies to build the intellectual risk control platform, realizing financial monitoring and timely identification and early alarm of compliance risks, promoting the risk control mode to transition from passive defense to proactive prevention. With stable compliance management, we guard shareholders' interests and brand reputation and set a benchmark for honest operation in the industry.

High Quality Serves as a Foundation to Ensure Patients' Safety in the Use of Medicine

Quality is the last defense line for safeguarding life, while technology is the multiplier for protecting health. In 2025, by using digital and intellectual transition as a core engine, we proactively explored the integration of artificial intelligence (AI), big data, Internet of Things (IoT), and other technologies into the relevant business lines, to do our best to build an intellectual pharmaceutical supply chain ecosystem. We strictly implemented quality management regulation for medicine operation, used medicine trackability code to build a more accomplished all-lifecycle tracing system for medicines and medical devices, and realized digitalized quality monitoring covering all processes, such as purchasing, storage, and delivery. We adhere to the bottom line of responsible marketing, strictly implement laws and regulations, refuse false or misleading advertisement, and safeguard clients' rights and interests. We strictly adhere to information security and privacy protection. We introduced three-tier protection standards for important data and achieved zero leaking of clients' information. Through rigorous and reliable quality management, we ensure patients have access to safe and trustworthy medicines, and enable our clients to experience professionalism and peace of mind.

Practice Green Operation, Promote Low-Carbon Transition

Addressing climate change is the historical responsibility brought by the era, and therefore, green transition represents an inevitable path to high-quality development. In 2025, we insisted on the principle of the industry-targeted strategy and precise decarbonization. The manufacturing industry focused on energy saving and carbon reduction in the production process and the improvement of equipment energy efficiency, and the pharmaceutical distribution industry put a strong emphasis on the construction of a green intellectual logistics system and clean energy replacement, forming a tailored green low-carbon solution covering all processes, including production, storage, and transportation. We gradually promoted "3R mode" to establish a medical device package recycling mechanism, strengthen hazardous waste management, and proactively expand the data categories covered by Scope 3 carbon emission.We will advance energy conservation and emission reduction step by step, refine and solidify green operation, and stay committed to the low-carbon transformation of the enterprise.

Caring for Employees' Growth, Inspiring the Organization's Vitality

Talents are the primary resource, and organizational vitality drives the Company's thriving development. In 2025, we continued to improve the market-oriented recruitment mechanism, improved the talent cultivation system, enriched the management team with the youth, and provided diverse occupational development channels. We optimized the organizational and talent structures, intensified professional training for frontline employees, and provided a diverse and inclusive working environment and occupational health guarantee to incentivize the team's internal forces. We improved the incentive and restraint mechanism and cultivated a professional team that matches the national pharmaceutical distribution network and digital and intellectual transition, to enable every employee to grow and realize their value in their respective positions, and share the fruits of development together with the Company.

Adhere to the Mission of Health, and Serve for the Well-being of the People

Pharmaceutical and health matters relate to the national economy and people's well-being, and also jointly carry the mission of common prosperity. In 2025, we proactively promoted to make breakthroughs in the accessibility of the medical and pharmaceutical services through multi-dimensional innovations, and built a new ecosystem of inclusive healthcare that ensures "access to medical treatment" and "access to quality medicines". We deepened the strategy of the integrated wholesale and retail by building community "healthcare service spots" concentrating on prescription circulation, medication guidance, and chronic disease management, allowing innovative drugs and professional pharmaceutical services to benefit grassroots people. We promoted the sustainable management of the supply chain and cooperated with upstream and downstream partners to build a "community of common destiny" with shared responsibilities and values. We deeply participated in community contributions. We supported rural revitalization through the industrial aids and assistance and fulfilled our responsibility. We will fulfill our core responsibilities in pharmaceutical distribution, uphold our duty to serve the people, and ensure that quality medicines and professional services truly benefit people at the grassroots level.

Year 2026 marks the opening year of the 15th Five-Year Plan and also represents a critical year for improving and upgrading the Group's ESG practice. Standing at this historical starting point, we will continue adhering to our major business, strengthening our core competitiveness, and focusing on service upgrading, innovation driving, and compliance operation. We will keep promoting high quality, high efficiency, and sustainable development with firm strategic determination, keep improving the ESG management level, and jointly build a healthy, green, and win-win future with all parties. We will create more outstanding social value to return to society's trust and support!

Jin Bin

Secretary of the Party Committee, Chairman of the Board

2025 ESG Highlights

External Appraisal

2025 "Golden Bull Award" for Shareholders' Returning

China Securities Journal

2025 China Listed Company's Award for Intellectual and Innovative Brand

National Business Daily, Research Center for China Business of School of Economics and Management of Tsinghua University

Top 100 of 2025 China Listed Company for Brand Value Ranking

National Business Daily, Research Center for China Business of School of Economics and Management of Tsinghua University

Top 100 of 2025 Listed Company at Yangtze River Delta for Brand Value Ranking

National Business Daily, Research Center for China Business of School of Economics and Management of Tsinghua University

ESG Achievements

2025 Carbon Neutral Award at Hong Kong ESG Reporting Awards (HERA)

Selected on the GBA Outstanding ESG Disclosure List at Hong Kong ESG Reporting Awards (HERA)

Selected on the "Pioneer 100 Chinese ESG Listed Companies (2025)" List. China Media Group

Performance Highlight

Compliance in Action, Upholding Integrity

Number of Employees attended Anti-corruption Training
94,910 people

Employees' Attendance in Anti-corruption Training Courses
54,269 times

Coverage rate of Directors attended Anti-corruption Training Courses
100%

Quality and Efficiency, Enhancement Embracing for a Healthier Future

Number of companies certified by ISO 9001 quality management system **75** Companies, achieving a **100%** coverage of secondary subsidiaries of pharmaceutical distribution

Qualification rate of the self-inspection and the market sampling on industrial subsidiaries produced goods **100%**

Product recalls due to quality and operational issues related to the Group **0**

Attendees to internal quality training **1,001,276** times

Attendees to external quality training **44,060** times

Client satisfaction rate **99.47%**

Low-Carbon Operations, Demonstrating Green Commitment

Coverage rate of industrial production subsidiaries being certified by ISO 14001 Environmental Management System
100%

Realizing the Group's goal of reducing carbon dioxide emissions per RMB 10,000 production value by
0.5%

Scope 1 GHG emissions
43,867.42 tons of CO_2e

year-on-year decrease
1.11%

Scope 2 GHG emissions
167,039.94 tons of CO_2e

year-on-year decrease:
5.77%

Total energy consumption
491,105.9 MWH

year-on-year decrease
6.81%

Achieving the goal of reducing yearly comprehensive energy consumption per RMB10,000 of operating revenue by
1.5%

Fostering Care, Advancing Development Together

Employee training coverage
100%

Trained hours per capita
65.1 hours

Coverage of management team receiving anti-corruption trainings
100%

Conduct training on anti-harassment and anti-discrimination in the workplace
67 times

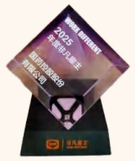
Totaling
118.9 hours

Employment contract signing rate
100%

Number of companies certified by ISO 45001 Occupational Health and Safety Management System
83

Coverage of pre-job safety training for new employees and qualification rate
100%

2025 Most Socially Responsible Employer



2025 Excellent Employer

Caring for Life, Building a Caring Society

Employee volunteer hours
50,244 hours

Attendance of employees participating in volunteer activities
5,821 times

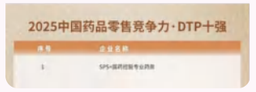
Total charitable donations
7.5359 million RMB

Built **1,461** SPS + professional pharmacies, with the service network covering **31** provinces, autonomous regions, and municipalities directly under the central government

Set up around
900 medical insurance service centers

SPS + professional pharmacies ranked the 6th in 2024-2025 Top 100 China pharmacies for the brand value.

Set up over
1,100 "dual-channel" retail pharmacies



SPS + professional pharmacy was awarded 2025 China Medicine Retail Industry Direction – benchmark enterprise and ranked the number 1 in the list of 2025 China Medicine Retail Competitiveness – DTP top 10

About Sinopharm

Company Profile

The Company was established in January 2003 and listed on HKEX (stock code: 01099. HK in September 2009, is a core subsidiary of China National Pharmaceutical Group Co., Ltd. and a top-rank wholesaler and retailer of pharmaceutical and healthcare products and medical devices, and a leading supply chain service provider in the PRC.

The Group is mainly engaged in pharmaceutical products and medical device distribution business. Leveraging on its nationwide distribution and delivery network, the Group provides comprehensive distribution, delivery, and other value-added services to domestic and foreign manufacturers and suppliers of pharmaceutical products, medical devices and consumables and other healthcare products, and also to downstream customers including hospitals, other distributors, retail drug stores and primary health services institutions.

Meanwhile, the Group manages its network of retail drug stores chain in major cities of China via direct operations and franchises to sell pharmaceutical and healthcare products to end customers. The Group's retail business has become a leader in China's pharmaceutical retail industry

Besides, the Group is also engaged in the production and sale of pharmaceutical products, chemical reagents and laboratory supplies, and actively engaged in the innovation of pharmaceutical, medical services and other health-related industries, to explore the synergistic development of its diversified businesses. Taking advantage of its superior economies of scale, customer resources, network platforms and brand position, we will fully leverage on China's pharmaceutical and healthcare market which shows steady and healthy development and capture opportunities to further consolidate and enhance its market leadership. The Group will actively strive to become an efficient organizer of pharmaceutical supply chain and comprehensive service solution provider in the industrial chain.

2025

Revenue	Net Profit	Net Profit Attributable to Owners of Parent
575.168 billion RMB	10.834 billion RMB	7.155 billion RMB

Sustainable Development Idea and Vision

Sinopharm has always adhered to the corporate philosophy of "All for Health, Health for All", and is committed to becoming a premium technology-driven and innovative global pharmaceutical and healthcare service provider. We have integrated the concept of sustainable development into the Company's strategy, corporate management, and all processes of production and operation to actively fulfill various economic, environmental, and social responsibilities.

All for Health, Health for All

Interpretation: Health is to life what sunlight is to the sun; only with good health can life continue to flourish and shine. Health enriches life and makes it truly vibrant. "All for Health, Health for All" is our noble mission, unwavering promise, and an endless pursuit. We are always by your side, with wholehearted care from beginning to end, and meticulous protection at every step.

Corporate Philosophy

Corporate Vision

Becoming a Distinguished Global Pharmaceutical and Healthcare Service Provider

Interpretation: We are fully committed to serving the Healthy China strategy, actively fulfilling the responsibilities of a centrally-administered pharmaceutical enterprise, and better meeting the growing demand of the people for a better life. We are in pursuit of becoming a distinguished technological and innovative global pharmaceutical and healthcare service provider.

Sustainable Development Management

Responding to the United Nations Sustainable Development Goals

SDGs	Corresponding Material Topics	Sinopharm's Action	Progress in 2025
Eliminate all forms of poverty in the world	Rural revitalization	• Efforts will be made to promote the effective connection between the success of poverty alleviation and rural revitalization, with medical assistance and infrastructure investment as the entry points, to promote industrial development in rural areas and ensure the basic livelihood of people in rural areas	• Total charitable donations: RMB 7.5359million • Consumption-based assistance: more than RMB 7 million • Sales driven by industrial support: RMB 1.1 million
Ensure a healthy life, and promote the well-being of people at all age phases	Medical accessibility Occupational Health and Safety	• Build SPS+ professional pharmacies and GuoDa Drugstore to improve the convenience of medical services and provide consumers with more professional medical services • Pay attention to rare disease groups, establish rare disease care centers, and provide full cycle care services such as medication treatment management, patient education, and disease course care for rare disease patients • Improve medical accessibility, promote the approval and listing of innovative drugs and the sinking of high-end medical services, allowing the public to enjoy more convenient and affordable medical services • Improve the occupational health management system, provide employees with sound welfare guarantees, implement safety production responsibilities, pay attention to occupational disease prevention and control, and safeguard employee occupational health and safety	• 1,461 SPS+ professional pharmacies, with service network covering 31 provinces, autonomous regions, and municipalities directly under the central government across China • More than 1,100 "dual-channel" retail drugstores • Around 900 medical insurance service centers nationwide • Over 300 SPS+ professional pharmacies providing rare diseases service, in which 12 are authorized rare disease caring center • Number of companies certified by ISO 45001 Occupational Health and Safety Management System has reached 83.
Ensure excellent education that is inclusive and fair, allowing all people to enjoy study opportunities for lifetime.	Rural revitalization	• Pay attention to the education industry and regard safeguarding the right to education as an important area for rural revitalization assistance	• Invite students from aided regions to cities and companies to carry out their study tours • Establish a special scholarship fund for rural students to help them pursue their dreams and growth without worries
Achieve gender equity, and enhance the power of all women and girls	Diversity, Equity and Inclusion Employee development and training	• Create a diverse and equal workplace environment, strictly implement regulations on maternity and lactation leave for female employees, and safeguard the legitimate rights and interests of female employees • Adhere to gender equality in the workplace, and support the career development of female employees	• Female employee ratio: 61.10% • Female management ratio: 45.56% • Organized women's rights protection lectures, holiday activities, and fitness clubs for female employees

SDGs	Corresponding Material Topics	Sinopharm's Action	Progress in 2025
Provide water and environmental sanitation to all and carry out sustainable management on them	Rural revitalization Energy and water resources management	• Support the construction of rural health systems, rely on business advantages to provide precise assistance, ensure the accessibility of medical care and medication for local residents, and assist in the development of rural health undertakings • Carry out water saving actions, and integrate the idea of water saving into daily operation, and monitor annual progress based on energy consumption indicator	• Kept donating medical supplies to targeted assistance areas • Correctly use water supply facilities, protect water equipment(such as faucets and drinking machines), and promptly report for repair if there is any damage.
Ensure everyone can access to affordable, reliable and sustainable modern energy	Energy and water resource management Address climate change	• Continued to promote the application of energy saving equipment, increased the proportion of clean energy use, explored scenarios for clean energy applications, and built green pharmaceutical logistics infrastructure to reduce energy consumption	• Continuously developing use scenes for distributed photovoltaic, resulting in the annual photovoltaic generation at the Shanghai Kangning Road logistics park exceeded 1.47 million kWh, and the annual photovoltaic generation at the Yinglun, Dongjing, and Guangzhou logistics warehouse parks totaled more than 2 million kWh. • Guorui Pharmaceutical purchased 3.296 million kWh of green power
Promote long-standing, inclusive, and sustainable economic growth, sufficient production employment, and everyone has a decent job.	Diversity, Equity and Inclusion Employee Development and Training Employee rights and benefits	• Provide and create employment opportunities, provide stable job opportunities for employees, and offer competitive compensation • Strictly abide by various laws and regulations, protect employee rights and interests, and standardize employment • Build a comprehensive talent training system to provide employees with broad growth opportunities	• Number of new employees: 6,088 people • Employment contract signing rate: 100% • Performance appraisal coverage for executives and employees: 100% • Employee training coverage: 100%, • trained hours per capita: 65.1 hours • Established the "Sinopharm Cloud Learning", obtained 98,965 accounts, in which 95,562 active login accounts, a login rate of 96%
Build adaptable infrastructure, promote inclusive and sustainable industrialization, and promote innovation	Business innovation and digital development	• Actively respond to the "Digital China" strategy, promote digital transformation, encourage technological innovations, and expand innovation cooperation • Continuously enhance terminal service capabilities and innovative end-to-end supply chain solutions to empower medical terminal business development, leading industry advancement through high-quality service model innovation	• Accomplished development of 6 logistics digital systems, which were put into operation across 6 major hubs and Hebei, Ningxia, Shanxi, Sichuan, Hunan, Jiangxi, Guangxi, and other provinces and municipalities • Connected 45,900 IoT devices across 21 provincial companies. • Sinopharm Health Mall has been rolled out to 24 regional companies, totaling 7,239 stores, and has launched AI health assistance providing smarter, more convenient, and timely health management service for users. • SPD service has turned to the 3.0 version of digital and intellectual transition, and has realized the deep integration of AI technology, big data, and SPD service scenario • Added 144 intelligent supply chain projects of medical devices, including 72 SPD projects

SDGs	Corresponding Material Topics	Sinopharm's Action	Progress in 2025
Reduce the inequity within a country and between countries	Diversity, Equity and Inclusion Employee rights and benefits	• Strictly eliminate the occurrence of child labor, forced labor, and other behaviors, and provide equal employment and promotion opportunities for employees of different genders, ages, ethnicities, and backgrounds • Proactively foster a diverse, equal, and inclusive workplace culture, respected the cultural traditions and living habits of ethnic minorities, and organized a variety of group activities	• No incidents of child labor, forced labor, or discrimination occurred throughout the year • Newly hired employees with disabilities: 29 • Total number of employees with disabilities: 387 • Total number of ethnic minority employees: 6,609
Build inclusive, safe, disaster resilient, and sustainable cities and human residential area	Community participation contribution	• Actively participate in public welfare activities, carried out pharmaceutical science popularization campaigns and other community-oriented services, cared for groups such as youth and the elderly, and contributed to the creation of harmonious community environments	• The total number of hours employees participated in volunteer activities：50,244 hours • Attendance in volunteer activities: 5,821 times
The total number of hours employees participated in volunteer activities：50,244 hours Attendance in volunteer activities: 5,821 times	Ensure the adoption of sustainable consumption and production models Product quality and safety Responsible marketing Hazardous waste disposal and management Pollutants discharge management Recycling economy	• Committed to cultivate strong quality atmosphere, ensuring quality safety by various measures, and effectively prevent the quality and safety risks that may occur in the whole lifecycle of the product • Practice the idea of responsible marketing, carry out marketing activities in accordance with laws and compliant rules, and conduct employees' training on responsible marketing • Regarding waste gas and waste water, the Group has a goal of 100% compliance discharge, and carries out the management strictly following the requirements of Pollutant Discharge Permit • Regarding hazardous waste, the Group has a goal of "100% compliance disposal rate with continuously decreasing discharging intensity", and has established a comprehensive hazardous waste system and processes strictly following Hazardous Waste Management Measures • Gradually promote "3R model", that is reduce, reuse, and recycle, the Group is committed to reduce the use of disposable materials, to minimize the impact of packaging waste on the environment	• Coverage of ISO 9001 Quality Management System on secondary subsidiaries for medicine distribution business: 100% • Number of major quality events happened: 0 • Number of product recall due to quality, healthy, and safety issues related to the Group:0 • Attendances in special marketing training: 3,565 times • The compliance rate of waste water, waste gas, and noise emissions and discharges remained: 100% • The compliance rate of hazardous waste disposal remained: 100% • the Shanghai Kangning Road Park reduced carton-sealing tape width from 0.06 m to 0.05 m, reducing packaging material consumption per package by 20% • Sinopharm Logistics Shanghai saved approximately 100,000 cartons through reuse, cutting procurement costs by about RMB 450,000.

SDGs	Corresponding Material Topics	Sinopharm's Action	Progress in 2025
Take urgent actions addressing climate change and its impact	Addressing climate change Energy and water management	• Actively respond to the national Dual Carbon Strategy, formulate and promote the development strategy of green logistics, and promote the orderly implementation of key projects • Build a green pharmaceutical logistics infrastructure, optimizing energy structure, build a digital management platform, and improve production and transportation efficiency	• •Realized the goal of reducing GHG emissions per RMB 10,000 production value by 0.5%. • Based on the carbon-neutral certification for Shanghai Kangning Road Park, the Group continued advancing carbon-neutral certification for projects in Shenyang, Guangzhou, and Nanchang. • Achieved the goal of increasing the proportion of industrial enterprises using high-efficiency energy-saving motors (energy efficiency grade 2 or above) by 1.5% compared to the previous year. • Achieving the goal of reducing yearly comprehensive energy consumption per RMB10,000 of operating revenue by 1.5% • Continued to promote clean energy vehicles, we invested 28 new energy vehicles in Shanghai, Shenzhen, Guangzhou, Foshan, which compared to traditional fuel vehicles, is estimated to reduce Carbon dioxide emissions by 133 tons.
Proposal of building a peaceful and inclusive society to promote sustainable development, allowing everyone to have access to justice, with effective, responsible, and inclusive institute built at every level.	Compliance operation Anti-corruption	• established a compliance management system built around "two major systems and two major mechanisms" • Carried out the special trainings on compliance and anti-corruption covering the Board, management, and all staff • Complaint channels are open, and employees can submit appeal and feedback	• Number of corruption litigation cases that has been filed against the Company or its employees and concluded: 0 • Number of Employees attended Anti-corruption Training: 94,910 people • Coverage rate of Directors attended Anti-corruption Training Courses: 100%
Enhance the implementation approaches, and revitalize the global partnership for sustainable development	Promote industrial development Sustainable management of supply chain	• Deeply collaborated with medicine companies, medical institutes, scientific research institutes, and other upstream and downstream partners to integrate resources, optimize supply chain, and create new service model, to build a sustainable pharmaceutical healthy eco-system • Promote the industrial upgrade, reform industrial standards, and empower the coordination of industrial chain, as an industrial leader	• Join the Innovative Drug Distribution Branch of the China Pharmaceutical Business Association, focusing on serving innovative pharmaceutical companies • participated in multiple key projects and the compilation and promotion of pharmaceutical distribution industry standards, as an industrial leader

Sustainable Development Management

ESG Governance Architecture

Under the promotion of the Legal and Compliance and ESG Committee, Sinopharm continues to strengthen communication with internal and external stakeholders and implement various ESG initiatives. Sinopharm has established a three-level ESG governance framework consisting of the Board of Directors, Legal and Compliance and ESG Committee, and ESG Working Group, and fully incorporates ESG responsibilities into the scope of responsibilities of various levels of organizations to ensure that ESG-related work is carried out in a standardized and orderly manner. By the end of the reporting period, the Company's Legal and Compliance and ESG Committee comprises of an independent non-executive director, an executive director and a non-executive director, wherein Mr. Yu Weifeng, the independent non-executive director, serves as the Chairman, and Mr. Lian Wanyong, the executive director, and Mr. Jin Bin, the non- executive director, participate as members. The original member Mr. Zhao Bingxiang, resigned his duty in the Committee in December 2025, and ESG governance work has transitioned smoothly and orderly within the management team.

The ESG Working Group under the Legal and Compliance and ESG Committee is responsible for implementing ESG policies and objectives. The ESG Working Group is led by the vice president of the Company, and is composed of multiple department heads, including the office (the Party committee office and board office), operation and risk management department (safety and environmental protection department), quality management department, legal and compliance department, Party committee organization department (human resources department, reform office), Party affairs department (Party committee publicity department), logistics management center, globle sourcing & supply chain service center, digital management department, the strategic development department and the finance and capital department, etc. In 2025, the original ESG Working Group was combined with Energy Conservation and Environmental Protection Leader Group and the Green and Low-carbon development working group to become a new Environment, Society, and Governance (in short, "ESG") Working Group, and the original three working groups become segmented groups under the new ESG Working Group to improve the occupational function of the ESG Working Group and strengthen their coordination.

The become segmented Board of Directors reviews and makes decisions on ESG-related matters, including climate change response, through Board meetings on an annual basis. The Legal and Compliance and ESG Committee convenes at least one special meeting each year to formulate and evaluate ESG governance strategies and risk response plans, ensuring the effectiveness of ESG-related decisions made by the Board.

The Company actively uses quantitative and qualitative evaluation to measure the implementation of ESG work. ESG responsibilities and indicators have been fully integrated into the Legal and Compliance and ESG Committee's scope of authority and are linked to the annual performance evaluation of directors and executives to ensure the efficient implementation of sustainable development goals. Meanwhile, the Legal and Compliance and ESG Committee regularly evaluates and assesses the execution and implementation of ESG initiatives by the ESG Working Group, to continuously promote ESG governance.

The quantitative ESG targets cover key environmental indicators, such as energy consumption data and carbon emissions intensity, while qualitative indicators include business compliance and the internal governance. Performance-based remuneration of senior management compensation is directly tied to ESG assessment results. If certain targets are not met, the variable remuneration will be proportionally reduced. If any red-line incidents, such as safety accidents or major quality events, occur, all performance-based remuneration will be deducted in full.

Board of Directors

- Determine Sinopharm's ESG strategic directions, review and approve ESG-related mid- and long-term development plan;
- Formulate ESG-related targets, and monitor their performance;
- Review and approve ESG major matters, such as ESG Report publication, material issues, or strategies responding to major environmental or social risks;
- Review the management of ESG-related risks and opportunities to ensure that the Company can effectively respond to ESG-related risks and make use of ESG-related opportunities.

Legal and Compliance and ESG Committee

- Research and formulate the ESG management approach, targets and strategies of the Company, review and confirm the priorities of the ESG issues of the Company
- Consider and review the ESG management approach, targets and strategies of the Company and make suggestions thereon; evaluate the adequacy and effectiveness of the ESG structure of the Company on a regular basis
- Research, analyze and identify the Company's risks and opportunities arising from ESG issues, review the changes in the nature and severity of the Company's risks in major ESG issues on a regular basis, review the Company's performance in response to the relevant risks, and propose improving strategies
- Oversee and evaluate the Company's ESG performance, review and monitor the performance and progress toward relevant ESG targets, propose improving strategies
- Review the Company's ESG compliance status and the Company's annual ESG Report
- Evaluate and assess the execution and implementation of relevant work by the ESG Working Group

ESG Working Group

- Assist the Legal and Compliance and ESG Committee in setting ESG management goals
- Collect and report on the management of various ESG indicators of Sinopharm, and organize the preparation and release of annual ESG reports
- Take joint responsibility with subsidiaries for implementing ESG related policies and goals

Board Statement

The Board is the highest governance body for ESG issues of the Company and has overall oversight responsibility for ESG governance strategies and reporting, as well as overseeing ESG strategies and management policies formulation, ESG risk management, and ESG target assessment. The Board oversees and manages Sinopharm's ESG governance through its Legal and Compliance and ESG Committee, and regularly listens to the report on sustainability strategies, progress and performance.

The Legal and Compliance and ESG Committee is responsible for identifying relevant ESG risks and opportunities, as well as reporting the performance regarding risk management to the Board for review. During the Reporting Period, the Board evaluated the importance of ESG issues from a business risk perspective, and confirmed the results of the materiality assessment, to ensure our ESG work focusing on material ESG issues. For the process of Board assessment, prioritization, and management of important environmental, social, and governance-related matters, please refer to the "Stakeholder Communication", "Risk Management", and "Addressing Climate Change" sections of this Report, which are also parts of this Board Statement.

In addition, the Legal and Compliance and ESG Committee is responsible for studying and formulating ESG objectives related to the Company's business and tracking and reviewing ESG performance and progress. The Board regularly listens to reports on ESG target management and considers and reviews the progress regarding ESG targets, which are closely related to business development.

To further enhance the comprehensive ability level of the Board, Sinopharm actively encouraged Board members to participate in professional training programs to improve their skills. During the Reporting Period, the Company continued to deepen Board members' written study on anti-corruption training, and also hired external professional bodies to provide special training sessions on the new regulations, risk management, and internal monitoring. In addition, the Company also timely updates the latest relevant legal and regulatory documents to the Board for reference and research, continuously strengthening the compliance awareness and performance ability of the Board members.

Stakeholder Engagement

Stakeholder Communication Methods

We always attach importance to the communication and exchange with all stakeholders, and fully realize that the opinions of stakeholders play an important role in improving the ESG management level of the company and creating positive value for the society. Sinopharm establishes contacts with stakeholders through various channels, timely disclosing relevant information such as daily operations, development changes, and special changes to all stakeholders, understanding their expectations and opinions on the Company's sustainable development, and using this as an important reference for optimizing ESG management and carrying out ESG special activities.

Stakeholders	Concerns and Expectations	Method of Communication
Shareholders and investors	• Compliance operation • Economic performance • Corporate governance • Quality and safety of products • Customer service and satisfaction • Risk management	• General meetings • Meetings of the investors and roadshow • The Company's official website publishing • Annual report and announcements • Sustainability Report • Investor communication mailbox
Employees	• Employee compensation and benefits • Occupational health and safety • Employee development and training • Diversity, Equity and Inclusion	• Union activities • Employee forum • Employee party • Manager's mailbox • Volunteer activities • Daily Communication
Customers	• Privacy and data security • Quality and safety of products • Intellectual property protection • Compliance operation • Customer service and satisfaction • Business innovation and digital management • Medical accessibility	• Customer satisfaction survey • Regular visits • Industry exhibitions and forums • Customer service center/hotline
Government and regulators	• Compliance operation • Hazardous waste disposal and management • Pollutant emissions and management • Occupational health and safety • Quality and safety of products • Privacy and data security • Biodiversity conservation	• High-level meetings • Seminars • Compliance report

Stakeholders	Concerns and Expectations	Method of Communication
Suppliers and other partners	• Sustainable supply chain management • Quality and safety of products • Customer service and satisfaction • Responsible marketing • Compliance operation	• Seminars and meetings • Marketing summits • Supplier evaluation • Field visit • Daily communication • Sustainability Report
Media	• Business innovation and digital management • Promoting industry development • Occupational health and safety • Compliance operation	• Press releases and announcements • Media events
Communities and the public	• Privacy and data security • Information security management • Medical accessibility • Community involvement and contribution • Rural revitalization	• Press releases and announcements • Voluntary activities • Charity/public service activities
Industry associations and other non-governmental organizations	• Quality and safety of products • Compliance operation • Promoting industry development • Anti-Unfair Competition	• Industry exhibitions and forums • The Company's official website publishing • Company report

Analysis of Material Topics

Sinopharm attaches great importance to the impact of ESG on the Company's operations and stakeholders, so the Company actively identifies material topics related to Sinopharm, evaluates and updates the material topics every year, and interacts with broad stakeholders every two years. The Legal and Compliance and ESG Committee and the Board of Directors review the annual analysis results of material topics.

01

Identification and Update of Material Topics

To ensure the efficiency of ESG issues every year, the Company continues supervising the update of ESG issues with major reference to:

- The progress and achievements of Sinopharm's ESG work in last year
- The focus of internal and external stakeholders on the sustainable development of Sinopharm
- The main standards and initiatives for ESG report disclosure include the ESG Reporting Guide of HKEX, GRI standards, and the ESG Indicator System of SASAC
- Sustainable development practices and ESG development trends of leading domestic and international peers

02

Materiality Assessment

Impact materiality assessment

- Collect stakeholders' responses to the materiality of ESG issues in the form of online and offline questionnaires every two years to evaluate the seriousness and possibility of every ESG issue having influence on the environment and society.

Financial materiality assessment

- In collaboration with experts from the finance and strategic development departments, the current and potential financial impacts of each topic were assessed based on the "likelihood of financial impact occurrence" and the "magnitude of financial impact."

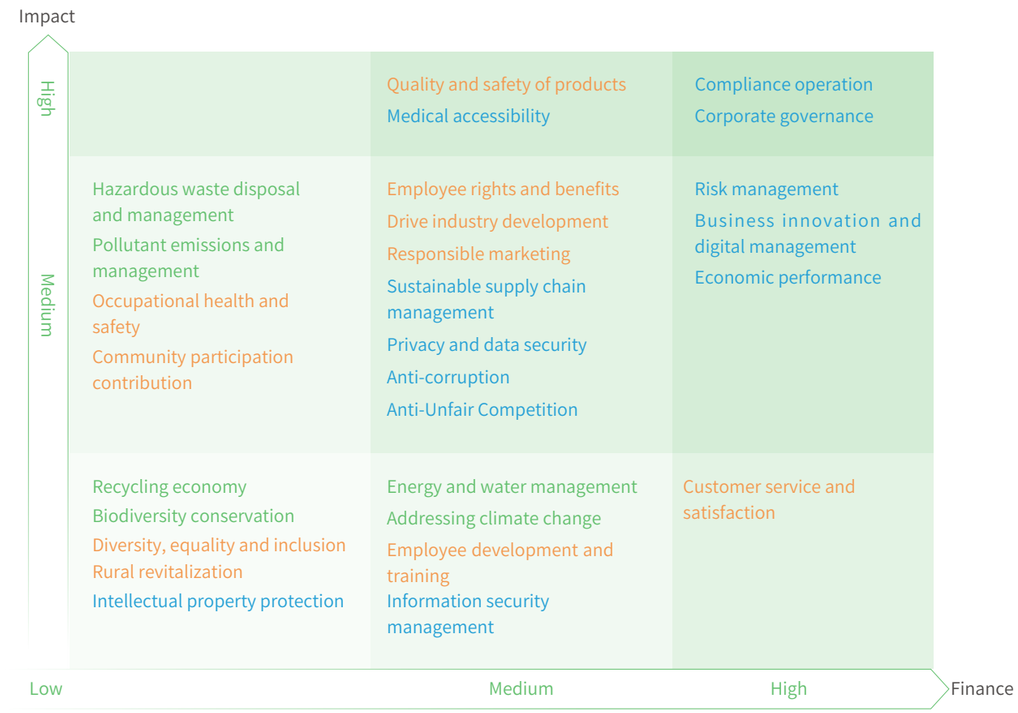
03

Review and Verify the Evaluation Result of Material Issues

- Identify the degree of impact of issues from the dimensions of "impact materiality assessment" and "financial materiality assessment", and rank the issues to form a materiality matrix. The matrix result has been reviewed by the Legal and Compliance and ESG Committee and the Board of Directors.

Material Topics Evaluation Process

In 2025, Sinopharm built an ESG issues library, based on the disclosure standards and ranking standards, in accordance with characteristics of its business and its operational performance, and referring to peers' experience and practices globally. The Company, combining stakeholders' questionnaires and internal financial experts' opinions, also carried out dual-materiality assessment and formed a dual materiality matrix.



The Materiality Matrix of Sinopharm in 2025

Environment

- Hazardous waste disposal and management
- Pollutant emissions and management
- Recycling economy
- Biodiversity conservation
- Energy and water management
- Addressing climate change

Society

- Occupational Health and Safety
- Community participation contribution
- Diversity, equality and inclusion
- Rural revitalization
- Quality and safety of products
- Employee rights and benefits
- Drive industry development
- Responsible marketing
- Employee development and training
- Customer service and satisfaction

Governance

- Intellectual property protection
- Medical accessibility
- Supply chain sustainable management
- Privacy and data security
- Anti-corruption
- Anti-Unfair Competition
- Information security management
- Compliance operation
- Corporate governance
- Risk management
- Business innovation and digital management
- Economic performance

Driving industry's ESG development

Promoting the Industrial Compliance

Compliance is an embodiment of the pharmaceutical industry practicing the idea of "People and life supreme", and also a basic guarantee of cultivating new quality productive forces and realizing high-quality development. Sinopharm is aware of the importance of the compliant operation well to its heart, constructed an internal compliant management system that covers all business procedures, and also leads as a pioneer and promotes the coordinated co-governance of the pharmaceutical distribution industry.

Case *Compliance Consensus of Pharmaceutical Industry* is Officially Published

With the *Compliance Proposal of Pharmaceutical Industry* being published, Sinopharm, as a leading unit, jointly worked with other pharmaceutical distribution enterprises and China Pharmaceutical Business Association to proactively promote the accelerated achievement of the compliance management benchmark framework of the pharmaceutical industry. We shared and discussed our thoughts on the opening meeting, the mid-term research meeting and the conclusion meeting; and the compilation group investigated and did their research; and we collected experts' and enterprises' opinions and suggestions, and consolidated the project’s research findings. After all these efforts, the Compliance Consensus of Pharmaceutical Industry was finally officially published at 2025 Information Conference for Medicine Distribution Industry and Innovation Conference for Pharmaceutical Distribution on 28 August 2025.

The published Compliance Consensus will drive the pharmaceutical distribution industry to a healthier and better regulated direction and will also serve as a crucial accordance for guiding pharmaceutical companies to compliant operation.

The press conference for publishing the *Compliance Consensus of Pharmaceutical Industry*

Case *Compliance Goes First, and Steady and Long-Term Development will Follow | Official Publication of the Compliance Proposal of Pharmaceutical Industry*

On 21 May 2025, the *Compliance Proposal of Pharmaceutical Industry* jointly launched by Sinopharm and 10 other pharmaceutical distribution companies was officially published at the 2025 Supply-Side Structural Reform and Innovation Forum for China Pharmaceutical Distribution Industry (9th season). Mr. Cai Maisong, the vice president of Sinopharm and as a corporate representative of the pharmaceutical industry, read aloud the Compliance Proposal on the Forum. The publication of the *Compliance Proposal of Pharmaceutical Industry* marks a key step toward a better regulated and standardized pharmaceutical industry in China and provides critical guidance for building a healthier and more orderly market.

The press conference for publishing the *Compliance Proposal of Pharmaceutical Industry*

Compliance Management of Medical Insurance

The Group has always considered the compliance management of medical insurance as the sturdy foundation of the company's steady and long-term development. The Company has proactively responded to the callings and proposals of National Healthcare Security Administration and superior units by building an accomplished compliance management system for medical insurance, comprehensively standardize all operating procedures covering from responsibility management, to prescription management, and to medical insurance settlement information, to ensure the highly efficient operation and compliance of medical insurance service. During the reporting period, to further strengthen the compliance management capability of Sinopharm's retail sector and to prevent retail medical insurance violation events, the Company further revised the original system and formulated a new Sinopharm Management Measures for Compliance of Retail Medical Insurance.

Responsibility Management

- Sinopharm established a three-tier management system for medical insurance compliance in the retail sector, which includes Guoda Drugstore Headquarters, chain headquarters, and designated medical institutions and defined the management responsibilities and duties of each tier, forming an accomplished system and business processes. Responsible individuals of headquarters, all subsidiaries, and designated retail drugstores/medical institutions at each tier have signed Compliance Responsibility Agreement for their tier, with duties being specified and assessment being implemented.
- Head of each company is the first responsible person for medical insurance compliance. Where a medical insurance violation event happens, the event shall be reported in writing to Quality Management Department and Legal and Compliance Department of Headquarters tier by tier within 1 working day, including the violation matter, punishment result, and rectification situation, etc. The company shall also take the accountability seriously, carry out investigation and determine the accountability, and report the accountability allocation decision and the evidence for proving the completion of the accountability allocation at the same time.

Prescription Management

- To ensure medication safety and prevent insurance fraud, Sinopharm stipulated strict rules for prescription review process. Regarding offline prescriptions in paper, we require that the prescription must be signed by a medical insurance physician and affixed with special seal for external prescription, and that the prescription must be copied and archived for at least 2 years. Regarding online electronic prescriptions, designated retail drugstores should download the electronic prescription through electronic prescription center, prepare the medicine according to the prescription, and have the electronic prescription archived for at least 5 years.
- In addition, regarding the external prescription, we require to check four aspects and ten key points, including checking prescription, checking medicine, checking compatibility contraindications, and medication rationality, to ensure the authenticity, legitimacy, and regularity of the external prescription.

Information System Assurance

- By banning the card-swiping for products not covered by the medical insurance, controlling the amount of card swiping, controlling the price of medical insurance, restricted controlling of paying with medical insurance, and other digital ways, we ensure the compliance management of medical insurance and improve the management efficiency. In addition, we generate "electronic ID" for each medicine according to their traceability code to accurately identify the medicine's flow direction, which could effectively prevent the reselling of medicine re-entered the market, exchange medicines, and other illegal and irregular behaviors, to safeguard the medical insurance fund.

Compliance Culture of Medical Insurance

- Sinopharm regularly carried out internal audit and compliance training and identified and responded to high risk points. Sinopharm made use of digital technologies to facilitate the regulated use of medical insurance fund, prevent medical insurance violation risks, and safeguard the safety of medical insurance fund.Whereas Sinopharm organized nationwide retail drugstores to carry out medical insurance compliance trainings, this year, the Company organized secondary subsidiaries to accomplish the compliance training on local medical insurance in accordance with working requirements of local medical insurance, and to organize trainings on compliance management, quality management, customers' legal rights with focus on strengthening the forefront posts' comprehension of medical insurance compliance knowledge.

Case Focusing on Pharmaceutical Service Training and Safeguard Medicine Use Safety by Strictly Adhering to Medical Insurance Compliance

On 22 April 2025, Ulanqab GuoDa Drugstore organized a pharmaceutical service training open to all store managers and licensed pharmacists. In the training, Ulanqab GuoDa Drugstore integrated safety system of medical insurance fund, strengthening that drugstores need to strictly abide by regulations for using medical insurance fund and prevent violation behaviors. Though analyzing actual cases, Ulanqab GuoDa Drugstore enabled the store managers and licensed pharmacists to learn the key field and frequently asked questions in the supervision of medical insurance fund, as well as the severe punishment that could be resulted in by such violation behaviors. This helped strengthen their awareness of being responsible for the safety of medical insurance fund, ensuring them to use the medical insurance fund lawfully in pharmaceutical services.

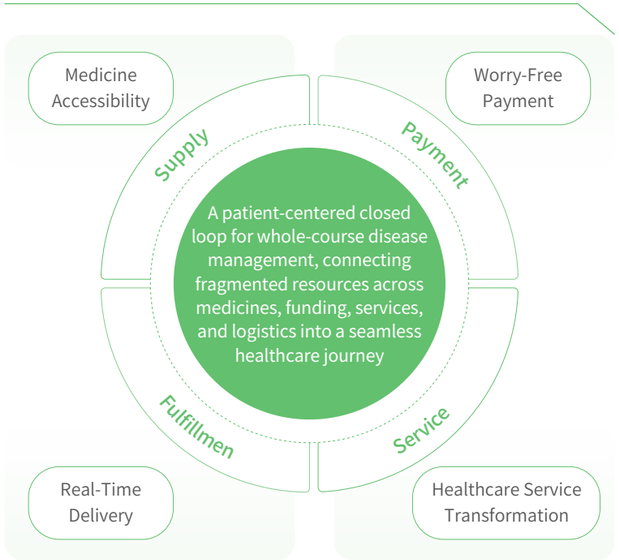
Study on medical insurance fund management system

Spotlight

Building a "Four-in-One" Pharmaceutical Service Ecosystem to Meet Patients' Diverse Healthcare Needs

In response to accelerated population aging, the rising burden of chronic diseases, and increasingly diverse public health needs, China has clearly set out the strategic goals of building an integrated healthcare service system and improving its multi-tiered medical security system. The traditional distribution model centered on pharmaceutical sales is no longer sufficient to meet full-cycle health management needs. Instead, patient-centered whole-course disease management, professional services, and resource integration capabilities have become key to breaking through industry challenges.

The Group has responded to this priority by innovatively building a new "Four-in-One" pharmaceutical service ecosystem. With medicine accessibility as the foundation, worry-free payment as the lever, healthcare service transformation as the core, and real-time delivery as the link, the Group is advancing its transformation into an integrated pharmaceutical and healthcare service provider. These efforts provide market-based support for improving medicine access for patients with rare and chronic diseases and enhancing China's multi-tiered medical security system, while responding through concrete actions to the 15th Five-Year Plan's strategic requirements for coordinated progress in high-quality pharmaceutical industry development and people's wellbeing.



Medicine Accessibility

From Everyday Medication to Life-Saving Treatment, Meeting Every Health Need

Health is the foundation of a happy life, and medicines are a critical line of defense in safeguarding health. At present, improving medicine accessibility requires a dual approach. On the one hand, it is necessary to expand full-category coverage of health products to meet the public's daily medication and healthcare needs. On the other hand, targeted supply of specialty medicines should be strengthened to ensure access for patients with rare diseases, acute and critical illnesses, and other condition.

Full Coverage of Everyday Health Products

The Group has built a retail matrix combining essential medicines and specialty categories. On the basis of essential medicines, the Group has strategically expanded into health-related products such as medical devices, functional healthcare products, and traditional Chinese medicine tonics, providing consumers with one-stop healthcare solutions and supporting diverse health needs, including timely treatment of minor illnesses, scientific management of chronic diseases, and proactive health maintenance.

Targeted Supply of Rare Disease Medicines

The Group continues to focus on the needs of rare disease patients and has worked with local healthcare security authorities to build rare disease care centers. In addition to providing a comprehensive supply of rare disease medicines, the Group also offers global medicine sourcing and reservation services to meet the urgent needs of rare disease communities.

During the Reporting Period, the Group successfully introduced a number of major rare disease medicines, including Biogen's tofersen injection for amyotrophic lateral sclerosis, Sanofi's olipudase alfa for injection for Niemann-Pick disease, Zai Lab's efgartigimod alfa injection for myasthenia gravis, and Condini's nintedanib ethanesulfonate soft capsules for idiopathic pulmonary fibrosis. By working with pharmaceutical companies and commercial insurers, the Group provides payment solutions for patients. Leveraging Sinopharm's integrated DTP management platform, it ensures medicine supply through retail pharmacy channels nationwide.

Case Addressing Difficulties in Medicine Access and Bringing Rare Disease Medicines Within Reach

After two sisters with spinal muscular atrophy (SMA) were diagnosed following medical consultations across China, they faced a shortage of medicine in their hometown. As a designated rare disease supply pharmacy, Sinopharm Yili Professional Pharmacy Store No. 4 promptly activated the nationwide allocation mechanism and has ensured punctual supply every four months since September 2025. Behind each medicine delivery is a full-process medication management service, including double verification of prescriptions by licensed pharmacists, medication guidance for family members, and proactive follow-up after medication use. With predictable certainty, the Group helps patients and their families face the uncertainties of rare disease treatment, making the "bridge of life" truly accessible.

Professional pharmacy staff carefully explaining medication precautions to the patient's family

Ensuring Diversity in Clinical Medication

With the regular implementation of centralized procurement under the medical insurance system, public hospitals mainly undertake the role of ensuring broad access to essential medicines. Original drugs, meanwhile, form a complementary supply channel through out-of-hospital professional pharmacies under the national dual-channel mechanism. Together, these channels provide a diversified clinical medication supply system.

The Group is committed to building a comprehensive product portfolio covering both original drugs and high-quality generic drugs, guided by the supply principle of enriching treatment options and meeting individualized needs. We ensure that a wide range of clinically needed treatment options remains accessible. Whether patients require cost-effective basic treatment or individualized therapies involving specific mechanisms of action or dosage forms, they can obtain medicines that match their clinical needs under the guidance of professional pharmacists. In this way, the Group provides patients with medication options best suited to their conditions.

Worry-Free Payment

From Out-of-Pocket Burden to Multi-Layered Protection, Making Medicine Payment Easier and More Beneficial

The Group actively responds to China's strategic deployment to build a multi-tiered medical security system. By integrating the basic coverage of public medical insurance, the supplementary support of commercial insurance, risk-sharing mechanisms of innovative payment models, and fallback assistance from charitable aid, the Group is driving the transformation of medicine payment from single out-of-pocket burden to shared responsibility through multi-layered protection. These efforts enable patients to benefit from a service experience featuring worry-free settlement, assured access to medication, and comprehensive protection.

Improving the Medical Insurance-Compliant Payment System to Safeguard Access to Essential Medicines

Through the extensive deployment of dual-channel designated retail pharmacies and by leveraging medical insurance e-prescription circulation centers, the Group has built a closed-loop process for compliant medical insurance payment at designated retail pharmacies. Insured patients with compliant prescriptions can directly access real-time medical insurance fund settlement at stores without paying the full medicine cost upfront. This effectively improves medicine accessibility while ensuring the safe and standardized use of medical insurance funds.

At the same time, the Group continues to deepen reform in the medical insurance field and improve the public healthcare experience. It has established medical insurance service stations to provide services such as policy interpretation and assistance with administrative procedures, guiding insured individuals to use medical insurance resources correctly and in a standardized manner, preventing fraudulent insurance claims, and helping build a convenient, efficient, compliant, and secure medical insurance payment system.

As of the end of the reporting period

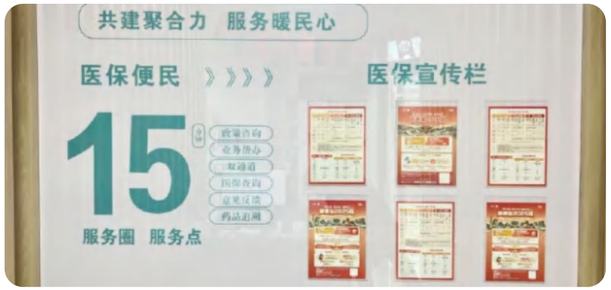
the Group had established over

1,100

dual-channel pharmacies

and around

900 medical insurance service centers, continuously providing convenient medical insurance payment channels for a broad base of primary care patients.



Medical insurance service stations providing a range of convenient medical insurance services

Connecting Commercial Insurance with Innovative Payment Systems to Build a Multi-Layered Payment System

As the pace of innovative drug launches continues to accelerate in China, more diseases now have available treatment. However, as basic medical insurance is positioned to safeguard essential needs, some high-value innovative drugs have not yet been included within the scope of full coverage. The Group is committed to building a multi-tiered medical security system. By introducing commercial insurance to expand beyond the limitations of the basic medical insurance catalogue, the Group provides market-based payment channels for high-value innovative drugs, rare disease medicines, and individualized treatment plans for different patient groups. At the same time, the Group actively explores and participates in projects across provinces and cities, including Huiminbao, a commercial medical insurance, value-based payment for innovative drugs, and cost refund programs, with the aim of addressing the structural challenges associated with high-value innovative drugs.

Cooperation with Commercial Insurers

Innovative Payment Solutions

Collaboration with various commercial insurers and innovative drug manufacturers to explore a multi-layered payment system

Implementing Charitable Assistance to Provide Support for Primary Care Patients

Beyond the model of "basic medical insurance + commercial insurance + innovative payment," charitable assistance serves as the social fallback layer of the multi-tiered medical security system, playing an irreplaceable role in supporting financially vulnerable groups and preventing illness-induced poverty. The Group has introduced charitable resources into retail terminals and built a network of charitable assistance dispensing points, enabling retail pharmacies to become precise access hubs connecting charitable foundations with primary care patients.

GuoDa Drugstore charitable assistance dispensing point

Case One Assistance Program, Care from Multiple Parties

Leveraging the SPS+ professional pharmacy network, we have systematically built a diversified payment protection system integrating medical insurance, commercial insurance, and charitable assistance. We continue to deepen the integration of professional pharmaceutical services and patient assistance programs, with a focus on improving medicine accessibility and payment capacity for patients with serious diseases, while earnestly fulfilling the social responsibilities of a state-owned enterprise.

In May 2025, Mr. Li, a 66-year-old patient, purchased the anti-tumor drug durvalumab injection at the Foshan store of Sinopharm SPS+ Professional Pharmacy. To effectively reduce his financial burden, the pharmacist designed a diversified payment plan combining reimbursement under Healthy Foshan Medical Insurance and charitable assistance. In July, the pharmacist successfully helped Mr. Li obtain charitable assistance eligibility. After successfully applying for charitable assistance and combining it with reimbursement under the Healthy Foshan Medical Insurance, Mr. Li's actual out-of-pocket expenses were reduced by more than 95%, greatly easing the financial burden of his subsequent treatment.

Mr. Li presented a silk banner to the pharmacists

Healthcare Service Transformation

From Disease Treatment to Health Management, Creating Healthcare Service Check Points

Guided by the Healthy China 2030 strategy, which clearly emphasizes a people-centered approach to health and prioritizes primary-level healthcare, the Group has responded to the trend of prescription outflow and increasingly diverse health needs by building a full-cycle healthcare service system covering prescription circulation, medication guidance, and chronic disease management. Through innovative terminal market development and extended patient management services, we empower retail terminals with professional pharmaceutical capabilities and embed high-value integrated services into community healthcare scenarios, enabling each retail terminal to become a healthcare service check point that connects medical institutions with patients.

One-Stop Pharmaceutical Services

Building on the mission of the pharmaceutical retail industry and patients' healthcare needs, the Group's professional pharmacy system has established a full-cycle, closed-loop one-stop pharmaceutical service system. Centered on professional pharmaceutical capabilities, the system covers the full chain of diagnosis and treatment coordination, medication access, and health management, achieving a value upgrade from medicine supply to healthcare services.

Through integrated pharmaceutical services across the full process, the Group continues to enhance professional service value and patient experience while ensuring medicine supply, helping drive high-quality development of the pharmaceutical retail industry and fulfilling its social responsibility to safeguard public health.

Pre-service

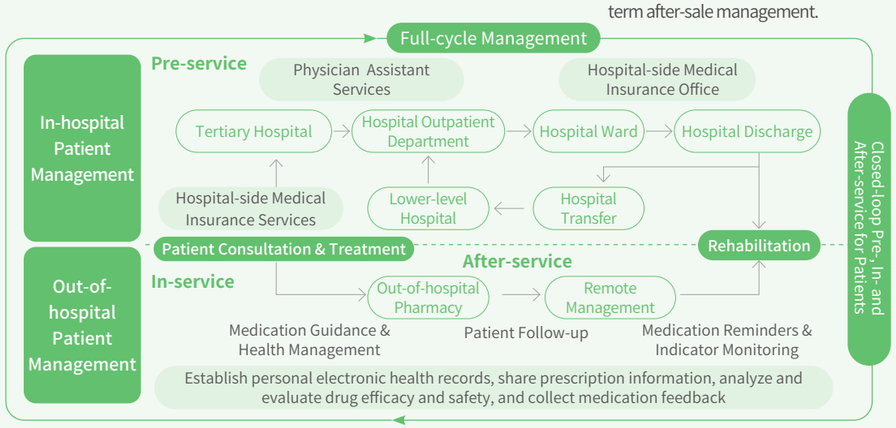
The Group closely connects with medical resources by providing outpatient appointment booking support and precise prescription coordination. It works with clinical departments to jointly develop individualized medication plans, enabling coordination between diagnosis, treatment, and medication access, and building an efficient and convenient pathway for patients to receive medical care and medicines.

In-service

Based on professional medication guidance, the Group provides diversified payment solutions, including assistance with medical insurance and commercial insurance settlement, as well as charitable assistance. It also offers standardized infusion services and detailed medication instructions, balancing medication safety, convenience, and accessibility while effectively reducing the burden on patients in accessing medical care and medicines.

After-service

The Group has established a regular follow-up mechanism to proactively collect information on adverse reactions and provide tailored solutions. At the same time, it delivers patient education on disease knowledge and rational medication use, continuously safeguarding medication safety and health management. These efforts form a complete service closed loop covering precise pre-sale coordination, professional in-sale support, and long-term after-sale management.



One-stop pharmaceutical service flowchart

Building Out-of-Hospital Healthcare Service Scenarios

The Healthy China 2030 Planning Outline clearly sets out a health protection strategy for all people that integrates prevention, treatment, rehabilitation, and management. This requires breaking through the physical boundaries of medical institutions and extending health management into community-based scenarios. Leveraging its SPS+ professional pharmacy system, the Group has innovatively developed an out-of-hospital healthcare service model, enabling pharmacies to transform from medicine supply points into health management hubs. This creates a coordinated division of responsibilities with medical institutions, combining hospital-based diagnosis and treatment with out-of-hospital management to jointly build a stronger full-cycle health protection network.

As of the end of the reporting period

the Group had established

1,461 SPS+ professional pharmacies

approximately

3,000 "Sinopharm Health Home" community service stations

covering scenarios such as chronic disease management and family doctor services, serving more than

20 million residents

Sinopharm chronic disease management professional pharmacy

Case Integrating Medical and Pharmaceutical Services to Create New Out of Hospital Health Service Models

The Group has continued to deepen its innovative practice of integrating medical and pharmaceutical services, systematically extending professional medical resources to the community level and striving to build a nationwide out of hospital health management service network. The Inner Mongolia GuoDa MCC Health Convenience Store, as the first out of hospital metabolic disease management service center established under the Group's strategic initiative, marks the first extension of national level metabolic disease management standards to community retail outlets. Through a deep strategic partnership with Omron, the store has introduced hospital grade precision testing equipment and provides early screening and preliminary diagnosis services for arteriosclerosis, fundus abnormalities, and other conditions. Licensed pharmacists establish personalized management records and provide professional guidance.

Of particular significance, test results can be shared with and are mutually recognized by local Grade 3A hospitals, breaking down the data barriers between out of hospital screening and in hospital diagnosis and treatment and materially advancing the implementation of tiered diagnosis and treatment in the field of metabolic diseases. Patients can complete initial screening and follow up within their communities, while those with abnormal indicators can be directly referred to hospitals for confirmatory diagnosis, forming a continuous service loop featuring first consultation at the community level, two-way referral, and differentiated management of acute and chronic conditions, and significantly improving the convenience of diagnosis and treatment for patients with chronic diseases.

Omron hospital grade testing equipment, with test data shared with and mutually recognized by local Grade 3A hospitals

Oxygen lounge providing complimentary oxygen inhalation services

Case

Coordinated Efforts Across Medical Institutions, Manufacturers and Pharmacies to Support Weight Management and Bring Professional Health Management into Out of Hospital Settings

During the Reporting Period, the Group actively responded to the national Weight Management Year initiative and participated in the development of a prevention and control system for metabolic diseases. We established Sinopharm Health Zones at retail terminals as a physical platform for extending the diagnosis and treatment services of medical institutions beyond hospitals. We worked with pharmaceutical manufacturers to design interactive weight management programs and formed out of hospital management teams composed of hospital specialists, manufacturer pharmacists, and in store pharmacists, transforming one off hospital consultations into long term out of hospital follow up. Specialists provide medical assessments and develop management plans, manufacturers provide product and nutritional support, and pharmacies undertake daily monitoring and medication guidance. At the same time, stage-based incentive mechanisms are used to strengthen patient adherence. This enables community pharmacies to evolve from simple medicine dispensing outlets into professional service hubs for weight management and metabolic health education, putting into practice an out of hospital health service model that integrates prevention and treatment.

Dedicated service zones for chronic disease management and weight management

Building Healthy Communities

While continuing to deepen its professional service capabilities, the Group has also actively expanded into convenient community-based services, providing the public with more diversified and personalized offerings and meeting health and everyday needs in a more comprehensive manner. Through health lectures, free medical consultations, and other activities, we extend professional pharmaceutical and healthcare services into communities. These activities focus on topics such as the prevention of cardiovascular and cerebrovascular diseases and chronic disease management. In collaboration with pharmaceutical companies and clinical pharmacists, we provide scientific health guidance. On site arrangements such as complimentary testing, medication consultation, and interactive question and answer sessions help enhance residents' awareness of health management in a clear and accessible manner.

Case

Bringing Warmth to the Community in Spring and Joining Hands to Safeguard Health | Sinopharm Weinan Carried Out a Free Medical Consultation Activity in Support of Rural Revitalization

On 2 April 2025, Sinopharm Weinan, together with government representatives and medical institutions, organized a large scale public benefit medical consultation activity under the theme of Safeguarding Health, Partnering Together with Weinan Healthcare, putting into practice its original commitment to delivering healthcare services for the people.

At the event, specialists communicated with villagers face to face, patiently answered their health-related questions, issued prescriptions and dispensed medicines according to different conditions. We also provided detailed guidance to villagers on proper medication usage and precautions. For elderly residents with limited mobility, experts conducted home visits to offer on-site medical consultations, enabling more people to access high-quality medical services right at their doorstep and effectively enhancing medical and pharmaceutical security at the grassroots level.

Specialists provided on site free medical consultations for local residents

Chronic disease management health lecture jointly organized with Merro Pharmaceutical

Diabetes health education session held at the Chronic Disease Management Center

Case

Turning Beneficial Remedies into Everyday Foods and Integrating Health and Wellness into Daily Life

GuoDa Drugstores created new health consumption scenarios based on the concept that food and medicine share the same origin, and launched the Yishanfang brand to reinterpret traditional wellness wisdom through modern nutritional science. Through product design centered on delicious and seamless daily consumption, Yishanfang lowers the cognitive threshold and acceptance barriers traditionally associated with Chinese herbal medicines by transforming traditional wellness ingredients such as notoginseng, donkey-hide gelatin, and medicinal cuisine into biscuits, chewables, and prepared meals products suitable for everyday consumption. This shifts preventive health behavior from taking medicine as prescribed to making autonomous choices through daily meals, thereby translating the concept of preventive treatment into real life settings and building a sustainable out of hospital health service ecosystem.

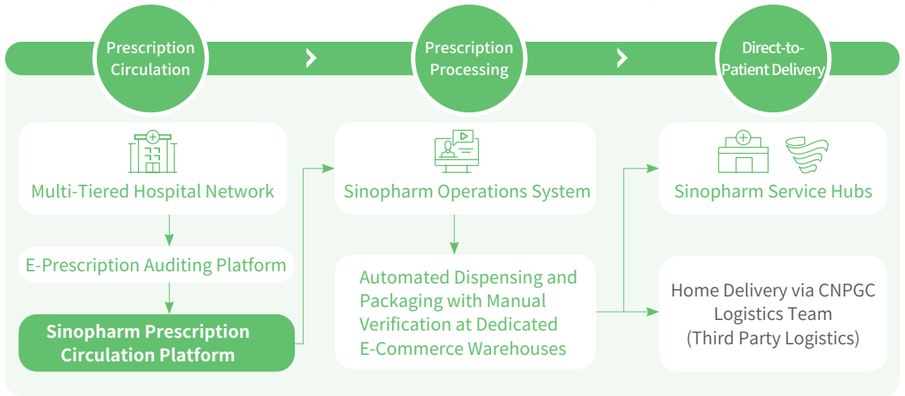
Yishanfang wellness cuisine tasting event

Digital and Intelligent Empowerment

Driven by digital and intelligent technologies, the Group has broken down data barriers between medical institutions and retail terminals and established an electronic prescription circulation platform, enabling smoother data connectivity across pharmaceutical circulation; at the same time, we are reshaping patient health management services through AI technology by building a dual framework of Smart Follow Up + Health Education. Through the integration of intelligent medication reminders and online health education, we are advancing health management from passive response to proactive care and enhancing the patient service experience in health management.

Case Reducing Repeated Travel and Building a New Digital Ecosystem for Internet + Prescription Circulation

The Group has worked with medical institutions to establish an electronic prescription circulation platform, enabling the electronic synchronization of prescriptions from medical institutions to pharmacies. Through the Internet + Prescription Circulation service model, data travels more while patients travel less. Patients can enjoy a seamless one stop experience covering consultation, electronic prescription circulation, direct settlement at pharmacies, and offline medicine collection or home delivery of medicines, making repeated trips associated with traditional paper prescriptions and stamping procedures at medical insurance service windows a thing of the past.

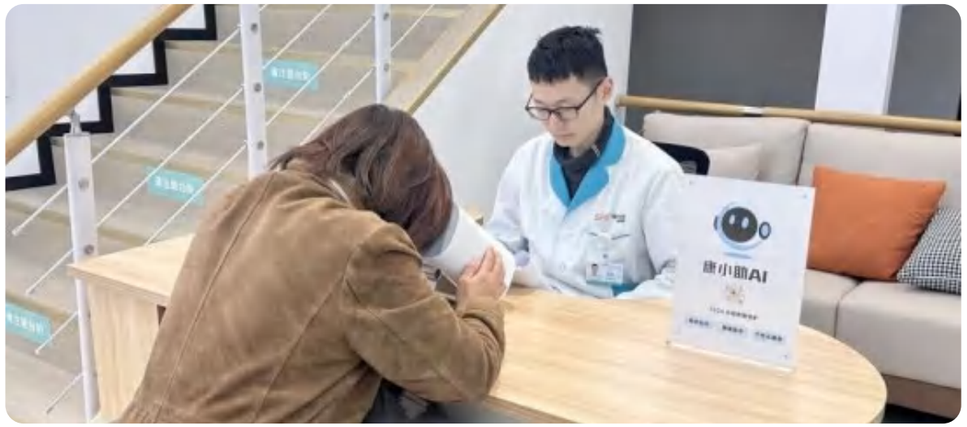


Prescription circulation process for prescribed medicines

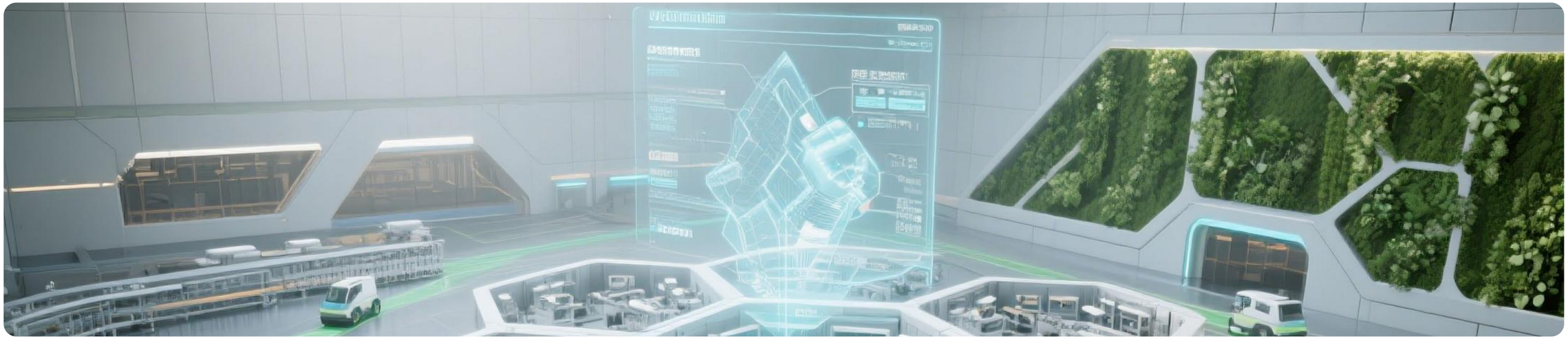
Case Service Upgrade Driven by Digital and Intelligent Technologies as AI Goes Live in Smart Pharmacies

Powered by digital and intelligent technologies, the Sinopharm Sichuan Wenjiang Smart Pharmacy has innovatively built a one stop service platform integrating medication services and AI screening. In addition to providing routine prescription dispensing and medication consultation services, the store has introduced AI powered fundus screening equipment, allowing patients to undergo fundus screening while collecting their medicines. Supported by Kangxiaozhu AI, patients can complete fundus image capture and intelligent analysis while waiting for prescription dispensing (approximately 3 to 5 minutes), and receive an electronic health assessment report immediately, achieving a zero time lag service experience in which medicine collection and screening take place simultaneously and avoiding the need for a second visit.

Kangxiaozhu AI-assisted follow-up enables the automatic standardized entry of follow up records



Patient using AI powered fundus screening equipment



Real Time Delivery

From Minutes Level Fulfilment to Overnight Reach Across Cities, Safeguarding Time Sensitive Health Needs at Every Moment

Leveraging its nationwide coverage, highly efficient logistics network, and digital and intelligent capabilities, the Group is redefining the speed boundaries of pharmaceutical delivery. We are not only transporting medicines, but also racing against time to safeguard life. Every delivery upgrade reflects our commitment to timely healthcare access, ensuring that patients in urgent need of medication no longer have to wait, enabling synchronized access in remote counties, and protecting the value of health at every moment through efficient fulfilment across the entire chain.

Logistics Network Upgrade

To systematically reduce overall logistics costs to society and comprehensively improve supply chain efficiency, the Group is committed to building an efficient four tier logistics network architecture. In recent years, by consolidating scattered and inefficient warehousing resources and carrying out targeted upgrading and transformation of selected hubs, the Group has established 3.66 million square meters of operational warehouse space nationwide and around 5,000 self-owned dispatchable transport vehicles. During the Reporting Period, the Group processed 150 million inbound and outbound warehouse orders. Through route optimization, we substantially reduced transshipment and indirect transportation and achieved delivery within 48 hours for 90% of orders.

Sinopharm Central China Hub

Rapid Coverage of Innovative Medicines

The Group has continued to deepen its strategic cooperation with innovative medicine manufacturers. Upon the approval and commercial launch of innovative medicines, we connect with relevant companies in real time and fully leverage our logistics network advantages to achieve rapid nationwide distribution of newly launched innovative medicines, enabling patients across regions to access advanced treatment solutions at the earliest opportunity and avoiding treatment interruption or disease progression caused by delays in medicine supply.

Case Tofersen Injection Successfully Landed at a Sinopharm SPS+ Care Direct Pharmacy and Completed the First Service Order in Chongqing

On 10 June 2025, Biogen announced the official commercial launch of the innovative medicine tofersen injection in China. As Biogen's one stop service provider for pharmaceuticals in China, Sinopharm promptly initiated logistics distribution and delivered the product to the Chongqing Daping branch of the SPS+ Care Direct Pharmacy on 27 June. On 1 July, the Chongqing Daping branch of the SPS+ Care Direct Pharmacy completed the first direct delivery order for tofersen injection in Chongqing.

At present, as a designated specialty pharmacy under the patient assistance program for amyotrophic lateral sclerosis patients with SOD1 mutations, the Chongqing Daping branch of the SPS+ Care Direct Pharmacy has officially begun providing professional pharmaceutical care services to patients enrolled in the program.

CNPGC Logistics initiated distribution immediately following the product launch

Tofersen injection successfully delivered

Autonomous Delivery Vehicle Deployment

As a foundational infrastructure support for the digital transformation of pharmaceutical logistics and distribution, autonomous delivery vehicle deployment is, through the deep integration of autonomous driving and intelligent Internet of Things technologies, building a resilient safeguard network covering the "last mile" of pharmaceutical distribution. It enables the precise and timely delivery of high value medicines and urgently needed supplies, together with full process quality traceability, injecting new strategic momentum into the improvement of tiered diagnosis and treatment medicine supply systems and the enhancement of public health emergency support capabilities.

Case Inner Mongolia GuoDa Took the Lead in Piloting Autonomous Delivery Vehicle Services

GuoDa Drugstore has actively implemented the digital transformation strategy for the pharmaceutical supply chain and, in 2025, took the lead in deploying an intelligent autonomous delivery vehicle network in Hohhot, Inner Mongolia, creating a new model for "last mile" pharmaceutical delivery that is efficient, safe, and sustainable.

Centered on a full process digital closed loop and quality risk control, the autonomous delivery vehicle model enables end to end traceability of medicine transportation, real time monitoring of temperature and humidity, and contactless precision delivery, significantly enhancing the compliance, safety, and operational resilience of pharmaceutical logistics. According to statistics, autonomous delivery vehicles can operate continuously for 12 to 16 hours per day on average, and the average number of stores served per vehicle per day is 20% higher than under traditional delivery models. Delivery time is stably maintained within 45 minutes, with an on time rate of 99.8%. Compared with conventional fuel powered delivery vehicles, autonomous delivery vehicles operate on new energy electricity, significantly reducing carbon emissions and energy consumption and putting green and low carbon logistics principles into practice. At the same time, automated driving addresses the structural limitations of human delivery in specific scenarios such as late night hours, severe weather, and remote areas, significantly improving delivery efficiency and safety.

First pilot operation of autonomous delivery vehicle services by Inner Mongolia GuoDa

01 Compliance in Action

Upholding Integrity

The Group consistently regards modern corporate governance as the fundamental cornerstone for implementing national strategies and building a world-class enterprise. We remain committed to high-quality development as the guiding principle for strengthening our modern corporate system. By clarifying statutory powers and responsibilities and maintaining an effective governance mechanism based on checks and balances, the Board fully performs its core role in strategic leadership and scientific decision-making. In parallel, we have built a company-wide compliance, risk, and control system, embedding lawful compliance and integrity into our organizational DNA and aligning knowledge with action. Through strong governance effectiveness and sound compliance practices, we continue to set standards and serve as a benchmark for the pharmaceutical distribution industry, promoting its standardized and modernized development while fulfilling the responsibilities of a central state-owned enterprise.

Highly material issues addressed in this chapter

- Compliant operations
- Corporate governance
- Risk management
- Anti-corruption
- Anti-unfair competition

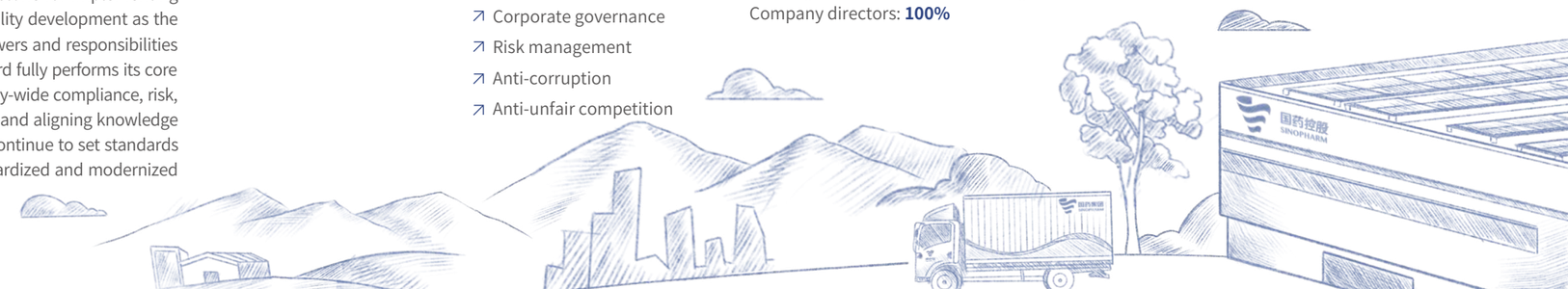
Highlights in this chapter

Coverage of employee anti-corruption training: 100% (**94,910** employees); learning attendances: **54,269** person-times

Coverage of anti-corruption training for Company directors: **100%**

UN Sustainable Development Goals (SDGs) addressed in this chapter

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



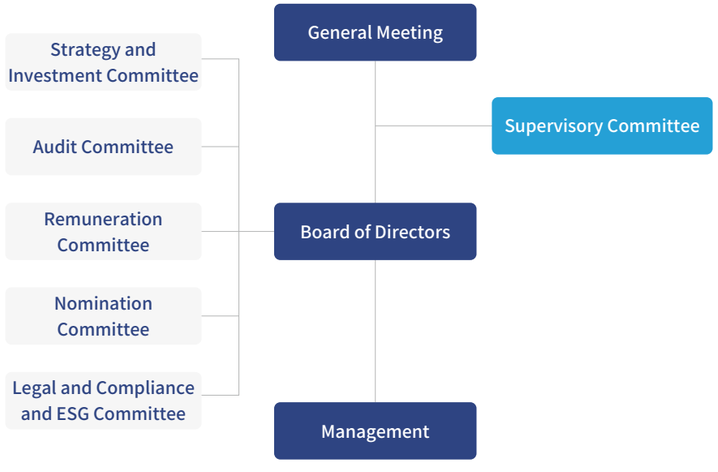
Corporate Governance

Sinopharm has adopted the *Articles of Incorporation* as the foundational document governing its operations. The shareholders' general meeting, the Board of Directors, the Board of Supervisors, and the specialized committees all perform their duties strictly in accordance with the Articles of Association and applicable laws and regulations. By continuously improving governance transparency and decision-making efficiency, the Company protects shareholders' rights and creates long-term, stable value. We will continue to modernize our governance capabilities and promote high-quality, sustainable corporate development.

Governance Structure

Sinopharm strictly complies with the *Company Law of the People's Republic of China, the Securities and Futures Ordinance of the Hong Kong Securities and Futures Commission* (Chapter 571 of the Laws of Hong Kong), the *Listing Rules of the Hong Kong Stock Exchange,* and other applicable laws, regulations, and regulatory requirements. The Company continues to optimize its governance system to safeguard its steady and sustainable development. Sinopharm has established the General Meeting of shareholders as the highest authority, with the subordinate Supervisory Committee performing supervisory duties and the Board of Directors as the decision maker. The Supervisory Committee and the Board of Directors are appointed by the General Meeting of shareholders, and the Board of Directors employs the Management as the executive body. The Board has established the Strategy and Investment Committee, Audit Committee, Remuneration Committee, Nomination Committee, and Legal and Compliance and ESG Committee to provide professional advice for the Board in making decisions.[1]

Corporate Governance Framework of Sinopharm



2025 Sinopharm Committee Meetings

Audit Committee
4

Remuneration Committee
3

Nomination Committee
6

Legal and Compliance and ESG Committee
2

Strategy and Investment Committee
8

Sinopharm holds Board meetings and specialized committee meetings every year. In 2025, the Company convened 14 Board meetings and 23 specialized committee meetings, reviewing a total of 168 matters submitted to the Board. In addition, the Board actively participated in training on listed-company compliance management and anti-corruption, continuously enhancing its capabilities in order to provide stronger decision-making support for the Company's development. During the reporting period, Sinopharm held two special Board training sessions, including one written anti-corruption training session.

[1]For more information, please visit the official website of China National Pharmaceutical Group Corporation - Investor Relations - Corporate Governance section.

Board Independence

Sinopharm has always believed that the core of Board oversight is to provide independent and objective judgment in the long-term interests of the Company and its stakeholders. During the reporting period, the Company continued to strengthen Board independence and the substantive oversight capability of its independent directors. Of the fifteen directors on the Board, five are independent non-executive directors, in compliance with the requirements of the Listing Rules regarding number and proportion.

To ensure the effective performance of independent non-executive directors, Sinopharm submits major matters that require independent opinions—such as connected transactions—to the independent non-executive directors for advance review and comment before they are submitted to the Board for deliberation in accordance with applicable laws, regulations, and internal management requirements. The Company also organizes at least one on-site field visit for independent non-executive directors each year, enabling them to gain a first-hand understanding of operations and fully exercise their independent oversight function. In addition, the Chairman meets annually with the independent non-executive directors without the presence of executive directors or other non-executive directors, to hear their professional views on strategic development, service innovation and transformation, compliance governance, and risk control. These arrangements ensure that independent non-executive directors fully contribute to stronger corporate governance and Board effectiveness.

Board Diversity

Sinopharm values the diversity of directors' experience and backgrounds. The Company has formulated the Sinopharm Board Diversity Policy and adheres to a merit-based approach in appointments, taking into account factors including but not limited to gender, age, culture, ethnicity, educational background, industry experience, skills, professional knowledge, and career history. As of the end of the reporting period, the Board comprised fifteen members with expertise in pharmaceuticals, management, finance, law, the capital markets, and other fields, including one female director. Their skills, knowledge, experience, and backgrounds bring diverse perspectives and viewpoints to Board decision-making and are of major significance to the Company's long-term development.

Sinopharm has established gender diversity targets for the Board and continues to advance them. To achieve sustainable and balanced development, the Company remains committed over the long term to increasing gender diversity across the Board. Before the end of the term of the sixth session of the Board, the Company plans to achieve an average female representation of no less than 20% on the boards of the Company and its second-tier subsidiaries nationwide.

For more detailed information on the Company's 2025 corporate governance work, please refer to the "Corporate Governance Report" section of Sinopharm's 2025 Annual Report.

Executive Directors	2
Non-executive Directors	8
Independent Non-executive Directors	5

Risk Management

Sinopharm continues to strengthen its "three lines of defense" risk management system, further consolidating the foundation for stable operations and building a solid safeguard for the achievement of its sustainable development goals.

The Board

- It is fully responsible for the establishment and improvement of Sinopharm's risk management and internal control system.
- It is the highest decision-making body for corporate risk management and internal control.

The Audit Committee

- It is the deliberation and decision-making structure for corporate risk management and internal control.
- It regularly reviews the effectiveness of the risk management and internal control systems, and conducts full-process supervision over the progress of external audit work, to ensure the effective implementation of the Company's risk management and internal control measures.

Core Departments

Sinopharm has established a "three lines of defense" risk management system with clear division of responsibilities and effective coordination.

- First line of defense: Subsidiaries and business departments identify and respond to risks in real time through day-to-day operations, preventing risks from spreading from operational links.
- Second line of defense: Operation risk management department (safety, health & environment department), legal compliance, and other functional departments, together with management and the Board's Audit Committee, conduct annual identification, analysis, and assessment of the Group's major risks in light of internal and external changes. For major risks, they formulate dedicated response plans. The Company regularly prepares the Sinopharm Internal Control System Work Report to review oversight and timely improvement related to all major risks and to plan risk and internal-control work for the following year. The report is approved by management and the Audit Committee and then submitted to the Board, ensuring continuous oversight and evaluation of the effectiveness of the Group's risk management and internal control systems.
- Third line of defense: Independent audit departments and disciplinary inspection and supervision departments. Sinopharm has established an Audit Center and disciplinary supervision departments, which conduct internal audits and internal-control reviews across the Group's risk management system to ensure continuous improvement in corporate governance and risk prevention capabilities.

In response to changes in the internal and external environment, Sinopharm conducts in-depth analysis of a wide range of risk factors, including strategic risk, financial risk, market risk, operational risk, legal risk, and ESG-related risks. ESG-related risks, including climate-related risks, human capital risks, and information security risks, have long been incorporated into the Company's overall risk management process.

The Company has formulated the Sinopharm Major Risk Assessment Questionnaire and carries out annual risk assessments focused on identifying, prioritizing, and evaluating all relevant risks that could affect the Company's business operations. For those assessed as major risks, the Company conducts comprehensive analysis, considers their likelihood and potential impact, formulates response strategies, and maintains ongoing monitoring.

Sinopharm Risk Management Process

Risk Identification → Risk Assessment and Analysis → Formulation of Response Strategies → Risk Monitoring

Sinopharm is accelerating the digital transformation of risk management, using big data and information technology to progressively enhance its capabilities in risk identification, early warning, and control. During the reporting period, the Group built a risk-control management platform that deeply integrates multidimensional business and financial data to enable real-time monitoring, dynamic assessment, and automatic early warning of major risks. Through data penetration analysis, the platform strengthens remote oversight and coordinated prevention and control over subsidiaries and key business processes, significantly improving the timeliness, precision, and collaborative efficiency of risk response.

During the reporting period, the Company continued upgrading its first-business management platform. By linking online platforms such as the master data platform and the license exchange platform, it achieved end-to-end online connectivity for the first-business workflow. The aim is to ensure that goods sourced from first-business suppliers have lawful origins, controllable quality, and traceable accountability, while improving risk-control efficiency. As of the end of the reporting period, the platform had been launched in seven second-tier companies, covering 222 subordinate legal entities.

In addition, the Company's expense control platform continued to be rolled out. By embedding policies and full-process controls into the system, the platform enables real-time compliance-based risk control over expense spending and further strengthens the Company's risk defenses. It also breaks through data silos across multiple systems, laying a solid foundation for the construction of a financial shared service center and supporting leaner financial management. By the end of the reporting period, the expense control platform had been deployed at Sinopharm headquarters and 41 second-tier companies, covering 752 subordinate legal entities.

Rooted in the sound development of the pharmaceutical distribution industry, Sinopharm underscores pharmaceutical supply chain security and assumes the responsibility for optimizing the industry ecosystem. It continues to foster a robust risk management culture and build a well-structured hierarchical and categorized training system for risk prevention and control. During the reporting period, the Company rolled out systematic risk management training tailored to employees at all organizational levels and across diverse job roles. By adopting a diversified training approach covering themed lectures, case discussions and practical exercises, the Company has strengthened employees' proficiency in risk identification, assessment and response, thereby consolidating the safety foundation for high-quality development.

Case

Risk-control Training for Key Positions to Strengthen Risk Awareness and Duty Performance

On December 5, 2025, Sinopharm conducted risk-control training for key positions, attended by more than 100 heads of business departments including procurement, sales, engineering and investment. The training focused on practical risk prevention and control in corporate operations and the institutional requirements of the Administrative Measures for Compliance Management of Central Enterprises. Through policy interpretation, analysis of typical cases, and explanation of supervision and accountability mechanisms, it reinforced participants' compliance awareness and performance boundaries. In the action-learning segment, participants discussed how to prevent disciplinary violations and non-compliant conduct, producing management improvement and risk-control measures that further strengthened the critical lines of defense of self-discipline, process control, and supervision and accountability.

Key-position Risk-control Training Session

Responsible Disclosure

Sinopharm strictly complies with the Company Law of the People's Republic of China, the Listing Rules of the Hong Kong Stock Exchange, the Inside Information Disclosure Guidelines of the Hong Kong Securities and Futures Commission, and other applicable laws, regulations, and normative documents. It regularly publishes annual, interim, and quarterly reports (where applicable), results announcements, and sustainability reports to ensure that all parties fully understand the Company's financial position and non-financial performance.

To safeguard standardized operations and protect the lawful rights and interests of shareholders, creditors, and other stakeholders, the Company continues to strengthen information disclosure management and has formulated the Information Disclosure Management System for Listed Companies to standardize the content, scope, standards, approval requirements, and other compliance procedures for information disclosure. It also strengthens the management of connected transactions and inside information and further improves listed-company compliance management. The Company strictly fulfills its disclosure obligations in accordance with the Listing Rules and applicable laws and regulations, helping maintain sound order in the capital market.

Sinopharm places great importance on investor relations management. Externally, it works closely with overseas compliance advisers and securities regulators, keeps abreast of regulatory developments, and releases corporate information through authoritative channels to protect the Company's market image. Internally, it strengthens coordination with the Investment Department, Finance and Treasury Department, and major subsidiaries to ensure the timeliness, truthfulness, and accuracy of the information collected. At the same time, the Company maintains dialogue with shareholders through multiple channels and formats, engaging in two-way communication on the Company's status and development prospects so as to deepen mutual understanding, enhance investor confidence, improve market reputation, and support long-term sustainable development. During the reporting period, Sinopharm regularly released quarterly results and arranged for management to participate throughout the annual-results roadshow. It conducted 90 online and offline communication sessions with shareholders and institutional investors in mainland China, Hong Kong, Singapore, Europe, the United States, and other regions, effectively increasing investors' understanding of and confidence in the Company's strategy, operating performance, and governance.

Deepening Governance Reform

In 2025, Sinopharm fully implemented its high-quality development objectives, deepened modern corporate governance reform, and continued to promote coordinated integration between its governance system and business development. The Company incorporated the Party organization's functions in risk gatekeeping and compliance review into its strategic decision-making process, establishing a governance mechanism that gives equal weight to scientific decision-making and compliant operations. Focusing on governance-system optimization, core capability building, and strategic innovation breakthroughs, the Company strengthened ex-ante assessment of strategic plans, improved decision-making procedures for major matters, enhanced the leadership of the Board and senior management team, deepened talent-pipeline development, and cultivated a culture of integrity and compliance. These efforts ensure that the direction of corporate development remains aligned with industry trends and stakeholder expectations, while advancing both governance quality and operating performance.

Compliant Operations

Sinopharm upholds the principles of integrity, innovation, and law-based compliance. It strictly complies with the Criminal Law of the People's Republic of China, the Company Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, the Anti-Monopoly Law of the People's Republic of China, the Administrative Measures for Compliance Management of Central Enterprises, the Interim Provisions on Prohibiting Commercial Bribery, and other applicable laws and regulations. The Company comprehensively implements legal and compliance management throughout its operations and in related matters, prevents legal risks, and ensures lawful operations. In 2025, there were no concluded corruption-related lawsuits brought against the Company or its employees.

Sinopharm has established a compliance management system built around "two major systems and two major mechanisms": the compliance management system, the compliance management organizational system, the compliance risk management mechanism, and the compliance culture-building mechanism. Through regular assessment and dynamic optimization, the Company continues to improve its compliance management system, while strengthening supervision and guidance over the compliance development of its subsidiaries, comprehensively enhancing compliance management effectiveness across all levels and ensuring that compliance risk control remains dynamically aligned with the Company's operating and development objectives.

Two Major Systems

- Compliance Management System
- Compliance Management Organizational System

Two Major Mechanisms

- Compliance Risk Management Mechanism
- Compliance Culture Construction Mechanism

Compliance Framework

During the reporting period, the Company achieved notable results in building its compliance framework and embedding a culture of rule of law. It continued to formulate and improve multiple compliance management documents, including the Compliance Code, Compliance Risk Prevention and Control List, and Compliance Management System. These documents are regularly updated based on regulatory requirements and the Company's internal compliance situation and are communicated to all employees to ensure that compliance requirements are effectively transmitted.

During the reporting period, Sinopharm continued to strengthen the "three lines of defense" for compliance management, improve the compliance system, and refine the operating mechanisms for compliance management. While ensuring the efficient operation of the internal compliance system, the Company also positively influences the compliant conduct of its business partners through measures such as signing compliance agreements and requiring compliance commitments.

2025 Progress in Building Sinopharm's Compliance System

Institutional system

Issued and published

- *Work Plan for the Registration and Management of Key Positions and Key Personnel of Sinopharm*
- *Compliance Due Diligence Questionnaire for Partners (Suppliers and Distributors)*
- *Compliance Commitment Letter*

Revised and updated

- *2025 Sinopharm List of Key Compliance Issues for Prevention and Control,* with newly added requirements for controlling recirculated pharmaceuticals and a total of 53 control priorities

Organizational system

- In accordance with *the Administrative Measures for the Appointment of General Counsel and Chief Compliance Officers,* promoted 28 key subsidiaries to complete the appointment of general counsel or initiate the appointment process
- As of the end of the reporting period, the Group had 406 legal personnel across all levels (including 195 full-time personnel), achieving organizational coverage throughout the Group

From an organizational perspective, Sinopharm has established a top-to-bottom compliance management structure and continues to implement clear responsibilities and duties from the governance level to the management level and the execution level. This well-developed structure provides a solid guarantee for the effective implementation of compliance work. The Company has set up a fixed contact window responsible for receiving statistics and reports on cases, administrative penalties, and related sanctions, as well as consolidating case information internally and following case progress to ensure timely reporting and risk alerts.

Governance Level

The Board has established the Legal Compliance and ESG Committee, which is fully responsible for and provides guidance on the Company's legal and compliance management.

Management Level

The Company has established a Compliance Committee. The Chairman serves as Director; the President and the General Counsel (who concurrently serves as Chief Compliance Officer) serve as Deputy Directors; and other senior executives and heads of relevant functional departments serve as members. The Legal Compliance Department is the lead department for compliance management.

Execution Level

Each department carries out compliance management according to its functions and designates compliance administrators to interface with the lead compliance management department.

Compliance Risk Management Mechanism

Sinopharm has established a sound compliance risk management mechanism covering five aspects: source risk prevention and control, compliance review during process execution, issue identification and rectification, accountability and responsibility enforcement, and performance-linked assessment.

Source Risk Prevention and Control

Build a dynamic risk-assessment model and regularly update the *List of Key Compliance Issues for Prevention and Control*, implementing graded and categorized governance based on likelihood, impact, and severity of consequences.

Process Compliance Review

Embed compliance review throughout the full process of major decisions and major economic contracts; build a three-line collaborative supervision mechanism involving audit, legal, and disciplinary inspection; and require the lead compliance department to report compliance management status to the Board on a regular basis.

Issue Identification and Rectification

Formulate an annual compliance inspection plan and conduct compliance checkups at subsidiaries through a combination of surprise inspections and rule-of-law surveys; establish an issue ledger and close-out management mechanism to ensure closed-loop rectification and long-term prevention.

Responsibility Constraints and Accountability

Sign the Responsibility Letter on Compliant Operations and Clean Employment with each department and subsidiary every year; refine disciplinary standards for violations and establish a responsibility-identification mechanism linked to job duties.

Performance-linked Assessment

Incorporate compliance operation and management into the annual comprehensive assessment and deduct performance points for departments or individuals involved in compliance risk incidents.

Compliance Culture-building Mechanism

Sinopharm remains committed to strengthening its foundation by deeply embedding the spirit of the rule of law and compliance requirements into its governance system and every operational link. Through continuous enhancement of its rule-of-law and compliance culture, the Company strengthens employees' awareness of compliance and their self-discipline in behavior, ensuring that it can steadily fulfill its responsibility to safeguard the public's medication safety while laying a solid compliance foundation for building a world-class pharmaceutical distribution enterprise.

In 2025, Sinopharm implemented work requirements for the proactive and effective prevention and control of legal and compliance risks by holding its annual rule-of-law work conference and a capability-enhancement training session for the legal and compliance function. The meeting focused on key areas such as compliance management, contract management, case management, reduction of legal entities, intellectual property management, compliance responses to administrative penalties, recovery of accounts receivable, duty-related crimes, and bankruptcy liquidation, thereby systematically strengthening professional capabilities. More than 100 participants attended in person, including general counsels, chief compliance officers, line supervisors, department heads, and employee representatives from second-tier companies, while subsidiaries at all levels joined online through more than 1,500 connection points.

During the reporting period, Sinopharm also carried out four thematic compliance training programs:

- Focusing on front-line developments and regulatory trends in marketing compliance in the pharmaceutical distribution industry, while analyzing the legal priorities and response methods for recovering accounts receivable.
- Conducting special training on the "streamlining and reduction" initiative, examining exit paths and methods for addressing obstacles, and strengthening legal risk control during restructuring and efficiency improvement.
- Launching the integrity education program "Knowing Shame and Acting with Courage — Only by Staying True to the Original Aspiration Can One Persevere to the End," using cases as lessons to reinforce ideological defenses.
- Organizing online training on foreign-related rule of law in parallel, so as to strengthen compliance capabilities for international operations.

Integrity Building

Sinopharm consistently adheres to business ethics, actively identifies and addresses major business-ethics risks arising in the course of operations, and integrates ethics into day-to-day operations and decision-making. The Company has formulated institutional documents such as the Anti-Commercial Bribery Guidelines, Measures for Anti-Bribery and Anti-Corruption Compliance Management, Rules of Procedure (Trial) of the Coordination Group for Party Conduct, Clean Government Building and Anti-Corruption Work, Measures (Trial) for the Management of Integrity Files, and Measures for the Registration and Surrender of Gifts, Cash Gifts, and Gift Certificates to regulate employee conduct and respond to different forms of corruption, bribery, and unfair competition. The Company also maintains an annual dynamic update mechanism under which the contents of the Responsibility Letter for Building Party Conduct and Clean Government are refined and upgraded each year to precisely identify annual priorities in integrity and compliance work, clarify the boundaries of management responsibility for each role, and comprehensively strengthen closed-loop execution and effectiveness.

During the reporting period, the Group achieved the following

Employees covered by anti-corruption training **94,910** learning attendances **54,269**

Anti-corruption training coverage for directors at Sinopharm headquarters **100%**

Total attendance at various disciplinary inspection and supervision training sessions held at headquarters **269**

Sinopharm maintains a strict tone in improving conduct and enforcing discipline. It continues to deliver special training on integrity building and anti-corruption to the Board, management, and all employees. Through thematic lectures, analysis of typical cases, and warning education in multiple formats, the Company systematically advances the development of a clean-culture environment at all levels and effectively strengthens the ideological defenses against corruption and misconduct.

Case

Sinopharm Convened 2025 Meeting on Party Conduct, Clean Government Building and Anti-Corruption Work & Warning Education Conference on Implementing the Spirit of the Central Committee's Eight-Point Decision to Improve Standards in Party Conduct, Clean Government Building, and Anti-corruption Work

On July 24, 2025, Sinopharm held its 2025 conference on Party conduct, clean government building, and anti-corruption work, together with a warning-education conference on implementing the spirit of the Eight-Point Decision of the Central Committee. A total of 9,851 participants attended, including mid-level and above managers from companies at all levels, disciplinary committee members and supervisors, and personnel from organizational and human resources, Party and mass affairs, disciplinary inspection, and inspection departments.

2025 Meeting on Party Conduct, Clean Government Building and Anti-Corruption Work & Warning Education Conference on Implementing the Spirit of the Central Committee's Eight-Point Decision

Sinopharm is also committed to creating a fair and impartial business environment. The disciplinary supervision line has formulated the Measures of the Discipline Inspection Committee of Sinopharm for Managing Letters, Visits, Reports, and Clues of Problems. In accordance with the regulatory requirements of the Hong Kong Stock Exchange, the Company has also formulated the Whistleblowing Policy of Sinopharm, encouraging employees, customers, suppliers, and other business partners to report any misconduct that violates business ethics standards or laws and regulations.

The Company accepts anonymous reports and keeps whistleblowers' information strictly confidential. To protect whistleblowers' rights, the Company maintains zero tolerance for retaliation of any kind. Reporting channels—including the mailing address, hotline number, and email address—are disclosed on the Company's official website to ensure that reporting channels remain transparent and open and that the Company remains subject to stakeholder oversight. For complaints that are formally handled, the Audit Committee may, after hearing periodic or special reports, review and supervise the relevant whistleblowing matters and the progress and results of their handling at any time.

Reporting channels under the disciplinary inspection line

- Mailing address: Discipline Inspection Commission, Sinopharm Co. Ltd., 12/F, 385 Longhua East Road, Huangpu District, Shanghai
- Reporting email: gkxfjb@sinopharm.com

Other reporting channel

Reporting email: whistleblow@sinopharm.com

The Reporting and Handling Process of Sinopharm's Reporting Policy

After a report is received, the Legal Compliance Department, the Discipline Inspection Committee's Case Review Office, and the Petition Office jointly review the report, determine the nature and type of the matter, and designate the handling department.

The handling department investigates and handles the matter based on the report information and formulates a preliminary response plan.

Handling measures are adopted and reported to the Audit Committee, which may at any time review and supervise the relevant whistleblowing matters and the progress and results of their handling.

Where feasible, the Audit Committee, through the handling department, responds to the whistleblower (if contactable) to indicate whether further investigation will be conducted and, where appropriate, to inform the whistleblower of actions taken or to be taken, or the reasons for not conducting an investigation.

Measures to prevent retaliation against whistleblowers

- The Company takes all reasonable steps to ensure that whistleblowers are treated fairly, including protection from unfair dismissal, victimization, or unwarranted disciplinary action.
- The Company reserves the right to take appropriate action against any person who retaliates against or threatens to retaliate against an honest whistleblower.

02 Quality and Efficiency

Enhancement Embracing for a Healthier Future

The Group has always regarded safeguarding people's health rights and interests as the core mission in advancing the Healthy China strategy. With pharmaceutical safety as a major public-safety baseline, we have built a quality governance system covering the full life cycle of pharmaceuticals and medical devices, embedded quality awareness throughout the organization, and firmly safeguarded the safety of public medication use. In parallel, we rely on technological innovation to foster new quality productive forces, accelerate digital and intelligent transformation, and build a future-oriented modern pharmaceutical distribution ecosystem. As a result, we continuously improve the accessibility and equitable availability of healthcare services and demonstrate the responsibility of a central SOE in serving the broader national health agenda.

Highly material issues addressed in this chapter

- Product quality and safety
- Customer service and satisfaction
- Responsible marketing
- Business innovation and digital management
- Privacy and data security
- Information security management
- Intellectual property protection

Highlights in this chapter

A total of **75** companies have obtained ISO 9001 certification, with **100%** coverage among secondary subsidiaries of pharmaceutical distribution

In-house product self-inspection pass rate: **100%**

Market sampling pass rate: **100%**

Customer satisfaction: **99.47%**

UN Sustainable Development Goals (SDGs) addressed in this chapter:

Product Quality Management

The Group places great emphasis on product quality management and continues to refine its quality management standards. We are committed to fostering a strong quality culture, ensuring quality and safety through multiple initiatives, and effectively preventing potential quality and safety risks throughout the product life cycle. Sinopharm strictly guides and supervises the quality management work of its subsidiaries. All subsidiaries operate in strict compliance with relevant national laws and regulations and Sinopharm's quality management requirements, assume quality-management responsibilities appropriate to their business formats, and conduct operations only after obtaining the required statutory licenses, including the *Drug Manufacturing License*, the *Drug Distribution License,* the *Medical Device Manufacturing License, and the Medical Device Distribution License.*

Quality Management System

Sinopharm has established a dedicated Quality Management Department responsible for building a quality management system that covers the full product life cycle. The system spans multiple business formats, including industrial production, distribution, logistics, and retail, and covers quality management standards, quality target management, quality risk management, and quality culture building, forming a complete closed-loop quality management framework.

Quality Management System Standards

In light of updates in national regulations, feedback from internal and external product quality inspections, and changes in actual business needs, we formulated the *Internal Audit Procedures for the Quality Management System* and continued to conduct internal audits and dynamic optimization of the quality management system, ensuring ongoing alignment with the latest regulatory requirements and effective support for compliant and efficient business operations across the Group.

During the Reporting Period, Sinopharm

added **2** quality management system documents: the *Measures for the Supervision and Administration of Drug Operation and Use Quality and the Quality Management Standards for Medical Device Operation;*

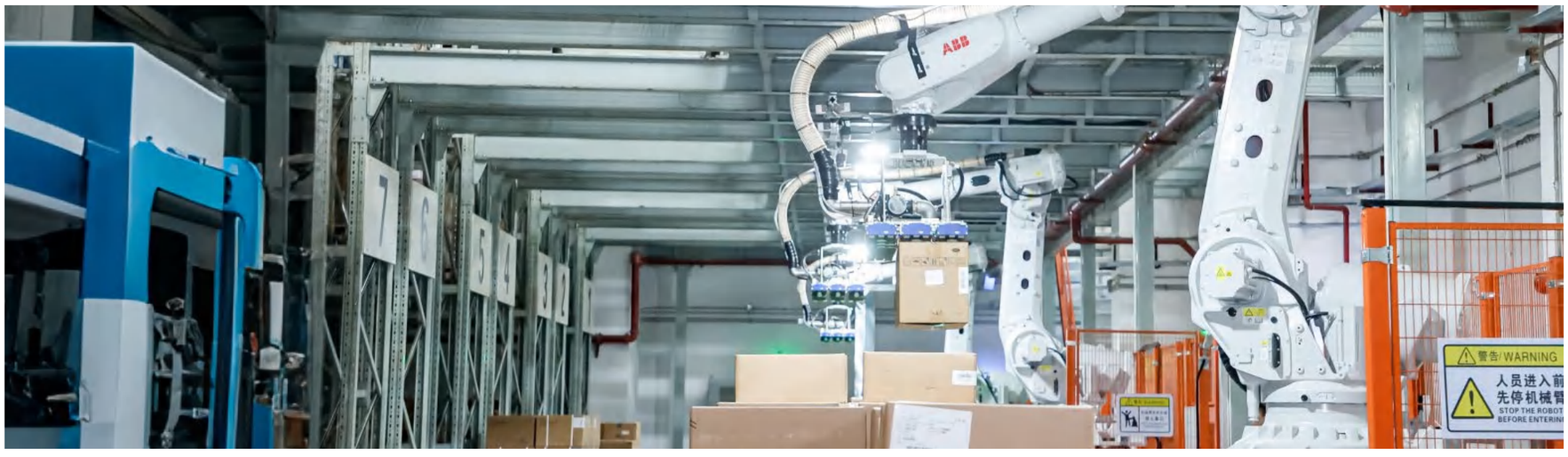
completed revisions to **26** quality management system documents.

Quality Management System Certification

In 2025, after completing the expiration renewal reviews of the ISO 9001 systems of 15 companies in accordance with international certification rules, we also promoted the inclusion of three subsidiaries below the secondary level into the integrated ISO 9001 certification system. The integrated quality system is now expanding to cover subsidiaries below the secondary level, further strengthening the implementation team and enhancing the Group's overall quality management system.

During the Reporting Period, the Group

had **75** companies covered by the ISO 9001 certification system, with **100%** coverage of secondary subsidiaries of pharmaceutical distribution



Quality Target Management

Based on the overall quality requirements of the Group and in light of the priority work and management objectives of each business format, we determined Sinopharm's 2025 quality objectives. We also formulated differentiated quality target responsibility agreements for 43 secondary subsidiaries across industrial production, distribution, logistics, and retail, thereby implementing the principal responsibilities of each subsidiary.

During the Reporting Period, the Group

identified **13** quality objectives;

achieved a **100%** signing rate for annual *Quality Target Responsibility Agreements* by secondary subsidiaries;

completed **11** quality improvement projects;

achieved a **100%** signing rate for annual *Quality Target Responsibility Agreements* by industrial manufacturing subsidiaries.

Quality Risk Management

Taking into account business format, size, scope of operations, public-opinion events, and regulatory inspection outcomes, we assessed the quality-risk level of each company, with particular attention to medium- and high-risk areas such as special pharmaceuticals, medical devices, and retail pharmacies. In accordance with the *Procedures for Quality Audit Management of Subsidiaries*, we prepared annual audit plans for subsidiaries and carried out quality audits while continuously tracking follow-up rectification to ensure that quality issues are effectively resolved and operating quality risks are controlled. For quality incidents that do occur, we enforce accountability in strict accordance with the *Measures for Accountability for Quality Incidents.*

During the Reporting Period, the Group:

completed quality audits at **78** subsidiaries;

recorded no major quality incidents.

Product Quality Control

The Group continues to strengthen its product quality management system and rigorously implement all safety assurance measures to safeguard pharmaceutical safety and protect public health. We strictly comply with the *Drug Administration Law of the People's Republic of China, the Regulation for Implementation of the Drug Administration Law,* the *Good Manufacturing Practice for Drugs, the Measures for the Supervision and Administration of Drug Manufacturing,* the *Measures for the Supervision and Administration of Drug Operation and Use Quality,* the *Good Supply Practice for Pharmaceutical Products, the Drug Recall Measures,* the *Regulation on the Supervision and Administration of Medical Devices,* and the *Quality Management Standards for Medical Device Operation.* Based on these requirements, we have established quality management documents covering the full product life cycle, standardizing quality and safety management throughout R&D, manufacturing, launch, transportation, delivery, and storage, while proactively identifying and controlling risks at critical control points.

During the Reporting Period, the Group

issued **6,371** quality disclosure notices to alert subsidiaries to operate in a compliant manner;

underwent **3,622** regulatory inspections with a rectification completion rate of **99.15%**

successfully passed **3** special inspections by regulators covering special pharmaceuticals and medical devices;

underwent **961** third-party inspections, with a rectification completion rate of **97.95%**

The Group's industrial manufacturing subsidiaries strictly follow the *Good Manufacturing Practice for Drugs* and regularly test raw and auxiliary materials, packaging materials, intermediates, finished products, narcotic and psychotropic pharmaceuticals, and product stability. They also undergo inspections by regulators and third parties. For major deficiencies identified during testing and inspection, we continue to track audit results and corrective actions to ensure effective implementation, tightly control quality risks, comply with local regulatory requirements, and continuously improve pharmaceutical manufacturing quality management.

During the Reporting Period, the Group's industrial manufacturing subsidiaries

achieved a **100%** in-house product self-inspection pass rate;

achieved a **100%** market sampling pass rate;

underwent **34** regulatory inspections

with no critical deficiencies identified.

For pharmaceutical retail operations, we have established an end-to-end quality management system covering procurement, acceptance, storage, distribution, and sales, ensuring that medicine quality remains controllable and traceable throughout the entire business process, preventing counterfeit and substandard drugs from entering the market, and protecting public medication safety. We strictly implement the *Good Supply Practice for Pharmaceutical Products,* enforce quality accountability, enable full-process traceability through information systems, carry out regular internal audits and quality training, strengthen risk prevention and control, and maintain complaint-handling and recall mechanisms to ensure timely disposal of any problematic medicines.

Drug Procurement
Formulate systems such as the *Quality Management Provisions for Commodity Procurement* to strengthen quality control throughout the drug procurement process, ensure that drugs are purchased from legally approved manufacturers or distributors, and guarantee drug quality.

Drug Receipt and Acceptance
Formulate systems such as the *Logistics Company Management Procedures* and the *Acceptance Management System*, requiring consistency among invoices, records, and goods upon receipt. During acceptance, inspect the drug appearance, packaging, labels, and package inserts in accordance with sampling standards, and verify the drug traceability codes through the drug traceability management platform to generate internal logistics codes.

Storage and Custody
Formulate systems such as the *Drug Inventory Check Management Procedures* and the *Quality Management Provisions for Cold-Chain Drugs* to strengthen the safety and quality management of stored drugs, ensure that all drugs are kept in designated locations in accordance with their storage requirements, and prevent economic losses caused by abnormal temperatures, shortages, theft, or other such factors.

Outbound Review and Verification
Before drugs leave the warehouse, their physical condition is first inspected, and then the drug traceability codes and logistics codes are rechecked through the drug traceability management platform to ensure the authenticity and consistency of the outbound drugs.

Drug Sales
Formulate systems such as the *Quality Management Provisions for Commodity Sales* and the *Quality Management Provisions for Online Sales Operations* to ensure the Company's lawful online and offline sales, meet customer purchasing needs, and safeguard public safety in the use of drugs and medical devices.

End-to-End Quality Management System for the Retail Business Segment

During the Reporting Period, the Group

formulated the *Sinopharm Grading Standards for Quality Management Evaluation of Retail Enterprises* and **completed the grading evaluation of the retail chain headquarters under GuoDa Drugstore;**

conducted special quality management inspections at **18** stores under 12 high-risk retail subsidiaries, improving the overall quality management capability of the retail business.

Drug Recall and Traceability

The Group has established robust drug recall and retrieval mechanisms. In accordance with the Drug Recall Measures, we formulated the *Procedures for Drug Recall and Retrieval, the Procedures for Sales Returns,* and the *Procedures for Quality Complaint Management.* Where a recall is triggered by a product quality issue, we launch the recall process immediately and actively cooperate with relevant suppliers and manufacturers to handle the issue, minimizing the scope of impact to the greatest extent possible.

Scenarios Triggering Drug Recall and Retrieval

- Drugs subject to recall upon receipt of a written recall notice from the supplier
- Drugs identified during routine maintenance, or reported by customers and confirmed by the Quality Management Department, as having quality defects, or whose inner and outer packaging or package inserts fail to comply with applicable requirements
- Drugs prohibited from sale or subject to recall pursuant to announcements issued by regulatory authorities
- Drugs determined to be non-compliant following quality sampling inspections conducted by the relevant regulatory authorities during business operations

During the Reporting Period, Sinopharm

recorded no recall events caused by product quality issues at its industrial manufacturing subsidiaries;

completed **8** drug recalls involving **9** specifications and **19** batches; **0** were caused by Sinopharm' own quality control issues, while all **8** were caused by manufacturer-side product quality issues;

reported that products recalled for safety and health reasons accounted for **0.036%** of total products sold or delivered;

received no product-quality complaints.

In line with the strategic deployment to participate in the National Healthcare Security Administration's drug traceability platform, we standardized requirements for scanning drug traceability codes, prepared the *Measures for the Management of Drug Traceability Code Scanning*, clarified full-code scanning requirements, improved drug traceability management system, defined management requirements, departmental responsibilities, and standard operating procedures, and established an exception-handling mechanism to ensure that drug sources can be checked, destinations can be traced, risks can be controlled, and responsibilities can be assigned.

During the Reporting Period, the Group

connected **436** subsidiaries to the drug traceability-code data links with relevant regulators;

completed **2,565** tracability-code verification reports and submitted them to relevant regulatory authorities.

Logistics Quality Management

The Group continues to optimize its logistics operating model and strengthen resource sharing and operational coordination in order to improve the quality and efficiency of logistics services. For logistics operations and third-party logistics service quality management, we established a dedicated Logistics Management Center and formulated a series of policies and institutional documents, including the *Procedures for Logistics Company Management,* the *Detailed Rules for the Evaluation and Control of Logistics Companies,* the *Provisions on Quality Management of Entrusted Third-Party Logistics,* the *Procedures for Cold-Chain Commodity Management,* the *Procedures for Transportation Delivery Management*, and the *Procedures for Temperature-Controlled Product Transportation Management.*

We continue to improve overall logistics efficiency and quality through modernized management, multi-warehouse coordination, and process optimization.

Modernized Management

- By relying on automated warehouses, smart sorting systems, and other modern logistics equipment, we have achieved precise end-to-end operation in pharmaceutical warehousing and sorting, thereby providing strong support for logistics quality management.

Multi-warehouse Coordination

- With Sinopharm's headquarters warehouse as the core, we use quarterly coordination meetings among collaborative warehouses to align regulatory requirements, review operating data, and analyze deviation cases. We have clarified standardized control points for the full process, including pharmaceutical acceptance and temperature and humidity control, supported rigid execution through implementation templates, and established a dynamic optimization mechanism featuring quarterly reviews and annual revisions to unify quality standards across the nationwide warehouse network.

Process Optimization

- We optimized the query mechanism for maintenance plans so that all maintenance plans before the next due date are automatically filtered by the current date, avoiding the risk of missed maintenance caused by incorrect query criteria.
- We also adjusted the PDA-based receiving verification step to check shelving-area maintenance in advance, thereby avoiding rework caused by missing information during acceptance, reducing waiting time and space occupancy, and improving turnover efficiency.

Quality Culture Building

The Group continues to strengthen its quality culture and has issued the Provisions on Quality Culture Building. Centered on the concept of quality, these efforts enhance awareness of quality culture, foster a strong quality-oriented atmosphere, and support improvements in business quality and efficiency. We stay abreast of newly issued laws, regulations, and policy developments, benchmark them against existing quality management systems and internal management processes, prepare and circulate guidance documents, and organize training on laws, regulations, and policies. Through these training programs, we broaden professional perspectives in quality and apply what we learn in our daily work, thereby better serving the Company's high-quality and compliant development.

We also hold regular quality-culture activities each year, including "Quality Month" campaigns, quality education and training, quality control (QC) group achievement reviews, and skills competitions. These activities encourage broad participation from headquarters and subsidiary employees, stimulate engagement, and foster a culture of quality, safety, and compliance.

During the Reporting Period, Sinopharm

organized

9 quality training sessions at headquarters

with cumulative attendance exceeding

3,700 participant-times;

During the Reporting Period, the Group

recorded

1,001,276

participant-times in internal quality training;

recorded

44,060

participant-times in external quality training.

Case: Sinopharm Participated in the 2025 "Quality Month" Promotion Meeting under the Theme "Standards Leading the Way, Quality Toward the Future"

On 16 September 2025, the Shanghai Pharmaceutical Trade Association and the Shanghai Drug Evaluation and Inspection Center jointly organized the 2025 "Quality Month" promotion meeting under the theme "Standards Leading the Way, Quality Toward the Future." More than 120 participants attended, including leaders and quality heads from pharmaceutical R&D, manufacturing, and distribution enterprises. At the meeting, Sinopharm shared corporate case studies and practical insights on quality improvement in the pharmaceutical industry, and joined more than 20 other enterprise representatives in issuing a quality initiative built around six shared commitments: strictly upholding quality red lines, striving for excellence and innovation, strengthening risk control, ensuring data reliability, promoting collaborative governance, and fulfilling social responsibility.

Representatives Jointly Launched the Pharmaceutical Industry Quality Initiative.

Case: QC Achievement Review Activities and the Xiangying Series Training Program for Quality Leaders

In 2025, Sinopharm Group continued to organize subsidiaries at all levels to participate in the Sinopharm Quality Control (QC) Team Achievement Evaluation program. Meanwhile, it promoted outstanding QC achievement cases to subsidiaries at all levels, so as to enhance the overall quality management level of the entire system through reference and transformation of these achievements.

A total of 66 quality control teams from 53 subsidiaries participated in the internal QC Team Achievement Evaluation Activity of Sinopharm.

A series of training sessions for quality principals under the Xiangying Program was launched, providing on-site training for nearly 240 quality principals from 221 companies.

Semi-final of the Sinopharm QC Achievement Presentation Competition

QC Achievement Presentation Event

Xiangying Series Training Program for Quality Leaders

During the Reporting Period, the Group received

31 national-level quality honors;

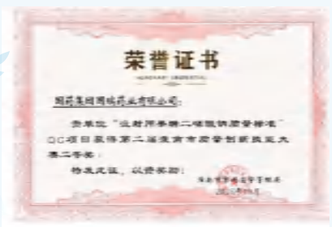
43 provincial or municipal quality honors;

2 quality honors from industry associations.

Selected Quality-Related Honors Received During the Reporting Period

Wokai Biotech's "Construction of a Pilot Platform to Improve the Quality of High-end Carbohydrate Reagents" won the First Prize for Innovative Cases in the Shanghai Quality Brand Story Competition.

Sinopharm Xingsha was recognized as an Outstanding Unit in Quality Management in Fujian Province.



Guorui Pharmaceutical's QC project "Quality Standard for Sodium Fructose Diphosphate for Injection" won the Second Prize in the Second Huainan Quality Innovation Skills Competition.

The "Jingchuang" QC Team of Sinopharm Jiangsu won a First-Class Achievement Award in the 2025 Pharmaceutical Industry QC Group Activities.

Service Excellence

The quality of pharmaceutical services directly affects public health and well-being. The Group adheres to a customer-first philosophy, takes responsible marketing as the foundation of service, uses customer feedback as a mirror for continuous improvement, and keeps refining the service experience. Through concrete actions, we safeguard health and ensure that every expression of trust receives a response.

Customer Satisfaction Survey

The Group has formulated the *Customer Satisfaction Management Procedures*. Regional sales centers and terminal sales departments are responsible for conducting customer satisfaction surveys through multiple channels, including onsite visits and written questionnaires, to collect customer needs and feedback. The findings are regularly summarized and analyzed in *Customer Satisfaction Analysis Reports*. For issues that customers commonly focus on, we conduct root-cause analysis, formulate targeted improvement plans, and continuously improve service quality.

During the Reporting Period, Sinopharm

conducted satisfaction surveys covering **181** customers and achieved a customer satisfaction rate of **99.47%** meeting the annual target.

Customer Complaint Handling

The Group incorporates the protection of customer rights and interests into its sustainable development governance framework and has established a full-chain customer feedback governance mechanism covering prevention, acceptance, response, and improvement. We have issued such institutional documents as the Procedures for Quality Inquiry Management and the Procedures for Customer Complaint Handling Management, and built an integrated multi-channel communication matrix combining online and offline channels to ensure that customer complaints receive timely responses and effective resolution.

During the Reporting Period, Sinopharm

received **0** customer complaints relating to service quality.

Receipt of Complaint

- Upon receipt of a customer complaint, an investigation and verification shall be conducted within one working day.

Verification and Handling

- If the verification results confirm that the matter is not attributable to the Company's responsibility (i.e. an invalid complaint), the Company shall explain and communicate with the customer to seek the customer's understanding.
- If the verification results show that the issue was caused by the Company, it shall be resolved immediately where possible; where immediate resolution is not possible, temporary containment measures shall be taken within two working days, and the customer shall be informed of the handling status.

Feedback and Communication

- The customer shall confirm the handling outcome. If the customer raises different opinions or requests, the Company shall re-examine the relevant matters and measures until the customer is satisfied.

Post-Complaint Improvement

- After the cause of the complaint is identified, the relevant departments shall actively cooperate and provide relevant service and business records, jointly formulate appropriate corrective actions, and require the responsible department(s) to implement such actions so as to prevent similar incidents from recurring.

Responsible Marketing

The Group strictly complies with the *Advertising Law of the People's Republic of China,* the *Drug Administration Law of the People's Republic of China,* the *Provisions on the Administration of Drug Instructions and Labels*, the *Measures for the Supervision and Administration of Pharmaceutical Distribution,* and other applicable laws and regulations. We firmly prohibit false or misleading publicity and ensure that advertising, slogans, labels, and all marketing content remain compliant. We advocate responsible marketing and have formulated documents such as the *Code of Compliance, the Compliance Risk Prevention and Control Checklist, the Compliance Management System, the Measures for Anti-Bribery and Anti-Corruption Compliance Management,* and the *Front-end Business Management System for GuoDa Drugstore.* These documents clearly require employees to focus on preventing false promotion in the marketing process and to fulfill their obligations under anti-unfair competition rules, ensuring that market research, academic activities, clinical follow-up, commercial maintenance, and retail pharmacy marketing activities are conducted in compliance and responsibly toward patients, customers, and other contractual partners across the value chain.

During the Reporting Period, in response to project agreements with suppliers and updated requirements from business partners, the Group revised the *Marketing Project Compliance Guidelines* for different cooperation projects. The revised guidelines cover anti-bribery and anti-corruption, marketing meetings, marketing hospitality, academic promotion, and third-party cooperation, thereby guiding business departments in carrying out operations and firmly controlling compliance risks at the source of marketing activities.

Responsible Marketing Management System of the Sinopharm Centralized Procurement Center

Pre-Event Compliance Review

Before the implementation of any marketing campaign, rigorous compliance review and risk assessment are conducted to ensure that the campaign design meets regulatory requirements.

Performance-Linked Assessment

Compliance performance is incorporated into the routine performance evaluation system for marketing personnel, with a clearly defined incentive and disciplinary mechanism.

Ongoing Training and Education

Regular compliance training sessions and case-study seminars are organized for marketing personnel to continuously strengthen legal awareness and professional ethics.

Dynamic Supervision and Management

Through routine inspections and dynamic monitoring across the entire sales activity process, the requirements for responsible marketing are effectively implemented.

During the Reporting Period, the Group

recorded

3,565 participant-times in special marketing training.

The Group carries out special marketing-compliance training every quarter for all marketing personnel. Training focuses on compliance trends in the pharmaceutical industry, the *Compliance Guidelines for Pharmaceutical Enterprises to Prevent Commercial Bribery Risks,* the *2025 Key Tasks for Rectifying Unhealthy Practices in Pharmaceutical Purchase and Sales and Medical Services,* and the periodically updated *Marketing Project Compliance Guidelines* issued by upstream partners, so as to guide marketing representatives in conducting marketing activities in accordance with law and compliance requirements.

Case GuoDa Drugstore Marketing Compliance Training — Key Compliance Points for Drug Retail Promotion in the Internet Era

On 17 November 2025, the Marketing Management Department of GuoDa Drugstore and the Legal and Compliance Department jointly held a business-integration training session themed "Advancing Together in Compliance, Building Momentum for Growth" for more than 70 colleagues and leaders from the nationwide marketing line. The training covered compliance in publicity content, pricing and promotions, marketing rhetoric, new business models, and the marketing of specific categories of medicines. It was closely aligned with front-line operating needs, strengthened marketing compliance awareness, enhanced business professionalism and service capabilities, and reinforced the capabilities needed for responsible marketing.

Technology-Driven Innovation

Technological innovation is a strategic fulcrum for cultivating new quality productive forces and a core safeguard for protecting public health and well-being. As a strategic scientific and technological force within China's pharmaceutical distribution system, the Group fully implements the national innovation-driven development strategy, takes digital and intelligent transformation as the main thread, accelerates the translation of innovation outcomes into real productivity, systematically builds an innovation culture ecosystem with broad employee participation, and continuously consolidates and enhances the core competitiveness of the pharmaceutical supply chain, fully demonstrating the exemplary role of an industry leader.

Digital and Intelligent Empowerment

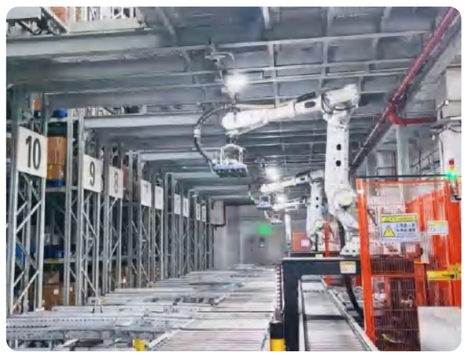
In the course of high-quality development, system building based on customer experience and enabled by data and AI has become a key breakthrough for pharmaceutical distribution enterprises. The Group continues to explore and advance digital and intelligent development. By building a closed-loop system of "customer demand—data-driven insight—intelligent response," we are transforming from a traditional distributor into a technology-driven and innovation-oriented provider of pharmaceutical and healthcare services. We actively explore the application and practice of digital and intelligent tools in business scenarios such as smart logistics, supply chain services, and terminal services, empowering business decisions and quality-control processes.

Digital and Intelligent Logistics

As a core project of Sinopharm Logistics' digital and intelligent transformation, logistics digitalization has progressed steadily as planned. During the Reporting Period, Sinopharm Logistics actively developed modern warehousing and logistics and completed development of six systems: the PDA system, OMS (Order Management System), TMS (Transportation Management System), the IoT platform, the Control Tower system, and the Cloud Code Platform. These systems were put into operation across six major hubs and in Hebei, Ningxia, Shanxi, Sichuan, Hunan, Jiangxi, Guangxi, and other provinces and municipalities. By the end of the Reporting Period, Sinopharm Logistics had connected 45,900 IoT devices across 21 provincial companies.

Case Improving Operational Quality and Efficiency at Sinopharm Guangzhou Logistics Center

By introducing advanced technologies such as AGVs (automated guided vehicles), intelligent picking arms, and automated stereoscopic warehouses, the Guangzhou Logistics Center significantly improved operational efficiency and accuracy. After integrating the 3A model (automated stereoscopic warehouses, autonomous mobile robots, and artificial intelligence), the center achieved a 25% improvement in warehouse efficiency.



Intelligent Picking Arm

Multi-bin Robot

Case Digital Transformation in Drug Traceability — the Sinopharm Cloud Code Platform

Sinopharm has taken an early lead in the planning and deployment of drug traceability management and independently developed the "Cloud Code Platform," enabling end-to-end traceability across manufacturing, logistics, and terminal use. The platform supports manufacturers in batch pre-uploading drug traceability codes; on the logistics side, inbound receipt is verified against the codes and proprietary logistics codes are generated; outbound distribution relies on dual-code verification to ensure accurate delivery; and logistics codes are pushed in advance to medical institutions to enable rapid authenticity verification.

As of the end of the Reporting Period, the Cloud Code Platform had opened query access to nearly 200 medical institutions nationwide and built a digital foundation for secure and trustworthy drug circulation.

Digital and Intelligent Retail Services

GuoDa Drugstore has officially launched an integrated omni-channel membership system. Through digital means, it is reshaping its service model to make healthcare services more efficient, more accurate, and more caring.

Membership Management System

Pilot launch was completed at two companies, Shanghai GuoDa and Shanghai Yanghetang, and the system has now been deployed at 17 regional companies. It provides capabilities for unified nationwide member operations across scenarios, continuous customer engagement before, during, and after store visits, basic chronic-disease member services, enterprise WeChat marketing and service functions, and multi-channel membership processing.

Sinopharm Health Mall

The mall has been rolled out to 24 regional companies and 7,239 stores. It integrates the online and offline flows of member identity, benefits, scenarios, and services, allowing customers to place orders online and pick up medicines at nearby stores while receiving in-store professional consultation and platform-based health management.

Sinopharm Health Mall APP

The Group is also increasing efforts to promote the deep integration of AI into pharmaceutical retail scenarios. Sinopharm Digital Technology, together with front-line business enterprises, is advancing the implementation of various high-value scenarios and actively responding to policies encouraging the intelligent transformation of pharmaceutical retail.

Case "AI + Retail" the Sinopharm Solution Helps Professional Pharmacies Safeguard Medical Insurance Funds

In 2025, under the coordinated deployment of China National Pharmaceutical Group and the strong support of Sinopharm, Sinopharm Digital Technology focused on the pain points in medical insurance prescription review at "dual-channel" pharmacies and, together with Sinopharm Sichuan, carried out a technical research project on "assisted prescription review." On 28 November, the project results were unanimously recognized by expert judges from national regulators, local healthcare security authorities, industry associations, major tertiary hospitals, and peer retail enterprises, and the project successfully passed acceptance review.

Sinopharm Digital Technology and Sinopharm Sichuan built a collaborative mechanism of "business foundation + technology empowerment." Sinopharm Sichuan concentrated on healthcare insurance policies and clinical standards to build a precise business knowledge base, while Sinopharm Digital Technology tackled technical bottlenecks such as medical-text recognition and intelligent rules review and developed an "assisted prescription review agent." This tool enables one-click patient file archiving, one-click compliance review, and one-click business order creation, improving both review accuracy and operating efficiency.

At present, the smart assisted prescription review agent has been deployed in six pilot pharmacies of Sinopharm Sichuan, supports the review of 508 special drugs, has improved prescription review efficiency by 70%, and has achieved an accuracy rate above 90%, effectively shifting prescription review from ex-post verification to ex-ante warning.

Sinopharm Digital Technology and SPS+ Professional Pharmacies Successfully Launched Cooperation

AI-assisted Prescription Review System

Digital and Intelligent Medical Device Distribution

As one of the earliest medical-device distributors in China to practice SPD supply chain services, Sinopharm has pursued digital and intelligent transformation as the main line since pioneering its integrated SPD solution in 2019. We have advanced SPD services from the 1.0 era of basic materials management to a 3.0 ecosystem driven by AI and empowered by big data, achieving deep integration between the medical supply chain and clinical service scenarios and building a lean, closed-loop management system covering procurement, distribution, use, and settlement.

As of the end of the reporting period, the Group's intelligent medical device supply chain projects covered medical institutions across 30 provinces nationwide. In total, 144 supply chain projects of intelligent medical devices were newly developed, among them, 72 new SPD projects, 68 new centralized distribution projects for individual hospitals and 4 new centralized distribution projects for medical alliances/medical consortia were launched. The intelligent supply chain service network has been further expanded in depth, continuously unlocking the dual dividends of cost reduction and efficiency improvement in healthcare and the guarantee of patient safety.

- Smart replenishment and par-level management enable precise supply of medical consumables, reducing inventory backlogs and losses from expired materials.
- AI forecasting and smart scheduling reduce inventory capital occupation and warehousing management costs while improving capital turnover and operating efficiency.
- Technologies such as AVD intelligent verification and visual AI recognition reduce manual contact and operating errors, improving the safety of consumables use.
- The launch of the AI digital human "Xiaoling" provides 7×24-hour intelligent customer service and data-analysis support, improving decision-making efficiency and service responsiveness.

Intellectual Property Protection

The Group strictly complies with the *Trademark Law of the People's Republic of China*, the *Advertising Law of the People's Republic of China,* the Patent Law of the People's Republic of China, and other applicable laws and regulations. We have formulated such internal rules as the *Patent Management Measures and the Trademark Management Measures* to ensure the effective development, protection, and utilization of intellectual property.

We always uphold an open and inclusive attitude. While strictly observing laws and regulations and respecting the intellectual property rights of others, we actively encourage R&D and innovation and are committed to fostering a vibrant and creative innovation environment. At the same time, by establishing and improving our intellectual property management system, we effectively protect the legitimate rights and interests associated with our own intellectual property, ensuring that innovative achievements receive reasonable returns and are utilized efficiently.

Information Security and Privacy Protection

Information Security Management

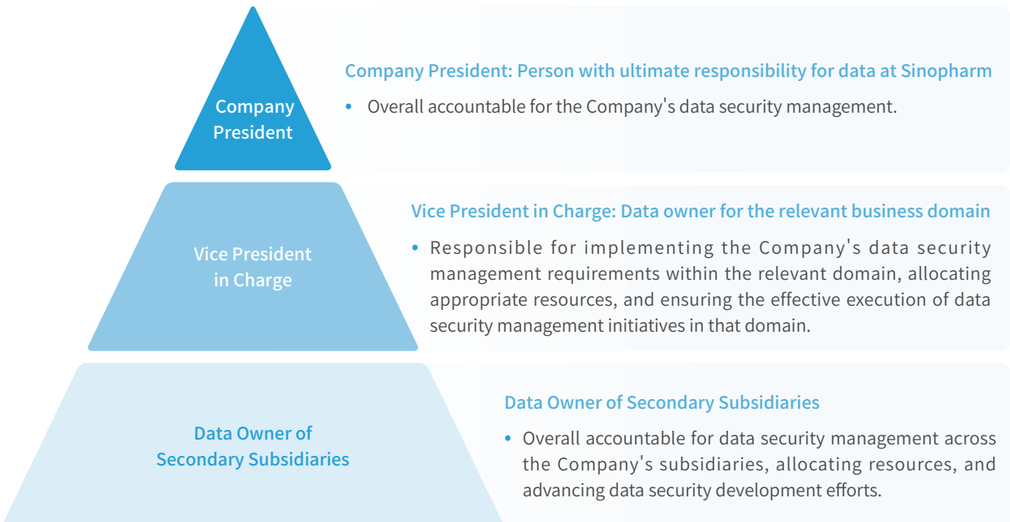
During the Reporting Period, the Group

recorded no

cybersecurity incidents.

The Group places great emphasis on information security and strictly complies with the *Cybersecurity Law of the People's Republic of China,* the *Data Security Law of the People's Republic of China,* the *Personal Information Protection Law of the People's Republic of China,* and other relevant laws and regulations. We have established institutional documents including the Measures for *Cybersecurity Management, the Management Standards for Access Control to Information Systems,* the *Data Security Management System,* the *Data Quality Management System,* the *Measures for Personal Information Security Management,* the *Specification for Data Classification and Grading,* and the *Specification for Data Asset Coding*, ensuring that information security management is standardized and effective. At the same time, we have deeply implemented the Multi-Level Protection Scheme for cybersecurity, and information resources that store and process important data have all been filed and graded in accordance with the requirements of classified protection.

During the Reporting Period, we incorporated information security into the Group's core supervision framework and closely linked security responsibilities with every stage of the data life cycle. Sinopharm has built an information and data security governance architecture and established an accountability and assessment mechanism, integrating information security into the operating assessment indicators of subsidiaries to ensure the implementation of legal, regulatory, and corporate requirements at every level.



Sinopharm Date Security Governance Framework

The Group continues to improve its data management system and the early-warning mechanism for data-risk prevention and control. From four dimensions of organization, standards, operations, and technology, we have built an integrated management system. In addition, we actively respond to cyberattack threats, continuously enhance the protection level of critical infrastructure, establish emergency response procedures, conduct disaster-recovery drills for major business systems at least once a year, and strengthen our capabilities to respond to data leaks, cyberattacks, and other emergencies.

During the Reporting Period, through the Sinopharm Data Middle Platform, the Group completed data lake integration for medical device business, retail business, and pharmaceutical distribution business, generating approximately 60 million records of core business master data.

The rate of business data entering the data lake reached 95%, successfully achieving full coverage in the governance of core operating data.

In addition, the Group focuses on "penetrating supervision" and, with data-risk prevention and control as the theme, has built application scenarios such as risk inventory analysis, debt-financing risk early warning, analysis of loss-making and inefficient enterprises, and analysis of problematic suppliers. These scenarios support data-risk prevention and control for Sinopharm headquarters and 40 secondary companies. Through internal audits and inspections on information security, cyber offense-defense exercises, vulnerability scanning and application penetration testing, sensitive-data desensitization, and remediation of weak passwords, we continue to strengthen cyber defense and organizational safeguards and improve our data-security protection capabilities across the board.

Homepage of the Sinopharm Data Middle Platform

Customer Privacy Protection

During the Reporting Period, the Group

recorded no

incidents involving leakage of consumers' personal information.

The Group attaches great importance to customer privacy protection, has formulated and published its User Privacy Protection Policy, and, centering on patient data sovereignty, has established a trust-based contractual mechanism grounded in full notice, voluntary authorization, and the principle of minimum necessity. Through the combined drive of technical safeguards and institutional arrangements, we continue to strengthen the security and privacy protection of healthcare big data and ensure that personal health information is not infringed.

Based on the sensitivity of information, we classify and grade user-information-related data and identify fields that require encrypted storage and masked display. For data storage, identified privacy data are encrypted using the AES-256 symmetric encryption algorithm. During data use, strict segregation of permissions and access-control mechanisms ensure that different accounts can access only the data and functions within their authorized scope. Sensitive information is masked on the front end to prevent disclosure. In addition, all access to systems and databases must go through application and approval procedures, and account permissions are granted strictly on a need-to-know basis.

Case Consumer Privacy Protection Measures at GuoDa Drugstore

As a business segment that directly faces consumers, GuoDa Drugstore protects users' personal privacy through multiple measures:

Institutional Framework

- We formulated the Data Management System, explicitly identifying personal data as the highest-level object of protection and establishing a least-privilege management mechanism based on job responsibilities.
- We have advanced Level III certification under the national classified protection regime for information security and established a third-party audit and compliance mechanism.

Measures and Progress

- Technical safeguards: Transmission and storage encryption, masked display on front-end systems, and access through a two-way callback system together form a four-layer protection barrier.
- Access control: In 2025, POS, BI, MOM, and other operating-system permissions were comprehensively reviewed. Consumer information reporting functions were either desensitized or had export permissions disabled, and non-authorized personnel were subject to a strict approval mechanism.
- Compliance assessment: The membership management system obtained a Personal Information Protection Audit Report issued by a third-party institution. In 2025, privacy-compliance security testing and assessment were conducted for the membership system app and mini-program, enabling full-life-cycle management of personal data.

03

Low-Carbon Operations

Demonstrating Green Commitment

Against the backdrop of an intensifying global climate crisis, green and low-carbon development has become a key engine for social progress. Sinopharm actively responds to China's Dual Carbon Strategy and consistently embeds environmental responsibility into its corporate DNA, striving to build an efficient and green pharmaceutical logistics system. In 2025, at the critical juncture of concluding the 14th Five-Year Plan and looking ahead to the 15th Five-Year Plan, we established a low-carbon, high-efficiency working approach. By deepening logistics resource planning and leveraging digital technologies, we have steadily advanced energy conservation and emissions reduction across the entire value chain while safeguarding the security of pharmaceutical supply, thereby leading the industry's low-carbon transition.

Highly material issues addressed in this chapter

- Addressing climate change
- Energy and water management
- Hazardous waste disposal and management
- Pollutant emission management
- Circular economy
- Biodiversity conservation

Highlights in this chapter

ISO 14001 environmental management system certification coverage among industrial enterprises: **100%**

Scope 1 GHG emissions: **43,867.42** tons of CO_2e, down **1.11%** year on year

Scope 2 GHG emissions: **167,039.94** tons of CO_2e, down **5.77%** year on year

Total energy consumption: **491,105.91** MWh, down **6.81%** year on year

UN Sustainable Development Goals (SDGs) addressed in this chapter

Addressing Climate Change

Climate change, as a major global challenge, is affecting every dimension of society and the economy with unprecedented depth and breadth. The Group upholds its corporate citizenship responsibilities and has embedded climate governance deeply into its strategic development framework. We actively implement China's Dual Carbon Strategy and fully support the *Paris Agreement* target of limiting the increase in global average temperature to within 1.5° C above pre-industrial levels. In practical terms, we have developed a science-based climate response plan in accordance with the new climate-related disclosure requirements under *HKEX's ESG Code* and the *International Sustainability Standards Board's IFRS S2 Climate-related Disclosures.* We have also systematically identified and analyzed climate-related risks and opportunities. On this basis, we continue to strengthen climate risk management capabilities and steadily advance the transition toward green operating models, contributing to the sustainable development of the pharmaceutical distribution industry.

Governance

Guided by the principle of sustainable operation, the Group incorporates climate-related factors into its long-term development planning and resource allocation arrangements. We have established a climate governance system centered on the Board as the strategic core, under which climate-related risks and opportunities are analyzed on a regular basis and phased targets are implemented through a closed-loop control mechanism.

Within Sinopharm's ESG Working Group, the Green and Low-Carbon Development working group has been established, led by a vice president of the Company and comprising the heads of the Logistics Management Center, Operation and Risk Management Department (Safety and Environmental Protection Department), the Office (Party Committee Office and Board Office), the Finance and Capital Department, and other relevant departments. The task force is dedicated to climate response, emissions reduction, and other green and low-carbon development matters, and coordinates subsidiaries to implement specific actions supporting the Group's low-carbon goals.

Sinopharm Climate Change Governance Structure

Climate-related indicators are also incorporated into the ESG indicator system and linked to the annual performance evaluations of the relevant directors and senior executives, affecting variable remuneration on a proportional basis. The related supervisory and evaluation duties have been incorporated into the terms of reference of the Legal and Compliance and ESG Committee, thereby ensuring the effective execution of the Group's climate strategies and measures.

In addition, the Group pays close attention to evolving climate-related risks, opportunities, and regulatory compliance requirements. By inviting external experts to share insights from time to time and by conducting sustainability- and climate-related training that includes Board participation, we ensure that decision-makers maintain professional insight into climate-related issues.

Strategy

We are committed to building a green and low-carbon logistics operating model centered on "three lows and two highs," delivering low-consumption, low-emission, and low-cost operations while providing high-quality, high-efficiency green services. Through intensive restructuring of the national logistics network and the development of hub-level logistics parks, we reduce logistics costs and carbon emissions per unit, while leveraging IoT systems and supply-chain control towers to enable accurate carbon data capture and management. The Group will continue to improve carbon data management and green building certification, promote the retrofit and application of energy-saving technologies, and embed green and low-carbon development throughout business operations.

Closely tracking macro-environmental trends, industrial policy directions, and changes in our own operations, we precisely identify the risk factors and development opportunities brought by climate change. To ensure the forward-looking nature and flexibility of our strategy, the Company has established an assessment framework covering the short term (0–3 years), medium term (3–5 years), and long term (5–10 years), and uses two scenarios from the Sixth Assenssment Report (SSP1-2.6[1] and SSP5-8.5[2]) of the Intergovernmental Panel on Climate Change (IPCC) for evaluation. Based on these scenarios, we formulate targeted risk management plans to ensure that we can effectively respond to challenges and steadily capture new green development opportunities under different climate futures.

With regard to climate resilience assessments, the Group has identified areas that may constitute significant uncertainties, including the limitations of climate scenario assumptions, the difficulty of quantifying the impact of extreme weather events on pharmaceutical logistics networks, uncertainties regarding the evolution of policy and regulatory pathways, and the availability of climate data across the upstream and downstream segments of the value chain.

[1]This scenario emphasizes inclusive economic growth, low population growth, high levels of education, and technological innovation. Through strong international cooperation and climate policies, global net-zero CO_2emissions are achieved around 2050, with the temperature rise limited to within 1.8° C (range: 1.3–2.4° C) by 2100. In this scenario, low-carbon technologies are rapidly deployed, energy efficiency is significantly improved, land use is optimized, and social equity and environmental quality are enhanced concurrently. This represents a viable pathway to achieve the 2° C target of the Paris Agreement.

[2]Emission Scenario): The world continues with a resource-intensive, fossil-fueled conventional development model. The global population remains high, educational attainment improves slowly, consumerism prevails with increasing inequality, and there is a lack of effective climate policy coordination. Global carbon emissions continue to grow until peaking in 2075, and the temperature rise reaches 4.4° C by 2100. In this scenario, fossil fuels such as coal and oil dominate, land-use change intensifies, technology application favors energy-intensive approaches, and socio-economic development comes at the expense of the environment.

Climate-Related Risks

Risk Type	Risk Name		Impact on Business Model and Value Chain	Financial Impact[3]	Time Horizon	Response Measures	Likelihood of the Impact Occurring	
							SSP1-1.9	SSP5-8.5
Physical Risk	Acute Physical Risk	Extreme weather events (such as floods, typhoons, and heatwaves) disrupting supply chains and causing asset losses	Critical nodes in the national logistics network (warehouses, distribution centers) and transport routes may be damaged or disrupted, affecting the stability and timeliness of drug supply.	• Direct costs: facility repair and reconstruction, inventory losses. • Indirect costs: lower customer satisfaction due to delayed delivery, customer loss, and reduced market share.	Short term	• Conduct climate vulnerability assessments across the supply chain and identify high-risk warehousing and logistics facilities. • Formulate and drill business continuity plans (BCPs) and emergency disaster response plans, and establish backup warehousing and distribution networks. • Equip key facilities with climate-adaptive infrastructure such as flood protection and cooling measures.	Low — with global warming limited to within 1.4° C, the frequency of extreme weather events is relatively low and manageable.	High — extreme heat and heavy rainfall events become more frequent.
	Chronic Physical Risk	Long-term climate change (such as rising average temperatures and changing precipitation patterns) increasing operating costs	Temperature- and humidity-sensitive pharmaceuticals (such as biologics, vaccines, and some chemical drugs) require stricter cold-chain control throughout storage and transportation, increasing energy consumption and maintenance costs.	• Higher operating expenditure：electricity consumption and related costs for warehouses and cold-chain transportation continue to rise in order to maintain standard temperature and humidity conditions. • Higher capital expenditure：investment is required in more efficient and more reliable temperature-control equipment and intelligent energy management systems.	Medium to long term	• Adopt high-standard green building design and materials (such as high-insulation materials and energy-efficient HVAC systems) when building or renovating logistics centers. • Scale up the use of new-energy logistics vehicles and optimize delivery routes to reduce carbon footprint and energy consumption. • Deploy IoT sensors and digital platforms to achieve real-time monitoring and intelligent control of storage and transport environments.	Low — the impact of rising temperatures and changing precipitation patterns on cold-chain warehousing is relatively limited.	Medium — sustained high temperatures will increase energy consumption in cold-chain warehousing
Transition Risk	Policy and Legal Risk	Stricter low-carbon regulato-ry and environ-mental requir-ements	Under the Dual Carbon goals, low-carbon policies may expand into logistics and commercial activities, directly or indirectly increasing compliance costs; environmental standards (such as for the "three wastes") continue to tighten, requiring technological upgrading.	• Capital expenditure: substantial investment needs to retrofit existing logistics fleets, warehousing facilities, and production bases for energy conservation and environmental compliance. • Operating expenditure: environmental management system maintenance and third-party certification costs.	Medium to long term	• Establish and improve a Group-wide GHG accounting and management system to proactively monitor and report carbon emissions data. • Set science-based emissions reduction targets and incorporate carbon-related factors into investment evaluation and business decision-making processes. • Actively participate in policy discussions and make early plans for low-carbon technologies and business models that will meet future regulatory requirements.	High — to achieve net-zero by 2050, climate policies will tighten rapidly.	Low — mainly voluntary carbon reduction, with fragm-ented and relatively loose climate regulation.
	Tech-nology Risk	R&D investment required to advance techno-logical transfor-mation	Failure to keep pace in areas such as near-zero-carbon parks, intelligent energy management platforms, and clean-energy technologies may lead to lower operating efficiency and loss of cost advantage.	• Low capital efficiency: investment in traditional high-carbon assets may become exposed to risk, requiring higher future retrofit or replacement costs. • Lower profitability: higher unit operating costs will put pressure on margins.	Short / medium / long term	• Prioritize investment in proven mature emissions-reduction technologies such as smart logistics, green warehousing, and distributed photovoltaics. • Explore enterprise-level lean energy management platforms to digitalize and refine energy consumption management.	Medium — green technology iteration speeds up in response to market com-petition.	Low — updates in green low-carbon techno-logies are relatively slow, and existing mature techno-logies can still be used to lower tran-sition unce-rtainty.
	Market and Reput-ational Risk	Reputational damage from an inadequate climate response leading to possible loss of market share	Stakeholders increasingly value green supply-chain performance and use it as an important criterion for supplier selection; poor ESG performance may affect cooperation with major clients.	• Revenue risk: loss of orders or contracts for failing to meet green procurement standards. • Financing cost: lower ESG ratings may affect the Company's financing capability in capital markets. • Brand value: damage to the Company's image as a responsible enterprise among the public and investors.	Short / medium / long term	• Proactively disclose detailed climate information in line with TCFD and IFRS S2 to improve transparency. • Establish diversified stakeholder communication channels, respond actively to climate-related management issues, and build the Company's green development image.	Medium — society places increasing emph-asis on corporate green and low-carbon perfo-rmance as a key indicator of market com-petiti-veness.	Low — customers still prioritize price, while green standards remain a bonus rather than a man-datory requir-ement.

[3]During the reporting period, the Group has provided qualitative disclosures regarding the anticipated financial impacts of climate-related risks. However, due to limitations in the data currently available and the assessment methods employed, it remains difficult to identify these impacts in isolation, and the existing measurement approaches involve a high degree of uncertainty; therefore, the Group is currently unable to provide quantitative estimates of reference value. The Group will continue to improve its data collection mechanisms and internal capabilities, and will enhance the depth of disclosure regarding financial impacts in future reporting periods as relevant methodologies and data become more mature.

Climate-Related Opportunities

Opportunity Type	Opportunity Name	Impact on Business Model and Value Chain	Potential Positive Financial Impact	Strategic Actions to Capture the Opportunity
Resource efficiency and energy sources	Improving operating energy efficiency and using clean energy	Technology and management optimization can reduce energy consumption in logistics and warehousing, while photovoltaics and other clean-energy applications can directly lower dependence on conventional energy and reduce carbon emissions.	Lower electricity and fuel costs; grid-connected green power can also generate additional revenue through market trading.	• Based on the experience of the Shanghai Kangning Road carbon-neutral park, progressively roll out rooftop distributed PV and energy storage systems at other warehousing and logistics parks, adopting a model of "self-generation for self-use + surplus fed into the grid + green power trading" to achieve 100% green power supply. • Incorporate international green building certifications (BREEAM/LEED) into the construction and operation standards for warehousing and logistics parks and use certification criteria to drive construction and improvement.
Products and services	Providing climate-adaptive and low-carbon pharmaceutical supply-chain services	Climate change may alter disease patterns and increase demand for certain medicines. Meanwhile, market demand is rising for low-carbon and traceable pharmaceutical distribution services.	Improved customer stickiness and pricing power: differentiated green services help secure ESG-conscious pharmaceutical companies and healthcare institutions as clients and may command a service premium.	• Leveraging the nationwide multi-warehouse support system and four-tier logistics network architecture, launch "climate resilience assurance services" for temperature-sensitive drugs (such as vaccines, biologics, and blood products), providing pharmaceutical companies with "multi-warehouse backup + intelligent dispatch" services to build differentiated competitiveness.

Risk Management

The Group is committed to fully integrating climate-related risk management into its overall enterprise risk management system. Through the establishment of a regular dynamic monitoring and assessment mechanism, we ensure that management pathways are deeply aligned with business strategy. Relying on standardized identification and evaluation processes, we not only mitigate physical and transition risks with precision, but also proactively capture green opportunities such as improved resource efficiency and enhanced market access. By optimizing management procedures, we convert climate challenges into green momentum for high-quality development.

The Group continues to follow the same climate-related risk management process as in 2024:

Climate-related Risk Management Process

01 Background Research

- Conduct research on the background trends and industry practices of climate-related sectors
- Collaborate with relevant internal departments to identify and assess the impact of climate change on the company's various businesses

02 Risk Inventory Development

- Analyze potential impacts, combined with the development of the pharmaceutical circulation industry, to conduct risk and opportunity identification and analysis, and establish the Company's climate risk inventory

03 Risk Assessment

- Refer to peer data in the pharmaceutical circulation industry, and evaluate and analyze the identified climate risks from dimensions such as potential occurrence probability and financial impact severity

04 Senior Management Decision-Making and Confirmation

- Establish the climate risk inventory, which is reviewed by the Board of Directors to finally confirm material risks and response priorities

05 Tiered Response and Implementation

- Based on the material risks and opportunity inventory confirmed by the Board of Directors, formulate response strategies and carry out relevant work for risks of different levels

06 Dynamic Monitoring and Disclosure

- Regularly track and monitor the progress of climate-related risk management, disclose climate risk-related information in the sustainable development report, and respond to the expectations of stakeholders

Metrics and Targets

We are committed to mitigating global warming by setting green logistics targets, improving energy efficiency, reducing carbon intensity, and actively responding to climate-related risks and opportunities. In 2025, while setting annual emissions reduction targets, we also further clarified the overall working approach of "low carbon, high efficiency, and sustainable development."

Climate-related Target	Progress
By the end of 2025, reduce CO_2 emissions per RMB10,000 of output value by 0.5% compared with 2024 (Intensity Target)	Achieved
Establish other certified zero-carbon warehouses/parks step by step	The first certified carbon-neutral park, Shanghai Kangning Road Park, has been completed and placed into operation Building on the Shanghai Kangning Road Park, the Group is advancing carbon-neutral certification for projects in Shenyang, Guangzhou, and Nanchang

For metrics management, the Group's logistics segment leverages its self-developed energy and carbon management platform and IoT systems to improve the accuracy and granularity of environmental data collection, ensuring effective implementation of climate strategies. During the Reporting Period, in addition to Scope 1 and Scope 2 carbon emissions and Scope 3 emissions for Categories 6 and 7, we further expanded the Scope 3 boundary to include Category 1 (purchased goods and services) and Category 2 (capital goods).

Regarding capital deployment, given that the Group's accounting scope for climate-related capital expenditures and financing has yet to be further clarified and aligned with mainstream disclosure standards, the relevant quantitative data currently does not meet the conditions for verifiable disclosure. During the reporting period, we focused capital investments on areas such as the development of green and smart logistics systems, the adoption of clean energy alternatives, and energy-saving retrofits of warehouses. We will gradually improve the disclosure of quantitative data as the Group's ESG data governance capabilities enhance.

During the reporting period, the Group has

Total GHG emissions

211,806.93 tons of CO_2e

Scope 1 GHG emissions

43,867.42 tons of CO_2e

Scope 2 GHG emissions

167,039.94 tons of CO_2e

Scope 3 GHG emissions of Sinopharm headquarters

899.57 tons of CO_2e

GHG emissions intensity[4]

2.22 tons of CO_2e per employee

The Group will systematically address climate-related challenges, gradually strengthen the management framework for climate targets and metrics, define phased tasks, and ensure the effective implementation of response measures. In the future, relying on the digital energy and carbon management platform of the carbon-neutral logistics park, the Group will make carbon emissions data in key areas traceable and auditable, improve the transparency of climate and environmental information disclosure, actively communicate with stakeholders, and jointly promote the green and low-carbon transition.

[4] greenhouse gas emission intensity = (Scope 1 greenhouse gas emissions + Scope 2 greenhouse gas emissions) / Total number of active employees

Environmental Management System

The Group strictly complies with the Environmental Protection Law of the People's Republic of *China, the Law of the People's Republic of China on the Prevention and Control of Soil Pollution,* the *Law of the People's Republic of China on the Prevention and Control of Water Pollution,* the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste,* the *Regulations on the Administration of Pollutant Discharge Permits,* and other relevant laws and regulations. It has formulated a series of environmental management and energy-saving & emission reduction systems, including the *Environmental Protection Management Measures,* the *Cleaner Production Management Measures,* the *Hazardous Waste Management Measures,* the *Environmental Protection and Energy-saving & Emission Reduction Supervision and Assessment Management Measures,* and the *Detailed Implementation Rules for Environmental Protection and Energy-saving & Emission Reduction Management.* These systems are revised and improved based on regulatory updates and actual business conditions.

During the reporting period, the Group has

No incidents

of non-compliance with environmental laws and regulations occurred.

We remain committed to using standardized systems to lead environmental governance and to deepening the effectiveness of the ISO 14001 environmental management system. Based on internal requirements such as the *Guidelines for Risk Assessment of Environmental Emergencies in Enterprises* and the *Environmental Protection and Energy Conservation Target Responsibility Letter,* we conduct regular hazard identification and rectification.

The Group has established a leading group for energy conservation and environmental protection, headed by the Company's president with the senior leadership team serving as deputy leaders, to ensure the orderly advancement of energy-saving and environmental-protection work. We strictly implement the accountability system for environmental targets, sign an *Energy Conservation and Environmental Protection Responsibility Letter* with subsidiaries every year, and refine the assessment cycle to a quarterly basis. Through routine indicator tracking and inspection, we ensure that all energy-saving and environmental-protection measures are effectively implemented at the grassroots level.

During the reporting period, the Group has

Number of enterprises certified under ISO 14001:

80

Environmental management system certification coverage among industrial enterprises:

100%

In 2025, closely aligning with China's Dual Carbon Strategy and the vision of the 15th Five-Year Plan, the Group fully implemented green policies and the annual energy conservation and environmental protection plan, and improved environmental governance effectiveness through institutional upgrading and management innovation.

Category	2025 Environmental Targets
Environmental incidents	Zero[5] general or above environmental liability incidents
Pollutant emissions	100%[6] compliance rate for wastewater, exhaust gas, and noise emissions
Waste emissions	100%[7] compliant disposal rate for hazardous waste

[5]Environmental liability accidents are determined in accordance with the *National Emergency Response Plan for Environmental Emergencies.*

[6]Wastewater, exhaust gas, and noise emissions comply with national standards or local territorial standards.

[7]compliance with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste.*

Comprehensive Green Operations

Against the backdrop of intensifying global fossil energy consumption and increasingly severe climate change, comprehensive green operations have become essential for sustainable corporate development. Guided by the principle of "Green Leadership, Low-carbon Future," the Group applies pollution reduction and carbon reduction requirements across the entire life cycle of the pharmaceutical supply chain, including warehousing, transportation, and packaging, driving efficiency transformation through intensive resource utilization and intelligent process redesign. We are building a safe, efficient, and low-carbon benchmark for pharmaceutical logistics. By extending green procurement, clean transportation, and circular packaging upstream and downstream, we are leading the green transformation and ecological restructuring of the pharmaceutical distribution industry and are committed to creating long-term value for society and the environment.

Green Logistics

The Group actively responds to China's Dual Carbon Strategy and, in line with its four-tier logistics network strategy, deeply integrates green development concepts into the key stages of logistics operations. Through the promotion of clean energy, the application of digital and intelligent energy-saving technologies, and the optimization of transportation structures, we are building a modern pharmaceutical supply chain system that is low-carbon and highly efficient.

As the principal operating entity of the Group's logistics business, Sinopharm Logistics has successfully validated a full life-cycle carbon-neutral pathway for large-scale warehousing and logistics projects, with the Shanghai Kangning Road pharmaceutical warehouse serving as the core pilot. The park completed installation of its photovoltaic system in August 2024 and entered the substantive emissions-reduction stage in 2025. Over the year, it generated 1.4717 million kWh of green electricity under the model of self-generation for self-use with surplus fed into the grid, accounting for 19% of total electricity consumption and directly reducing CO2 emissions by 1,069.51 tons. Relying on a carbon management system with API connectivity to certification bodies, the park achieved real-time visualization of energy consumption, green electricity usage, and offset certificates. It became the first zero-carbon park in the industry to obtain both ISO 14068 and PAS 2060 certification, and its technical architecture and management processes are already suitable for replication within and beyond the Group.

Green Warehousing

The Group embeds sustainable development goals throughout the full life cycle of logistics parks, from project design through operation. Through integrated planning centered on "intelligence, green development, and low carbon," we actively fulfill the social responsibilities of a central SOE and provide important support and empowerment for the high-quality development of the Company's pharmaceutical distribution business.

Sinopharm Logistics treats green building certification as a key management tool across the full project life cycle, providing a systematic framework for building a sustainable logistics system. During the Reporting Period, Sinopharm set BREEAM and LEED certification targets for the Shenyang logistics hub project, the Nansha logistics hub project, and the Nanchang logistics hub project, with completion and application for green building certification planned for 2027.

Sinopharm Logistics is also actively conducting research into low-energy buildings and green warehousing facilities with the aim of reducing both direct and indirect carbon emissions during operations.

Low-energy buildings

- Structural airtightness design
- Energy-efficient HVAC design
- Intelligent lighting systems

Green warehousing facilities

- High-performance thermal insulation materials such as reflective insulation coatings and insulation layers
- Low-temperature high-speed automatic doors, air curtains, and internal/external buffer zones
- Variable-frequency compressors and energy-efficient condensers
- Elevated cool-storage warehouses with light-steel structures

Case Energy-Saving Upgrade of the Central Air-Conditioning System at the Shenzhen Liguang Warehouse

At the Shenzhen Liguang warehouse project, the central air-conditioning plant room, using integrated innovative technologies, established a highly energy-efficient operating system. Through measures such as variable-frequency pump control, high-efficiency variable-frequency screw chillers, intelligent start-up optimization strategies, and precise bypass flow control, the system achieved an annual integrated energy efficiency ratio of 5.1, meeting the standard for a high-efficiency plant room. Annual electricity consumption of the central air-conditioning system fell significantly, with electricity costs reduced by 15.6% and cumulative savings of approximately RMB 460,000.

Green Transportation

Road transportation is one of the main sources of carbon emissions in logistics operations. Focusing on its core transportation responsibilities, Sinopharm Logistics is systematically advancing the low-carbon and intelligent transformation of transport capacity through three major levers—intelligent empowerment, intensive dispatching, and low-carbon transport capacity—to build a green logistics service ecosystem.

Low-Carbon Transport Capacity

Sinopharm Logistics treats the deployment of new-energy vehicles as a core vehicle for low-carbon transition. It prioritizes new-energy electric vehicles in urban distribution and short-haul transfer scenarios, and gradually introduces hybrid and LNG-fueled vehicles for long-haul transportation, progressively building a sound low-carbon transport capacity service network.

During the Reporting Period, Sinopharm Logistics newly put 28 new-energy vehicles into operation in Shanghai, Shenzhen, Guangzhou, and Foshan. Compared with conventional fuel vehicles, these are expected to reduce carbon dioxide emissions by approximately 133 tons per year.

Intelligent Empowerment and Intensive Dispatching

Sinopharm Logistics has independently developed an intelligent dispatching system and built an AI-based smart route planning system. Relying on the transportation management system (TMS) and intelligent dispatching algorithms, it considers road conditions, order attributes, and vehicle range to optimize routes, significantly reducing unnecessary mileage and empty-load rates. The system can automatically calculate optimal delivery routes and loading sequences, enabling route optimization for more than half of all waybills and reducing driver waiting times by more than 30 minutes.

Resource and Energy Management

Guided by the principle of "conservation first," the Group has put in place institutional arrangements for energy conservation and emissions reduction, launched water-saving initiatives, promoted the application of advanced technologies, and embedded the concept of energy conservation into daily operations, while monitoring annual emissions reduction progress through energy consumption indicators. During the Reporting Period, the Group fully achieved its binding annual targets for energy conservation and consumption reduction, and energy utilization efficiency continued to improve.

Energy Management

The Group strictly complies with relevant laws and regulations such as the Energy Law of the People's Republic of China and the Energy Conservation Law of the People's Republic of China. With a focus on refined energy management, we have built an intelligent energy management platform to achieve efficient coordination and real-time control and to fully tap the potential for energy savings. We also strictly implement the accountability system for energy-saving targets and sign an Energy Conservation and Environmental Protection Responsibility Letter with subsidiaries every year. Through routine indicator tracking and inspection, we ensure that all energy-saving and environmental-protection measures are effectively implemented at the grassroots level.

During the reporting period, we set the following annual energy-saving targets

Target	Status
In 2025, increase the proportion of industrial enterprises using high-efficiency energy-saving motors (energy efficiency grade 2 or above) by 1.5 percentage points year on year.	Achieved
In 2025, reduce comprehensive energy consumption per RMB10,000 of operating revenue by 1.5% year on year.	Achieved

The Group has improved energy-use efficiency through measures such as clean energy utilization, energy-saving retrofits, green power procurement, and digital upgrades, ensuring the achievement of its energy utilization targets.

Energy-Saving Measures and Progress

Sinopharm Logistics

- **Clean energy utilization:** Annual photovoltaic generation at the Shanghai Kangning Road logistics park exceeded 1.47 million kWh; annual photovoltaic generation at the Yinglun, Dongjing, and Guangzhou logistics warehouse parks totaled more than 2 million kWh.

Shanghai OurChem

- **Energy management:** Construction of an energy management platform is under way. In the future, specialized software will be used to collect and analyze energy consumption data and to take measures to save energy and reduce consumption.
- **Energy-saving retrofit:** Two old air conditioners were replaced with Grade 1 energy-efficiency units, saving an estimated 4,280 kWh of electricity per year.

Sinopharm Xingsha

- **Energy management:** RMB 280,000 was invested to improve online energy metering facilities. Relying on the smart factory platform, steam, electricity, temperature, and humidity data are collected in real time, and energy allocation is optimized through refined monitoring.
- **Energy-saving retrofit:** Special funds were invested to replace 90 high-efficiency energy-saving lamps, generating annual energy savings of 0.34 tons of standard coal; eight high-efficiency motors of Grade 2 or above were upgraded, effectively improving energy efficiency.

Guorui Pharmaceutical

- **Green power:** In 2025, 3.296 million kWh of green power was purchased, accounting for 24% of total electricity consumption and equivalent to reducing approximately 2,000 tons of CO_2 emissions, significantly optimizing the energy structure.
- **Energy-saving retrofit:** 13 motors were upgraded from Grade 3 to Grade 2 energy efficiency scientifically adjusted the operating schedules of equipment in public areas of the plant (such as street lights and landscape pumps), saving approximately 43,000 kWh of electricity annually.

Green Electricity Consumption Certificate

Newly Upgraded IE2 Motor

Case AI Applications for Energy Savings

To address high energy consumption in temperature-controlled warehousing scenarios, Sinopharm Yunnan innovatively introduced an "AI Spatial Energy-Saving System." Through real-time data collection by IoT sensors and dynamic 24/7 regulation of air-conditioning units using AI algorithms, the system covers 17,000 square meters of warehousing area and delivers extreme energy savings while ensuring compliance. Since the project started operation, results have been significant: electricity consumption in October 2025 fell by 24.23% year on year, and the full-year cumulative electricity saving reached 69,400 kWh, reducing carbon emissions by 73.73 tons. Sinopharm Medical Devices has also adopted AI spatial energy-saving technology for intelligent control of air-conditioning systems. It has now gone live in 13 logistics centers, saving approximately 820,000 kWh in 2025 and generating economic benefits of about RMB 690,000.

AI Energy-saving Air Conditioning System

Water Resource Management

With respect to water use, the Group pursues the goal of "cleaner production and full utilization of water." In their production and operating activities, the Group's industrial enterprises actively carry out measures such as water-use equipment upgrades and wastewater reuse, building an efficient closed-loop water utilization system. The Group mainly uses municipal water in its business operations and faces no issues in sourcing suitable water supplies.

Water-Saving Measures and Progress

Shanghai OurChem

Water conservation

Part of the steam condensate is reused for plant greening, reducing water use for greening by an estimated 415 tons per year; end-of-line discharge from the fire pump room is routed to the emergency fire-water tank for reuse, reducing water waste. In 2025, the company successfully passed re-evaluation and was recognized as a "Water-Saving Enterprise of Jinshan District."

Shanghai OurChem: Water-saving Enterprise in Jinshan District, Shanghai

Guorui Pharmaceutical

Wastewater treatment

Adhering to the principle of "graded treatment, deep treatment, and full reuse," all production and domestic wastewater is treated to meet standards and then reused for equipment cooling, landscaping irrigation, and toilet flushing. During the Reporting Period, Guorui Pharmaceutical recycled and reused 164,000 tons of wastewater, achieving zero external discharge of wastewater.

Wastewater Recycling Treatment Station of Guorui Pharmaceutical

Circular Economy

The Group practices the circular economy concept by implementing dedicated technical retrofits for high-energy-consuming equipment, thereby reducing resource consumption at the source and achieving a win-win between economic and ecological benefits. For packaging materials, the Group is progressively advancing the "3R model" (Reduce, Reuse, and Recycle), committed to reducing the use of single-use consumables and minimizing the environmental impact of packaging waste.

Reduce

- Subject to feasibility studies and assurance of secure sealing, the Shanghai Kangning Road Park reduced carton-sealing tape width from 0.06 m to 0.05 m, reducing packaging material consumption per package by 20% and saving an estimated RMB 30,000 per year. The Group also vigorously promoted paperless receiving and inspection through barcode scanners, electronic drug inspection certificates, and queue-number systems.

Reuse

- We have screened high-quality used cartons and reused them after standardized cover-up treatment of labels. In 2025, Sinopharm Logistics Shanghai saved approximately 100,000 cartons through reuse, cutting procurement costs by about RMB 450,000.
- We have established a cold-chain insulation box configuration model combining self-purchase and leasing, increasing turnover of self-owned boxes through digital dispatching and reducing idle wear and tear. In bonded warehouse and other full-batch in/out scenarios, reusable strapping is used instead of single-use stretch film.

Recycle

- We have extended the service life of materials by centrally procuring high-quality, durable standardized logistics equipment (such as the 80,000 plastic pallets already procured centrally), facilitating subsequent unified recovery and recycling.
- We have managed recyclable packaging materials by category (such as fillers and outer cartons) and prioritized repeated turnover use.
- We have collected packaging that cannot be reused and transfered it to qualified enterprises for recycling and disposal.

Circular Economy Measures and Progress

Pollutant Management

The Group's principal businesses are pharmaceutical distribution, medical device distribution, and pharmaceutical retail, which have no material impact on the environment or natural resources. For subsidiaries, we implement the *Measures for the Supervision, Assessment and Management of Environmental Protection and Energy Conservation and Emissions Reduction,* strictly control pollutant emissions, conduct regular environmental monitoring and risk screening, and prevent any environmental pollution incidents.

For air emissions and wastewater, the Group targets a 100% compliance discharge rate. We manage operations strictly in line with pollutant discharge permits, equip industrial enterprises with exhaust gas treatment facilities and wastewater treatment systems, and periodically follow up on upgrades and retrofits so as to achieve continuous waste reduction and safeguard environmental safety.

For hazardous waste, the Group targets a 100% compliant disposal rate and a continuous decline in emission intensity. In strict accordance with the *Hazardous Waste Management Measures,* we have established and improved hazardous waste management systems and processes, and we supervise and assess the relevant work. In day-to-day production testing, the Group strengthens source control of chemicals and external compliance audits, and equips newly built laboratories with high-standard anti-leakage facilities to systematically prevent environmental risks.

During the reporting period, the Group has

The compliance disposal rate for exhaust gas, wastewater, and all types of waste maintained at

100%

Pollutant Management Measures and Progress

Exhaust gas

- All industrial production enterprises under the Group have installed activated-carbon environmental protection units on top of their existing exhaust systems to further remove volatile organic compounds and malodorous gases from exhaust streams, thereby effectively reducing emissions and improving air quality.
- The Group is accelerating the replacement of vehicles with new-energy models and reducing emissions of nitrogen oxides, sulfur dioxide, and particulate matter at the source by optimizing transportation routes, cutting idling time, and reducing unnecessary driving.

Waste-water

- Shanghai OurChem: strengthened daily operation and maintenance of wastewater treatment facilities and dynamically adjusted operating parameters according to production loads. During the Reporting Period, all wastewater discharged by Shanghai OurChem met standards according to third-party monitoring.
- Guorui Pharmaceutical: continued to adopt graded treatment, deep treatment, and "full reuse" of all categories of wastewater; all production wastewater, domestic sewage, and first-flush rainwater are collected, with no external discharge.
- Sinopharm Xingsha: expanded and upgraded the original biochemical treatment system by building a new biochemical treatment facility with a daily treatment capacity of 50 cubic meters, improving wastewater treatment efficiency and ensuring stable compliance of effluent quality.

Hazardous waste

- Guorui Pharmaceutical: standardized the sampling platform for rooftop exhaust treatment facilities at its hazardous waste building and conducted special training for workshop staff and hazardous waste transfer personnel, ensuring 100% compliance throughout the hazardous waste process from generation to disposal.
- Shanghai OurChem: in 2025, approximately 68.77 tons of various hazardous wastes were disposed of in a standardized manner, achieving 100% compliance from generation to disposal.

Case

Upgrading Hazardous Waste Storage Treatment Facilities to Strictly Control the Risk of Secondary Pollution

UV photocatalytic oxidation equipment in the rooftop exhaust treatment facility of the hazardous waste storage building was inefficient. The Company signed an environmental retrofit contract with a third party and replaced the UV photocatalytic oxidation equipment with primary activated carbon. The original process of "alkali scrubbing + primary activated carbon + UV photocatalytic oxidation" was upgraded to "alkali scrubbing + secondary activated carbon," thereby fully optimizing environmental treatment performance.

Renovated Exhaust Gas Treatment System (two-stage activated carbon adsorption) for the Hazardous Waste Storage Area

Promoting Green Office Practices

The Group advocates a model of "energy conservation, low carbon, and green office" and optimizes resource allocation through the digital empowerment of office processes, integrating environmental responsibility into every detail of daily administrative operations. This effort is complemented by anti-waste initiatives and strengthened supervision over resource conservation, all with a view to reducing energy and resource consumption in daily operations.

The Group vigorously promotes electronic office work and automated business processes, using digital tools to reduce consumption of paper, toner cartridges, and other office materials.

Digitization of business documents:

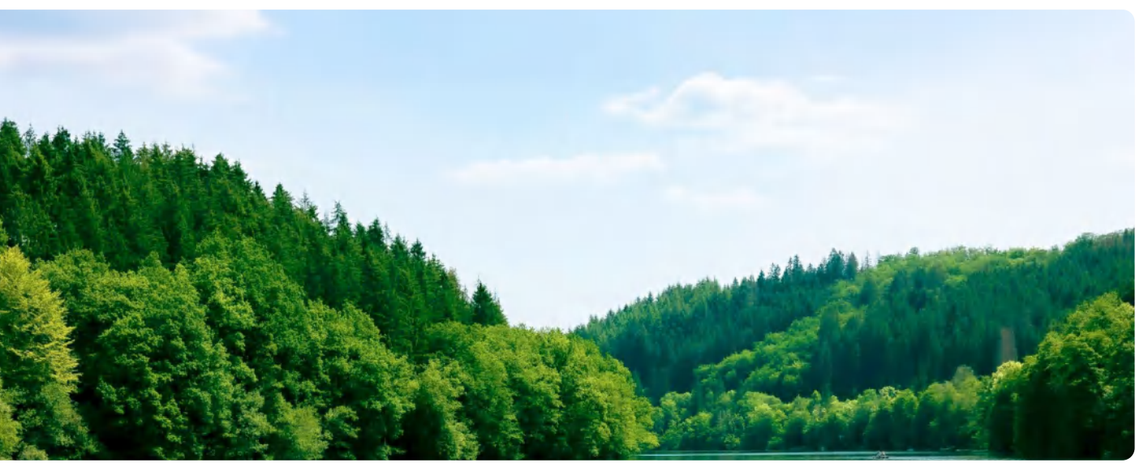
the Company has fully implemented paperless receiving and inspection through barcode scanners, electronic drug inspection certificates, and electronic ASNs (advance shipping notices), realizing end-to-end digital business circulation and effectively replacing traditional paper documents.

Intelligent printing platform

the Company optimized its cloud printing platform and established more than 330 smart printing rules to enable automatic combined printing of multiple documents and mandatory duplex printing, reducing manual errors and paper waste at the source.

Case Paperless Operations Contribute to Precise Emissions Reduction

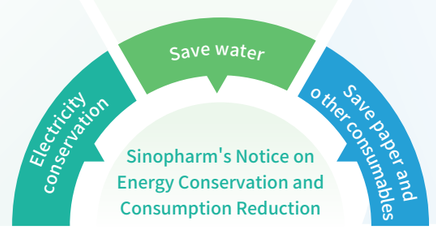
Leveraging digital technologies, the Shanghai Kangning Road Park of CNPGC Logistics actively launched a "Paper Reduction Initiative." In 2025, the park's Warehouse No. 2 achieved annual savings of over RMB 300,000 in paper document printing costs; Warehouse No. 3 (equipment warehouse) reduced its annual A4 paper usage by 27,000 sheets. Furthermore, the park promoted a "One-Code Pass" reservation system, replacing paper registration with electronic reservations, achieving an annual carbon reduction of approximately 563 kg and significantly improving both operational efficiency and environmental performance.



To ensure the long-term effectiveness of green office practices, the Company formally issued the *Notice on Energy Conservation and Consumption Reduction* in 2025, establishing green office behavioral standards from three dimensions including electricity, water, and consumables management, and supporting these with random inspections and notification mechanisms to ensure that management requirements are fully implemented.

- Use lighting reasonably. Adhere to the principle of "turn off one more light, save one more kilowatt-hour of electricity" and eliminate the occurrence of "always-on lights" and "unattended lights". Ensure that power is turned off when people leave: before getting off work, always turn off the power supply to lights, air conditioners, computers, printers and other equipment.
- Adjust the air conditioner temperature reasonably according to seasons and actual needs: ⩾ 26° C in summer / ⩽ 20° C in winter.
- It is strictly prohibited to use high-power electrical appliances with potential safety hazards such as electric heaters.

- Avoid leaving water running. Ensure water is turned off when people leave.
- Use water supply facilities properly and take good care of water equipment (faucets, water dispensers, etc.). If any water supply facility is found damaged, report it for repair in a timely manner.



- Promote paperless office by making full use of information tools such as OA, WeChat Work and e-mail.
- In principle, documents shall be printed on both sides. The use of color printing shall be strictly controlled; color printing is not allowed unless necessary.

In official travel, we strictly implement the *Administrative Rules for Official Vehicles* and the *Measures for the Use and Management of Official Vehicles.* Given the large scale of operations, we focus on strengthening the intensive management of vehicles through reasonable route planning, reducing the number of official vehicles, and optimizing fuel consumption control.

For culture building in energy conservation and environmental protection, we make use of key occasions such as National Energy Conservation Publicity Week and National Low-Carbon Day to roll out environmental concepts on outdoor large screens and office multimedia matrices, and to post reminders on water conservation, electricity saving, and air-conditioning temperature settings in prominent locations so that low-carbon awareness takes root. In parallel, we continue to conduct environmental knowledge education and regulatory training through a combination of online and offline channels, ensuring that employees at all levels fully understand compliance requirements and jointly promote the achievement of the Company's low-carbon operating goals.

Protecting Biodiversity

The Group systematically integrates biodiversity protection into supply-chain resilience building and green logistics network planning. In planning its nationwide logistics infrastructure, it strictly enforces ecological red-line requirements and adopts a dual control strategy of "avoiding ecologically sensitive areas and mitigating environmental footprints." By promoting green refrigeration technologies and intelligent transport dispatching, the Group effectively reduces disturbance to habitats caused by logistics operations. In parallel, relying on digital supply-chain platforms, we encourage upstream and downstream partners across the value chain to fulfill their ecological protection responsibilities, building a biodiversity-friendly pharmaceutical supply ecosystem covering the entire circulation chain and fulfilling the Company's environmental and ecological responsibilities.

04

Fostering Care

and Advancing Development Together

Talent is the core support for high-quality corporate development and long-term competitiveness. In 2025, against the backdrop of deepening state-owned enterprise reform and organizational optimization, Sinopharm continued to practice its people-oriented management philosophy. Focusing on four core priorities, employee rights protection, talent development, occupational health and safety, and employee care, we systematically advanced human resources governance and organizational capability building. The Company is committed to creating a fair, stable, diverse and inclusive workplace with clear career pathways, enabling employees to realize their value while enhancing organizational effectiveness and achieving coordinated progress between corporate development and employee growth.

Highly material issues addressed in this chapter

- Employee Rights & Welfare
- Diversity, Equity and Inclusion
- Occupational Health and Safety
- Employee Development and Training

Highlights in this chapter

Employee training coverage rate: **100%**, with average training hours per capita of **65.1** hours

Management anti-corruption training coverage rate: **100%**

A total of **67** anti-harassment and anti-discrimination training sessions were conducted, totaling **118.9** class hours

Employment agreement signing rate: **100%**

Number of companies certified to ISO 45001 Occupational Health and Safety Management System: **83**

Pre-employment safety training coverage rate and pass rate for new employees: **100%**

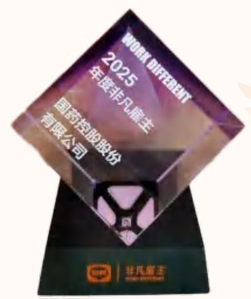
UN Sustainable Development Goals (SDGs) addressed in this chapter

Employee Rights Protection

The Group consistently regards employees as a cornerstone of sustainable development. We actively fulfill our social responsibility for stable employment and provide employees with a stable, compliant and predictable working environment. By complying strictly with national and local laws and regulations, we continue to refine equitable, diverse and inclusive employment and recruitment mechanisms and lawfully safeguard employees' rights and interests in recruitment, employment, compensation and benefits, and career development. At the same time, we keep improving our compensation and benefits system and strengthening democratic communication and feedback mechanisms so that employee concerns are heard and addressed, enhancing employees' sense of gain and belonging while supporting mutual growth between employees and the Company.

During the Reporting Period, Sinopharm continued to receive honors such as "Best Employer" and "Outstanding Employer" from leading HR platforms including Liepin and 51job, recognizing the Company's strong performance in employee experience, career development and organizational attractiveness.

2025 Most Socially Responsible Employer



2025 Outstanding Employer

Diversity, Equity and Inclusion

The Group strictly complies with the *Labour Law of the People's Republic of China,* the *Labour Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Women's Rights and Interests,* the *Law of the People's Republic of China on the Protection of Minors,* the *Provisions on the Prohibition of Using Child Labour,* the *Regulations on the Employment of Persons with Disabilities*, and other applicable laws and regulations. We have established and continuously improved management rules covering recruitment and dismissal, equal opportunity, diversity, anti-discrimination and working hours, and have issued institutional documents such as the *Measures for Recruitment and Employment Administration* and the *Measures for Market-Based Selection and Appointment of Senior Management Personnel* to standardize recruitment principles and procedures.

The Group adheres to the principle of selecting talent from all corners of society. Recruitment is not restricted by gender, region or ethnicity. We also practice inclusive recruitment by hiring people with disabilities, veterans and other groups, and we do not impose educational thresholds on employees with disabilities. The Group maintains zero tolerance for discrimination and harassment and ensures that employees enjoy equal opportunities in recruitment, compensation and promotion regardless of gender, nationality, race, religion, marital status, sexual orientation or any other legally protected characteristic.

As of the end of the Reporting Period, the Group had

Total number of employees on payroll
94,910

Number of newly hired employees
6,088

Employment agreement signing rate
100%

No incidents
involving child labour or forced labour

Total number of employees with disabilities
387

Newly hired employees with disabilities
29

Total number of ethnic minority employees
6,609

accounting for
6.96% of the workforce

A total of
67 anti-harassment and anti-discrimination training sessions were conducted

totaling
118.9 class hours

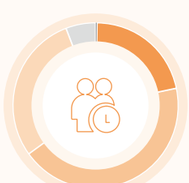
Number of Employees by Gender

Male	36,914
Female	57,996

Number of Employees by Employment Type

Part-time	0
Full-time	94,910

Number of Employees by Age Group



Employees aged 30 and below	20,443
Employees aged 31–40	41,346
Employees aged 41–50	27,700
Employees aged 51–60	5,404
Employees aged over 60	17

Number of Employees by Region

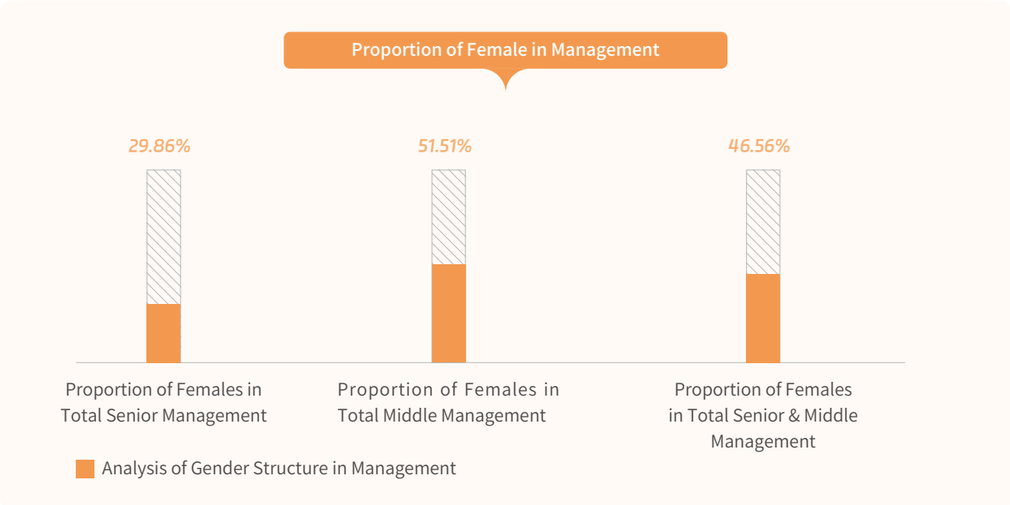
Chinese Mainland	94,909
Hong Kong	1

The Group follows the recruitment principles of combining internal and external hiring, ensuring fair competition, appointing people on merit, and selecting the best candidate. We implement strict recruitment controls: staffing requests must be formally filed, proposed appointments are announced in the OA system before hiring, and ineligible candidates are not recruited. Key positions are opened to the market through the official website and third-party platforms. Standardized written tests, structured interviews and competency assessments are used to ensure that recruitment is fair, impartial and merit-based.

Through campus recruitment, social recruitment and specialized industry channels, we maintain a healthy and stable talent pipeline. During the Reporting Period, we placed particular emphasis on campus recruitment in active response to national policies aimed at promoting employment for university graduates. We conducted recruitment presentations at leading universities such as Tsinghua University, Peking University and Fudan University, attracting outstanding graduates in pharmaceuticals, logistics and digital intelligence at an early stage. In parallel, we continued to optimize the structure of our workforce, vigorously recruited personnel with a bachelor's degree or above, and promoted the overall improvement of employee quality.Where business adjustments or employees' personal development needs lead to departure, we seek to act as a professional career partner by offering offboarding support such as recommendation letters, industry networking resources and psychological counseling, so that employees feel respected and cared for. In the event of large-scale workforce adjustments, we strictly follow the *Labour Contract Law of the People's Republic of China,* carry out the required democratic procedures through the labour union, provide written notice 30 days in advance, and handle relevant matters after fully hearing employees' views.

In key areas such as the prohibition of child labour and forced labour, the Group strictly follows the *Labour Law, the Labour Contract Law*, the *Law on the Protection of Minors* and the *Provisions on the Prohibition of Using Child Labour.* We do not recruit anyone under the age of 16, thereby ensuring full compliance with applicable legal requirements.

We embed gender equality into corporate governance and empower female employees through systematic support policies. These efforts continue to optimize the gender structure of management and inject both professional capability and human warmth into the Company's development momentum.



We broadly welcome and respect vulnerable groups. The Group places employees with disabilities at a level not lower than 1.5% of total employees and lawfully provides full social insurance and housing fund contributions together with annual care allowances. We also respect ethnic minority employees, encourage integration and friendly exchanges among different groups, and fully respect diverse cultures and living customs. In multi-ethnic regions such as Xinjiang and Ningxia, minority employees are granted flexible leave arrangements during major ethnic festivals, and local staff canteens provide halal and other special meal options. These practices further strengthen employees' sense of belonging and well-being.

Salary and Benefits

To attract, motivate and retain outstanding talent, the Group has established a comprehensive and industry-competitive compensation and benefits system. We continue to refine institutional documents such as the *Compensation Management Measures*, uphold equal pay for equal work as a basic principle, specify pay dates, and comply with statutory minimum wage requirements to ensure fair and reasonable compensation distribution. During the Reporting Period, we launched a new round of compensation system optimization focusing on middle management at headquarters and senior management of subsidiaries, better aligning compensation with performance, responsibility and long-term development goals. We also comprehensively raised pay levels for lower-income employees so they could share in the benefits of development.

The Group strictly follows laws and regulations such as the *Regulations on Paid Annual Leave for Employees* and the *Implementation Measures for Employees' Paid Annual Leave.* We ensure that employees are entitled to annual leave, personal leave, sick leave, marriage leave, maternity leave, parental leave, breastfeeding leave, family planning leave and all statutory holidays. We also revise the Attendance and Leave Management Measures in a timely manner in response to legal and regulatory changes, while safeguarding the rights and interests of female employees, employees with disabilities and employees with special needs, including flexible working arrangements where appropriate.

Annual Leave Entitlement

- Employees with 1 to less than 10 years of cumulative service are entitled to 5 days of paid annual leave;
- those with 10 to less than 20 years are entitled to 10 days;
- those with 20 years or more are entitled to 15 days.

Carry-over Arrangement for Annual Leave

- The Company allows unused annual leave from the previous year to be taken by the end of March of the following year under a centralized make-up leave arrangement.

According to the nature of different positions and in compliance with the *Labour Law of the People's Republic of China*, the Group applies multiple working-hour arrangements, including the standard working-hour system, the comprehensive working-hour system and the flexible working-hour system.

Standard Working-hour System

- Employees work 8 hours per day and no more than 40 hours per week, with Saturdays, Sundays and statutory holidays off.
- In principle, overtime hours should not exceed 36 hours per month.

Comprehensive Working-hour System

- Working hours are calculated on a monthly, quarterly or annual basis.
- Working hours on a particular day or week may exceed 8 or 40 hours, but the average daily and weekly hours must be consistent with the standard working-hour system.

Flexible Working-hour System

- Workload is approved by reference to the standard working-hour system while flexible working hours are adopted.
- Overtime and extended working-hour rules generally do not apply.

In terms of welfare protection, the Group lawfully makes full contributions to social insurance and the housing provident fund for employees and also provides supplementary medical insurance and other benefits. At the same time, the Group combines labour-union welfare with administrative welfare to provide employees with multi-layered and diversified support.

During the Reporting Period, Sinopharm further improved employee benefits, including

- Expanding the scope of annual employee health-check items to enhance health protection
- Continuing labour union care and holiday outreach and care initiatives; the labour union's *"Practical Initiatives for Employees"* list covered 14 items with a budget exceeding RMB 4 million, benefiting more than 2,200 people in Shanghai

Democratic Communication

The Group strictly follows the system governing the Employees' Congress and keeps communication channels open so that employees' needs can be fully heard. The Company has established a multi-level and normalized employee communication mechanism, with the Party Committee Organization Department (Human Resources Department, Reform Office) serving as the main communication window. Employees may submit opinions and suggestions through face-to-face communication, telephone, the internal office system and the employee self-service platform.

During the Reporting Period, the Group

Held more than **500** Employees' Congress meetings at various levels to deliberate and approve major matters involving employees' vital interests, effectively safeguarding employees' right to know, to participate, to express views and to exercise oversight

Collective contract signing rate: **56.0%** and we steadily advanced the signing of collective contracts and special collective contracts for female employees.

- In January 2025, Sinopharm held an employee consultative meeting at which Company leaders responded in person to employees' opinions and suggestions.
- In May 2025, the Company organized a youth-themed symposium titled "Growing and Striving Together with the Company," focusing on youth work, work-style development among young employees, and the growth and development of young talent, thereby promoting participation and communication among younger employees.
- The Group also completed two rounds of employee sentiment research assignments at the CNPGC level, covering working environment, compensation and benefits, career development and corporate culture, and using the findings as an important basis for employee satisfaction and engagement management.

2025 Annual Employee Consultative Meeting

"Growing and Striving Together with the Company" Youth Forum

The Group has established a comprehensive employee grievance and complaint mechanism built around a closed-loop process of request acceptance, categorized handling, follow-up and feedback. Clear processing time limits and responsible parties are defined to ensure that every employee concern is addressed and every issue receives a response. Employees may file complaints or provide feedback through channels such as labour unions, the Employees' Congress and consultative meetings.

During the Reporting Period, the Group

Collected more than **440** employee comments and suggestions

Achieved an annual closure rate of over **85%** for employee requests and appeals

Promoting Talent Development

The Group continues to improve its career development and talent cultivation system. Through fair and transparent selection and promotion mechanisms, systematic training, and the ongoing enhancement of learning platforms, we strengthen employees' professional capabilities and core competitiveness. In addition, we optimize our talent structure through both campus and social recruitment, continuously injecting new talent with professional potential and innovative capabilities into the organization and supporting the steady development of our overall talent team.

Career Development System

The Group continues to improve promotion and performance assessment mechanisms. We have established and optimized systems such as the *Measures for Employee Training Management, the Measures for Rank Promotion of Headquarters Employees,* the *Reserve Talent Development Program*, the *Measures for the Management of Senior Executives of Secondary Subsidiaries and Middle Management at Headquarters,* and the *Measures for Temporary Assignment and Practical Training,* thereby providing employees with fair, transparent and predictable career advancement channels.

We define competency requirements and assessment indicators for different ranks and positions and adhere to four core performance-assessment principles: fairness and impartiality in the assessment process, differentiation in results, rewarding excellence and addressing underperformance in application, and reasonable and effective assessment governance. These principles underpin the steady optimization of the Company's performance management system.

During the Reporting Period, the Group had

Performance appraisal coverage for executives and employees

100%

Executive performance management follows the principle of "classified management and precise assessment." Different evaluation systems are applied according to the nature of the business, while individualized performance indicators are designed in line with specific responsibilities. Performance evaluation is linked to compensation and incentives, fully stimulating the effectiveness of the management team in fulfilling its duties.

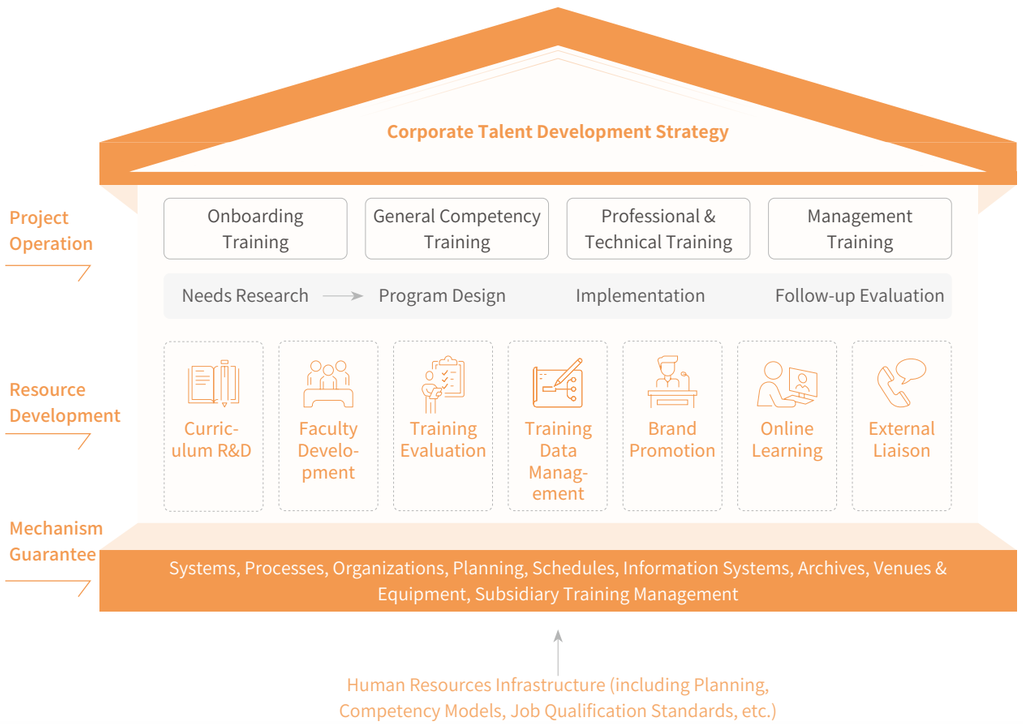
The employee appraisal system continues to be optimized by combining quarterly and annual evaluations. Assessment results are directly linked to employee promotion and performance bonuses, fully mobilizing the initiative and creativity of all headquarters employees, optimizing human resource allocation and effectively motivating staff at all levels.

We are also committed to building an open and inclusive internal talent market and providing employees with diversified development opportunities and mobility channels. Through competitive selection for positions, management posts are fully open to internal talent, creating a fair and transparent competency-based promotion system. During the Reporting Period, Sinopharm launched a systematic survey and selection exercise covering 835 high-potential young employees and, for the first time, used AI-based interview assessment to establish a younger talent reserve with a stronger structure and higher quality, thereby offering sustainable growth space and development opportunities for younger employees and safeguarding the health, stability and sustainability of the talent pipeline.

Employee Development and Training

We continue to refine our talent development system. To effectively enhance employees' knowledge accumulation and skill development, we have formulated a comprehensive talent development strategy and, based on it, built a training framework that covers all levels, all functions and all dimensions.

Sinopharm Holding Training System



During the Reporting Period, the Group had

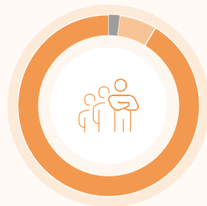
Average training hours per capita

65.1 hours

Employee training coverage rate

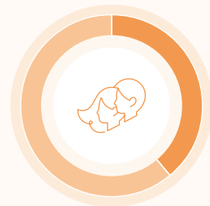
100%

Average Training Hours per Employee by Job Level



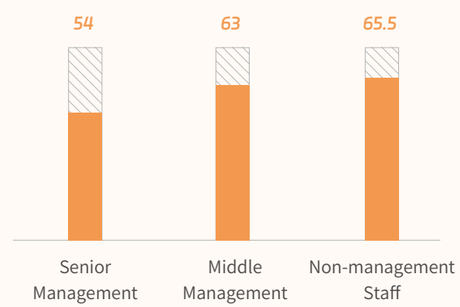
Senior Management	1,893	2%
Middle Management	6,391	7%
Non-management Staff	86,626	91%

Number and percentage of trainees by gender



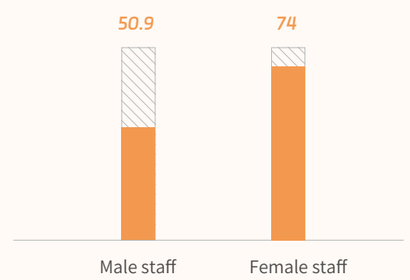
Male	36,914	39%
Female	57,996	61%

Number and Percentage of Trained Employees by Job Level



Number and Percentage of Trained Employees by Job Level

Average Training Hours per Employee by Gender



Average Training Hours per Employee by Gender

In 2025, the Group rolled out action learning across headquarters and 17 subsidiaries, organizing 32 thematic seminars. By introducing action-learning and structured-discussion approaches, the Company leveraged collective wisdom to solve practical organizational challenges. In addition, we placed equal emphasis on talent introduction and talent cultivation by advancing joint development programs for high-end talent and continuously strengthening reserves of top-level professional talent.

Case Innovative Training Model Empowers Integrated Marketing Training

In August 2025, Sinopharm organized a special training program on "integrated marketing system development," focusing on responsible procurement, omnichannel coordination and digital marketing. The program promoted greater professionalism and standardization in supply chain management and the marketing system. Each type of training emphasized post-training follow-up and results conversion through project-based practice and the selection of outstanding teams, ensuring that training outcomes were effectively embedded in day-to-day work and providing strong support for safe, steady and high-quality operations.

The Teacher Explained the Innovative Training Model to Employees

Lively Discussion Among Group Members

We have built a digital learning platform ecosystem covering multiple terminals and full-scenario learning. By aligning it with corporate strategy and employees' learning habits, we promote efficient knowledge transfer and the accumulation of organizational capability.

During the Reporting Period

we developed **377** online learning resources totaling **129** class hours and updated **2** in-person courses, covering Party and government affairs, discipline inspection and supervision, finance, audit, human resources, operations, quality, safety, retail, logistics, qualifications and certifications, among other topics.

2025 Development Status of the "Sinopharm Cloud Learning" Platform

Total platform accounts	Active login accounts	Platform login rate	Online training programs launched
98,965	95,562	96%	5,686

Learning columns

35

Added the "Work Improvement" column and continued to iterate content in

11 columns including Digital Transformation, Audit, Finance and Retail

Occupational Health and Safety

The Group consistently places employees' occupational health and safety at the center of its management priorities. We continue to improve our occupational health and safety protection mechanisms while maintaining ISO 45001 standards. By building a safe, healthy and comfortable working environment in all respects, we protect employee safety and health in practical terms and reinforce the safety foundation for steady corporate operations.

Strengthening Work Safety Management

The Group has always adhered to the principle of "Safety First, Prevention Foremost, Comprehensive Governance." In line with the requirements of *Key Work Priorities for Production Safety in 2025,* we fully strengthened safety accountability, improved management systems, reinforced risk prevention and control, and advanced technology enablement, thereby achieving full coverage of the production safety accountability system, complete establishment of safety management systems, full implementation of safety training, and all-round emergency preparedness.

During the Reporting Period, the Group had

Signing rate of Production Safety Responsibility Agreements among secondary subsidiaries

100%

During the Reporting Period, the Group had

620

new safety management systems issued

1,283

existing safety management systems revised

Production Safety Accountability System

We strictly implement the principle that whoever manages a business, an operation or production must also manage safety. The Group has built an integrated safety accountability system under Party committee leadership, administrative responsibility, business-line ownership and full-staff participation. Safety management is deeply embedded in decision-making, operating processes and performance evaluation. *Production Safety Responsibility Agreements* are signed layer by layer to ensure accountability extends horizontally to every function and vertically to every level, keeping production safety stable and under control throughout the year.

Safety Management System

In line with the characteristics of our various business formats, we dynamically improve institutional documents such as the *Compendium of Production Safety Systems.* These documents cover key areas including safety responsibilities for all employees, hazardous waste management, and incentives for reporting accident hazards. We have also established accountability and retrospective review mechanisms, forming a full-process institutional safeguard.

Standardization of Work Safety

We strictly implement standardization certification and internal audit requirements and continue to advance standardization development. By building a standardized management system that covers all personnel, all processes and all operating links, we clarify safety responsibilities from senior management to frontline employees, formulate unified safety management rules and operating procedures, and shift safety management from being experience-driven to being system-driven.

During the Reporting Period, the Group had

35

companies obtained Level-2 production safety standardization certification

404

companies obtained Level-3 production safety standardization certification

The *Implementation Standard for Production Safety in Sinopharm Logistics* was completed and became one of the logistics segment's safety standards

The *Production Safety Standard for Sinopharm Retail Operations* took preliminary shape, further building the "Sinopharm Safety Standards System"

Safety Risk Prevention and Control

The Group has established a dual prevention mechanism combining hazard forecasting and hazard control. Subsidiaries are categorized and managed based on risk level. Every quarter, we use the production safety statistical system to precisely identify potential hazard sources, clarify control responsibilities and measures, and implement targeted control and rectification based on risk rating.

During the Reporting Period, the Group had

A total of **11,802** hazard sources identified

A cumulative **15,353** accident hazards investigated and addressed

the rectification completion rate reached **97%**

No general or above-level production safety responsibility accidents occurred

Safety Education and Training

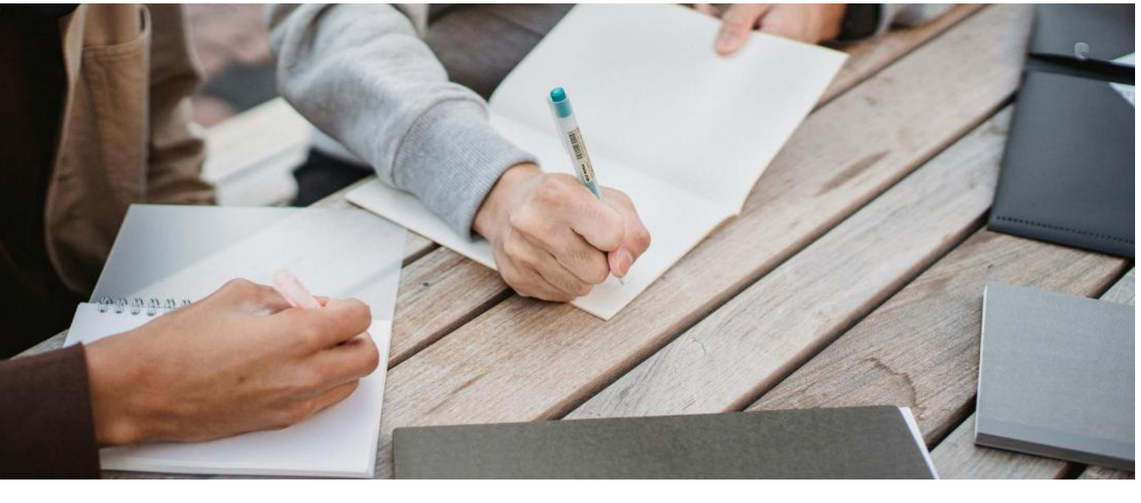
In safety education and training, we continued to institutionalize full-coverage and scenario-based practice. Around themes such as the "Production Safety Month" and the "Fire Safety Awareness Month," we conducted a wide variety of training activities. Through a combination of theory, drills and practical exercises, we strengthened employees' safety awareness and emergency response capability and reinforced the Company's production safety defenses.

During the Reporting Period, the Group had

2,143 safety training sessions organized, with **124,109** participations

Pre-job safety training coverage rate and pass rate for new employees: **100%**

1,080 emergency drills of various kinds conducted, with **53,290** participations



Case Training, Competition, Drills: Sinopharm Jiangsu Fire Safety Month Fortifies Workplace Safety

November 2025 marks the 34th National Fire Safety Awareness Month. To strengthen fire safety awareness among all employees, enhance practical emergency response capabilities, and effectively build a "|firewall" for workplace safety production, Sinopharm Jiangsu and its subsidiaries carried out a series of fire safety-themed activities. These initiatives embedded the philosophy of "learning about fire safety, understanding fire safety, and mastering fire safety" into the hearts of every employee.

Safety Education and Training

Emergency Response Drill

Hands-on Fire Extinguisher Training

Case Guorui Pharmaceutical's Safety Knowledge Competition: Learning through Competition to Fortify Workplace Safety

On June 26, 2025, Guorui Pharmaceutical held a work safety knowledge competition, with more than 70 employees participating.The competition aimed to motivate employees to learn about work safety in an engaging way, comprehensively enhance their safety awareness, popularize safety knowledge and skills, and strengthen their emergency response capabilities.Through competition-based learning, the Company further consolidated its safety foundation.

Guorui Pharmaceutical Work Safety Knowledge Competition

Occupational Health Management

In the face of occupational hazard factors that may arise during pharmaceutical manufacturing, warehousing and transportation, the Group has always placed occupational health management at a strategic level. In strict compliance with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and under the principle of "prevention first and continuous improvement," we systematically manage occupational health risks and safeguard employees' physical and mental well-being in the course of their work.

Physical Health

Occupational health management measures

Preliminary Prevention
- Declaration and registration of occupational disease hazard projects
- Ensuring the "Three Simultaneities" for occupational disease protection facilities in construction projects
- Monitoring and testing of occupational hazard factors in the workplace

Process Management
- Regular occupational health examinations
- Establishing occupational health surveillance files
- Providing protective facilities and personal protective equipment
- Occupational health training

Follow-up Protection
- Emergency rescue for occupational disease incidents
- Treatment support for occupational diseases

During the Reporting Period, the Group had

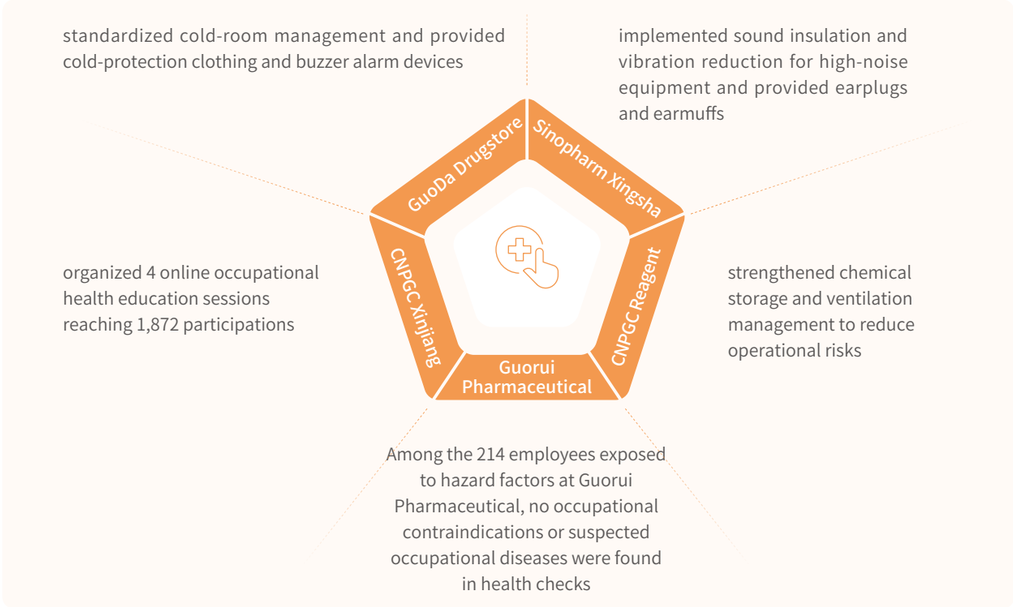
83 enterprises certified with the ISO 45001 Occupational Health and Safety Management System

A total of **416** publicity sessions on the theme "Caring for Workers' Mental Health" were held, reaching **67,102** participants

More than **120** person-times of one-on-one psychological counseling services provided

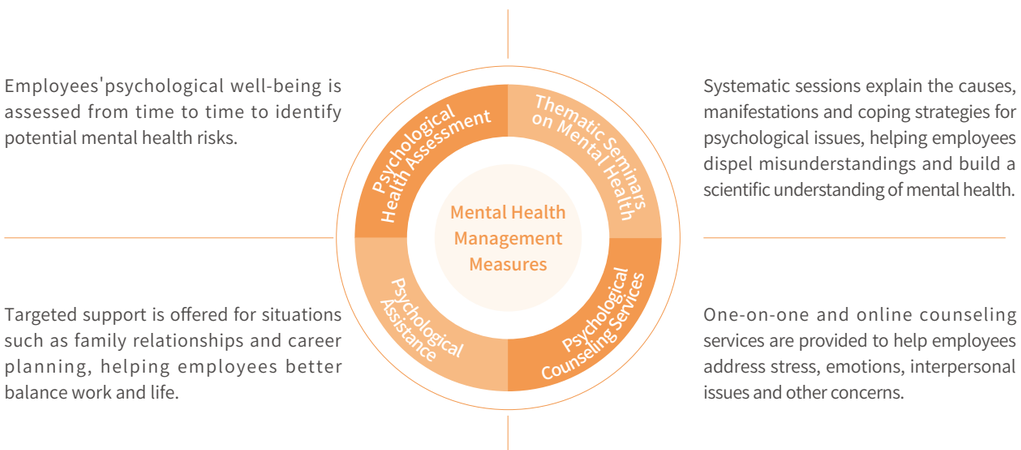
Over **40** special lectures on mental health conducted

We use a dual-prevention mechanism and graded control of hazards to regularly investigate occupational disease risks. The Group is equipped with safety facilities such as AEDs, automatic fire alarm and suppression systems, and combustible gas detectors, and maintains them regularly to ensure that workplaces remain safe and reliable. Subsidiaries adopted targeted measures to protect employee health:



Mental Health

As the times evolve, the scope of occupational health work is also expanding. New-era occupational health management has moved from a traditional focus on occupational disease prevention toward a new model that gives equal weight to physical and mental health. The Group continues to pay close attention to employees' mental well-being and to improvements in quality of life. Since 2022, we have implemented an Employee Assistance Program (EAP) to provide psychological care for employees. The program seeks to help employees relieve pressure, address psychological concerns and foster healthy and harmonious development for both individuals and the organization.



Employee Care

The Group has always adhered to a people-oriented philosophy and regards employee care as a core measure for driving corporate development. By building a multidimensional system covering workplace outreach, care and support, life support and health management, we are creating a workplace ecosystem with warmth and care. Through attentive actions that respond to employees' needs, we ensure that every employee working to safeguard public health can also feel the support and warmth of the organization.

During the Reporting Period, we continued to improve the construction of employee care facilities such as the "Employee Home" and "Caring Mothers' Room". In total, we have established:

87 employee reading rooms

38 fitness stations

70 "Mothers' Rooms"

30 break rooms

Care for Active Employees

The Group routinely organizes care activities such as "Warmth in Winter," "Cooling Relief in Summer," and "Holiday Duty Visits during Spring Festival." Throughout the year, nearly 1,500 employees were visited, and care funds totaling more than RMB 1.4 million were distributed. We continue to advance employee care measures and have built a multi-tiered and broad-based employee care system.

Case "Coolness in Summer" Care Campaign for Frontline Employees

As the high-temperature season began, labour unions and Party organizations at all levels of Sinopharm continued to pay close attention to occupational health and labour protection for frontline staff. Centering on heatstroke prevention and safe production requirements, they organized a series of care and support activities to deliver organizational care directly to the front line.

Sinopharm (Shandong) Supply Chain

The Party Branch of Sinopharm (Shandong) Supply Chain launched the "Coolness in Summer" condolence activity. Watermelons, beverages and other heatstroke prevention supplies were delivered to logistics employees working on duty, accompanied by sincere greetings. These measures effectively relieved the pressure of working in high temperatures, further enhanced employees' sense of gain and belonging, and boosted team cohesion and work motivation.

Sinopharm Jining

Sinopharm Jining organized the "Caring for Employees · Chilling in Summer" condolence campaign, providing heatstroke prevention and cooling supplies to frontline staff. In view of the high-temperature weather conditions, it also reminded all units to scientifically adjust working hours, and to deploy, advance and implement heatstroke prevention and cooling measures in parallel with work safety requirements.

Sinopharm Shenzhen Yanfeng

The Labor Union of Sinopharm Shenzhen Yanfeng delivered cooling comfort supplies to frontline staff working in professional pharmacy stores, expressing care and gratitude for their hard work.

Sinopharm Guangzhou

The Labor Union of Sinopharm Guangzhou carried out condolence activities for frontline employees, and continued to focus on their working conditions and health protection in high-temperature environments.

Sinopharm Xingsha

The Labor Union of Sinopharm Xingsha launched the "Sending Coolness in Summer, Warmth to the Frontline" condolence activity. The condolence group had cordial exchanges with employees, expressed sincere gratitude to frontline staff who worked tirelessly despite the intense heat, and delivered herbal tea, heatstroke prevention medicines and other supplies, conveying the warmth of the organization.

Care for Retired Employees

In caring for retired employees, the Group consistently seeks to convey organizational warmth and respect. We have established an institutionalized retirement care system, and labour unions at all levels carry out varied retirement-care activities suited to local conditions, ensuring that retired employees continue to feel the organization's care and warmth.

In June 2025, the Labor Union of Guoda Drugstores held a small farewell party for retired employees, with colleagues present extending their best wishes one after another.

Sinopharm Jiangxi held the 2026 Spring Festival Symposium for Retired Employees on February 12. The event provided a warm reunion with veteran staff, during which the Company listened to their voices and discussed development together, extending sincere care and Spring Festival blessings.

Weight Management

The Group actively responded to the national "Weight Management Year" initiative by carefully planning and organizing diverse health management and fitness activities. From September to December 2025, the Company launched an employee healthy fat-reduction campaign featuring awards for BMI reduction and physical fitness testing. The initiative actively mobilized employees to participate, helping them manage weight scientifically and improve health literacy. During the Reporting Period, about 13,000 employees took part in the "Weight Management Year" initiative.

Health Management Challenge

Sinopharm Gansu held its first "Health Companion, Unlimited Vitality" Weight Management Challenge, which drew active participation from employees. During the event, the Company labor union organized various departments to form health management groups for mutual support and experience sharing. By combining exercise check-ins with point incentives, the initiative encouraged employees to manage their weight scientifically and improve their health literacy.

Employees' Exercise Check-in Records

Fun Sports Meet & Competitive Events

Sinopharm Reagent held the fun sports meet themed "Vitality in Reagent, Fun for the Future", with over 100 employees participating.Through competitive and fun events, the activity helped improve physical fitness and strengthen team cohesion.

The Labor Union of Sinopharm Le Rhentang held its first employee basketball game, with 6 teams from across the province participating, showcasing the energetic and healthy spirit of the staff.

Outdoor Hiking Activities

Sinopharm Inner Mongolia organized Party members, cadres and employees to take part in a 5-kilometer brisk walk at the Daheihe Country Park, allowing staff to relax and unwind through outdoor exercise.

The Labor Union of Sinopharm Ningxia organized the activity "Happy Brisk Walking, Health Accompanies Me". About 200 employees from Yinchuan and its branches and subsidiaries participated, enjoying healthy exercise in a natural setting to enhance their physical and mental well-being.

Meditation & Stress Relief Activities

To ease employees' mental stress and promote physical and mental health, the Labor Union of Sinopharm Shanghai organized meditation and stress relief activities during the reporting period. Professional instructors guided employees in breathing adjustment and physical and mental relaxation training, with nearly 30 employees participating.

Dance Interest Group Activities

The Labor Union of Sinopharm Logistics launched the Dance Interest Group activities. Through tailor-made dance courses, the program helps employees relieve stress, enhance their demeanor, and foster communication, fostering a healthy lifestyle atmosphere.

Enriching Employee Life

We fully understand the importance of employees' quality of life to corporate development and actively build diversified platforms that allow employees to relax, connect with others and enjoy a vibrant sense of belonging outside work. Through sports competitions, interest clubs, festive celebrations and other activities, we create a lively and cohesive workplace atmosphere.

During the Reporting Period, we organized the third "Shendong Cup" badminton tournament, building sports games, health walking and running events, and the "Yijian Youqu" youth exchange program, all of which promoted interaction among employees and strengthened team cohesion.

Case "Fun at First Sight" Youth Networking Event

On 21 September 2025, the labour union and Youth League Committee of Sinopharm jointly held the first "Fun at First Sight | With You, With Me, With the Breeze" youth social event. Young employees from several units within the Sinopharm system participated. Through Yunnan coffee tasting, handmade Dulong blankets, Yunnan dance and other activities, the event promoted cross-company exchange and cultural experience.

Young Employees Engaged in Social Interactions and Networking During the Event

Case Passionate May, Badminton Shines in Shanghai | Grand Opening of the 3rd "Shendong Cup" Shanghai Staff Badminton Team Competition

On May 11, 2025, the 3rd Shanghai Staff Team Badminton Tournament "Shendong Cup" co-hosted by Sinopharm together with alliance members, as well as the district federations of trade unions and sports bureaus of Xuhui, Putuo, Huangpu, Jing' an, Baoshan, Minhang and other districts in Shanghai, opened at the Putuo District Staff Cultural and Sports Center. The event attracted more than 200 organizations and over 3,000 employees from across the city.

The Sweated Contestants on the Sports Field

Joyful Autumn Healthy Walk & Run Event

Sinopharm Tower Building Sports Meet

Care for Female Employees

The Group takes care for female employees as an important expression of corporate responsibility and human-centered management. By carefully planning special festival activities, holding photography exhibitions, and organizing training to improve practical skills, we not only create platforms for female employees to grow and connect, but also convey warmth through concrete actions and help them shine in both work and life.

"She Says" International Women's Day Themed Event – Unbound, Unlimited Possibilities

Meet on Women's Day · Encounter Intangible Cultural Heritage with Jade

"Their Highlight Moments" Photography Exhibition Poster

Sweet Baking, Joyful Life – Swiss Roll Making Workshop

"Charming Women · Blossoming Her Power" Women's Day Event

05

Caring for Life

Building a Caring Society

Standing firmly at the forefront of serving national strategies, the Group remains committed to building a community of shared health for all and leading a new ecosystem of coordinated industry development. We continue to refine our supply chain strategy, build a smart pharmaceutical logistics system with global competitiveness, strengthen safeguards for public well-being, and break through regional and resource barriers through innovative inclusive models. By accelerating the flow of high-quality pharmaceutical resources to grassroots communities, we promote fair and equitable access to health services. Going forward, we will continue to serve the nation through industrial development, make active contributions to society, and fulfill our corporate mission in advancing Chinese modernization, contributing Chinese wisdom and strength to the improvement of human health and well-being.

Highly material issues addressed in this chapter

- Medical Accessibility
- Sustainable Supply Chain Management
- Drive Industry Development
- Community Participation Contribution
- Rural Revitalization

Highlights in this chapter

Employee volunteer hours: 50,244 hours

Employee volunteer participation: 5,821 attendances

Total charitable donations: RMB 7.5359 million

UN Sustainable Development Goals (SDGs) addressed in this chapter

Industry Collaboration and Development

Against the backdrop of high-quality development in the pharmaceutical and healthcare sector, the Group continues to put the concept of coordinated industry development into practice. We have established strategic partnerships with upstream and downstream enterprises to form a collaborative mechanism featuring technology sharing, information connectivity and joint risk sharing. In addition, we actively participate in the development of industry standards and policy discussions to promote the efficient allocation of resources across the industrial chain. Moving forward, we will continue to deepen cross-sector cooperation with an open mindset and work with industry peers to build a safe, efficient and sustainable pharmaceutical and healthcare ecosystem that contributes to the well-being of the public.

Driving Industry Development

As a leading enterprise in pharmaceutical distribution, the Group remains committed to fulfilling its industry-leading role, driving upgrades across the entire value chain, participating in standards development, and promoting the high-quality development of the healthcare sector. During the Reporting Period, Sinopharm joined the Innovation Drug Distribution Branch of the China Pharmaceutical Commercial Association. Focusing on innovative pharmaceutical companies, the branch aims to address common challenges they face during commercialization, including supply chain, logistics, medical insurance access and hospital access, and thereby advance ecosystem development across the pharmaceutical industry.

Case 2025 China Pharmaceutical Commercial Association Conference on Innovative Drug Distribution Held in Hangzhou

On 29 August 2025, the 2025 China Pharmaceutical Commercial Association Conference on Innovative Drug Distribution was held in Hangzhou. The conference noted that China's innovative drug industry is entering a phase of rapid development, yet still faces many pain points affecting the final mile of patient service. It called for the establishment of an intelligent, precise and internationalized innovative drug distribution system. Recognizing the importance of the pharmaceutical distribution system, Sinopharm will continue to leverage its role as a leading enterprise, integrate its resources, jointly build an innovative-drug ecosystem, and promote wider public access to innovative medicines.

2025 China Pharmaceutical Commercial Association Conference on Innovative Drug Distribution

The Group also achieved new progress in standards development, leading and participating in the formulation of multiple national, industry and association standards to fill gaps in key areas throughout the year. As an industry frontrunner, we have taken an active role in drafting and promoting a number of critical topics and standards, assumed responsibility for technical leadership, promoted standardization and high-quality development across the sector, and continuously enhanced our influence and discourse power in pharmaceutical distribution.

Case Sinopharm Demonstrates Benchmark Strength at the Healthcare Supply Chain Conference and Leads Standardization Through Certification

In December 2025, the 11th Healthcare Supply Chain Conference was held in Shanghai. Ten subsidiaries of Sinopharm delivered outstanding performances in multiple competitions, and three subsidiaries were awarded industry-leading certification certificates, fully demonstrating Sinopharm's outstanding strength and benchmark status in the national medical device supply chain field.

CNMDC obtained two authoritative certifications

Guorun Medical Supply Chain Services Medical obtained dual authoritative certifications

Sinopharm Lingshang Hospital obtained three authoritative certifications

We continued to explore and deepen practical approaches to industry leadership. During the Reporting Period, by building a nationwide logistics network and expanding full-supply-chain services, the Group not only reshaped industry standards but also empowered industrial-chain collaboration through innovation ecosystems, injecting fresh momentum into the Healthy China initiative.

Case First in Jiangsu Province: Sinopharm Jiangsu Launches Multi-Warehouse Collaborative Integrated Management

As the first enterprise in Jiangsu Province approved to pilot integrated multi-warehouse collaborative management for pharmaceutical wholesalers, Sinopharm Jiangsu actively responded to policy guidance, organized multiple rounds of discussions and application work across provincial subsidiaries, and successfully passed the expert panel's on-site evaluation on 18 December 2025.

On 8 January 2026, the Company officially received approval, marking the pilot's entry into the operational stage. Sinopharm Jiangsu's pioneering practice will set a benchmark for the coordinated and efficient development of the province's pharmaceutical circulation system.

Launch ceremony for Sinopharm Jiangsu's Integrated Multi-Warehouse Collaboration Initiative

Working Together for Mutual Benefit

Guided by the Healthy China strategy, we are building a collaborative ecosystem that links all stages of the pharmaceutical value chain under the theme of "working together for mutual benefit." Through deep cooperation with pharmaceutical companies, medical institutions, research organizations and others, we integrate resources, optimize the supply chain and innovate service models, injecting professional momentum into Healthy China and ensuring that every health need receives a timely and precise response within a mutually beneficial ecosystem.

Case The Group Continues to Foster In-Depth Collaboration with Upstream and Downstream Partners across the Pharmaceutical Industry

Cooperation between Sinopharm and Sanofi

Strategic cooperation between Sinopharm Medical Device and BD

Supply Chain Management

During the Reporting Period, the Group has

46,788

suppliers covering the three major business segments of pharmaceutical distribution, medical device distribution and retail pharmacies;

100%

coverage rate of supervision, audit and management of the Company' s suppliers

The Group is committed to embedding sustainability into its long-term relationships with suppliers. We have formulated and periodically updated the *Supplier Admission System, Procedures for First-Time Enterprise Approval and Supplier Change Management,* and a series of related systems, including the *Procurement Management Procedures, Return-to-Supplier Procedures, Tendering and Procurement Management Measures, Qualified Supplier Re-evaluation Procedures, and the Supply Chain Code of Conduct.* These documents set standards for supplier performance in business ethics, anti-corruption and anti-bribery, product quality control and compliant operations, ensuring that suppliers' business conduct meets our requirements.

Number of Suppliers

Chinese Mainland	46,545
Hong Kong, Macao, and Taiwan Province	150
Overseas	93

Supply Chain Management System

We have established a sound supply chain management system and apply life-cycle management to suppliers across initial admission, supplier grading, dynamic performance evaluation and day-to-day management. This enables us to control supply chain risks to the greatest extent possible and ensure effective product quality assurance.

Sinopharm's Life-Cycle Management of Suppliers

Initial Supplier Admission

- In accordance with the *Procedure for Initial Supplier Approval and Supplier Change Management,* due diligence is conducted on first-time suppliers, including reviews of their legal qualifications and quality assurance capabilities.
- On-site quality audits are conducted when necessary to ensure that the supplier's production and operating environment, process controls, and personnel qualifications comply with applicable standards and national regulatory requirements.

Performance Management

- A performance indicator evaluation mechanism is established, and multiple departments jointly conduct supplier performance evaluations.
- Based on supplier performance, suppliers are subject to dynamic classification management, with differentiated management measures applied to each category.
- Supplier performance data is continuously analyzed, and risk assessments are carried out for underperforming suppliers.
- Supplier performance is re-evaluated annually, and supplier classifications are updated accordingly.

Daily Management

- Daily performance records: Routine records include data on on-time delivery, shipment accuracy, cooperation in returns and exchanges, and acceptance quality, providing a reference for annual evaluations.
- Supervision of corrective actions and penalties: Based on supplier performance records, suppliers that fail to meet Company requirements shall be issued documents such as the Supply Quality Exception Report and the Quality Contact Form, and shall be required to implement corrective actions or be subject to penalties.
- Supplier communication: Annually, industry exchanges and supplier empowerment are conducted through business visits, project meetings, seminars, pharmaceutical fairs, supplier conferences and other forms.
- Exit and elimination: A supplier elimination and blacklist mechanism is established. Each year, suppliers for whom general performance ratings account for 60% or more are subject to the supplier exit process. At the same time, non-compliant suppliers are placed directly on the supplier blacklist, and no further business cooperation is conducted with them.

Management of Initial Supplier Admission

We are committed to building a safe and reliable supply chain by strictly screening and selecting new partners in accordance with laws, regulations and internal system requirements. At the initial supplier admission stage, in addition to requiring new suppliers to sign a *Quality Assurance Agreement*, we review qualification documents such as business licenses, manufacturing approvals, registration certificates and inspection reports, and conduct on-site audits when necessary. To further ensure supply chain quality is under control, we also require suppliers to provide qualification documents for their upstream suppliers, such as business licenses and permits, to confirm that relevant qualification, quality and other factors meet our admission and engagement standards.

Supplier Grading Management

The Group has established a normalized supplier grading management system. Based on dimensions such as pharmaceutical quality compliance, supply stability and strategic cooperation value, upstream suppliers are classified into different tiers. Through differentiated admission reviews and dynamic performance management following grading, we effectively safeguard the security of pharmaceutical supply, optimize the allocation of procurement resources, and support the establishment of a compliant, efficient, safe and controllable pharmaceutical supply chain ecosystem.

Case: Supplier Grading Management at the Sinopharm Group Global Sourcing & Supply Chain Service Center

By implementing differentiated grading standards for pharmaceutical suppliers, the Sinopharm Group Global Sourcing & Supply Chain Service Center concentrates internal resources on strategic suppliers and achieves deeper collaboration with suppliers of core products. On the other hand, it applies standardized controls to basic suppliers, reducing management costs while ensuring fulfillment quality, and ultimately building a pharmaceutical supply chain ecosystem with resilience, flexibility and cost competitiveness.

Supplier Classification Standards of the Sinopharm Group Global Sourcing & Supply Chain Service Center

Category	Strategic Suppliers	Basic Suppliers
Classification Criteria	Strategic suppliers are divided into three categories. the Sinopharm Group Global Sourcing & Supply Chain Service Center makes a comprehensive assessment based on factors such as the supplier's product pipeline potential, innovation capability, enterprise scale, and cultural compatibility. **Multinational Pharmaceutical Companies** International pharmaceutical companies with well-established operating systems in the Chinese market and strong product competitiveness. **Leading Domestic Pharmaceutical Companies** Chinese pharmaceutical companies ranked among the top 50 in the domestic market that are undergoing innovation-driven transformation and maintaining high levels of R&D investment. **Innovative Pharmaceutical Companies** Pharmaceutical companies engaged in the R&D and manufacturing of innovative drugs with globally leading or specially approved innovative products and high clinical value.	All other suppliers not selected as strategic suppliers are managed as basic suppliers.
Management Model	Value co-creation-oriented: A tailored overall cooperation plan is developed for each supplier. All business departments give strategic suppliers priority support in resource allocation and project cooperation, and meet their needs through high-quality integrated services.	Risk prevention and control-oriented: Standardized management procedures are implemented, with a focus on preventing compliance risks and quality incidents.

Supplier Communication and Cooperation

During the Reporting Period, the Group

Held more than

120

supplier communication meetings

The Group is committed to building close and collaborative partnerships with suppliers. By establishing normalized business communication platforms, we continue to deepen strategic dialogue with suppliers at all levels. We actively share industry best practices and management experience, promote transparency and knowledge sharing, and help suppliers improve operational efficiency and quality standards. Through resource integration and strategic collaboration, we have not only strengthened supply chain resilience and competitiveness, but also created long-term value together with our partners to achieve sustainable business growth and development.

Case: Working with Global Partners to Build a New Ecosystem for the Pharmaceutical and Healthcare Industry

In 2025, Sinopharm held two supplier conferences, bringing together more than one hundred global pharmaceutical partners to gather, innovate and jointly build a new ecosystem for the pharmaceutical and healthcare industry.

At the conferences, President Lian Wanyong of Sinopharm explained in detail the Company's innovative arrangements for supply chain resilience, smart enablement and its five core business service systems, and proposed building a "community of shared destiny" so as to work together for high-quality development of the pharmaceutical industry through integrated services and win-win collaboration.

The conferences also released Sinopharm's integrated service matrix, presenting in a multidimensional way the Company's all-round professional services in key fields such as procurement supply chain, logistics network, retail terminals and digital platforms through end-to-end resource integration and process optimization aimed at continuously improving supply chain responsiveness and operating efficiency.

Mr. Lian Wanyong, President of Sinopharm, delivered a speech at the Supplier Conference

Scene from the Sinopharm Supplier Conference

Sustainable Supply Chain

The Group places great importance on suppliers' ESG performance. Through measures such as establishing supplier evaluation systems, reviewing supplier system survey materials, and including ESG-related clauses in contracts, we manage ESG risks in the supply chain and ensure that suppliers meet our requirements in areas such as environmental compliance, employee health and safety, and business ethics. We also encourage suppliers to fulfill their social responsibilities and deepen ESG practices, so that all parties can achieve high-quality development together.

Environmental Compliance Requirements

- Adhere to the principle of responsible procurement and give priority to the procurement of eco-friendly products.
- Regularly supervise and inspect the environmental compliance of suppliers in production.
- Monitor the status of suppliers in obtaining environmental management system certifications such as ISO 14001.

Employee Health and Safety Requirements

- Sign safety responsibility statements with suppliers at the project level and verify suppliers' work safety permits.
- Establish a project safety supervision team to conduct regular special inspections, and assess whether suppliers have hazardous production practices and potential health risks.
- Monitor the status of suppliers in obtaining occupational health and safety management system certifications such as ISO 45001.

Business Ethics Requirements

- Formulate relevant compliance clauses in supplier cooperation agreements in accordance with the relevant provisions of the Compliance Manual, including but not limited to anti-corruption, anti-monopoly, prohibition of commercial bribery, and prohibition of inconsistent documents and goods.
- Require suppliers to sign the *Letter of Compliance Commitment* to undertake continuous compliance with Sinopharm's compliance policies and requirements.

Medical Accessibility and Inclusion

As a centrally administered state-owned enterprise, the Group actively fulfills its social responsibilities, remains anchored to the Healthy China strategy, supports the construction of national pharmaceutical distribution infrastructure, and continuously strengthens supply assurance for a wide range of pharmaceutical resources. At the same time, we actively promote the market launch of innovative medicines and provide more comprehensive and inclusive healthcare protection for all groups by optimizing supply chain service quality.

Benefiting Patients with Rare Diseases

According to the World Health Organization (WHO), diseases with an incidence rate between 0.65 ‰ and 1 ‰ are classified as rare diseases. Nearly 300 million people worldwide are affected by 7,000 known rare diseases. We pay close attention to rare disease communities and actively respond to their challenges, including difficulty accessing medicines, difficulty obtaining diagnoses, and heavy financial burdens. By continuously expanding pharmaceutical distribution channels for drug manufacturers and strengthening public education on rare diseases, we help patients gain fairer and more comprehensive support from the healthcare system.

The Group has actively promoted the development of Rare Disease Care Centers across China. As of the end of the Reporting Period, more than 300 Sinopharm SPS+ professional pharmacy stores were providing rare-disease public awareness campaigns, medicine delivery, infusion services, drug sourcing services and patient care activities in cooperation with hospitals. Among them, 12 stores had been officially recognized by relevant regulators and industry associations as Rare Disease Care Centers.

Case For Your 1‰, We Give 100%

28 February 2025 marked the 18th International Rare Disease Day. The theme for this year, "More than you can imagine", aimed to further raise public awareness and understanding of rare diseases, promote public education, support screening, diagnosis and prevention of rare genetic diseases, and improve quality of life.

Shanxi SPS+ professional pharmacies actively carried out rare disease education around the theme, planning and publishing 12 special communication campaigns through the Company’s external communication platforms. Through vivid and accessible content, these activities increased public understanding of rare diseases and promoted information exchange and emotional resonance among society, patients and their families.

International Rare Disease Day promotional poster

Raising awareness of rare diseases through online video campaigns

Promoting Broader Access to Innovative Medicines

Sinopharm has always been committed to building a nationally integrated pharmaceutical supply chain service system and continuously conducting strategic cooperation with well-known domestic and international pharmaceutical companies. We provide them with full supply chain service capabilities covering import services, access services, commercial channels, logistics networks, government affairs and data support, thereby accelerating the circulation of innovative medicines and effectively protecting the treatment needs of patient communities.

Case Sinopharm Signs a Strategic Cooperation Agreement with Biogen

In January 2025, Sinopharm held a strategic cooperation signing ceremony with Biogen in Shanghai. Leveraging its strengths in China's pharmaceutical distribution sector, Sinopharm will provide one-stop services to support wider access in China to tofersen, Biogen's first disease-modifying therapy for amyotrophic lateral sclerosis (ALS), with the aim of improving the drug's accessibility and bringing new treatment opportunities to ALS patients.

Strategic cooperation signing ceremony between Sinopharm and Biogen

Case Sinopharm Reaches Strategic Cooperation with Pierre Fabre Pharmaceuticals

In November 2025, Sinopharm and Pierre Fabre Pharmaceuticals held a strategic cooperation signing ceremony at the Sinopharm Building. Pierre Fabre is one of France's leading pharmaceutical companies, focusing on the treatment of cancer, chronic diseases and other conditions. Pierre Fabre's CEO, Eric Ducournau, stated that the cooperation would greatly improve the accessibility in China of encorafenib capsules and binimetinib tablets. By combining their strengths and complementing each other's advantages, Sinopharm will help Pierre Fabre's innovative products benefit a broader range of patients in China, jointly promoting the development and upgrading of China's healthcare industry.

Strategic cooperation signing ceremony between Sinopharm and Pierre Fabre Pharmaceuticals

Case Successful Launch Meeting for the Sinopharm–AstraZeneca China Falcon Project Strategic Cooperation

On 3 February 2026, the launch meeting for the strategic cooperation between Sinopharm and AstraZeneca's Falcon Project was grandly held at the Sinopharm Building. The Falcon Project is one of AstraZeneca's important strategic initiatives in China to promote medicine outreach and cooperation with primary healthcare institutions, aiming to enhance the accessibility of innovative medicines in county-level and grassroots markets through deep collaboration with leading domestic pharmaceutical distribution enterprises. This cooperation will promote compliant and high-quality business development while also bringing more high-quality and accessible healthcare services to patients.

Strategic cooperation signing ceremony between Sinopharm and AstraZeneca

Deepening the Professional Pharmacy System

The Group continues to deepen the SPS+ professional pharmacy system. With patients' health needs as the core objective, we are building a professional pharmacy network and service system. As of the end of the Reporting Period, the Group's professional pharmacy service network covered all 31 provinces, autonomous regions and municipalities in China. Backed by a comprehensive portfolio of medical products, full medical insurance qualifications and strong professional pharmaceutical service capabilities, SPS+ professional pharmacies are well positioned to receive outpatient prescription outflow and support pooled medical insurance payment, providing patients with more efficient, more professional and more inclusive healthcare solutions.

SPS+ 专业药房 国药控股

As of the end of the Reporting Period, the Group had

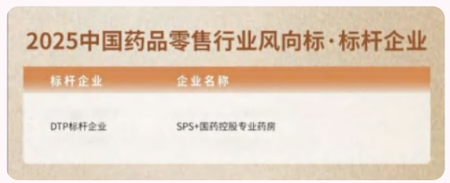
1,461 SPS+ professional pharmacies

More than **1,100** dual-channel medical insurance stores across the retail segment

Around **900** medical insurance service centers nationwide

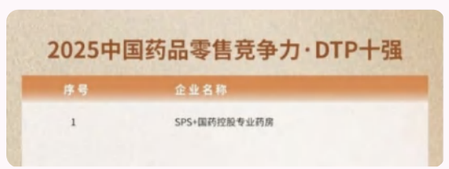
Ongoing negotiations with manufacturers of innovative and specialty medicines, with the total number of partner pharmaceutical manufacturers reaching **12**

Ranked No. 6 on the "Top 100 China Pharmacy Value Ranking 2024–2025"



2025中国药品零售行业风向标·标杆企业

标杆企业	企业名称
DTP标杆企业	SPS+国药控股专业药房



2025中国药品零售竞争力·DTP十强

序号	企业名称
1	SPS+国药控股专业药房

SPS+ professional pharmacies won the top spot in both the "2025 Benchmark Enterprise of China's Pharmaceutical Retail Industry" ranking and the "Top 10 DTP Competitiveness in China's Pharmaceutical Retail Industry 2025" ranking

Based on the needs of different service scenarios, the Group continues to build an out-of-hospital pharmaceutical care service system centered on patient needs. We aim to continuously enhance the professionalism of our pharmaceutical services and demonstrate the responsibility of a pharmaceutical distribution enterprise in improving access to innovative medicines.

Case Sinopharm and Pfizer Jointly Hold a National Communication Meeting for the DTP Pharmacy Project

To further deepen the strategic cooperation between Sinopharm's SPS+ professional pharmacies and Pfizer China in the DTP pharmacy field, Sinopharm invited Pfizer's DTP project leader, the Yaoxin project team, and project leads from regional companies to gather in Zhengzhou on 20 November 2025 for the "Digital Intelligence Driven, Professional Excellence" national DTP pharmacy project communication meeting. At the meeting, Pfizer China highly recognized the outstanding practices and innovations presented and thanked Sinopharm for building this national exchange platform to help all parties deepen project understanding. Going forward, the two sides will continue to work together on the DTP project and jointly create a new future for patient management.

Case Sinopharm Nanning Jiefang Road Pharmacy Transformed into a "Medical Insurance Home" where Medical Insurance Services Are Easy to Handle

In April 2025, the Nanning Jiefang Road Pharmacy of Sinopharm Guangxi became Guangxi's first pilot store for the "Medical Insurance Home" model. The pharmacy set up a dedicated service zone in a prominent location, moving beyond the traditional counter model and equipping it with a dedicated medical insurance line and professional equipment. The store now provides one-stop processing for more than ten high-frequency services, including medical insurance information inquiries, record filing for out-of-town medical treatment, and applications for outpatient chronic and special disease treatment. Patients can "enter one door and get everything done", making the pharmacy a typical example of deep collaboration between the "Medical Insurance Service Center" and the "Chronic Disease Management Center" within the out-of-hospital pharmaceutical care service system.

Members of the public handling medical insurance services at the Medical Insurance Home

Enhancing Medical Accessibility

In the field of healthcare, the Group is committed to driving breakthroughs in medical accessibility through multidimensional innovation. Focusing on three core areas—strengthening primary healthcare capacity, improving access to medicines, and expanding medication use scenarios—we are building a new ecosystem of inclusive healthcare that moves from "everyone can get medical treatment" to "everyone can receive quality care", so that medical resources are no longer scarce because of geography, income or information gaps.

Case Breaking the Bottleneck of Drug Accessibility at Sea: Sinopharm Supply Chain Company Completes the First Direct Drug Supply to an International Cruise Ship

In April 2025, Sinopharm's subsidiary Sinopharm Supply Chain Company successfully completed the first cooperation project to supply medicines directly to the first domestically built large cruise ship, AIDA Modu. As medicines are a special type of commodity, there had previously been no domestic precedent for direct drug supply to international cruise ships, which had long relied on overseas ports for replenishment and faced persistent problems such as untimely replenishment and high drug costs. With guidance from the Shanghai Drug Administration, Baoshan Customs and Sinopharm's Quality Management Department, the company studied the pain points and bottlenecks of cruise-ship medicine supply, overcame innovative challenges such as Chinese-English labeling solutions and customs declaration for direct cruise-ship supply, and designed a one-stop solution covering transportation, customs declaration, export and loading for medicines destined for AIDA Modu. The project provided the cruise ship with medicines that were more comprehensive in type, safer in quality and more cost-effective, thereby successfully improving passengers' access to medicines onboard.

Medicines for direct cruise-ship supply successfully delivered to port

Case Making Advanced Medical Care More Accessible to Grassroots Patients

Responding to the national strategy for strengthening the primary healthcare service system, Sinopharm Imaging successfully promoted the launch of advanced medical equipment such as the Fuguang series and Xinghan series 64-slice CT systems, specifically targeting the grassroots market. Following the practical path of "extending technology downward, tilting resources downward, and rooting capabilities downward", the company has brought standardized imaging diagnostic capabilities that were once concentrated in major hospitals to county-level and community medical institutions, enabling grassroots patients to complete primary screening and early diagnosis of major diseases close to home. This supports "early detection and early treatment" and strengthens the foundations of primary healthcare services.

Dedication to society

Upholding the philosophy of All for Heallth, Health for All, the Group earnestly fulfills the social responsibilities of a central state-owned enterprise, is committed to improving the inclusiveness and accessibility of pharmaceutical services, and provides convenient, reliable and affordable healthcare services to the public by ensuring medicine supply and supporting the national healthcare system, thereby contributing to the well-being of the people.

During the Reporting Period, we actively participated in actions such as ensuring the supply of medicines, making charitable donations and supporting rural revitalization, continuously contributing to harmonious social development.

During the Reporting Period, the Group reported

Employee volunteer hours	Employee volunteer participation	Total charitable donations
50,244 hours	5,821 attendances	RMB 7.5359 million

Charitable Activities and Public Welfare

The Group complies with laws and regulations such as the *Charity Law of the People's Republic of China* and the *Law of the People's Republic of China on Donations to Public Welfare,* and has formulated the *Administrative Measures for External Donations* to regulate donation conduct in terms of scope, budget management, approval procedures, execution management and donation supervision. We firmly believe that the essence of pharmaceutical distribution is not merely the transfer of materials, but also the relay of hope for life; and that the value of an enterprise lies not only in business achievement, but also in transmitting warmth to society.

Voluntary Blood Donation

Case With Love in Every Drop: Sinopharm Subsidiaries Carry Out World Blood Donor Day Activities

14 June 2025 marked the 22nd World Blood Donor Day. Sinopharm subsidiaries organized broad participation by employees in voluntary blood donation and science popularization activities, gathering great love through every drop of blood and passing on strength to protect life and health.

Blood Donor Day at Sinopharm Shaanxi

Blood Donor Day at Sinopharm Nanjing Medical Testing

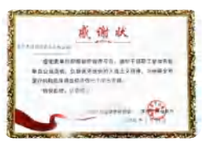
Blood Donor Day at GuoDa Drugstore

Theme Poster "Saluting Voluntary Blood Donors" by Sinopharm Shanghai

Blood Donor Day at Sinopharm Ningxia

Blood Donor Day at Sinopharm Leshan

Blood Donor Day at Sinopharm Southern Shandong


Guorui Pharmaceutical received a Certificate of Appreciation for Blood Donation

Sports and Emergency Support

Case Technology Supporting the Lifeline of Life: Sinopharm AED Safeguards Every Race with Care

CNPGC Medical Device Research Institute actively participated in medical support for large public events, providing full-process emergency support with AEDs (automated external defibrillators) for two marathon events in Miyun and Haidian. Built around the "pre-race training + science outreach + race-day support" model, the institute developed a full-chain emergency response solution. Before the events, it organized three CPR/AED emergency training sessions, combining theoretical explanation with hands-on drills to ensure that relevant personnel had mastered emergency rescue skills.

Across the two events, nearly 200 emergency devices were deployed. Each of the 21 fixed medical stations was equipped with a Sinopharm-developed AED and various emergency medicines. In addition, one to two rescuers carrying AEDs were deployed every kilometer along the route, fully covering the starting point, finish line and the entire track, with the rescue radius controlled within one kilometer so that emergencies could be responded to immediately.

Sinopharm AED units deployed on site at the marathon

Emergency training session on site

CNPGC Medical Device Research Institute provides medical support for marathon runners

Convenience Services

Caring Relay Stations for Outdoor Workers

Drawing on the professional strengths of a pharmaceutical enterprise, Sinopharm has cumulatively established 469 "Caring Relay Stations for Outdoor Workers", including seven new stations added in 2025. These stations provide outdoor workers such as sanitation workers, delivery riders and couriers with drinking water, resting areas, emergency medicines and other convenience services. In 2025 alone, the stations served more than 42,000 visits, demonstrating the responsibilities of a central SOE and the "warmth of Sinopharm" through practical caring initiatives.

Disaster Relief and Emergency Supply Assurance

In the face of sudden natural disasters, the Group leverages its nationwide network and professional supply chain management capabilities to immediately activate its emergency response mechanism, ensuring the efficient allocation and precise delivery of emergency medical supplies and medical devices. During the reporting period, the Group donated RMB 340,900 to the disaster-stricken areas.

Case

Floods in Rongjiang, Guizhou (24 June)

- Rongjiang County, Congjiang County and other areas of Qiandongnan Prefecture, Guizhou Province. After the disaster, Sinopharm Guizhou and Sinopharm Qiandongnan closely monitored local developments and worked to ensure the supply of medicines.
- On the morning of 29 June, after receiving an urgent same-day medicine request from a local medical institution in Rongjiang County, Sinopharm Guizhou dispatched medicines, and the vehicle arrived on time at 12:30 p.m. Inspection, warehousing, sorting, review, outbound processing and loading were completed within 20 minutes, after which 76 varieties of urgently needed medicines were delivered to Rongjiang.

Rainstorm in Beijing (24 July)

- In July 2025, multiple areas of Beijing were hit by continuous heavy rainfall and severe flooding. Warehouses under Sinopharm Logistics swiftly formed special inspection teams and carried out comprehensive inspections across the storage areas to ensure safe storage environments for key medicines such as antibiotics and anti-infective drugs, securing the first line of defense for medicine dispatch.
- After the drug warehouse of the Liulimiao Community Health Service Center in Huairou District was damaged by the storm and medicines became scarce, the Shunyi Logistics Center of Sinopharm Logistics responded actively to the needs of cargo owners and customers and completed the emergency supply assurance task despite many difficulties.

Rainstorm in Fuping, Hebei (25 July)

- In July 2025, Hebei Province was also hit by sustained heavy rainfall. Floods in some areas of Fuping County, Baoding seriously affected local people's production and daily lives. At the critical moment of flood control and disaster relief, Guoyao Le-ren-tang Baoding Company, a subsidiary of Sinopharm, together with the Baoding Municipal Healthcare Security Bureau, traveled to the disaster-hit area in Fuping to deliver urgently needed supplies.

Flash floods in Yuzhong, Gansu (7 August)

- Since 7 August, continuous heavy rainfall in Yuzhong County, Lanzhou, Gansu Province and surrounding areas triggered severe flash floods, causing heavy casualties. Facing the sudden disaster in Yuzhong County, Sinopharm Gansu actively fulfilled its social responsibility as a central SOE, moved quickly and rushed to the front line. The company actively communicated with medical institutions in Yuzhong County, accurately identified medicine demand, and simultaneously checked inventory information. To ensure timely delivery, it opened a green channel for rush medicine orders and distribution, organized internal coordination efficiently, and rapidly delivered the required medicines to local hospitals.

Supporting Rural Revitalization

The Group has thoroughly implemented the Strategic Plan for Comprehensive Rural Revitalization (2024–2027), actively supporting rural industries and effective governance. We fully understand the importance of "teaching people how to fish." By empowering rural communities from the outside, we stimulate endogenous momentum and guide assisted villages toward common prosperity.

During the Reporting Period, the Group reported

Assistance investment	Investment in designated assistance areas	Hardship-relief donations
RMB 6.955 million	RMB 60,000	RMB 180,000
Consumption-based assistance	**Sales driven by industrial support**	
more than RMB 7 million	RMB 1.1 million	

Case An Employee of Sinopharm Sichuan Served as the First Secretary Stationed in Hongqi Village

As the designated assistance enterprise for Hongqi Village in Wanyuan City, Sichuan Province, Sinopharm Sichuan has been carrying out support work for the village since June 2021.

Chen Rui, an employee of Sinopharm Sichuan, volunteered in 2023 to leave his familiar city and family to serve as the first secretary stationed in Hongqi Village. He firmly implemented the scientific industrial plan of "focusing on the cultivation of traditional Chinese medicinal materials, supplemented by characteristic ecological breeding", taking industries as the foundation for development. By promoting the "grain-medicine intercropping" model, cultivating skilled farmers, and building an ecological breeding base for black pigs, he established a diversified industrial structure. As a result, the village' s collective economy surged from 38,000 yuan to 550,000 yuan, and the annual per capita income of villagers exceeded 18,000 yuan. His efforts helped the paired assistance village win the honorary title of "Demonstration Village for Rural Revitalization in Sichuan Province", fulfilling the social responsibility of a central state-owned enterprise with tangible industrial achievements.

Village-based first secretary visiting households to understand villagers' needs

Village-based first secretary participating in the delivery of ecological piglets to the pig farm

Case "Three-Chain Integration, Fragrant Medicine in Wanyuan" — Matrix-Based Industrial Assistance for Chinese Medicinal Herbs

Guided by major instructions on agriculture, rural areas and farmers and coordinated regional development, Sinopharm Sichuan has always regarded industrial revitalization as the core breakthrough and innovatively built an assistance mechanism integrating the industrial chain, talent chain and innovation chain, powerfully supporting the revitalization and development of Hongqi Village.

Industrial chain: Located in the Qinba Mountains, Hongqi Village has a strong ecological environment and a sound foundation for developing Chinese medicinal herb cultivation. Over the past four years, Sinopharm Sichuan donated more than RMB 4 million in assistance funds, helping the village establish one seedling nursery base for medicinal herbs, one Stemona planting base, one preliminary processing plant for medicinal herbs, and obtain one GAP certification, driving nearby communities to plant more than 2,000 mu of Stemona.

Villagers collecting Chinese medicinal herbs on site

Talent chain

Sinopharm Sichuan arranged for the village's First Secretary to innovatively implement the "Seedling Plan", establishing a paired cultivation mechanism involving senior Party members, active members, reserve cadres and local leaders in becoming prosperous, thereby continuously strengthening the rural revitalization workforce. Sinopharm Sichuan and Hongqi Village also carried out joint Party building, industrial collaboration and talent co-cultivation, organized 57 person-times of local leaders to visit and receive training, regularly invited experts to deliver technical guidance on medicinal herb cultivation, and benefited more than 400 villagers over four years.

Innovation chain

The Company actively promoted the efficient "grain-and-herb intercropping" model, creating more than RMB 60,000 in additional collective income annually and solving the income gap before medicinal herbs can be harvested. It also supported the construction of one ecological black pig breeding base, with 110 black pigs put into breeding during the year and annual sales revenue exceeding RMB 400,000, breaking dependence on a single-industry model. In addition, the Company invested RMB 80,000 to build the Hongqi Village e-commerce live-streaming center, promoting online sales of local specialty agricultural products such as green walnuts and honey plums, and recommended participation in the Sichuan Goods E-commerce Festival, increasing average household income by RMB 1,200 and broadening channels for rural income growth.

Field cultivation and management of traditional Chinese medicinal materials

Hongqi Village e-commerce live-streaming center

Case Study Tour and Autumn Education Assistance for Hongqi Village Students

From 5 to 6 August 2025, the "State-owned Enterprise Responsibility, Building Dreams for the Future" study tour in Chengdu and autumn education assistance activity for outstanding students from Hongqi Village was successfully held by Sinopharm Sichuan Under the joint guidance of Chen Rui, the First Secretary assigned to Hongqi Village, and local village cadre Yang Dejiao, 14 outstanding primary and secondary school student representatives set out for Chengdu full of hope and began a rewarding and exciting learning journey.

Students from Hongqi Village visiting the Sinopharm Sichuan Wenjiang Logistics Center and observing the full logistics and warehousing process

Sinopharm Sichuan welcoming the visiting students

Case Sinopharm Shaanxi Organizes a Collective University Admission Celebration

On 21 August 2025, Sinopharm Shaanxi and the Baihe County Letters and Visits Bureau jointly held a collective university admission celebration in Hongchun Village, Lengshui Town, selecting five outstanding students and providing RMB 10,000 in financial assistance. The event promoted a new civic culture and encouraged students to celebrate academic advancement in a civilized and frugal manner, dedicate more energy to academic development and personal growth, and strive to become promising young people who meet the needs of the new era.

Sinopharm Shaanxi providing student aid to outstanding students from Hongchun Village

Responsibility Performance Table

A. Environment Performance[1]

Indicator Category	Indicator Name	Unit	2023	2024	2025
Pollutant emissions[2]	Nitrogen oxides (NOx)	tons	161.34	148.62	139.55
	Sulfur oxides (SOx)	tons	0.33	0.29	0.26
	Particulate matter	tons	14.91	13.75	12.92
	Chemical oxygen demand (COD)*	tons	0.85	0.54	2.61
	Biochemical oxygen demand (BOD)*	tons	0.48	0.27	0.32
	Ammonia nitrogen*	tons	0.06	0.09	0.26
Greenhouse gas emissions[3]	Direct greenhouse gas emissions (Scope 1[4]	tCO_2e	54,715.05	48,785.71	43,867.42
	Indirect greenhouse gas emissions (Scope 2)[5]	tCO_2e	208,700.22	177,259.36	167,039.94
	Indirect greenhouse gas emissions (Scope 3)[6]	tCO_2e	-	318.34	899.57
	Total greenhouse gas emissions	tCO_2e	263,415.27	226,363.41	211,806.93
	Direct GHG emissions intensity (Scope 1)	tCO_2e/person	0.47	0.45	0.46
Greenhouse gas emissions[3]	Indirect GHG emissions intensity (Scope 2)	tCO_2e/person	1.80	1.64	1.76
	Total GHG emissions intensity (Scope 1 and Scope 2)	tCO_2e/person	2.27	2.09	2.22
Resource use	Diesel consumption	MWh	133,209.42	123,263.62	116,182.29
	Gasoline consumption	MWh	71,934.12	57,755.16	47,469.33
	Natural gas consumption	MWh	7,742.94	8,855.72	6,399.82
	Total direct energy consumption	MWh	212,886.48	189,874.50	170,051.45
	Direct energy consumption intensity	MWh/person	1.84	1.75	1.79
	Purchased electricity	MWh	350,224.70	311,247.30	296,451.50
	Purchased heat	MWh	22,644.12	25,868.84	24,602.96
	Total indirect energy consumption	MWh	372,868.82	337,116.14	321,054.46
	Indirect energy consumption intensity	MWh/person	3.22	3.12	3.38
	Total energy consumption	MWh	585,755.30	526,990.64	491,105.91
	Energy consumption intensity	MWh/person	5.05	4.87	5.17
Other resource use	Total water consumption	m^3	917,950.80	869,771.58	736,907.96
	Water consumption per unit	m^3/person	7.92	8.04	7.76
	Cartons/boxes*	tons	3,561.00	2,741.10	2,379.20
	Packaging bottles*	tons	2,482.00	2,037.40	1,887.20
	Total packaging material consumption*	tons	6,043.00	4,778.50	4,266.40
	Packaging material consumption intensity*	tons/person	3.84	3.41	3.19
Solid waste[8]	Total non-hazardous waste generated	tons	945.28	691.90	583.60
	Non-hazardous waste generated per unit	tons/person	0.01	0.01	0.01
	Total hazardous waste generated*	tons	160.42	159.73	126.13
	Hazardous waste generated per unit*	tons/person	0.11	0.11	0.09

[1]* correspond to a data collection scope of Sinopharm's industrial enterprises. The data collection scope for other data is the Group.

[2]NOx, SOx, and particulate matter emissions were from vehicle use of the Group in 2025, and were calculated by referring to the Appendix II of How to Prepare an ESG Report published by HKEX.

[3] (GHG Protocol) The calculation of greenhouse gas emissions for the year 2024 was conducted with reference to the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (Revised Edition) (GHG Protocol).

[4]Scope 1 greenhouse gas emission sources include gasoline, diesel, and natural gas, with the relevant emission factors based on the Guidelines on the GHG Emission Accounting and Reporting for Land Transport Enterprises (Trial).

[5]Scope 2 greenhouse gas emission sources include outsourced power and steam. The outsourced heat emission factors refer to the Guidelines on the GHG Emission Accounting and Reporting for Land Transport Enterprises (Trial), and the outsourced power emission factors in 2025 refer to the national average carbon dioxide emission factors of 2023 Electricity CO2 Emission Factor.

[6]Scope 3 greenhouse gas emissions for 2025 were calculated based on data for the Company only. Emission sources included purchased goods and services, capital goods, employee commuting, and business travel. The emission factors used for employee commuting were referenced from the Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions for Land Transportation Enterprises (Trial). Emission factors for business travel were referenced from the carbon emissions calculator published by the International Civil Aviation Organization (ICAO) and the China Emission Accounts and Datasets (CEEIO). Emission factors for purchased goods and services and capital goods were referenced from the China Emission Accounts and Datasets (CEEIO).

[7]To further improve the accuracy and comparability of carbon emissions data, we refined the Scope 3 emissions accounting methodology during the year, including updates to emission factors, a redefinition of activity data boundaries, and optimization of calculation methods. To enhance data quality, we retrospectively restated the 2024 data.

[8]Non-hazardous waste mainly includes office waste. Hazardous waste mainly includes laboratory liquid waste, waste mineral oil, waste pharmaceuticals and medicines generated by industrial enterprises.

Social Performance[9]

Indicator Category	Indicator Category	Unit	2023	2024	2025
	Total number of employees in service	persons	115,959	108,217	94,910
	Male employees	persons	43,443	41,254	36,914
	Female employees	persons	72,516	66,963	57,996
	Full-time employees	persons	115,959	108,217	94,910
	Part-time employees	persons	0	0	0
	Employees aged 30 and below	persons	32,240	25,736	20,443
	Employees aged 31–40	persons	47,929	45,978	41,346
	Employees aged 41–50	persons	29,593	30,469	27,700
	Employees aged 51–60	persons	6,061	6,001	5,404
	Employees aged 61 and above	persons	136	33	17
	Employees in Mainland China	persons	115,958	108,216	94,909
	Employees in Hong Kong	persons	1	1	1
Employment	Total employee turnover	persons	21,618	20,888	22,780
	Male employee turnover	persons	6,842	6,479	7,812
	Female employee turnover	persons	14,776	14,409	14,968
	Employee turnover aged 30 and below	persons	8,923	7,073	7,217
	Employee turnover aged 31–40	persons	7,294	6,995	8,313
	Employee turnover aged 41–50	persons	4,043	4,349	5,889
	Employee turnover aged 51–60	persons	1,257	2,153	1,320
	Employee turnover aged 61 and above	persons	101	318	41
	Turnover in Mainland China	persons	21,618	20,888	22,780
	Turnover in Hong Kong	persons	0	0	0
	Overall employee turnover rate[10]	%	15.7	16.2	19.4
	Male employee turnover rate	%	13.6	13.6	17.5
	Female employee turnover rate	%	16.9	17.7	20.5

[9] *Data denoted by * correspond to a data collection scope of the Company. The data collection scope for other data is the Group.

[10] From 2024 onward, the employee turnover rate is calculated as: number of leavers in the category ÷ (number of employees in the category + number of leavers in the category) × 100%. The 2023 turnover rates have been retrospectively adjusted on a comparable basis.

Indicator Category	Indicator Category	Unit	2023	2024	2025
	Turnover rate aged 30 and below	%	21.7	21.6	26.1
	Turnover rate aged 31–40	%	13.2	13.2	16.7
	Turnover rate aged 41–50	%	12.0	12.5	17.5
	Turnover rate aged 51–60	%	17.2	26.4	19.6
Employment	Turnover rate aged 61 and above	%	42.6	90.6	70.7
	Turnover rate in Mainland China	%	15.7	16.2	19.4
	Turnover rate in Hong Kong	%	0.0	0.0	0.0
	Labor contract signing rate*	%	100	100	100
	Collective contract signing rate	%	56.1	56.1	56.0
	New occupational disease cases	persons	1	0	2
	Safety production investment	RMB 10,000	7,727.00	7,267.36	7,915.83
	Attendance in safety training	person-times	431,086	523,346	124,109
	Participants in emergency drills	person-times	51,812	57,031	53,290
Occupational health and safety	Work-related fatalities*	persons	0	0	0
	Rate of work-related fatalities*[11]	%	0	0	0
	Work-related fatalities over the past three years*	persons	0	0	0
	Rate of work-related fatalities over the past three years*	%	0	0	0
	Lost days due to work injury	days	11,848	13,450	11,866
	Total employees trained	persons	115,959	108,217	94,910
	Training coverage	%	100	100	100
	Male employees trained	persons	43,443	41,254	36,914
Employee training	Female employees trained	persons	72,516	66,963	57,996
	Senior management trained	persons	2,406	2,228	1,893
	Middle management trained	persons	7,796	7,189	6,391
	General employees trained	persons	105,757	98,800	86,626

[11] Work-related fatality rate = Number of deaths resulting from work-related injuries / Total number of employees × 100%

Indicator Category	Indicator Category	Unit	2023	2024	2025
Employee training	Percentage of trained male employees	%	37.5	38.1	38.9
	Percentage of trained female employees	%	62.5	61.9	61.1
	Percentage of trained senior management	%	2.1	2.1	2.0
	Percentage of trained middle management	%	6.7	6.6	6.7
	Percentage of trained general employees	%	91.2	91.3	91.3
	Average training hours per trained employee	hours	64.9	50.8	65.1
	Average training hours for male employees	hours	44.6	40.5	50.9
	Average training hours for female employees	hours	77.0	57.1	74.0
	Average training hours for senior management	hours	41.2	53.8	54.0
	Average training hours for middle management	hours	51.8	54.3	63.0
	Average training hours for general employees	hours	66.3	50.5	65.5
Supply chain management	Total number of suppliers	suppliers	40,364	45,863	46,788
	Suppliers in Mainland China	suppliers	40,248	45,584	46,545
	Suppliers in Hong Kong, Macao and Taiwan Province	suppliers	31	123	150
	Suppliers overseas	suppliers	85	156	93
	Percentage of suppliers implementing employment practices	%	100	100	100
Quality management*	Number of product batches recalled for health and safety reasons	batches	157	0	19
	Percentage of products recalled for health and safety reasons	%	0.249	0	0.036
	Number of complaints received concerning products and services	complaints	0	0	0
	Customer satisfaction	%	98.87	99.57	99.47
Anti-corruption	Number of concluded corruption litigation cases	cases	0	0	0
	Anti-corruption training coverage	person-times	115,959	108,217	94,910
Community investment	Total volunteer service hours	hours	49,648	50,468	50,244
	Volunteer service attendance	person-times	5,238	6,793	5,821
	Public welfare donations	RMB 10,000	935.92	1,621.40	753.59

HKEX ESG Reporting Guide Content Index

Part C: "Comply or Explain" Provisions

Key Performance Indicators	Description		Report Section
A. Environmental			
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to air and greenhouse gas emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste.		Low Carbon Practices Fortifying the Foundation for Green Development: Environmental Management System; Comprehensive Green Operations
Key Performance Indicators	A1.1	The types of emissions and respective emissions data.	Low Carbon Practices Fortifying the Foundation for Green Development: Comprehensive Green Operations Appendix: Responsibility Performance Table
	A1.2	Deleted on 1 January 2025	/
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production, per facility).	Low Carbon Practices Fortifying the Foundation for Green Development: Comprehensive Green Operations Appendix: Responsibility Performance Table
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production, per facility).	Low Carbon Practices Fortifying the Foundation for Green Development: Comprehensive Green Operations Appendix: Responsibility Performance Table
	A1.5	Description of emissions targets set and steps taken to achieve them.	Low Carbon Practices Fortifying the Foundation for Green Development: Environmental Management System; Comprehensive Green Operations
	A1.6	Description of how hazardous and non-hazardous waste is handled, the waste reduction targets set, and steps taken to achieve them.	Low Carbon Practices Fortifying the Foundation for Green Development: Comprehensive Green Operations
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.		Low Carbon Practices Fortifying the Foundation for Green Development: Comprehensive Green Operations

Key Performance Indicators		Description	Report Section
Key Performance Indicators	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, per facility).	Low Carbon Practices Fortifying the Foundation for Green Development: Comprehensive Green Operations Appendix: Responsibility Performance Table
	A2.2	Total water consumption and intensity (e.g. per unit of production, per facility).	Low Carbon Practices Fortifying the Foundation for Green Development: Comprehensive Green Operations Appendix: Responsibility Performance Table
	A2.3	Description of energy use efficiency targets set and steps taken to achieve them.	Low Carbon Practices Fortifying the Foundation for Green Development: Environmental Management System; Comprehensive Green Operations
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, the water efficiency targets set, and steps taken to achieve them.	Low Carbon Practices Fortifying the Foundation for Green Development: Comprehensive Green Operations
	A2.5	Total packaging material used for finished products (in tonnes) and, where appropriate, per unit produced.	Appendix: Responsibility Performance Table
Aspect A3: The Environment and Natural Resources			
General Disclosure		Policies on minimizing the issuer's significant impact on the environment and natural resources.	Low Carbon Practices Fortifying the Foundation for Green Development: Environmental Management System; Comprehensive Green Operations
Key Performance Indicators	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Low Carbon Practices Fortifying the Foundation for Green Development: Environmental Management System; Comprehensive Green Operations
Aspect A4: Climate Change			
General Disclosure		Deleted on 1 January 2025	/
Key Performance Indicators	A4.1	Deleted on 1 January 2025	/
B. Social			
Aspect 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 air and greenhouse gas emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste.	Fostering Care and Advancing Development Together: Putting People First: Employee Rights Protection

Key Performance Indicators		Description	Report Section
Key Performance Indicators	B1.1	Total workforce by gender, employment type, age group and geographical region.	Fostering Care and Advancing Development Together: Putting People First: Employee Rights Protection Appendix: Responsibility Performance Table
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix: Responsibility Performance Table
Aspect 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 air and greenhouse gas emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste.	Fostering Care and Advancing Development Together: Putting People First: Occupational Health and Safety
Key Performance Indicators	B2.1	Number and rate of work-related fatalities in each of the past three years, including the reporting year.	Appendix: Responsibility Performance Table
	B2.2	Lost days due to work injury.	Appendix: Responsibility Performance Table
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Fostering Care and Advancing Development Together: Putting People First: Occupational Health and Safety
Aspect B3: Development and Training			
General Disclosure		Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Fostering Care and Advancing Development Together: Putting People First: Promoting Talent Development
Key Performance Indicators	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Fostering Care and Advancing Development Together: Putting People First: Promoting Talent Development Appendix: Responsibility Performance Table
	B3.2	The average training hours completed per employee by gender and employee category.	Fostering Care and Advancing Development Together: Putting People First: Promoting Talent Development Appendix: Responsibility Performance Table
Aspect B4: Labour 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 air and greenhouse gas emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste.	Fostering Care and Advancing Development Together: Putting People First: Employee Rights Protection

Key Performance Indicators		Description	Report Section
Key Performance Indicators	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Fostering Care and Advancing Development Together: Putting People First: Employee Rights Protection
	B4.2	Description of steps taken to eliminate such practices when discovered.	Fostering Care and Advancing Development Together: Putting People First: Employee Rights Protection
Aspect B5: Supply Chain Management			
General Disclosure		Policies on managing environmental and social risks of the supply chain.	Caring for Life Building a Caring Society: Supply Chain Management
Key Performance Indicators	B5.1	Number of suppliers by geographical region.	Caring for Life Building a Caring Society: Supply Chain Management Appendix: Responsibility Performance Table
	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.	Caring for Life Building a Caring Society: Supply Chain Management Appendix: Responsibility Performance Table
	B5.3	Description of practices used to identify environmental and social risks along each link of the supply chain, and how they are implemented and monitored.	Caring for Life Building a Caring Society: Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Caring for Life Building a Caring Society: Supply Chain Management
Aspect B6: Product Responsibility			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to air and greenhouse gas emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste.	Quality and Efficiency Enhancement Embracing for a Healthier Future: Product Quality Management; Service Excellence
Key Performance Indicators	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality and Efficiency Enhancement Embracing for a Healthier Future: Product Quality Management Appendix: Responsibility Performance Table
	B6.2	Number of products and service related complaints received and how they are dealt with.	Quality and Efficiency Enhancement Embracing for a Healthier Future: Premium Service Experience Appendix: Responsibility Performance Table
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Quality and Efficiency Enhancement Embracing for a Healthier Future: Intellectual Property Protection
	B6.4	Description of quality assurance process and recall procedures.	Quality and Efficiency Enhancement Embracing for a Healthier Future: Product Quality Management

Key Performance Indicators		Description	Report Section
Key Performance Indicators	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Quality and Efficiency Enhancement Embracing for a Healthier Future: Information Security and Privacy Protection
Aspect B7: Anti-corruption			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to air and greenhouse gas emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste.	Compliance in Action Upholding Integrity: Compliance Management
Key Performance Indicators	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.	Compliance in Action Upholding Integrity: Compliance Management Appendix: Responsibility Performance Table
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Compliance in Action Upholding Integrity: Compliance Management
	B7.3	Description of anti-corruption training provided to directors and staff.	Compliance in Action Upholding Integrity: Compliance Management Appendix: Responsibility Performance Table
Aspect B8: Community Investment			
General Disclosure		Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration community interests.	Caring for Life Building a Caring Society: Giving Back to Society
Key Performance Indicators	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Caring for Life Building a Caring Society: Giving Back to Society
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Caring for Life Building a Caring Society: Giving Back to Society Appendix: Responsibility Performance Table
Part D: Climate-related Disclosures			
Governance			Low Carbon Practices Fortifying the Foundation for Green Development: Addressing Climate Change
Strategy			
		Climate-related risks and opportunities	Low Carbon Practices Fortifying the Foundation for Green Development: Addressing Climate Change
		Business model and value chain	Low Carbon Practices Fortifying the Foundation for Green Development: Addressing Climate Change
		Strategy and decision-making	Low Carbon Practices Fortifying the Foundation for Green Development: Addressing Climate Change
		Financial position, financial performance and cash flows	Low Carbon Practices Fortifying the Foundation for Green Development: Addressing Climate Change

Key Performance Indicators	Description	Report Section
	Climate resilience	Low Carbon Practices Fortifying the Foundation for Green Development: Addressing Climate Change
Risk Management		Low Carbon Practices Fortifying the Foundation for Green Development: Addressing Climate Change
Metrics and Targets		
	Greenhouse gas emissions	Low Carbon Practices Fortifying the Foundation for Green Development: Addressing Climate Change Appendix: Responsibility Performance Table
	Climate-related transition risks	Low Carbon Practices Fortifying the Foundation for Green Development: Addressing Climate Change
	Climate-related physical risks	Low Carbon Practices Fortifying the Foundation for Green Development: Addressing Climate Change
	Climate-related opportunities	Low Carbon Practices Fortifying the Foundation for Green Development: Addressing Climate Change
	Capital deployment	Low Carbon Practices Fortifying the Foundation for Green Development: Addressing Climate Change
	Internal carbon pricing	Carbon pricing not yet applied
	Remuneration	Sustainable Development Management: Sustainable Development Governance Low Carbon Practices Fortifying the Foundation for Green Development: Addressing Climate Change
	Industry metrics	Not applicable for the time being
	Climate-related targets	Low Carbon Practices Fortifying the Foundation for Green Development: Addressing Climate Change; Comprehensive Green Operations

The SASAC's ESG Special Report Reference Indicator System for State Owned Enterprises Holding Listed Companies Index Table

Disclosure Content		Report Section
Environmental Indicators		
Primary Indicator	Secondary Indicator	
Resource Consumption	Water Resources	Low Carbon Practices Fortifying the Foundation for Green Development: Environmental Management System; Comprehensive Green Operations Appendix: Responsibility Performance Table
	Materials	Low Carbon Practices Fortifying the Foundation for Green Development: Environmental Management System; Comprehensive Green Operations Appendix: Responsibility Performance Table
	Energy	Low Carbon Practices Fortifying the Foundation for Green Development: Environmental Management System; Comprehensive Green Operations Appendix: Responsibility Performance Table
	Packaging Materials	Low Carbon Practices Fortifying the Foundation for Green Development: Environmental Management System; Comprehensive Green Operations Appendix: Responsibility Performance Table
Pollution Prevention and Contro	Wastewater	Low Carbon Practices Fortifying the Foundation for Green Development: Comprehensive Green Operations Appendix: Responsibility Performance Table
	Waste Gas	Low Carbon Practices Fortifying the Foundation for Green Development: Comprehensive Green Operations Appendix: Responsibility Performance Table
	Solid Waste	Low Carbon Practices Fortifying the Foundation for Green Development: Comprehensive Green Operations Appendix: Responsibility Performance Table
Climate Change	Greenhouse gas emissions	Low Carbon Practices Fortifying the Foundation for Green Development: Addressing Climate Change Appendix: Responsibility Performance Table
	Emission Reduction Management	Low Carbon Practices Fortifying the Foundation for Green Development: Comprehensive Green Operations Appendix: Responsibility Performance Table
	Environmental Rights Trading	Low Carbon Practices Fortifying the Foundation for Green Development: Addressing Climate Change Appendix: Responsibility Performance Table
	Climate Risk Management	Low Carbon Practices Fortifying the Foundation for Green Development: Addressing Climate Change Appendix: Responsibility Performance Table
Biodiversity	Impacts of production, services and products on biodiversity	Low Carbon Practices Fortifying the Foundation for Green Development: Biodiversity Protection

Disclosure Content		Report Section
Resource and Environmental Management Systems and Measures	Low-carbon development target setting and strategic measures	Low Carbon Practices Fortifying the Foundation for Green Development: Addressing Climate Change
	Resource management measures	Low Carbon Practices Fortifying the Foundation for Green Development: Comprehensive Green Operations
	Energy conservation and carbon reduction statistical monitoring, assessment, rewards and penalties system	Low Carbon Practices Fortifying the Foundation for Green Development: Addressing Climate Change
	Green and environmental protection actions and measures	Low Carbon Practices Fortifying the Foundation for Green Development: Addressing Climate Change; Comprehensive Green Operations
	Green and low-carbon certifications	Low Carbon Practices Fortifying the Foundation for Green Development: Addressing Climate Change; Comprehensive Green Operations
	Environmental legal compliance	Low Carbon Practices Fortifying the Foundation for Green Development: Environmental Management System
Social Indicators		
Primary Indicator	Secondary Indicator	
Employee Rights and Interests	Employee Recruitment and Employment	Fostering Care and Advancing Development Together: Putting People First: Employee Rights Protection Appendix: Responsibility Performance Table
	Employee Compensation and Benefits	Fostering Care and Advancing Development Together: Putting People First: Employee Rights Protection
	Employee Health and Safety	Fostering Care and Advancing Development Together: Putting People First: Occupational Health and Safety Appendix: Responsibility Performance Table
	Employee Development and Training	Fostering Care and Advancing Development Together: Putting People First: Promoting Talent Development Appendix: Responsibility Performance Table
	Employee Satisfaction	Fostering Care and Advancing Development Together: Putting People First: Occupational Health and Safety Appendix: Responsibility Performance Table
Product and Service Management	Product Safety and Quality	Quality and Efficiency Enhancement Embracing for a Healthier Future: Product Quality Management Appendix: Responsibility Performance Table
	Customer Service and Rights	Quality and Efficiency Enhancement Embracing for a Healthier Future: Premium Service Experience Appendix: Responsibility Performance Table
	Innovative Development	Featured Topic: Building a "Four-in-One" New Ecosystem of Pharmaceutical Services to Meet Patients' Diverse Health Needs Quality and Efficiency Enhancement Embracing for a Healthier Future: Technology-Driven Innovation Appendix: Responsibility Performance Table
Supply Chain Security and Management	Supplier Management	Caring for Life Building a Caring Society: Supply Chain Management Appendix: Responsibility Performance Table
	Supply Chain Process Management	Caring for Life Building a Caring Society: Supply Chain Management

Disclosure Content		Report Section
Social Contribution	Tax payments	/ (For details, please refer to Sinopharm's 2025 Annual Report)
	Community Co-construction	Caring for Life Building a Caring Society: Giving Back to Society
	Public welfare activities	Caring for Life Building a Caring Society: Giving Back to Society Appendix: Responsibility Performance Table
	Response to national strategies	Featured Topic: Building a "Four-in-One" New Ecosystem of Pharmaceutical Services to Meet Patients' Diverse Health Needs Caring for Life Building a Caring Society: Giving Back to Society
Governance Indicators		
Primary Indicator	Secondary Indicator	
Governance Strategy and Organizational Structure	Governance strategy and processes	About Sinopharm: Company Profile Sustainable Development Management: Sustainable Development Governance
	Organizational composition and functions	About Sinopharm: Company Profile
	Remuneration management	About Sinopharm: Sustainable Development Governance
Standardized Governance	Internal control	Compliance in Action Upholding Integrity: Compliance Management
	Integrity building	Compliance in Action Upholding Integrity: Compliance Management Appendix: Responsibility Performance Table
	Fair competition	Compliance in Action Upholding Integrity: Compliance Management
Investor Relations Management and Shareholder Rights[12]	Investor relations management	Compliance in Action Upholding Integrity: Corporate Governance
	Shareholder rights	Compliance in Action Upholding Integrity: Corporate Governance
	Creditor rights	Compliance in Action Upholding Integrity: Corporate Governance
Transparency of information disclosure[13]	Information disclosure system	Compliance in Action Upholding Integrity: Corporate Governance
	Quality of information disclosure	Compliance in Action Upholding Integrity: Corporate Governance
Compliant Operations and Risk Management	Compliant operations	Compliance in Action Upholding Integrity: Compliance Management
	Risk Management	Compliance in Action Upholding Integrity: Corporate Governance

[12]For more information, please refer to the 2025 annual report of Sinopharm.

[13]For more information, please refer to the 2025 annual report of Sinopharm.

Readers' Feedback Form

Dear readers:

Hello!

Thank you for taking time to read the Sinopharm Group Co. Ltd. 2025 Sustainability Report (hereinafter referred to as the "Report"). We would like to express our sincere gratitude to you for your valuable comments and suggestions on this Report to help improve our work.

For the following questions, please tick your choice appropriately

Option	Score				
1. Your overall satisfaction evaluation of this Report	☐ Good	☐ Very good	☐ General	☐ Poor	☐ Very Poor
2. This Report fully responds to and discloses issues of concern to stakeholders	☐ Good	☐ Very good	☐ General	☐ Poor	☐ Very Poor
3. The information and data disclosed in this Report are clear, accurate and complete	☐ Good	☐ Very good	☐ General	☐ Poor	☐ Very Poor
4. This Report comprehensively and accurately reflects the significant impact of the Group on the economy, society and environment	☐ Good	☐ Very good	☐ General	☐ Poor	☐ Very Poor
5. The logic main line, language text and layout design of this Report are clear and readable	☐ Good	☐ Very good	☐ General	☐ Poor	☐ Very Poor

Please provide a brief answer to the following questions:

1. Which parts of this Report are you most satisfied with?

2. Is there any issues that you are concerned about but has not been disclosed in this Report?

3. What other opinions or suggestions do you have for this Report?

You can give feedback on the questionnaire by mail, email or fax, or make a direct call. Your opinions and suggestions will be fully considered.

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國藥控股股份有限公司
SINOPHARM GROUP CO. LTD.*
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