HANGZHOU JIUYUAN GENETIC BIOPHARMACEUTICAL CO., LTD.

杭州九源基因生物醫藥股份有限公司

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

Stock code : 2566

2025

Environmental, Social and Governance Report

2025 Environmental, Social, and Governance (ESG) Report

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About This Report

Report Preparation

This report is the second Environmental, Social and Governance (ESG) report published by Hangzhou Jiuyuan Genetic Biopharmaceutical Co., Ltd. and its subsidiaries (hereinafter referred to as "Jiuyuan", the "Group", the "Company" or "we"). As a biopharmaceutical enterprise, we place equal emphasis on innovation and sustainable development, actively fulfilling our social responsibilities. This report systematically outlines the Group's policies, practices, and achievements in the ESG field, aiming to demonstrate to our stakeholders our commitment to value beyond financial performance and business growth, and to depict a future landscape where gene technology empowers social sustainable development.

Compilation Basis

This report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the "ESG Code") as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HKEX"). This report complies with all "comply or explain" provisions of the ESG Code and is prepared based on the four reporting principles outlined in the ESG Code: Materiality, Quantification, Balance, and Consistency.

The "Materiality" Principle	In accordance with the relevant requirements of the ESG Code and other applicable standards, and taking into account the capital market's focus on the Company's ESG performance, the Group identifies sustainability topics relevant to its development through continuous communication with stakeholders, as well as consideration of the Company's development strategy, industry characteristics, and business operations.
The "Quantification" Principle	The Group has established standardized ESG indicator management tools to conduct regular statistical tracking on quantifiable key disclosure indicators, covering all environmental aspects and selected social, governance, and management areas as required by the ESG Code. These statistics are compiled during the year and ultimately disclosed in this ESG report. For detailed quantitative ESG data, please refer to the "Key Performance" section of this report.
The "Balance" Principle	This report provides an unbiased account of the Group's achievements and challenges in addressing sustainability issues that have a significant impact on its business.
The "Consistency" Principle	Unless otherwise stated, the Group ensures consistency in the scope of disclosure and reporting methods compared to previous years.

Reporting Period and Scope

Unless otherwise stated, this report covers the Group's research and development, production, and sales of biological drugs and medical devices. The reporting period is from January 1, 2025, to December 31, 2025 (hereinafter referred to as the "Reporting Period" or the "Year"), and the reporting scope is consistent with the annual financial report, aiming to comprehensively present the Group's annual performance and progress in the ESG field. Certain data or case studies may appropriately extend beyond this timeframe to provide necessary context or reflect long-term trends.

Reporting Language

This report is published in both traditional Chinese and English. In case of any discrepancies, the traditional Chinese version shall prevail.

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Board Statement

Jiuyuan firmly recognizes that sustainable development is the cornerstone of the long-term and sound development of the enterprise and a core manifestation of fulfilling social responsibilities. As the highest governance body of the Group's ESG work, the Board of Directors is fully responsible for formulating ESG strategies and compiling this report. We attach great importance to ESG-related risks and opportunities, and systematically integrate them into the Group's comprehensive risk management system, ensuring that while pursuing economic benefits, we effectively fulfill our environmental and social responsibilities.

The Group has formulated a sustainable development strategy, with 2023 as the base year, and has set specific objectives for the current year regarding greenhouse gas emissions, waste management, energy consumption and water resource utilization. We will continue to track the progress of these objectives, regularly evaluate their effectiveness, and dynamically optimize and adjust them according to actual circumstances.

This report comprehensively discloses the progress and achievements of the Company's ESG work in 2025. The content of the report is true, accurate and complete, without any false records, misleading statements or material omissions. The Board of Directors assumes full responsibility for the truth, accuracy and completeness of the information contained in this report. This report was reviewed and approved at the Board of Directors meeting on March 30, 2026.

About Jiuyuan

Company Profile

Founded in 1993, Jiuyuan is a high-tech enterprise headquartered in Zhejiang Province, specializing in the research and development, production, and sales of biopharmaceutical products and medical devices. With over three decades of profound industry heritage and clinical translation experience, the Company focuses on four core therapeutic areas: orthopedics, metabolic diseases, oncology, and hematology.

The Group has successfully launched 10 products, many of which are the first of their kind or the first generics in China. Representative achievements include: Jilifen 吉粒芬®, the first leukocyte-boosting drug (hG-CSF) in China; Guyoudao 骨優導®, the first bone repair material containing rhBMP-2; and JY29-2, a biosimilar of Semaglutide expected to become the first approved for commercial launch in China. In recent years, the Company has consistently achieved annual revenues exceeding RMB1 billion.

The Group possesses a strong R&D system: a professional R&D team with more than 60% of the members holding master's degrees or above, and core members graduated from prestigious universities such as Peking University and Zhejiang University. It has established six product development platforms, leads three National Science and Technology Major Projects, and deeply engages in multiple national and provincial key scientific research programs. It also hosts high-level innovation platforms including a National Postdoctoral Research Station and an Academician Workstation. Currently, there are over 10 products in the pipeline, covering innovative drugs and first generics, forming a well-structured product portfolio with distinct characteristics.

The Group firmly practices ESG principles, systematically advancing green manufacturing, biosafety system construction, and patient data privacy protection. We will continue to be driven by innovation and guided by the market, focusing on the four core therapeutic areas, striving to become a leading biopharmaceutical company in China, and committed to promoting the high-quality development of human health.

Corporate Honors

Top 10 Chinese Innovative Pharmaceutical Companies 2025 – China Pharmaceutical Industry Expo (Awarded in August 2025)

Member of Zhejiang Intellectual Property Association – Zhejiang Intellectual Property Association (elected in September 2025)

Zhejiang Excellent Industrial Product Certificate (Jifuwei 吉芙惟®) – Zhejiang Excellent Industrial Product Evaluation Committee (Selected in October 2025)

CEIBS Online FUTURE50 Best Future Management Talent Cultivation Program (Butterfly: From Individual Contributor to Team Management) – CEIBS Online (Awarded in December 2025)

2025 Innovation Pioneer Award
– Hangzhou DaoChuang Small Town Management Office
(Awarded in March 2025)

Zhejiang Provincial Key Trademark Protection List (Guyoudao 骨優導®, Jiuyoutai 吉優泰®)
– Zhejiang Provincial Market Supervision Administration
(Awarded in October 2025)

2025 Edition Innovative and High-Quality Hangzhou Pharmaceutical and Medical Device Catalog (Bone Repair Material, Pegylated Recombinant Human Granulocyte Colony-Stimulating Factor Injection, Fosaprepitant Dimeglumine for Injection, Recombinant Human Granulocyte Colony-Stimulating Factor Injection, Palonosetron Hydrochloride Injection (Jiouting 吉歐停®), Recombinant Human Interleukin-11 (Yeast) for Injection)
– Hangzhou Municipal Bureau of Economy and Information Technology, Hangzhou Municipal Health Commission
(Selected in May 2025)

Company Quality Certifications

No.	Quality Certification Report Name	Certification/Inspection Content	Purpose	Certification/ Inspection Agency Name
1	Drug GMP Compliance Inspection Report	Active Pharmaceutical Ingredient (API) (Avatrombopag Maleate): Production lines for Avatrombopag Maleate API (Section 203, Section 204)	Licensing Inspection (GMP Compliance)	Zhejiang Drug Inspection Center
2	Drug GMP Compliance Inspection Report	Therapeutic Biological Products and Small-Volume Injections	Provincial Routine Inspection (Annual)	Zhejiang Drug Inspection Center
3	On-site Verification Report for Drug Manufacturing License Renewal	Manufacturing scope of the Drug Manufacturing License	Renewal Inspection	Hangzhou Municipal Market Supervision Administration
4	On-site Inspection Report for Drug Manufacturing License	Addition of off-site warehouse	Licensing Inspection	Zhejiang Medical Products Administration
5	On-site Inspection Report for APIs Exported to the EU	Palonosetron Hydrochloride API	API export to the EU	Hangzhou Municipal Market Supervision Administration
6	INSPECTION REPORT	Human, Sterile, Aseptic Preparation: Biologicals (Granulocyte Colony Stimulating Factor-GCSF); Solution for Injection/Human, Sterile, Aseptic Preparation; Solution for Injection	Philippine Registration Inspection	Republic of the Philippines Department of Health
7	ISO 9001:2015 Certification	Quality Management System	Certifies that the Device Center's quality system meets ISO 9001:2015 requirements (Annual surveillance)	Beijing Guoyi Xiehua Guangming Certification Co., Ltd.
8	ISO 13485:2016 Certification	Medical Device Quality Management System	Certifies that the Device Center's quality system meets ISO 13485:2016 requirements (Annual surveillance)	Beijing Guoyi Xiehua Guangming Certification Co., Ltd.
9	Brazilian GMP Certification	Medical Device Quality Management System	Certifies that the Device Center's quality system meets Brazilian GMP requirements (Biennial renewal)	ANVISA (Agência Nacional de Vigilância Sanitária), Brazil

2025 Environmental, Social, and Governance (ESG) Report

1. SUSTAINABLE GOVERNANCE AND COMPLIANCE

Jiuyuan Gene continuously takes sustainable development as its long-term strategic orientation, and deeply integrated the ESG concept into its entire operation process. By establishing a sound ESG governance structure and actively conducting stakeholder engagement and scientific materiality assessment, the Group strengthens the governance foundation for sustainable development. Meanwhile, the Group strictly adheres to commercial compliance management, strengthens internal control and risk management, and rigorously implements the protection of trade secrets and privacy. Through compliant and resilient operations, the Group safeguards R&D innovation and patient trust, and promotes high-quality, sustainable and responsible corporate development.

1.1 Practicing Sustainable Development

1) ESG Governance Structure

The Group integrates ESG deeply into corporate strategy, systematically fulfills environmental, social and corporate governance requirements. The Group also consistently intensifies its efforts in ecological conservation, sustainable resource utilization and climate action, while steadfastly discharging its duties as a corporate citizens and continuously fortifying governance transparency and compliance.

To efficiently advance ESG work, the Company has established a four-level collaborative governance structure:

Board of Directors – ESG Committee – ESG Office – ESG Working Group. The Board of Directors authorizes the ESG Committee to oversee overall supervision; the ESG Committee formulates strategies and policies; the ESG Office leads the implementation of action plans; the cross-departmental ESG Working Group is responsible for specific execution. This forms an efficient ESG governance system with clear authority and responsibilities.

Under this framework, the Company regularly conducts ESG materiality assessment to identify key risks and opportunities, and the reports on the results are timely provided to the ESG Working Group and management for dynamic optimization of ESG target setting, resource allocation and performance management, effectively ensuring the implementation and improvement of the Group's sustainable development objectives.

Based on the four-level collaborative governance structure, and to further consolidate governance achievements and standardize ESG workflows, the Group systematically compiled and refined the *Draft ESG Management System* during the year. Combining the overall supervision and policy-making functions of the ESG Committee, the system clearly regulates ESG meetings, stipulating that the ESG Committee shall hold at least two meetings per year to ensure that meetings are conducts in a standardized and orderly manner, providing solid institutional support for the efficient operation of the four-level structure and the implementation of ESG work.

Role	Composition	Key Responsibilities
Board of Directors	Directors	➢ Evaluate and define ESG-related risks; ➢ Manage the impact of material ESG risks and opportunities; ➢ Formulate ESG-related mechanisms, policies and targets; ➢ Assess the Group's annual performance against ESG targets and revise policies in case of material deviations; ➢ Oversee the development and reporting of ESG strategies, objectives and internal control indicators.
ESG Committee	Directors and Senior Management	➢ Formulate ESG-related strategies, objectives, and systems, submit them to the Board for review, and provide recommendations. ➢ Supervise the implementation of ESG and climate-related goals, and report on execution progress and performance to the Board. ➢ Review ESG-related policies, promote their implementation across departments, and update and optimize them as appropriate. ➢ Identify and assess ESG and climate-related risks and opportunities, and integrate them into the overall risk management framework. ➢ Review ESG reports, maintain communication channels, and address the needs of stakeholders. ➢ Conduct ESG training, monitor industry trends, ensure compliance, and enhance awareness.
ESG Office	Department Heads	➢ Develop specific work plans in line with ESG requirements and implement ESG measures; ➢ Coordinate the ESG Working Group for detailed task deployment; ➢ Regularly evaluate ESG performance and prepare management reports.
ESG Working Group	Functional Departments	➢ Implement relevant policies and targets as required by the ESG Office; promote the execution and integration of ESG initiatives into the core operations; ➢ Monitor the implementation of ESG issues; identify material ESG issues and related risks; ➢ Regularly collect, organize and report ESG progress, performance, cases, etc.
Independent ESG Consultant	External Personnel	➢ Assist in assessing ESG risks; ➢ Review existing strategies, objectives, and ESG corporate governance; ➢ Provide recommendations to the Company on ESG matters

2) Stakeholder Engagement

Jiuyuan Gene always views stakeholder expectations and feedback as the core driving force of its ESG governance and is committed to building collaborative relationships with our stakeholders based on transparency and mutual trust. Through a multi-dimensional communication model, the Group maintains close engagement with our stakeholders to fully understand their ESG-related concerns and expectations and integrates them into operational strategies and sustainable development plans.

Through diversified channels including regular meetings, questionnaires, public reports and special events, we ensure that the voices of shareholders, customers, employees, suppliers, regulators and the public are fully heard and effectively addressed. The Group will continue to deepen its stakeholder engagement mechanism, promote constructive dialogue to co-create a blueprint for long-term prosperity and sustainable development, consistently contributing to industry progress and social well-being.

The Group's key stakeholders' expectations and the communication channels are listed as follows:

Stakeholder	Expectations and Requirements	Main Communication Channels
Customers	➢ Product quality and safety; ➢ High-quality and efficient services; ➢ Business ethics; ➢ Latest product information	➢ Customer service center; ➢ Email and telephone; ➢ Online service platform; ➢ Customer satisfaction surveys and feedback forms.
Employees	➢ Remuneration and benefits; ➢ Career development opportunities; ➢ Safe working environment; ➢ Professional training; ➢ Humanistic care	➢ Regular performance reviews; ➢ Training and workshops; ➢ Employee activities; ➢ Employee satisfaction and opinion surveys; ➢ Staff research.
Suppliers	➢ Business ethics; ➢ Supply chain management; ➢ Sustainable partnership	➢ Supplier assessment; ➢ Supplier meetings; ➢ On-site inspections.

Stakeholder	Expectations and Requirements	Main Communication Channels
Shareholders & Investors	➢ Compliant operation; ➢ Investment returns; ➢ Protection of shareholders' rights; ➢ Sustainable corporate development and industry trends; ➢ Anti-corruption	➢ General meetings; ➢ Annual reports, announcements and public disclosures; ➢ Investor meetings; ➢ Listed company information disclosure.
Regulators	➢ Compliant operation; ➢ Product quality and safety; ➢ Economic development; ➢ Employment promotion; ➢ Development of gene technology	➢ Compliance reports; ➢ Regulatory or voluntary disclosures; ➢ Written responses to inquiries; ➢ News releases; ➢ Participation in social activities.
Public	➢ Corporate social responsibility; ➢ Efficient resource use; ➢ Environmental protection; ➢ Employment opportunities; ➢ Reduction of pollutant emissions	➢ Participation in seminars and lectures; ➢ ESG Report; ➢ Public welfare activities; ➢ Environmental initiatives.

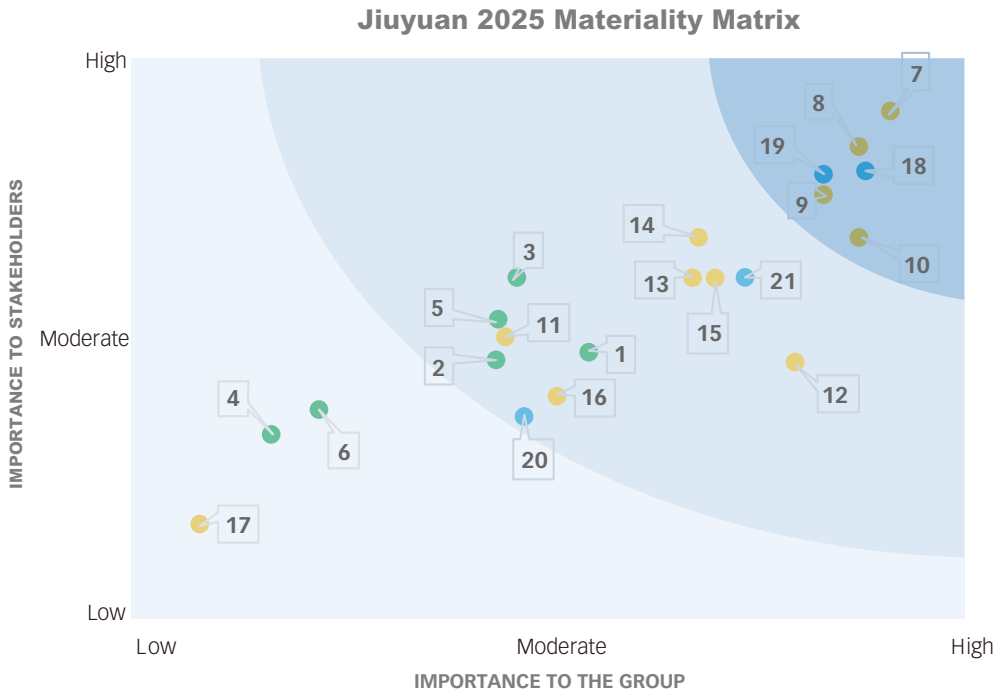
3) Materiality Assessment

To effectively identify potential material ESG issues applicable to the Group, the Group actively invites in-depth participation from diverse stakeholder groups and conducts comprehensive and rigorous materiality assessment through multi-dimensional communication and engagement.

Our assessment process integrates multiple key considerations. First, we precisely identify stakeholders' core concerns and priorities to ensure their expectations are fully addressed. Second, we ensure strict alignment with relevant regulatory frameworks and compliance with all laws and policies. Simultaneously, we perform an in-depth assessment of the actual impact of various ESG issues on our business continuity, financial stability and sustainable development potential.

Based on the above comprehensive analysis, the Group scientifically prioritizes and accurately assesses the materiality of ESG issues, and ultimately identifies a series of material ESG topics highly aligned to its unique business characteristics. These key topics will serve as important guidance for the subsequent formulation of ESG strategies and action plans, helping the Group achieve business goals while actively fulfilling social responsibilities and promoting sustainable industry development.

The following presents major topics identified and assessed by the Group during the Reporting Year and the resulting materiality matrix developed from the assessment:



Environment	Social	Governance
1. Greenhouse gas and exhaust emission management 2. Energy use and management 3. Resource use and management 4. Non-hazardous waste management 5. Hazardous waste management 6. Response to climate change	7. R&D and technological innovation 8. Product quality and safety 9. Quality customer service 10. Intellectual property protection 11. Sustainable supply chain management 12. Employee compliance, equality, diversity and inclusion 13. Occupational health and safety 14. Employee development and training 15. Employee benefits and talent attraction 16. Industry collaboration and co-construction 17. Social contribution and public welfare	18. Corporate governance and compliance 19. Business ethics and anti-corruption 20. Risk management 21. Information security and privacy protection

1.2 Commercial Compliance Management

The Group consistently adheres to integrity in operations and strictly complied with the *Criminal Law of the People's Republic of China*, the *Company Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other laws and regulations, regarding compliance and business ethics as the cornerstone of corporate development.

By improving anti-fraud, anti-money laundering, anti-corruption and anti-bribery management systems, enhancing risk prevention and reporting mechanisms, and conducting regular specialized training, the Group effectively enhances employees' integrity assessment and the standardization of internal management, earning extensive trust from partners, customers and regulatory authorities.

1) Commercial Compliance and Ethical Business Conduct

The Group always complies with laws and regulations, continuously optimizes compliance systems and risk prevention mechanisms, addresses industry changes and market challenges through sound governance, and adheres to the bottom line of integrity and business ethics. It is committed to setting a compliance benchmark for the biomedical and medical device industry and promoting sustainable development.

To practice the concept of compliant operation, the Group has formulated the Code of Conduct for Commercial Compliance, which systematically regulates various commercial activities and builds a fair and transparent business environment. Specific measures include: strictly managing medical engagement and communication activities to ensure an academic-based approach characterized by objectivity and integrity; standardizing approval processes for self-hosted and third-party meetings and controlling expense standards; clarifying expert service agreements and fees, prohibiting inducements for prescriptions; restricting gifts and promotional materials to moderate-value items with company logos and educational materials only; establishing dedicated compliance procedures for special activities, including market research, clinical research, donations and continuing education. Meanwhile, the Group has established confidential reporting channels for violations to encourage internal and external supervision and timely investigation and handling, so as to maintain industry credibility and transparency.

2) Integrity Compliance and Anti-Corruption

To effectively prevent fraud, money laundering, corruption and various malpractice risks, strengthen corporate governance and internal control systems, protect the legitimate rights and interests of the Group and shareholders, and promote high-quality sustainable development, the Group has formulated the *Jiuyuan Gene Anti-Bribery Management Regulations* and *Anti-Fraud and Anti-Money Laundering Management System* in strict accordance with laws and regulatory requirements, establishing a comprehensive compliance risk management system.

Built on a foundation of robust policies, the system integrates anti-fraud, anti-money laundering and anti-bribery into the Group's strategic management. It defines a mechanism of departmental primary responsibility, cross-functional collaboration and professional coordination: all departments fulfill their primary accountabilities; the Risk Management Committee and Audit Department lead risk identification, suspicious transaction monitoring, whistleblowing investigations, and policies oversight; the General Administration Office is responsible for training, promotion and the cultivation of an integrity-based culture; while the Audit Committee strengthens oversight and guidance, and regularly reports operation effectiveness to the Board to ensure prevention and control measures are effectively implemented and dynamically optimized.

On this basis, the Group further reinforces compliance accountability across the workforce. The Group has implemented a comprehensive compliance commitment mechanism, required all employees to sign an *Employee Compliance Commitment Letter*. This clarifies behavioral boundaries and obligations across dimensions such as professional ethics, integrity, operational compliance, adherence to industry standards, data security and confidentiality obligations.

This measure not only strengthens employees' awareness of rules and 'bottom-line' thinking, but also deeply embeds compliance into organizational culture and daily management. By fostering a multi-dimensional compliance ecosystem of systems, execution, supervision and advocacy, the Group have effectively solidified the foundation of its lawful and compliant operations.

This Year, the Group has continued to deepen the company-wide development of integrity, compliance and anti-corruption initiatives across all employees (including all directors). Through practical measures such as issuing anti-corruption policies and manuals, and organizing the signing of compliance commitments, we have continuously enhanced employees' awareness of compliance and sense of responsibility, effectively ensuring that compliance risk management remains consistent and with interruptions.

Going forward, we will incorporate compliance and anti-corruption thematic training into the annual regular mechanism to achieve full employee (including all directors) coverage, regular implementation and effective results, to effectively build a solid line of defense for integrity in practice and compliant operation.

During the Reporting Period, the Group had no litigation, investigation or regulatory penalties involving fraud, money laundering, corruption or malpractice, maintaining sound integrity and compliant operations.

3) Prevention and Reporting Procedures

To fully implement business conduct compliance requirements, the Group has established comprehensive prevention and reporting processes and procedures. Through leadership by example from senior management, the cultivation of an ethical culture, risk prevention in key areas and background checks for critical positions, the Group continuously fosters an ethical business environment. Furthermore, risk assessment is conducted at the beginning of each year to promote internal control improvements across departments. A permanent reporting body has been established to integrate supervision into daily operations and solidity our foundation for proactive prevention.

The Group's Risk Management Committee and Audit Department publicly disclose reporting channels to ensure timely response and standardized handling: investigations are initiated within 3 working days upon receipt of a report with a formal report generated within 15 working days; with the Board and Audit Committee providing full supervision with immediate review of material issues, the entire process is documented and fully traceable, ensuring transparent and efficient resolution.

For verified malpractice or fraud, the Group adopts a zero-tolerance policy, optimizes internal controls and notifies rectification results simultaneously. Responsible employees are held accountable in accordance with rules; cases involving suspected criminal activities are referred to judicial authorities, while those involving Party cadres are handled in accordance with disciplinary regulations. Meanwhile, the Group implements whistleblower rewards and strict confidentiality mechanisms, demonstrating its firm commitment to upholding business ethics and safeguarding sustainable development.

During the Reporting Period, the Group received no complaints or reports, and no related litigation cases occurred.

1.3 Internal Control and Risk Management

Jiuyuan strictly complies with the *Company Law of the People's Republic of China*, the *Accounting Law of the People's Republic of China, Basic Standards for Enterprise Internal Control* and other laws and regulations. Based on its actual conditions, the Group has established a comprehensive risk management and internal control system covering strategy, legal, financial and operational areas. This system deeply integrates financial reporting and disclosure controls, entity-level controls, information system supervision and key operational processes. Through regular evaluation, supervision and continuous optimization, the Group continuously improves internal control effectiveness and risk management capabilities, effectively ensuring compliant, safe, efficient operations and sustainable development.

1) Internal Control

The Group strictly adheres to national laws and regulatory requirements. Guided by the *Basic Standards for Enterprise Internal Control* and the COSO framework, the Group has established a comprehensive and efficient operating internal control system. The system focuses on asset safety, risk prevention, authenticity and timeliness of financial and management information, operational efficiency and strategy implementation, effectively supporting sustainable development and long-term value creation.

For organizational support, the Group has established dedicated risk management and audit departments, which are responsible for system development, implementation supervision, risk assessment, fraud investigation and compliance review. The departments strengthens anti-fraud, anti-money laundering and anti-bribery mechanisms, and deeply participates in procurement bidding supervision, project settlement audits and investment evaluation. Through data monitoring, report auditing and financial and tax risk controls, the Group continuously enhances decision-support capabilities and resource allocation efficiency, and collaborates across functions to drive strategic team building, performance management and budget control, building a sound and efficient organizational system.

Five Components of Internal Control and Specific Requirements:

1. **Control Environment**
   - We have enhanced corporate governance by defining clear roles and responsibilities, implementing segregation of incompatible duties, and refining human resource policies alongside compliance culture promotion.
2. **Risk Assessment**
   - A regular risk identification and dynamic assessment mechanism has been established. At the beginning of 2025, 30 medium risks and 1 low risk were accurately identified, while solidifying accountability for rectification.
3. **Control Activities**
   - Cover key areas including authorization and approval, accounting systems, asset protection, budget management, operational analysis and performance evaluation.
4. **Information and Communication**
   - Emphasize smooth internal and external communication, reliable systems and standardized reporting, with an anti-fraud mechanism embedded.
5. **Internal Monitoring**
   - Multi-level collaboration among the Board of Supervisors, Audit Committee of the Board of Directors, Audit Department of the major shareholder and Group Risk Control & Audit Department achieves full-process penetrative oversight and continuous optimization.

2) Risk Management

In accordance with relevant laws, regulations and regulatory documents, the Group has formulated the **Risk Control Management System**. Centered on the Group's strategy and business objectives, it has systematically established and continuously improves the risk management system by implementing basic risk management processes across all management stages and the entire operation process, providing institutional support and methodological tools to achieve overall risk management objectives. The aim is to standardize risk management practices, establish a scientific, standardized and efficient risk control system, comprehensively enhance risk prevention capabilities, ensure safe and steady operations, and continuously improve operation and management levels.

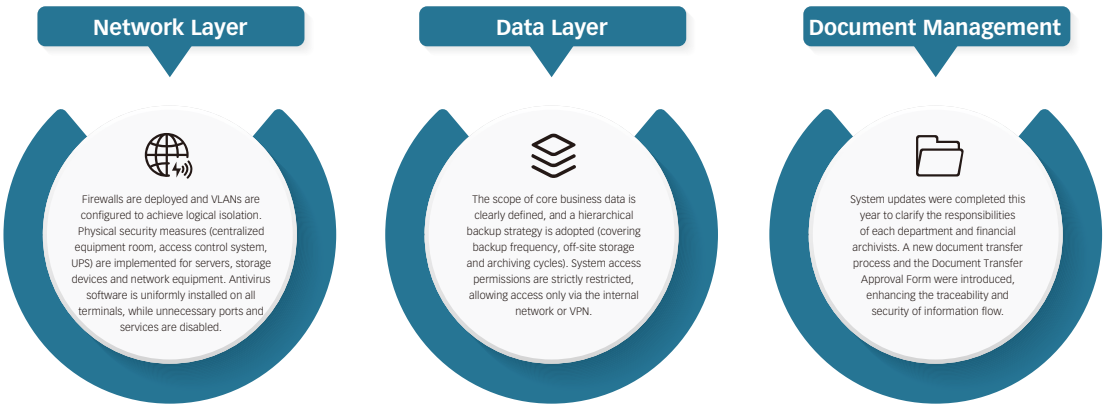
The Group's risks are categorized into strategic risk, legal risk, financial risk and operational risk; operational risk is further divided into production, procurement, payment and other cross-functional risks. The risk management organizational structure is composed of the Board of Directors, the Risk Management Committee under the Board, and dedicated risk-related roles across all functional departments: the first line of defense is composed of functional departments, which are responsible for risk identification and analysis, design, implementation and monitoring of control measures; the second line of defense consists of Board of Directors, Shareholders' Meeting, Risk Management Committee and Board of Supervisors. They are responsible for developing and promoting the risk management system, with the Board of Supervisors and Risk Management Committee overseeing daily management.

Basic Risk Management Process:

Strategy Formulation and Implementation	• Risk management strategies are formulated by the Risk Management Committee and approved by the Board of Directors.
Risk Assessment	• Following procedures including establishing risk management philosophy and setting objectives, response strategies are determined based on cost-benefit analysis and risk appetite, such as risk avoidance, reduction, sharing or acceptance.
Monitoring and Early Warning	• Several internal control measures have been established, including authorization, reporting and approval systems. Early warning systems covering area such as finance and operation management are also in place. Risks are communicated to management through feedback channels. The Risk Management Committee monitors business plans, and each department assesses its risk control performance annually.
Risk Response	• An emergency response mechanism is established. Timely contingency plans are developed and submitted for approval in response to newly emerging major risks. General risks are handled by the responsible departments. For corporate crises, a dedicated task force will be formed in accordance with procedures to formulate and implement response plans, followed by lessons learned and accountability identification.
Supervision and Improvement	• Information and communication channels are established. Each department conducts self-inspections; the Risk Management Committee carries out supervision and evaluation, and the results are reported to the Board of Directors.

1.4 Business Confidentiality and Privacy Protection

To earnestly comply with the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law*, the *Cybersecurity Law of the People's Republic of China*, the *Regulations on the Administration of Internet Access Service Business Places* and other laws and regulations, Jiuyuan Gene has established an information security management system. The system is centered on the *Cybersecurity Management System*, the *Information System Management System* and the *Data Backup System and Subject Privacy Protection*. During the Reporting Year, the Company also upgraded and improved a number of management systems, including the *Computerized System Management System*, the *Operating Procedures for Computerized System Electronic Data Management*, the *Archives Management System and the Archives Room Management System*, systematically protecting the security, stability and compliant operation of business confidentiality, customer privacy and core business systems from three dimensions: network, data and archives management.



During the Year, the Group's Information Department conducted specialized training on domain control configuration, network security and information security awareness to comprehensively enhance employees' ability to protect data privacy and information security. In terms of technical protection, office network and quality network are physically isolated. The Device Center has deployed Sangfor firewalls and internet behavior management. Internal Wi-Fi passwords are strictly controlled. All quality control computers are under centralized domain control, while USB drives and guest access are disabled, and printing and data copying are only allowed via authorized USB drives and controlled printers. Critical systems and core data are backed up hierarchically, inspected regularly and sampled randomly, while logical and physical isolation are in place to ensure data security and business continuity. There is rigorous multi-level access control for computerized system, with administrator rights controlled by core IT/QA personnel to prevent excessive concentration of authority and conflict of duties.

Meanwhile, the Group has established a comprehensive life-cycle management system for electronic data, defining detailed operational procedures and roles for every stage of the data lifecycle including generation, backup, recovery, inspection, deletion and optimization, to preclude any interference from interested parties. The principles of least privilege and segregation of duties are implemented. System administrators are prohibited from holding all operational permissions, and the rights to manage formulas and methods must be separated from operational rights across distinct roles, effectively preventing data misuse and security risks.

2. SAFEGUARDING THE FULL OPERATIONAL CHAIN

Jiuyuan strictly complies with laws and regulations such as the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Work Safety Law of the People's Republic of China*, the *Product Quality Law of the People's Republic of China*, the *Consumer Rights Protection Law of the People's Republic of China*, the *Drug Administration Law of the People's Republic of China*, and the *Pharmacopoeia of the People's Republic of China*. We also adhere to standards including the *Good Manufacturing Practice for Medical Devices*, the *Good Manufacturing Practice for Drugs* (GMP), as well as international standards such as the United States Pharmacopeia (USP), the guidelines of the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH), and relevant U.S. Food and Drug Administration (FDA) regulations on cGMP. Based on this, we have built a safeguarding system that covers the entire operational chain. From R&D innovation and intellectual property protection to quality control throughout the product lifecycle; from closed-loop management of customer complaints to the compliant construction of our supply chain, we are committed to breaking down management barriers across various business segments. Through systematic risk control and process optimization, we continuously enhance our operational resilience, laying a solid foundation for the company's sustainable development.

2.1 R&D Innovation and Intellectual Property Protection

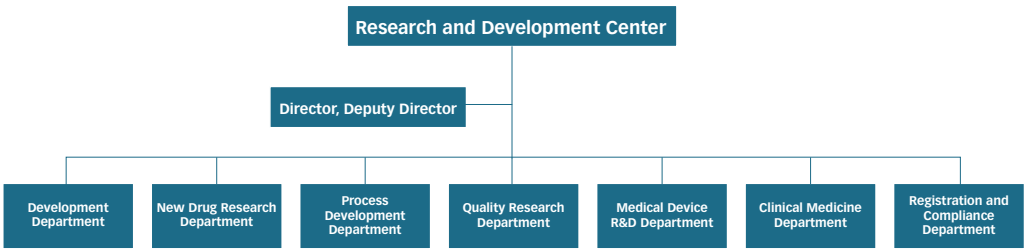
The Group strictly adheres to relevant domestic and international laws and regulations, viewing innovation as the core driver of the Group's development and medical progress. Intellectual property protection is the solid cornerstone that supports sustained innovation. We are dedicated to building a stable and healthy innovation ecosystem, ensuring that each R&D achievement receives comprehensive and effective intellectual property protection.

1) R&D and Innovation

R&D Innovation System

The Group has established a systematic and standardized new product development management system. To support this, we have formulated a series of policy documents, including the *New Product Development Management System, Specifications for the Preparation of New Product Development Topic Selection Reports, Procedures for the Feasibility Assessment of New Product Development, Standards for the Preparation of New Product Project Plans, and the R&D Center Management System*. Furthermore, we have built a scientific, collaborative, and efficient R&D organizational structure with clearly defined responsibilities and divisions of labor.

The Group's R&D organizational structure is illustrated in the following chart: The R&D Center operates under a Director/Deputy Director responsibility system and comprises seven major functional divisions: the Development Department, New Drug Research Department, Process Development Department, Quality Research Department, Medical Device R&D Department, Clinical Medical Department, and Registration and Compliance Department. These divisions are further subdivided into 25 specialized departments, forming an organizational framework with clear authority and responsibility, reasonable hierarchical levels, and collaborative interaction. This structure not only ensures the professional depth of R&D activities and the efficiency of cross-departmental collaboration but also provides a solid organizational foundation for continuous innovation.



R&D and Innovation Process

In R&D innovation management, we have established a standardized, closed-loop management system covering the entire process from project initiation to industrial implementation. Each stage is rigorously controlled and seamlessly connected, balancing innovation efficiency with compliance.

Project Initiation Phase	• We adhere to a dual-driven evaluation mechanism based on market demand and technical capabilities, enabling precise selection of projects with strong development potential and steering the direction and quality of innovation at the source.
Experimental Research Phase	• We strictly follow the principle of data traceability, conducting phased scientific reviews to calibrate R&D deviations in a timely manner and solidify the foundation of source innovation.
Clinical Trial Phase	• In full compliance with GCP standards, we rely on a professional medical team to oversee key aspects such as clinical trial design and implementation, ensuring that clinical research is both compliant and scientifically sound.
Production and Industrialization Phase	• We prioritize process scale-up trials to verify the feasibility of batch production. Subsequently, we conduct pilot production runs to fully simulate the actual manufacturing environment and optimize process details. Finally, we implement rigorous pre-production testing standards to ensure stable and reliable process parameters.

This comprehensive, closed-loop management system effectively bridges the critical pathway from laboratory innovation to industrial application, providing all-around assurance for the efficiency and compliance of our R&D innovation.

Innovative Products and Projects

With years of profound experience and expertise in pharmaceutical R&D, we have built a systematic and platform-based innovative R&D system.

To date, the company has established six core technology platforms: recombinant protein drugs, peptide drugs, drug-device combination products, antibody drugs, long-acting formulations, and subcutaneous delivery technology.

Relying on a mature product development process, an experienced professional R&D team, consistent and productive research outcomes, and robust intellectual property strategy capabilities, we have achieved efficient translation from target identification to commercialization and set industry benchmarks in multiple segments.

The Company has successfully launched three milestone domestic innovative products: a first rhBMP-2 bone repair product approved for commercialization, a first G-CSF product approved for commercialization, and a first domestically produced Low-molecular-weight heparins (LMWH) drug, demonstrating our outstanding strengths in differentiated innovation and rapid translation.

Currently, the Company boasts a rich and diversified product pipeline, with more than 10 products under development at various stages, focusing on major disease areas including metabolic diseases, orthopedics, oncology, and hematology.

This year, we have prioritize key R&D initiatives such as the *High-Value Patent Cultivation Project for Innovative Recombinant Protein Drugs and the Patent Navigation Project for the Development of Amylin Receptor Agonist Innovative Drugs*, continuously strengthening original innovation and building a solid intellectual property barrier.

Jilixin 吉立欣® (Avatrombopag Maleate Tablets)	**Jixinfen 吉新芬® (Pegylated Human Granulocyte Colony-stimulating Factor Injection)**
Jilixin 吉立欣®, a new product of the Group, was approved for market launch by the National Medical Products Administration (NMPA) in June 2025 and obtained the Drug Registration Certificate. This drug is indicated for two types of adult patients: those with chronic liver disease-related thrombocytopenia who are scheduled to undergo diagnostic procedures or surgery; and those with chronic primary immune thrombocytopenia (ITP) who have previously responded poorly to treatments such as glucocorticoids and immunoglobulins.	Jixinfen 吉新芬®, a new product of the Group, was approved for market launch by the National Medical Products Administration (NMPA) in January 2025 and obtained the Drug Registration Certificate. This drug is indicated for adult patients with non-myeloid malignant tumors to reduce the incidence of infections manifested as febrile neutropenia when receiving myelosuppressive anticancer drugs that are likely to cause febrile neutropenia.

R&D Innovation Incentives

To continuously stimulate the vitality of R&D innovation, the Group has systematically optimized its scientific research incentive mechanism. On the one hand, we have comprehensively revised the *Drug Registration Management Measures*, scientifically restructuring the classification system for scientific research approval projects, key assessment milestones, and their corresponding weights. Market potential and clinical value are now incorporated into the comprehensive evaluation dimensions, matched with differentiated reward standards. On the other hand, we have specifically formulated the Scientific Research Project Assessment and Incentive Measures, covering diverse project types such as supplemental applications, out-licensing, and entrusted development. Tiered and targeted incentive measures are established based on product categories, R&D phases (e.g., project initiation, preclinical, clinical research, registration application, marketing approval), and output (e.g., patent grants, approval document acquisition, technology transfer). The relevant assessment results are simultaneously applied to project members' position promotions, performance evaluations, and competency certifications, effectively closing the loop for "Innovation-Incentive-Growth" and comprehensively enhancing R&D efficiency and talent development momentum.

2) Intellectual Property Protection

To strengthen intellectual property protection and management, the Group has closely adhered to relevant laws, regulations, and standards, integrating its own characteristics as a research-driven biopharmaceutical enterprise to construct an intellectual property system. The Group's current core policies include the *Patent Management Measures, Trademark Management Measures, Intellectual Property Management System*, and supporting control procedures (all updated in 2025). Concurrently, the *Project Research Management Procedures* have been revised. Through systematic tracking and retrieval of information, such as drug project overviews, pharmacy, pharmacology and toxicology, medicine, domestic and international markets, registration, and patents, and followed by comprehensive evaluation, we have effectively reduced the risk of infringing upon others' intellectual property rights and solidified the foundation of our intellectual property management.

As of the end of the Reporting Period, the Group's intellectual property reserves have been continuously strengthened: we hold 11 valid patents, 40 registered trademarks (including 38 in Mainland China and 2 in Hong Kong), and 1 copyright. The rights cover key aspects such as core compounds, ingredients, preparation methods, and production processes, strongly supporting product differentiation and the construction of market barriers

Intellectual Property Risks and Control Measures

Despite having established a relatively robust internal control mechanism, the Group remains clearly aware of the potential risks facing its intellectual property. These include intensified competition due to insufficient patent protection strength, legal and commercial losses arising from third-party infringement claims, and the original patent barriers that may be encountered during the development of generic drugs or biosimilars. In response, the Group adopts multi-dimensional prevention and control measures: confidentiality and invention assignment agreements are signed with employees; routine patent searches and implementation analyses are conducted; external intellectual property consultants are engaged to support patent strategic positioning and litigation risk prediction; and intellectual property ownership, confidentiality, and infringement liability clauses are embedded in supplier contracts.

During the Year, the Group procured the PatSnap patent database. This platform, deeply integrated with AI analytical capabilities, efficiently supports patent searches, technology trend analysis, infringement risk warning and analysis, significantly enhancing the effectiveness of intellectual property management. As a world-leading intelligent intellectual property service platform, PatSnap is widely used by enterprises, law firms, universities, and research institutions to accelerate R&D innovation, sharpen business decisions, and effectively reduce patent infringement risks.

During the Reporting Period, there were no confirmed or potential incidents of infringing upon third-party intellectual property rights. The intellectual property management system operated effectively, with risks under control.

3) Product Social Contribution

We continue to increase our investment in innovation and R&D. Leveraging cutting-edge technology and persistent scientific research, we have successfully developed a series of high-quality medical products with significant clinical value and social impact.

In the field of orthopedics, our independently developed Guyoudao 骨優導® (Bone Repair Material) effectively accelerates bone healing and avoids secondary interventions. In the area of oncology, products such as Jilifen 吉粒芬®, Jijufen 吉巨芬®, Jiouting 吉歐停®, and Jifuwei 吉芙惟® cover multiple indications, providing patients with precise and personalized treatment options. In the prevention and treatment of hematological system diseases, Yinuojia 億喏佳® and Jipailin 吉派林® have demonstrated excellent efficacy and a favorable safety profile in preventing and treating thrombosis.

These products are widely used in clinical settings, covering key therapeutic areas such as orthopedics, oncology, and hematology. They effectively improve patient prognosis and enhance quality of life, underscoring the company's mission to safeguard life and health through technological innovation.

Case – Guyoudao 骨優導® Clinical Research

During the Reporting Period, the Group led the initiation of a "Retrospective, Multicenter Clinical Study on the Efficacy and Safety of Guyoudao 骨優導® for Limb Bone Defect Repair." Led by the Second Affiliated Hospital of Zhejiang University School of Medicine, this study included over one hundred real-world clinical cases. The results showed that no serious adverse events occurred in any of the subjects. Guyoudao 骨優導® demonstrated clear efficacy and good safety for limb bone defect repair, further solidifying its evidence-based medical foundation and providing strong support for its standardized clinical application.

Case – Promotion of Enhanced Recovery After Surgery (ERAS) in Orthopedics

This project by the Group aims to advance the development of Enhanced Recovery After Surgery (ERAS) in orthopedics within China. It focuses on the typical practices of pilot hospitals in applying new technologies and new biomaterials, systematically collecting and analyzing data throughout the entire process of orthopedic patient diagnosis, treatment, and recovery to distill replicable and scalable clinical experiences. Based on empirical findings, we continuously optimize the ERAS pathways in pilot hospitals. Through national academic exchanges, online seminars, expert ward rounds, typical case sharing and other formats, we enhance the standardized diagnosis and treatment capabilities of medical staff and cultivate clinical technical backbones and academic leaders. Concurrently, we conduct multidisciplinary collaborative research to explore the translational mechanisms of cutting-edge technologies and materials in advanced ERAS, strengthen the exemplary and catalytic role of pilot hospitals to drive regional excellence and leadership, empower more primary healthcare institutions to participate, and benefit a wider patient demographic.

Project Overview: Co-organized by the Orthopedic Consumables and Additive Manufacturing Branch of the China Association of Medical Equipment and the *Chinese Journal of Bone and Joint Surgery*, 20 sessions of the "Orthopedic Enhanced Recovery After Surgery (ERAS) Promotion Project" activities has been conducted nationwide from February to December 2025. Focusing on the clinical application of new technologies and new biomaterials, these activities will systematically summarize practical experiences and promote implementation through various formats such as online exchanges, expert ward rounds, and case sharing.

4) Industry Collaboration and Exchanges

We uphold an open and cooperative philosophy and actively participate in industry exchanges and technical collaboration. Long-term partnerships not only facilities multidimensional knowledge exchange with top experts, scholars and enterprises, and continuously enhance our R&D and manufacturing capabilities in biopharmaceuticals and medical devices; they also allow us to drive industry-wide progress through the sharing of knowledge, experience and resources, thereby underpinning the sustainable development of the Group.

During the Reporting Period, the Group pursued a dual pathway of driving R&D through clinical needs and empowering innovation via academic exchange. We actively participated in high-level domestic and international academic activities, continuously strengthening our forward-looking technology planning and clinical translation capabilities. The R&D team systematically attended prestigious medical forums and authoritative academic conferences, including the China International Medical Devices Regulatory Conference, the Chinese Association of Orthopaedic Surgeons Annual Meeting, the Chinese Medical Association Orthopaedic Academic Conference, and the Chinese Biomaterials Congress. In November 2025, the Group presented at the 24th Orthopaedic Academic Conference of the Chinese Medical Association and the 17th COA Academic Conference in Tianjin. Centered on the theme "Digital Intelligence Orthopedics, Co-creating the Future," and as an innovative biomaterials enterprise focused on osteoinduction, we showcased the core clinical value of the BMP-2 product series – "accelerated osteogenesis and high-quality bone formation." Through focused seminars, expert dialogues, and targeted engagement, the team not only kept abreast of cutting-edge technological trends and unmet clinical needs in a timely manner but also efficiently transformed academic insights into internal training content and collaborative research directions. This significantly broadened R&D horizons and stimulated original innovation, providing solid theoretical support and practical guidance for key technological breakthroughs, optimization of clinical translation pathways, and iterative upgrades of the BMP-2 product series.

Concurrently, the Company focused on a dual-driver approach of core product clinical validation and industrial implementation, achieving substantial progress in undertaking national-level scientific research projects, advancing multi-center clinical studies, and building cutting-edge technology platforms. On the one hand, in collaboration with Peking University School and Hospital of Stomatology, we successfully secured the 2025 project under the National Key R&D Program, "Diagnostic Equipment and Biomedical Materials" key special initiative – "Research on the Preparation and Clinical Application of an AI-Based Personalized Anterior Traction Titanium Plate System" (Project No.: 2025YFC243500), expanding the application boundaries of Guyoudao 骨優導® materials in orthodontic-maxillofacial scenarios. On the other hand, we steadily advanced the Phase IV clinical study of Guyoudao 骨優導® (ChiCTR2300072199), conducting a prospective, multi-center, randomized controlled trial of recombinant human bone morphogenetic protein-2 combined with hollow compression screws for the treatment of femoral neck fractures in young and middle-aged adults. We also deeply participated in major projects such as "Research on OLIF Clinical Application Solutions Based on Highly Osteoinductive Biomaterials" (2022YFC2407200), continuously solidifying the evidence-based medical foundation of our products. Furthermore, in the peptide drug field, the Company frequently showcased in industry events like Bio China 2025, Biocon China Expo 2025, and the Peptide and Weight Loss Drug Developer Summit. We delivered a series of keynote reports on GLP-1 targeting and long-acting amylin analog development, and participated as a roundtable guest in high-level dialogues such as "Technological Breakthroughs, Ecological Co-construction." These activities comprehensively demonstrated the Company's technological depth, clinical expertise, and industrial advancement across its two strategic directions: biomaterials and innovative drugs.

2025 Jiuyuan Industry Event Highlights

2.2 Product Quality Control

1) Product Quality Control System

Quality Management System and Organizational Structure

The Device Center has established a comprehensive quality management system in accordance with relevant regulations such as the *Good Manufacturing Practice for Medical Devices* and internal management system requirements. Through a clear organizational structure and resource allocation, it implements the company's quality policy. The system covers core processes including documentation, training, risk management, change control, deviation management, CAPA, validation, supplier management, non-conforming product management, and annual quality review, fully applying risk management concepts to ensure continuous improvement. The Quality Control Department has simultaneously formulated policies such as the *Physical and Chemical Laboratory Management System, Microbiology Laboratory Management, Sampling Management, Sample Management, Laboratory Safety Management, Inspection Data Processing*, and *Investigation of Out-of-Specification/Out-of-Trend Results*. These cover all aspects including personnel training, instruments and equipment, inspection procedures, stability studies, retention sample management, and investigation of abnormal results, ensuring standardized and effective laboratory operations.

Regulatory Certification and Quality Control Mechanisms

The Device Center has obtained ISO 9001:2015 and ISO 13485:2016 quality management system certifications. Regarding registration and production licensing, it complies with the requirements of the National Medical Products Administration (NMPA) and the Zhejiang Medical Products Administration, completing registration inspections, defect rectifications, and supplementary data submissions to obtain registration approvals, simultaneously or subsequently passing production license on-site inspections to obtain production licenses. The Group has established an independently operating quality management department staffed with full-time inspection personnel, implementing a Qualified Person system where each batch of products is released only after approval. In accordance with policies such as the *Company Product Process Capability Management System, Sampling System, Raw and Auxiliary Materials Sampling Operating Procedures, Quality Control Department Inspection Procedures*, and *Standard Operating Procedures for Investigation of Abnormal Laboratory Data*, materials and products undergo rigorous inspection to ensure quality compliance.

Risk Control and Personnel Training Protection

The Group has established a risk management system, systematically conducting tasks such as quality risk assessments, change control, deviation management, supplier evaluations, annual product quality reviews, and pharmacovigilance. In accordance with regulations and product technical requirements, it has developed incoming, in-process, and finished product inspection procedures, strictly executing inspections according to these procedures. For quality control testing, it standardizes sampling, inspection, abnormal data investigation, and report issuance processes to ensure timely identification of adverse trends. During the Reporting Period, all 19 batches of products passed the external random inspections. The laboratory has completed filing with the Zhejiang Provincial Pathogenic Microbiology Laboratory and conducts quarterly self-inspections. Regarding personnel training, new employees must pass assessments before commencing work, annual training is conducted each year, and specialized training is promptly organized when regulations are updated, comprehensively enhancing employee professional capabilities and ensuring efficient and safe enterprise operations.

2025 Quality Safety and Operations Training

Quality Month Activities

During the Year, the Group launched the "Sterility Barrier Action" series of training programs, conducting a total of 5 sessions covering 388 participants. The activities encompassed diverse formats including GMP knowledge competitions, quality micro-classes, deviation suggestion boxes, aseptic technique training, and aseptic gowning skills competitions. These initiatives comprehensively instilled a quality awareness mindset among all employees, strengthened practical operational capabilities, injected momentum into the company's high-quality development, and contributed to safeguarding public health.

2025 Quality Month Activity Highlights

2) Laboratory Safety

The efficient and safe operation of Jiuyuan's laboratories is a critical cornerstone supporting the Group's scientific research and innovation. Adhering to the fundamental principle of "Safety First, Prevention Focused, Full Participation, Full-Process Control," and focusing on the entire scientific research chain of the R&D Center, the Group has systematically established a standardized management system covering personnel management, experimental operations, equipment maintenance, biosafety, and emergency response. All policies strictly align with national laws, regulations, and industry standards, supported by detailed operating procedures, clear delineation of responsibilities, and effective supervision mechanisms. Equipment undergoes full lifecycle management with regular maintenance, closed-loop processes, and full traceability. Personnel training, access authorization, and assessments are comprehensive, ensuring precise implementation of standards. This scientific, rigorous, and collaborative management system continuously fortifies the laboratory safety defenses, effectively facilitating the advancement of scientific research activities while maintaining the highest standards of efficiency, regulatory compliance, and excellence.

Laboratory Management System

The Group strictly complies with relevant national and industry laws and regulations. Integrating practical scientific research needs, it has systematically established management specifications covering the entire laboratory lifecycle, including the *Laboratory Management System, Laboratory Safety Management System, Biosafety Equipment Use and Management System, Laboratory Biosafety Labeling System,* and *Steam Sterilizer Use and Management System*. Each policy is comprehensive in scope and clearly defined in responsibilities, covering key aspects such as personnel operating procedures, instrument and equipment usage, experimental records, and environmental maintenance. Particularly, regarding safety, it emphasizes the coordinated control of laboratory personnel, equipment, materials, methods, and environment, effectively safeguarding the health of R&D personnel, the safety of equipment and facilities, and the controllability of biosafety risks. This provides solid support for the standardization, continuity, and efficiency of scientific research work. The key aspects of laboratory management are as follows:

Personnel Operating Procedures	• We adhere to a dual-driven evaluation mechanism based on market demand and technical capabilities, enabling precise selection of projects with strong development potential and steering the direction and quality of innovation at the source.
Instrument and Equipment Usage	• Comply with safety rules, properly handle waste liquid, and equip necessary safety and first-aid facilities. Valuable instruments with precision are under the custody of designated personnel and undergo regular calibration. Reagents and glassware are stored categorically, with special reagents managed according to regulations to ensure operational standardization.
Experimental Records and Environmental Maintenance	• Conduct thorough preparations and risk assessments before experiments. Maintain standardized records during experiments, ensuring data authenticity and accuracy. After experiments, promptly organize and back up records, and store them uniformly. Personnel shall regularly clean the laboratory, performing thorough cleaning and inspections after experiments conclude. Regular hygiene inspections ensure the environment meets scientific research requirements, providing guarantees for safe and efficient laboratory operations.

3) Biological Safety

In terms of biological safety management, the Group has established a systematic and full-coverage institutional system, formulated and implemented special regulations such as the "Biosafety Inspection System" and the "Biosafety Cabinet Use Management System", which fully align with the requirements of relevant laws, regulations and industry standards. Various systems have made clear provisions from multiple dimensions including fulfillment of responsibility, operational specifications, and supervision and inspection. Through rigid implementation and closed-loop management, they have effectively standardized the biosafety inspection process, the use of biosafety cabinets, and the daily operation order of laboratories, effectively built a solid biosafety barrier, and strongly ensured that all businesses and operational activities are carried out stably and efficiently within a legal, compliant and controllable biosafety framework.

In accordance with the "Biosafety Inspection System", the Group strictly implements the main responsibility for laboratory biosafety, adopts a hierarchical management system of "the general manager is fully responsible, and the R&D director and laboratory director are specifically responsible for implementation", and implements a dual-track supervision mechanism combining daily inspections and regular inspections. The system clearly requires all employees to complete special training on "laboratory biosafety"; the laboratory implements three-level zoning management (office area, semi-contaminated area, and experimental area), with clear signs, distinct functions and orderly entry and exit in each area; in terms of hardware configuration, all experimental areas are equipped with standard-compliant biosafety cabinets, high-pressure sterilization equipment, hand-washing facilities in the experimental area, and prominently positioned first-aid kits, and the items in the first-aid kits are regularly checked and updated to ensure they are available at any time.

Case – Specific Quality Optimization Project – Newly Added External Rental Warehouse

With the acceleration of product internationalization and increasingly stringent GMP compliance requirements, upgrading the quality system has become an urgent priority. Over the past year, the Group has systematically advanced system improvements with the support of GMP consulting firms, achieving multiple substantive progresses: completing the renovation of the 305 section of the preparation workshop, critical process validation, optimization of airflow patterns and CCS reports, enhancement of aseptic gowning capabilities, revision of documentation and release systems, and conducting comprehensive gap analyses and rectifications. Among these initiatives, the addition of an externally leased warehouse stands as one of the key measures supporting capacity expansion and compliant operations.

The Group's headquarters is located at No. 8th Street East, Hangzhou Economic and Technological Development Zone, with an existing warehouse area of 1,350m² and a utilization rate exceeding 95%. This space is insufficient to meet the anticipated commercial production needs of the newly approved cartridge-type biological products – it is estimated that an additional approximately 600m² of storage space for raw materials, auxiliary materials, and packaging materials will be required. Following an assessment confirming no available vacant buildings within the plant site, Warehouse #14 at No. 36, 16th Street, Baiyang Street, Qiantang District (2.8km from headquarters) was leased as supplementary off-site storage. This warehouse is located in the northern section of the second floor of Building 10, featuring a room temperature storage area (approximately 1,000m², temperature controlled at 15–25℃, humidity <75%), a cool storage area (24m², ≤20℃, humidity <75%), and medical refrigerators (2–8℃). It is equipped with an independent sampling room, zone management, and corresponding environmental monitoring facilities. All validation has been completed, and the facility is now officially operational.

2025 The Group's Newly Leased Off-Site Warehouse

2.3 Customer Complaint Management

The Group strictly complies with the requirements of relevant laws and regulations, formulates and improves a series of management systems, standardizes the entire processes of quality complaints, customer complaints, and pre-sales and after-sales services, protects customer rights and interests, and continuously improves product and service quality. It has established and improved a number of management mechanisms to form a closed-loop management system: first, the *Corrective and Preventive Action Management* system to continuously improve product and service quality; second, the *Advisory Notice and Product Recall Management* and *Customer Complaint Management* systems to comprehensively protect the legitimate rights and interests of customers; third, the *Product Pre-sales and After-sales Service Management system* to continuously improve professional service capabilities; fourth, the *Medical Device Adverse Event Monitoring and Reporting Procedures* system, which automatically triggers the adverse event reporting process for complaints involving personal injury or functional impairment; fifth, the *Individual Drug Adverse Reaction Report Handling Procedures* to standardize the entire processes of collection, data management, follow-up, evaluation and submission to regulatory authorities; sixth, the *Drug Safety Incident Emergency Plan* to establish the investigation, reporting and emergency response mechanisms for death cases and mass adverse events; seventh, the *Quality Complaint Handling System* to standardize the entire process of complaint handling.

A closed-loop management mechanism for quality complaints and customer feedback handling has been established: quality complaints are followed up by QA throughout the entire process. After investigation, verification, and implementation of corrective actions, feedback is provided to the customer, and the case is closed and archived upon customer confirmation of satisfaction. Customer complaints are immediately reported by relevant departments to the Quality Assurance Department, where an investigation team identifies causes, formulates corrective measures, and tracks effectiveness, with continuous optimization if the customer raises objections. Complaints or feedback involving adverse events are directly transferred to the *Medical Device Adverse Event Monitoring and Reporting* or *Individual Drug Adverse Reaction Report Handling Procedures*, ensuring closed-loop risk management.

Customer information collection and after-sales services are ensured through multi-dimensional channels: On one hand, after-sales service contact information is clearly marked in product instructions and maintained by dedicated personnel, while a designated person from the Quality Assurance Department logs into the National Medical Device Adverse Event Monitoring System weekly to promptly follow up and respond to customer-reported information. On the other hand, in accordance with the *Product Pre-sales and After-sales Service Management* system, the Group annually distributes and collects *Customer Feedback Information Survey Forms*, providing input for process improvement through analysis and summary.

This Year, customer feedback management achieved significant results: one adverse event report was received, which was investigated and determined to be unrelated to the Company's product quality; the investigation report has been completed and submitted. A total of 244 *Customer Feedback Information Survey Forms* were distributed and collected, with customer satisfaction evaluations indicating positive results, and the analysis findings have been incorporated into the improvement process.

During the Reporting Period, we have not violated any relevant laws and regulations that have a significant impact on the Group's products, nor have we received any penalties. Meanwhile, due to the nature of the Group's business, we have not had any product recalls required for safety and health reasons, nor have we been involved in any matters related to advertising or labeling.

2.4 Supply Chain Management

Jiuyuan deeply recognizes that supply chain management serves as an important pillar for ensuring product quality. We place supply chain transparency, compliance, and social responsibility at our core, committing to establishing long-term, stable, and mutually-trusted cooperative relationships with suppliers. Through rigorous supplier screening, comprehensive risk assessment implementation, and continuous monitoring, we ensure that every link in the supply chain meets high-quality standards and sustainable development requirements. Simultaneously, we actively promote green procurement and low-carbon supply chain construction to reduce environmental impact and fulfill social responsibility.

1) Supplier Management System

We have systematically constructed a supplier management system covering the entire chain, with the *Supplier Management System* as our guiding framework, consistently adhering to principles of equality, voluntariness, fairness, and good faith in our collaborations. During contract formation, we simultaneously sign *Integrity Cooperation Agreements* based on procurement needs, solidifying our compliance foundation.

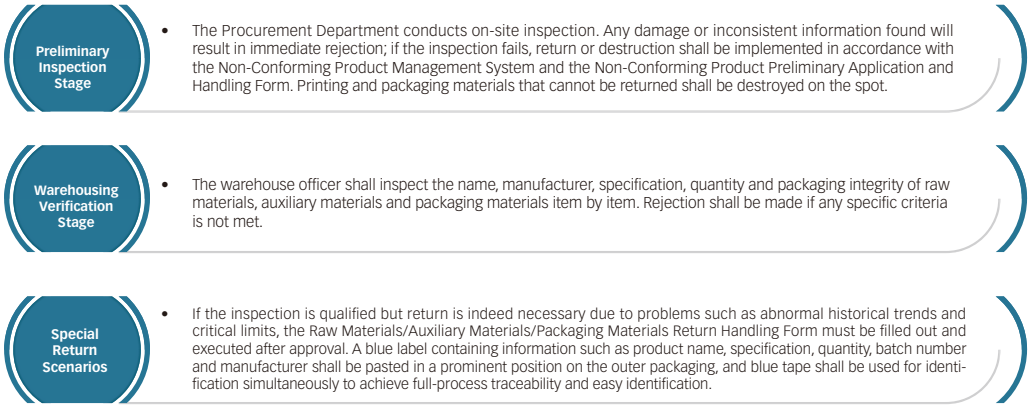
Based on material importance and quality risk levels, we implement scientific classification management with differentiated supplier audit frequencies, evaluation standards, and access/exit mechanisms, ensuring the entire procurement process is efficient, controllable, and compliant.

Supplier dynamic evaluation implements an annual reassessment mechanism, strictly following the *Supplier Evaluation Procedures* and employing the "risk classification and filtering" method to quantify risk values (PI values), thereby determining audit priorities and cycles accordingly:

- $2.5 \leq PI \leq 3.1$: Audit once per year
- $1.6 \leq PI \leq 2.4$: Audit once every 3 years
- $1.0 \leq PI \leq 1.5$: Audit once every 4 years
- $PI < 1.0$: Audit once every 5 years

Based on the evaluation results, we formulate an annual audit plan in a coordinated manner; when selecting suppliers, we give priority to designated production enterprises certified by the National Medical Products Administration (NMPA), with a particular preference for high-quality manufacturers in Hangzhou and its surrounding areas. The list of qualified suppliers shall be jointly reviewed and approved by the Production Department and the Quality Management Department to ensure that the supplied materials meet the legal quality standards. A quality agreement must be signed for key materials to clearly delineate the quality responsibilities of both parties.

Three-Level Control Notes for Procurement and Warehousing:



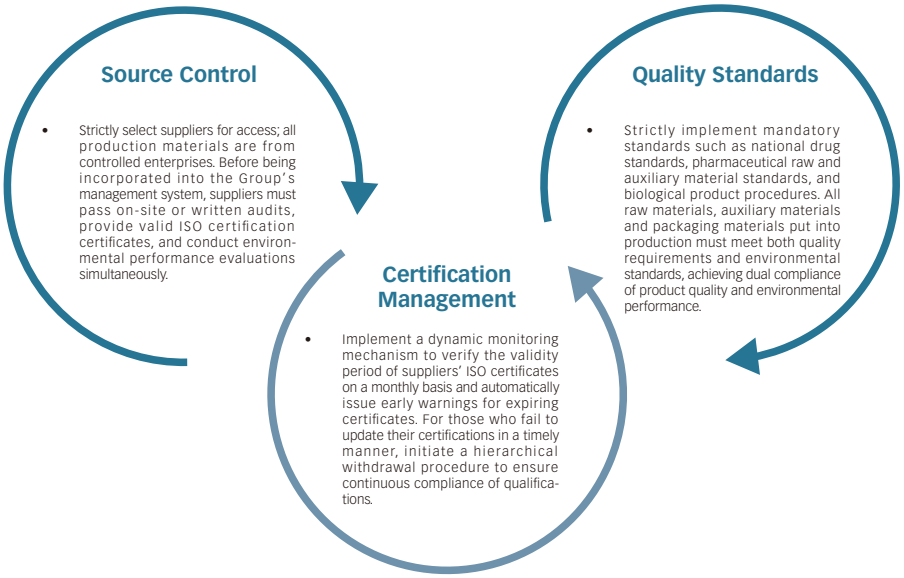
For technical service suppliers, the R&D Center has formulated supporting systems including the *Technical Service Supplier Management System, Technical Service Supplier Directory* and the newly revised *Supplier File Arrangement Standard Operating Procedure* in 2025, comprehensively strengthening regulatory compliance, cost controllability and quality assurance capabilities to support the high-quality implementation of R&D projects.

In this Year, there are a total of 918 active suppliers with transactions with the Group, mainly providing raw materials and equipment to produce our pharmaceutical and drug-device combination products. We have established long-term and stable cooperative relationships with major suppliers and do not rely excessively on any single supplier. According to professional data, it is a common phenomenon that Chinese pharmaceutical companies have a high degree of supplier concentration. Suppliers are mainly distributed in various domestic and foreign regions, and the number of all suppliers divided by region is as follows:

Region	Number (of suppliers)
Mainland China	786
Hong Kong, Macau and Taiwan	2
United States	31
Germany	19
United Kingdom	8
Japan	3
Others	69
Total	**918**

2) Green Procurement

We leverage green procurement as a key lever to systematically advance supply chain sustainability: fulfilling environmental responsibilities while strengthening quality assurance and long-term competitiveness. Centered on the three core dimensions of "source control, certification management, and quality standards," the Group has established a closed-loop green procurement management system to achieve comprehensive ESG risk prevention and control throughout the entire process. This system runs through the entire chain of supplier admission, performance supervision, and performance evaluation, effectively enhancing supply chain resilience and sustainability.



3. BUILDING A HARMONIOUS WORKPLACE

Talent is the most valuable asset of an enterprise. Protecting employees' rights and interests, safeguarding occupational health and safety are the basic responsibilities of the Group; empowering employees growth and promotion, and enhancing employee benefits and engagement activities are integral to the Group's strategic responsibility toward its workforce. The following clarifies the relevant management directions and requirements around four aspects: employee rights and interests protection, occupational health and safety, employee growth and promotion, and employee benefits and activities, to effectively protect employees' legitimate rights and interests, fortify workplace safety, establish a platform for advancement. Through these efforts, we aim to enrich employees' lives, strengthen team cohesion, and achieve mutually beneficial development for both the Group and its employees.

3.1 Employee Rights and Interests Protection

Jiuyuan strictly complies with laws and regulations such as the *Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, Employment Promotion Law, Interim Provisions on Wage Payment, Special Provisions on the Labor Protection of Female Employees, Regulations on Work-related Injury Insurance and Social Insurance Law of the People's Republic of China,* adheres to the people-oriented management concept, and systematically builds a sound employee rights and interests protection system. By scientifically formulating the *Employee Handbook*, it ensures that personnel policies are legal, compliant, open and transparent, and truly reflects the enterprise's responsibility to employees and society; it strictly controls the entry point in recruitment management, embeds a standardized audit mechanism in the employee departure process, builds a bottom line of compliance and protects employees' legitimate rights and interests; at the same time, it establishes a multi-dimensional performance evaluation and differentiated incentive mechanism to continuously stimulate employees' enthusiasm and creativity, thereby synchronizing personal growth with enterprise development to achieve synergistic advancement.

1) Employee Management System

The Group has established a full-cycle human resource management system covering recruitment, on-the-job management and employee departure audit: the *Employee Handbook* strengthens standardized operation and balance of rights and interests; the *Recruitment Management System* adheres to fairness and openness, strict entry vetting and enforces relative avoidance; the *Departure Audit System* focuses on key positions to ensure compliant resignation, complete handover and protection of enterprise interests. The three systems cooperate synergistically, and their contents fully cover all aspects of employee management systems to ensure the company's operation and promote employee development.

Employee Handbook

In the *Employee Handbook*, the Group consistently adheres to the "people-oriented" concept and created a fair and transparent working environment for employees through a systematic and standardized management mechanism. We have established a sound personnel data management system to ensure the accuracy and security of employee information, and reserve the right to terminate the labor contract without compensation for employees who provide false information; strictly implement the attendance system to ensure the standardization of work order; optimize administrative management and employee support and auxillary services to enhance employees' sense of belonging and satisfaction; improve the financial management system to ensure the compliance and transparency of the expense reimbursement process. In addition, through non-compete restrictions, reward and punishment provisions, and complaint and report mechanisms, we are committed to maintaining the balance between enterprise interests and employees' rights and interests and building a harmonious and sustainable working ecology.

Recruitment Management System

The *Recruitment Management System* formulated by the Group aims to standardize recruitment, improve talent selection and meet the company's development needs. This system applies to all departments and follows the principles of headcount management and control, matching talents to roles, fairness and openness, combining internal and external recruitment with priority given to internal candidates. It encourages employees to refer talents and provides rewards for successful referrals. There are strict requirements for recruited talents: candidates are required to declare their kinship, and any changes in kinship after employment should also be reported. The company has the right to adjust positions in cases of specific kinship connections. Individuals who have not terminated their labor relations, provided false information, or suffered from diseases unsuitable for the position shall not be recruited or their employment shall be cancelled; if such situations are discovered after employment, the labor contract shall be terminated immediately without compensation. The system stipulates that new employees shall sign a labor contract within one month of employment, with a probation period of 3 to 6 months; upon successful completion of probationary period expires and performance assessment, they shall be converted to permanent status, and if they do not meet the employment conditions, the labor contract shall be terminated without economic compensation. The recruitment system also clarifies the following processes and provisions.

In terms of the number of employees and the structure of workforce, the Group always strives to build a diversified and professional talent team to support the enterprise's innovation-driven and sustainable development. As of December 31, 2025, the Group had a total of 1,794 employees, all of whom were full-time. The employee structure classified by gender, age, level and region is shown in the following table:

Category	Unit (Number of Personnel)	2025
Gender Structure of Active Employees		
Male	951	53.01%
Female	843	46.99%
Age Structure of Active Employees		
Under 30 years old	428	23.86%
30-40 years old	874	48.72%
41-50 years old	437	24.36%
Over 50 years old	55	3.06%
Hierarchy of Active Employees		
Chief Executive	1	0.06%
Senior Management	5	0.28%
Middle Management	60	3.34%
General Staff	1,728	96.32%
Region Structure of Active Employees		
North China	171	9.53%
Northeast China	53	2.95%
East China	1,145	63.82%
Central China	146	8.14%
South China	101	5.63%
Southwest China	98	5.46%
Northwest China	80	4.46%

Departure Audit System

The Group has established a systematic and standardized employee departure management mechanism, covering full-process procedures and a special departure audit system, to effectively ensure compliance of the departure process, the completeness of handover and the continuity of operation.

For management and key position personnel, the departure audit shall be strictly implemented: the system shall be approved by the Board of Directors; the Human Resources Department shall take the lead in determining the audit scope, evaluating the impact of the position, organizing the handover list, and conducting the handover process in conjunction with the Audit Department; the audit team must have professional qualifications, and external experts may be introduced if necessary. All members must adhere to the principles of objectivity and fairness, strictly observe the confidentiality obligation, and exercise the powers of investigation, evidence collection, inquiry and other powers in accordance with the law.

The audit content focuses on four dimensions – the performance of economic responsibilities, the completeness of work handover, the progress of settlement of claims and debts, and the protection of trade secrets and the implementation of non-compete restrictions. All of which are implemented item by item by the corresponding responsible subjects. The audit procedures shall be carried out in strict accordance with the processes of notification, data preparation, audit evidence collection, report issuance, objection review and data filing. For any issues identified during audits or acts that harm the company's interests, we will implement measures such as the freezing of entitlements, accountability investigations, and even litigation in accordance with laws and regulations, to effectively protect the legitimate rights and interests of the enterprise and the integrity of its management.

As of December 31, 2025, the total number of employees who left or departed from the Group was 220, all of whom were full-time. The structure of departed employees classified by gender, age, level and region is shown in the following table:

Category	Unit (Number of Personnel)	2025
Gender Structure of Resigned Employees		
Male	130	10.68%
Female	90	13.67%
Age Structure of Resigned Employees		
Under 30 years old	66	15.42%
30-40 years old	107	12.24%
41-50 years old	43	9.84%
Over 50 years old	4	7.27%
Region Structure of Resigned Employees		
North China	21	12.28%
Northeast China	8	15.09%
East China	130	11.35%
Central China	11	7.53%
South China	18	17.82%
Southwest China	14	14.29%
Northwest China	18	22.50%

2) Performance and Appraisal

In terms of employee performance and appraisal, we set clear goals through probation assessment and regular performance appraisal, and provide feedback on evaluation results through formal performance interviews to clarify areas for improvement. For employees who fail to meet the standards, a performance improvement plan is designed to help them achieve their goals; if improvement is not possible, the labor contract shall be terminated in accordance with the law. We encourage two-way communication between superiors and subordinates, and establish a performance appeal mechanism to ensure fair and transparent appraisal, building a strong talent base to support the sustainable development of the enterprise.

Jiuyuan's employee performance management system applies to all regular employees except middle and senior management cadres. With the purpose of motivating employees, improving performance and achieving company goals, the system upholds the concepts of collaborative goals and continuous improvement. Different assessment cycles and evaluation criteria are set for employees at different job levels and positions. The responsibilities of all relevant personnel are defined. Performance goals follow the SMART principle, namely the five principles of Specific, Measurable, Action-oriented, Achievable, and Time and resource-bound, which can be adjusted under special circumstances. Employee capabilities are improved through performance counseling, and performance ratings are determined based on the evaluation of work performance and behavioral performance.

3) Prevention of Child Labor and Forced Labor

The Group strictly complies with relevant laws and regulations and resolutely eliminates child labor and forced labor. A strict access mechanism is implemented in the recruitment process: applicants must be at least 18 years old, and their identity certificates, academic certificates and other documents must be verified to ensure they meet the legal employment age; a legal labor contract must be signed upon entry, complete certification documentations must be submitted, and a background check must be accepted. We fully standardize employment management, define working hours, and strictly prohibit any form of harassment, abuse and sexual harassment; once violations are found, the labor relationship will be terminated immediately and corresponding disciplinary measures will be taken to effectively protect employees' rights and interests and the fairness and safety of the working environment.

During the Reporting Period, the Group did not have any cases of employing child labor or forced labor.

3.2 Occupational Health and Safety

1) Office Environment Safety Management

We have established a comprehensive biosafety management system covering laboratory buildings, safety facilities, protective equipment, organizational management and personnel training to ensure the safety and compliance of the working environment. Under the supervision of the senior management, the Group-level Environment, Health and Safety (EHS) team systematically implements the following measures: strictly adhere to pollutant discharge standards, reduce emissions of waste gas, sewage and hazardous solid waste by optimizing production processes; implement safety guidelines for laboratories and production facilities, conduct regular safety inspections and strengthen the designated storage of hazardous materials and compliant disposal by third parties; implement classified waste management (solid/hazardous waste), and entrust qualified institutions to conduct professional treatment to reduce environmental pollution.

During the Reporting Period and the past three years, there were no work-related deaths, nor any major violations of health and safety laws and regulations.

Indicator	Unit	2025	2024	2023
Number of work-related fatalities	Person	0	0	0
Number of work-related injuries	Person	6	4	3
Work days lost due to work-related injuries	Day	371	95	135

2) Safety Drills and Training

We continue to strengthen EHS management, conduct regular employee safety training, organize environmental compliance monitoring such as waste gas and wastewater discharge, and cooperate with regulatory authorities to assess operational compliance. During the Year, the Group completed comprehensive environmental monitoring and reporting at its headquarters and all production workshops, covering noise, wastewater and waste gas, rainwater, lightning protection and anti-static protection. We have also continuously improved the EHS management framework and technical measures to build a strong safeguard for workplace safety, thereby supporting the development of a healthy, safe and environmentally friendly operational ecosystem, and laying a solid foundation for sustainable development.

Emergency Response Plan Drills

To further enhance risk prevention and control capabilities, the Group has formulated the management system of *Emergency Response Plan for Unexpected Environmental Events*. Through regular emergency drills, we identify hidden risks in production management, identify clear improvement measures, and effectively improve operational safety. The drills cover multiple scenarios including elevator entrapment accidents, unexpected environmental incidents of excessive COD in wastewater treatment facilities, leakage of hazardous liquid underground storage tanks, use of fire-fighting equipment, and steam cylinder accidents, fully covering various potential safety risks.

2025 Emergency Response Plan Drills

3.3 Employee Growth and Promotion

The Group consistently places the professional growth and career development of employees at a strategic priority. By building a systematic training system and a fair and transparent promotion mechanism, it empowers employees to improve their capabilities and realize their value. We provide employees with diversified training programs covering professional skills, compliance awareness and management capabilities, and at the same time, we rely on clear career development channels to ensure that every employee has equal promotion opportunities.

1) Training System

Training is a key means to cultivate and improve talents. The Group attaches great importance to employee training this Year, carefully planning and systematically implementing various training plans. From new employee orientation training to management training at all levels, and then to external training to expand horizons and skills, the Group is committed to building a comprehensive and multi-level training system. This year, the training work has achieved remarkable results, which not only improved the retention rate of new employees, enhanced employees' recognition of the corporate culture, but also provided targeted capability improvement opportunities for managers at different levels.

Group Comprehensive Training: Full Coverage to Enhance Team Effectiveness

This Year, the Group has coordinated and carried out various comprehensive training activities, including multiple sessions of new employee training, special new employee training for Semaglutide, Semaglutide product training, as well as a number of online product training, experience exchange sessions, skill workshops, etc. It fully covers the needs of employees in different positions and levels, effectively improves the professional skills and overall competencies, providing momentum for the high-quality development of the Group.

2025 Group Employee Training Activities

New Employee Training: Improve Quality and Efficiency, Lay a Solid Foundation for Onboarding

In 2025, a total of 8 sessions of new employee training were carried out, with 387 participants, a significant increase compared with 2024 (5 sessions, 213 participants); the training coverage rate of new employees in each center reached 100%, and the training is implemented with precision and efficiency.

This year, the new employee training at the headquarters was further optimized and upgraded, with multiple core courses added and updated, specifically including: "Working at Jiuyuan", "Workplace Business Etiquette", "Personnel Systems and Benefits" and "Financial Policies and Reimbursement Process Guidelines".

Core highlights of new employee training optimization: First, richness – expand and optimize the content of modules such as systems, processes and workplace etiquette to meet the actual needs of positions; second, timeliness – start training when the number of participants reaches 30, and new employees can start online course learning on the day of onboarding; third, standardization – standardize the training learning credit system, add the evaluation mechanism for outstanding students and outstanding mentors, and strengthen the learning initiative of new employees and reinforce departmental emphasis on training.

Business Training: Combination of Internal and External Training to Improve Professional Capabilities

In 2025, the Group continued to strengthen business training. By combining internal and external training, it balanced training coverage and professionalism, and achieved a balance between training effectiveness and cost control.

External Training

Throughout the year, 141 persons participated in external training, a year-on-year increase of 28% compared to 2024; meanwhile, training costs were effectively managed, with external training expenses decreasing by 10% year-on-year, achieving the goal of "improving quality while reducing costs."

Internal Training

Training requests were received and a total of 107 internal training sessions were conducted throughout the year, a year-on-year increase of 26% compared to 2024, precisely addressing the business improvement needs of various positions and strengthening the internal training system.

Special Training of Each Center: Precise Empowerment to Strengthen Job Performance

① *R&D Center: Diversified Training to Promote Professional Improvement*

During the Reporting Period, the R&D Center focused on improving employees' professional skills and comprehensive quality, and carried out various special training, including: 107 sessions of document training, 133 sessions of skill training, on-the-job training for 16 new employees, and 26 external training sessions. Through diversified training, the professional capabilities of the R&D team have been comprehensively improved.

In addition, Li Bo, a senior researcher in intellectual property, attended the "Practical Training Course on Intellectual Property in the Biomedical Field" in Shanghai in June 2025, systematically learning core contents such as the drafting of biomedical patent application documents, analysis of key and challenging issues in intellectual property, judicial cases studies, and enterprise intellectual property management practices, enhancing the Group's intellectual property management level.

2025 Diversified Training of the R&D Center

② *Device Center: Standardized Training to Build a Solid Compliance Barrier*

The Quality Assurance Department of the Device Center takes the lead in training management, establishing and dynamically improves the training matrix for each position in the Quality Control Department. The training matrix is simultaneously aligned with the update needs of the quality system, realizing training standardization and formalization.

New Employees, Employees on Job Transfer/ Reinstatement	Prior to commencing work, a personalized training plan is developed based on the training matrix, specifying training methods, assessment standards, and training duration. Dedicated personnel are assigned to track plan implementation and effectiveness evaluation, ensuring that after specialized training in regulations, job responsibilities, and practical skills, employees possess the theoretical knowledge and practical abilities required for their positions and have a clear understanding of their job duties and relevant requirements.
Active Employees	An annual continuous training plan is formulated, covering GMP regulations, hygiene and microbiology knowledge, cleanroom gowning procedures practical training, quality inspection position theory and skills, safety education, etc., ensuring employees continuously maintain their competency to perform job duties. Simultaneously, in response to employee learning and development needs, external training resources are provided, and special position certification acquisition and continuing education are implemented to meet compliance requirements for job performance.

③ *Marketing Center: Professional Empowerment, Deepening Talent Skills*

This Year, the Group's Marketing Center has systematically promoted the construction of talent echelons and the deepening of professional capabilities. The annual training covers key sessions such as new employee onboarding empowerment, in-depth product understanding, regional market breakthroughs, and clinical promotional scripts.

In terms of new employee training, four special training sessions were carried out throughout the year – two comprehensive new employee training sessions and two special new employee training sessions for Semaglutide, achieving full coverage of all employees and precise empowerment of roles. In terms of in-depth product training, two in-depth product exchange meetings were held to continuously strengthen the capabilities of regional breakthroughs and clinical promotion.

Focusing on the core products, the Group organized special training sessions. The "Joint Efforts to Break Through" out-of-hospital promotion experience exchange and the "Precise Empowerment" clinical promotional script workshop were held, building a closed-loop empowerment system of "strategy-experience-script". In addition, various regions regularly carry out special training on Semaglutide products, promoting the in-depth implementation of academic promotion capabilities to the front line. This series of training has provided solid talent support and capability guarantee for the Group's strategic goals of "talent foundation building, regional breakthroughs, and innovative growth".

During the Year, an overview of the training provided by the Group is as follows:

Training Category	Number of Employees Trained	Training Duration (Hours)
Gender Structure of Employees Trained		
Male	951	42,668
Female	843	76,971
Hierarchy Structure of Employees Trained		
Chief Executive	1	70
Senior Management	5	106
Middle Management	60	898.5
General Staff	1,728	118,564.5

2) Career Development Channels

To improve the talent training mechanism, the Group has established a dual-channel career development system. Position promotion: based on the needs of organizational development, vertical promotion is achieved through job competitions, rank evaluation and other mechanisms; competency advancement: focusing on employees' skill improvement and professional certification, horizontal career development is achieved through competency assessments and evaluations. The dual channels operate in parallel, providing employees with diversified career growth options and achieving synergistic development between personal capabilities and organizational strategy.

Competency Advancement

Jiuyuan has formulated a competency advancement management system. The purpose is to expand employees' career development channels, improve the talent training and incentive mechanism, thereby providing a basis for human resource management work, and promoting the mutual growth of employees and the enterprise. The system classifies competency levels into 11 grades, each further divided into 3 sub-levels, with corresponding standards clearly defined. The competency level of new employees is initially determined based on their position and salary, with the sub-level being J. Competency advancement includes processes such as application, initial review and scoring, final review, result approval and feedback. Applications are subject to rules on timing, eligibility, levels and exceptional cases. The review process and composition of evaluation panel vary depending on the application levels. The promotion results are applied to competency development, position promotion, salary adjustments, talent echelon construction, and other areas.

Position Promotion

Jiuyuan's position promotion management system aims to standardize promotion and improve the professional competency system. Promotion follows a number of principles, and applicants must meet conditions such as performance, competency level and tenure. The promotion process is divided into two types according to the applied position: F5 and below, and F6 and above, each with corresponding steps. The evaluation standards for promotion vary among different positions: F5 and below focus on interview evaluation, while F6 and above include talent assessment, values evaluation and on-site defense. The system also defines the division of responsibilities of all relevant parties in the promotion process.

A total of 52 promotion positions were released this year, including 16 positions at F5 and above levels. We strictly follow the position promotion system, and select employees who meet the position requirements through open competition, multi-dimensional evaluation (such as performance, competency, potential, etc.) and a comprehensive assessment mechanism to ensure the fairness and transparency of the promotion process.

Training for Newly Promoted Talents

We continuously improve employees' comprehensive capabilities through a systematic and multi-dimensional training system. We have built a diversified training platform covering professional skills, management capabilities and cultural literacy.

2025 Group Talent Development Highlights

3.4 Employee Benefits and Activities

We deeply understand that employee well-being is the cornerstone of sustainable corporate development. Therefore, we always uphold the people-oriented philosophy and systematically establish and continuously optimize a diversified and caring employee benefit system.

1) Employee Benefit System

The Group has established a comprehensive social insurance and housing fund security system, making full contributions to pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing fund. At the same time, we effectively implement an annual dynamic salary adjustment mechanism, closely aligning employee compensation with market competitiveness and personal contribution. During the Year, the Group successfully completed employee salary adjustments, including promotion-based salary adjustments (covering competency promotion and position promotion), performance-based salary adjustments, and special salary adjustments, focusing on safeguarding the fair compensation rights and interests of employees affected by internal pay inversion the Group's strategic talents.

The Group has comprehensively improved employee welfare and protection. In addition to various allowances such as high-temperature allowance, mid-night shift allowance, nutrition allowance, relocation subsidy for non-local employees, red envelopes for the commencement of work, and factory anniversary subsidies, the Group Labor Union also provides diversified benefits and care for employees, including benefits for festivals such as New Year's Day and Spring Festival, summer coolness delivery activities, exclusive benefits for International Women's Day and Children's Day, team building and autumn outings, birthday benefits, club activities, and special condolences and support for events such as marriage, childbirth and hospitalization. Meanwhile, the Group provides various leave benefits such as only-child parental caregiving leave, parental leave, maternity leave and paid annual leave, fully protecting employees' rights and interests in work and life.

2025 Benefit Activities Photos

2) Employee Assistance and Support

The Group has systematically established a multi-level employee assistance and support system to effectively enhance employees' sense of belonging and happiness. First, provide targeted assistance to employees in need: through regular investigation and dynamic management, 1 key assistance target was identified in 2025, with a difficulty subsidy of RMB3,000 issued. Meanwhile, "sending warmth" activities during traditional festivals such as Spring Festival and Mid-Autumn Festival have been continuously carried out to convey the care of the organization. Second, earnestly provide personalized care: for employees during significant life milestones and emergencies (such as marriage, hospitalization, childbirth, death of family members, etc.), a total of 46 instances of employee support were provided, with a total of RMB24,000 in aid disbursed, ensuring timely and thoughtful aid. Third, develop the medical protection support system: fully organize trade union members to participate in the three medical mutual aid programs in Hangzhou (including inpatient and specific illness outpatient mutual assistance for on-the-job employees, major disease mutual assistance, and special major disease mutual assistance for female employees), covering all employees, with an annual investment of RMB86,000 in aid funds, effectively building a "protective net" for employees' health. Various measures are interconnected and implemented synergistically, ensuring the corporate care and support reach every employee.

2025 Employee Assistance and Condolence Photo

3) Care for Female Employees

In terms of promoting gender equality and caring for female employees, the Company has established a full-cycle service system covering health protection and care. At the health level, it regularly carries out female health lectures and TCM characteristic activities such as Sanfutie (Sanfu medicinal patch), provides exclusive gynecological physical examination packages, and the trade union uniformly purchases supplementary medical insurance in addition to the basic medical insurance. In 2025, 401 female employees participated in the Hangzhou Female Employees' Special Major Disease Medical Mutual Assistance Program. In terms of holiday care, taking International Women's Day as an opportunity, the Company organized special activities such as the "Healthy Life, Step by Step to Win" sports event and the "Song Song Fang · Zero Pressure" cervical spine relaxation massage, with more than 400 participants.

For the special physiological stages of female employees, the Company implements precise support measures: for pregnant employees, the job arrangement and work intensity are dynamically optimized, high-intensity, high-risk and night-shift tasks are avoided, and prenatal check-up leave, miscarriage prevention leave, maternity leave, breastfeeding leave and parental leave are provided in accordance with the law; after childbirth, the Company conducts warm visits and provides maternity care gifts, and sets up fully functional lactation rooms equipped with comfortable seats, refrigerators, small water heaters and other facilities, effectively protecting the health rights and interests and sense of workplace belonging of returning female employees.

2025 Female Employee Care Activities

4) Employee Team Activities

We continuously carry out diverse and meaningful team building activities. Among them, the employee autumn outing this year, as an important care measure covering all employees supported with RMB440,000 funding, not only provides a platform for employees to relax and collaborate but also serves as a vivid embodiment of the corporate commitment to employee care and well-being.

2025 Group Autumn Outing Activities

On this basis, the R&D Center focuses on the core culture of "Unity, Diligence and Innovation" and systematically promotes team culture enhancement: through outdoor development activities, summary and sharing sessions and other initiatives, the Company continuously enhances team cohesion. By institutionalizing these efforts, the Company promotes the implementation of corporate culture and tangibly demonstrates the Group's firm commitment to building harmonious labor relationships.

2025 R&D Center Team Activities

4. PRACTICING GREEN DEVELOPMENT

The Group regards environmental protection as the core responsibility of its sustainable development. In the course of operation, we strictly adheres to laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Environmental Impact Assessment Law of the People's Republic of China*, the *Road Traffic Safety Law of the People's Republic of China*, the *Regulations of the People's Republic of China on Road Transportation and the Laboratory Biosafety Manual* issued by the World Health Organization (WHO). We comprehensively strengthen the control of projects with environmental impacts, focusing on key areas such as greenhouse gas emissions, treatment of hazardous and non-hazardous waste, and the use of energy and water resources. At the same time, we are committed to reducing resource consumption, controlling pollution emissions, actively promoting green production and circular economy, and practicing the concept of green development with practical actions to contribute to ecological and environmental protection.

In 2025, the Group revised the *Third Round Clean Production Audit Report*. Through the overall research and key analysis of the clean production audit work of the Group's headquarters, Guyoudao 骨優導® Workshop and R&D Center, the Group proposed and implemented more economically beneficial schemes, enabling the Group to achieve stronger economic and environmental benefits in saving electricity, steam, water resources and reducing hazardous waste.

4.1 Emissions Management

1) Waste Gas and Greenhouse Gas Emissions

The Group's waste gas emissions mainly come from the use of fuel in mobile sources such as vehicles and the fuel consumption from fixed sources in production lines and kitchen equipment. To reduce waste gas emissions, the Group has taken several measures. In terms of energy use, clean energy is adopted for equipment operation, and green travel is encouraged for transportation. In the production procedures, the production processes of biological drugs and medical devices are optimized to reduce the use of organic solvents, and environmentally-friendly chemical reagents, plastic raw materials, etc., are selected to reduce the generation of waste gas at the source. Management in the R&D and production processes is also crucial. Targeted purification equipment is installed to treat different types of waste gas, such as combustion equipment for organic waste gas and dust removal devices for inorganic particles. An intelligent monitoring system is built to monitor waste gas emissions in real time for timely response. At the same time, environmental protection training for employees is strengthened to improve their operational standardization and environmental awareness. Simultaneously, end-of-pipe treatment cannot be ignored. Biological filtration is used to degrade harmful substances in waste gas, and high-concentration organic waste gas is recovered through condensation. In addition, regular maintenance of waste gas treatment and production equipment are carried out to ensure efficient operation of the equipment and achieve compliant emission of waste gas.

The Group's exhaust gas emission summary for this year is as follows:

Exhaust Gas Emissions Exhaust Gas Emission Scope	Unit	2025 Emission Volume
Nitrogen Oxides (NO_x)	kg	114.5
Sulfur Oxides (SO_x)	kg	0.2
Respirable Suspended Particulates	kg	10.8

The Group's greenhouse gas emissions mainly cover Scope 1 and Scope 2 emissions. Among them, Scope 1 refers to direct emissions, mainly direct greenhouse gas emissions generated from the use of fuel in vehicles, production facilities and other operational activities; Scope 2 refers to indirect emissions, mainly derived from greenhouse gas emissions generated from purchased electricity and thermal energy, with the accounting basis being the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions in 24 Industries in China* issued by the National Development and Reform Commission.

Based on the Group's main business, our laboratories and production lines involve volatile organic compounds (VOCs) emissions. We strictly implement waste gas treatment standards and adopt efficient treatment facilities such as waste gas towers to ensure compliant emissions and minimize the impact on air quality.

To reduce waste gas and greenhouse gas emissions, we have formulated and implemented a series of emission reduction measures to reduce environmental impact. We actively promote green travel policies, advocate optimizing the efficiency of vehicle and refrigeration equipment use; reasonably arrange business trips and try to conduct business negotiations through online meetings; explore clean energy substitution schemes, consider the feasibility of upgrading canteen, production line and laboratory equipment, and use more energy-saving equipment and cleaner energy.

A summary of the Group's greenhouse gas emissions for this year is as follows:

Greenhouse Gas (GHG) Emissions GHG Emission Scope	Unit	2025 Emission Volume
Scope 1: Direct Emissions	Metric tonnes of CO_2 equivalent	162
Scope 2: Indirect Emissions	Metric tonnes of CO_2 equivalent	19,505
Total	Metric tonnes of CO_2 equivalent	19,668
Intensity*	Metric tonnes of CO_2 equivalent/RMB million	15.06

* Calculated by dividing the total emissions by the revenue during the reporting period (Unit: RMB million).

2) Hazardous and Non-Hazardous Waste

The waste generated by the Group is divided into two categories: hazardous waste and non-hazardous waste. Hazardous waste includes waste liquid and waste activated carbon generated during experiments and production. Both of which are handled in compliance with regulations by qualified third-party waste treatment companies. Non-hazardous waste mainly comes from general office activities, and we implement standardized management to reduce its impact on the environment.

Hazardous Waste

The Group has formulated the *Laboratory Waste Disposal Procedures*, defining the disposal procedures for solid, liquid and gaseous wastes generated during R&D, ensuring that the wastes generated in the R&D process are properly and effectively disposed of.

In accordance with the Group's procedures, the laboratory waste management system clearly defines the classification, disposal and operation guidelines. Classification is divided into hazardous and general waste by nature, and solid, liquid and gas by state; during disposal, solid waste is temporarily stored as hazardous waste, and some is disposed of as general waste; chemical waste liquid is discharged or treated as hazardous waste according to its composition and nature; biological waste liquid and stock solution are discharged into corresponding facilities after treatment; gas is diluted and discharged after ventilation treatment; in terms of operation, it is necessary to ensure that containers are clearly labeled and properly loaded, and subject to adequate protection and inspection, and the waste temporary storage room is used for special purposes to ensure safety and standardization.

In terms of wastewater treatment, the production facilities are equipped with a classified wastewater management system, aiming to reduce wastewater concentration and ensure compliant discharge. In addition, we conduct regular emergency drills to verify the effectiveness of the emergency preparedness and response plan. For hazardous waste generated during internal R&D and production, we entrust qualified third-party waste treatment companies to conduct professional treatment, ensuring that waste disposal complies with relevant regulatory requirements and minimizing the impact on the environment.

In addition, our production facilities are equipped with a classified wastewater management system. Wastewater is treated through multiple processes such as biochemical treatment and acid-base adjustment to ensure compliant discharge. Through real-time monitoring by an automatic detection system, we strictly control the main indicators of wastewater to keep them within the following ranges: pH value maintained between 6-9, Chemical Oxygen Demand (COD) ≤ 500mg/L, Total Nitrogen (TN) ≤ 60mg/L, and Ammonia Nitrogen (NH3-N) ≤ 35mg/L. This series of measures effectively reduces wastewater concentration, and ensures that emissions meet environmental protection standards, thereby minimizing the impact on the environment.

The *EHS, SM01-2025C Environmental Management Manual* issued in June 2025 stipulates the responsibilities of the R&D Center in the environmental management system, clarifying that in the process of quality research and quality standard establishment of drugs under research, formula selection and optimization should minimize or avoid the use of reagents that have an impact on the environment.

Non-Hazardous Waste

The non-hazardous waste generated by the Group in daily operations mainly includes office stationery waste, domestic waste and canteen kitchen waste. To ensure the compliant disposal of these wastes, we entrust qualified third-party enterprises to be responsible for the transfer of solid waste and kitchen waste.

We attach great importance to the management and resource utilization of non-hazardous waste, and strictly adheres to relevant national and local environmental protection laws and regulations. For office stationery waste, domestic waste and canteen kitchen waste, we implement measures such as classified recycling, reduction management and resource utilization. By setting up classified garbage bins, promoting paperless office, installing kitchen waste treatment equipment, encouraging employees to take food based on actual needs and purchasing ingredients accurately, we have effectively reduced the generation of waste and achieved efficient use of resources.

During the Reporting Period, an overview of the waste generated by the Group is as follows:

Waste Category	Unit	2025 Discharge Volume
Hazardous Waste		
Waste Toner Cartridges	Metric tonnes	0.2
Electronic Equipment	Metric tonnes	0.3
Solid Waste	Metric tonnes	30.6
Waste Liquid	Metric tonnes	10.3
Total	Metric tonnes	41
Intensity*	Metric tonnes/RMB million	0.03
Non-Hazardous Waste		
Food Waste	Metric tonnes	127
Domestic Waste	Metric tonnes	103
Total	Metric tonnes	230
Intensity*	Metric tonnes/RMB million	0.18

* Calculated by dividing the total emissions by the revenue during the reporting period (Unit: RMB million).

4.2 Resource Utilization

The Group's resource usage mainly comes from the consumption of unleaded gasoline for its own vehicles, diesel for canteen stoves, electricity consumption in operations, water resources, and the use of paper and packaging materials for daily office work. This Year, the Group will officially launch the Electronic Lab Notebook (ELN) system, aiming to reduce energy and material consumption, while standardizing R&D processes, improving data quality and work efficiency, strengthening knowledge accumulation and sharing, and effectively supporting the implementation and achievement of ESG strategic goals.

1) Energy Usage

Our energy consumption mainly comes from unleaded gasoline used by vehicles, diesel used by canteen stoves, and electricity used in production and operation. The Group strictly complies with relevant national laws and regulations. To reduce energy consumption, we have taken a series of effective measures: implement a vehicle sharing system to reduce unnecessary vehicle use; optimize logistics routes and adopt an intelligent scheduling system to reduce vehicle empty driving rate and driving distance; gradually replace traditional fuel vehicles with energy-saving vehicles (such as hybrid or pure electric vehicles); and encourage employees to use public transportation or carpool to further reduce energy consumption. In daily operations, we actively practice the concept of saving electricity, and reduce energy consumption and environmental footprint through a series of effective measures. We advocate the participation of all employees in energy-saving actions, including turning off idle equipment and lighting in a timely manner, regularly maintaining, inspecting and replacing high-energy-consuming equipment to ensure efficient operation of the equipment. These measures not only effectively reduce the waste of electrical energy, improve energy use efficiency, but also make positive contributions to environmental protection.

A summary of the Group's energy usage for this Year is as follows:

Energy Usage		2025	
Energy Type	Unit	Consumption	Density*
Unleaded Gasoline	Liter	15,133	11.58
Diesel	Liter	9,268	7.1
Electricity	Megawatt-hour (MWh)	19,644	15.04
Heat	Gigajoule (GJ)	79,102	60.55

* Calculated by dividing the total energy consumption by the revenue during the reporting period (Unit: RMB million).

Power Outage Emergency Plan: To prevent the impact of sudden power outages on drug production, quality control, and personal and equipment safety, each department and workshop has established corresponding power outage emergency response procedures under the framework of the quality management system. These procedures define the power outage response standards, clarify job responsibilities and task allocation, and outline disposal processes, covering the entire process from emergency response during power outage to compliance verification after power restoration. The documents focus on the emergency protection measures for key stages such as critical processes in pharmaceutical production, warehouses, and inspection instruments, and standardize operations such as equipment shutdown, material protection, and environmental control following power outages, ensuring rapid response and proper handling in the event of sudden power outages. This minimizes power outage losses, safeguards the bottom line of pharmaceutical quality, and ensures the orderly continuation of production and operations.

2) Water Resource Usage

We attach great importance to water resource management and actively fulfill our social responsibility of protecting water resources. The municipal water supply network is the main source of our water usage, and we have not encountered major difficulties in finding suitable water sources in past operations. Our water resources are mainly used for the daily operations of laboratories, production facilities and offices. To improve water resource utilization efficiency, we advocate the concept of green office, promote the recycling of water resources, and enhance employees' environmental awareness through training and promotion.

A summary of the Group's water resource usage for this Year is as follows:

Water Resource Usage		2025	
Resource Type	Unit	Consumption	Density*
Water Consumption	Metric Ton	201,139	153.98

* Calculated by dividing the total water consumption by the revenue during the reporting period (Unit: RMB million).

3) Paper and Packaging Material Usage

The Group strictly adheres to relevant national laws and regulations and is committed to reducing the use of paper and packaging materials through the implementation of a series of practical measures. In terms of paper conservation, we fully promote paperless office, promote electronic documents and digital processes to significantly reduce the use of paper documents; replace traditional paper signing with electronic signatures and online approval systems; optimize printing management, set double-sided printing as the default and establish centralized printing points. At the same time, we prioritize the purchase of recycled paper and sustainably certified paper to ensure efficient use of resources. In terms of reducing packaging materials, we adopt lightweight design to reduce the usage of packaging materials; prioritize the use of recyclable, degradable or renewable materials to practice the concept of environmental protection; promote simple packaging, remove unnecessary packaging layers and reduce waste. In addition, we have also reduced the use of packaging auxiliary materials to further reduce environmental impact. By continuously monitoring the consumption of paper and packaging materials, we ensure the maximization of resource use efficiency.

A summary of the Group's paper and packaging material usage for this Year is as follows:

Material Usage Type	Unit	2025 Consumption
Paper		
A4 Paper	Pack	570
A3 Paper	Pack	9
Packaging Materials		
Paper Box	Unit	8,993,100
Plastic Bag	Unit	11,182
Aluminum Film	Unit	4,664

4.3 Environmental and Natural Resource Protection

We continuously regard environmental protection and sustainable development as the core responsibilities of the enterprise. While pursuing technological innovation and product excellence, we always place environmental responsibility at the core, and are committed to reducing the consumption of natural resources and the environmental impact of operations. We actively practice the concept of green development by optimizing production processes, reducing energy consumption, reducing waste emissions and promoting green supply chain management.

We firmly believe that only by shouldering environmental responsibilities can we create long-term value for industry progress and social well-being, achieving harmonious coexistence between the enterprise and nature.

4.4 Climate Change

Today, climate change has become a global focus, and its impact permeating all sectors. As an innovation leader in the field of biological drugs and medical devices, Jiuyuan deeply recognizes the profound impact of climate change on the global ecosystem and human health. While promoting technological innovation and business development, we consistently regard addressing climate change as a core element of the enterprise's sustainable development strategy. Through systematic greenhouse gas emission management, climate adaptation measures and green product innovation, we actively reduce the carbon footprint in the operation process, enhance climate resilience, and promote the low-carbon transformation of the industry.

We strictly adheres to the requirements of Section D "Climate-related Disclosures" of Appendix C2 (ESG Code) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. We have systematically established a climate risk management mechanism around the four core dimensions of governance, strategy, risk management, and indicators and targets. Relying on technological innovation and green R&D, we actively promote our own green transformation, and empower the sustainable development of our users, products and society. By actively addressing climate challenges, we work together to build a more resilient and dynamic sustainable future.

1) Governance

The Group has established ESG governance structure with clear levels and defined responsibilities: the ESG Committee, as the company's ESG supervision and management body, is responsible for supervising and managing our ESG management strategies, policies and performance, and reports to the Board of Directors regularly; the ESG Committee reports to the Board of Directors, and the Committee's proposals are submitted to the Board of Directors for review and decision; the ESG Office is responsible for implementing the ESG Committee's ESG action plans, coordinating the ESG Working Group formed by relevant departments, and jointly implementing specific ESG-related measures; the ESG Working Group is jointly composed of multiple ESG-related functional departments, which is jointly responsible for the specific implementation of relevant policies and goals, promoting the implementation of ESG issues, monitoring the implementation of ESG issues, and regularly collecting, consolidating and submitting the progress performance and cases of ESG issues. The structure comprehensively covers the three dimensions of environment, social and governance, identifies climate change as a core strategic issue, and systematically presents the governance mechanism and practical results in the chapter "ESG Governance Structure".

The ESG Committee provides ESG-related training and materials to the Board of Directors. The activities focus on enhancing and updating the directors' understanding of industry trends. Activities include: studying regulatory policies and the latest industry information; conducting exchanges with management at all levels and stakeholders; attending expert briefings, seminars and thematic meetings focusing on business development and directors' responsibilities.

2) Strategy

The Group attaches great importance to the physical and long-term risks posed by climate change, and integrates them into the core elements of corporate strategy and operational management. We conduct a comprehensive corporate risk assessment at least once a year, covering strategic risks arising from disruptive forces such as climate change. We continuously monitor changes in the external environment, dynamically review and update the climate strategy. We have identified a series of climate-related risks and opportunities with significant financial impacts, and formulated targeted response measures to mitigate their negative effects. We conduct an in-depth assessment of their direct or indirect impact on the company's finances from three dimensions: short-term (within 3 years), medium-term (3-5 years) and long-term (more than 5 years). At present, we have identified a total of 6 climate risks (including 4 transition risks and 2 physical risks) and 2 climate opportunities, aiming to proactively seize the opportunities of green transformation and contribute to building a more climate-resilient community and society.

Climate Risk Assessment:

Risk Type	Impact Period	Impact on the Group	Potential Financial Impact	Response Measures
Physical Risks				
Acute Risks	Short-term	Power and water outages caused by natural disasters or extreme weather events such as typhoons, floods, and droughts, leading to interruptions in daily operations, supply chain disruptions, biological sample failure, data loss, and posing threats to employee safety.	Increased operating costs; increased employee insurance and compensation costs; reduced sales revenue due to business interruption.	The Group continuously monitors relevant weather warnings issued by the meteorological bureau, activates the emergency plan management system when natural disasters or extreme weather occur, and requires employees to evacuate in a timely manner; communicates heatstroke prevention knowledge to employees and provides high-temperature allowances during high summer temperatures; regularly inspects the environment of offices and warehouses, and conducts safety hazard investigations on the safe use of water and electricity. Equipped with Uninterruptible Power Supply (UPS), signed maintenance agreements with equipment suppliers for timely equipment maintenance. Key strains and cell lines have off-site backups. Data is stored on servers, and virtualized cloud desktops are used on daily office computers to ensure data security.

Risk Type	Impact Period	Impact on the Group	Potential Financial Impact	Response Measures
Chronic Risks	Long-term	Chronic changes such as glacial melting and sea level rise caused by global warming, which will affect the future product output and product storage and transportation.	Increased logistics and storage costs; increased financing costs.	Continuously monitor the global warming situation, and improve the working environment of employees, product transportation environment and warehouse storage environment.
Transition Risks				
Policy and Regulatory Risks	Medium-term to Long-term	Increased regulatory requirements in the pharmaceutical industry, introduction of policies related to energy conservation and emission reduction, more stringent compliance requirements and emission information disclosure obligations.	Increased compliance capital expenditure and operating costs; increased R&D and registration costs.	Strengthen communication and collaborations with regulatory authorities and institutions, timely understand and strictly adhere to changes in relevant regulatory laws and regulations to ensure compliance in operations; continuously monitor regulatory and policy developments related to sustainable development and climate change, and will disclose any compliance progress in subsequent reports; continue to promote energy conservation and consumption reduction measures to reduce greenhouse gas emissions.
Technology Risks	Medium-term	Market expectations for cleaner and more environmentally friendly products, or the Group's products being completely replaced by new technology products.	Reduced sales revenue: impairment of assets invested in R&D.	Continuously encourage R&D and innovation, track new market trends and the emergence of new product technologies, and extensively attract talents.
Market Risks	Long-term	As the market places increasing emphasis on green products, the emergence of greener alternatives reduces the market competitiveness of the Group's products; at the same time, the value of resources such as electricity, fuel, and water fluctuates under the impact of climate change.	Fluctuations in production costs; reduced sales revenue.	Continuously encourage R&D and innovation, explore green procurement, use green technologies to produce green products, and maintain core competitiveness through high=level technological capabilities and years of professional manufacturing expertise; strengthen the promotion and management of energy conservation and emission reduction, prioritize the use of energy-saving equipment, and reduce unnecessary energy consumption.

Risk Type	Impact Period	Impact on the Group	Potential Financial Impact	Response Measures
Reputational Risks	Long-term	Customers or communities holds negative perceptions and evaluation of high-carbon emission enterprises, thus refrain from investing in or purchasing the enterprise's products, thereby affecting profitability and market share.	Increased financing costs; reduced sales revenue; increased labor costs.	Monitor the disclosure requirements related to sustainable development and climate change, and optimize external communication channels for corporate social responsibility on the basis of compliance; continuously implement measures to reduce carbon emissions, disclose and communicate the Group's ESG contributions to the society, and advocate carbon reduction actions; actively fulfill corporate social responsibility and further enhance the brand image.

Climate-related Opportunities:

Opportunity Type		Opportunity Description	Impact Period	Response Measures	Estimated Financial Impact
Energy and Resources	Resource Efficiency	Biopharmaceutical production processes are energy-intensive, with high demand for water resources and clean steam. The application of digital, intelligent, and low-carbon technologies can significantly improve resource utilization efficiency and process stability.	Short-term to to medium-term	Promote the construction of an Energy Management System (EMS) in GMP workshops, integrating AI-driven process parameter optimization, waste heat recovery, intelligent regulation of purified water systems, and clean HVAC load forecasting; simultaneously promote the pilot application of solar photovoltaic + energy storage microgrids at production bases.	Reduction in operating costs; decrease in comprehensive energy consumption per unit of output.
Products and Services	Shift in Consumer Preferences	Global healthcare institutions and payers are increasingly focusing on the carbon footprint of the entire treatment cycle. Green clinical pathways, low-carbon packaging, and sustainable supply chains are becoming new procurement standards.	Medium-term to long-term	Accelerate the development of the "Low-Carbon Biologics" series (e.g., room-temperature stable formulations to reduce cold chain dependence), promote biodegradable/recycled material packaging, and build a transparent carbon labeling system; collaborate with hospitals on "Green Medication Pathway" clinical cooperation projects to strengthen the ESG-oriented product value proposition.	Increase in market share; enhanced premium pricing capability for of high-end products; increased contribution from new green procurement orders.

3) Risk Management

The Group's Board of Directors and ESG Committee continuously supervise the climate-related risk management mechanism and embed it into daily governance and standard operating processes to ensure that relevant response measures are timely evaluated and implemented in regular management reviews. The management is responsible for fully implementing ESG policies in daily operations, focusing particularly on the identification, assessment and control of climate issues and their associated risks, and effectively ensuring the effective implementation of various risk mitigation measures. For the specific framework and implementation details of the Group's risk management, please refer to the chapter "Internal Control and Risk Management" in this report.

We have systematically incorporated climate factors into the Group's overall risk assessment system and risk appetite setting, ensuring that climate-related risks and opportunities are fully considered in key decision-making processes such as strategic strategies and financial planning. We conduct special assessments of environmental, social and climate-related risks, review the effectiveness of responses, identify important ESG issues, and dynamically optimize ESG strategic goals and implementation pathways accordingly. By continuously improving climate risk management capabilities, we will constantly enhance the Group's resilience and adaptability to climate change, accelerate the process of green and low-carbon transformation, and actively contribute to achieving carbon neutrality goals.

4) Indicators and Targets

In response to the goals of the Paris Agreement and China's "3060" dual carbon strategy, the Group has set clear and quantifiable climate-related targets. In advancing the transition to a green economy, we not only continuously strengthen hard targets such as energy conservation and emission reduction but also place great emphasis on cultivating and enhancing key "soft skills" like employees' environmental awareness and capabilities. Through the systematic implementation of energy conservation and emission reduction measures and green office actions, we effectively reduce the carbon emission intensity in the operation process.

At the same time, the Group has established a comprehensive and effective environmental target monitoring mechanism to regularly track and evaluate the progress of key environmental performance indicators. At present, climate factors have not been incorporated into the salary incentive system, nor have internal carbon pricing been implemented. In the future, we will closely track industry trends and policy evolution, cautiously explore the applicable pathway of internal carbon pricing, continuously optimize the carbon management system, and unswervingly promote green, low-carbon and high-quality development.

In terms of resource and energy management, the Group has continued to advance refined operations and sustainable development practices. Regarding water use, the Group's water intensity in 2025 was 153.98 metric tons per million RMB of revenue, representing a year-on-year decrease of 1%, which met the annual water conservation target set for last year as scheduled. For 2026, the Group has set a new target to further reduce water intensity by 1%. It will continue to strengthen the full-process refined management of water use in laboratories, production facilities and office premises, promote the upgrading of water-saving technologies and enhance employees' awareness of water conservation, to effectively improve water use efficiency and the initiative of all employees.

In terms of greenhouse gas emissions, the emission intensity in 2025 was 15.06 metric tons of CO_2 equivalent per million RMB of revenue, mainly due to the significant growth in the output of core products. The Group expects emission intensity to remain stable in 2026. It will focus on emission reduction at the operational and production levels and prioritize optimizing the structure of purchased electricity (Scope 1 and Scope 2), thereby accelerating energy efficiency improvement and green power substitution.

For electricity management, electricity intensity in 2025 was 15.04 MWh per million RMB of revenue, also driven by rising energy demand from capacity expansion. The 2026 target is to keep electricity intensity flat, and energy conservation and consumption reduction will be systematically promoted through three measures: first, strengthen refined management of office electricity use and encourage all employees to participate in energy-saving initiatives; second, conduct regular maintenance and energy efficiency optimization of high-energy-consumption equipment; third, strictly control non-essential power consumption, eliminate waste, and comprehensively improve the quality and efficiency of energy use.

Regarding waste discharge, the Group's hazardous waste emission intensity was 0.03 metric tons per million RMB of revenue in 2025, mainly due to the batch scrapping of reagent bottles printed with the former company name after the Group's name change, as they could no longer be used. The non-hazardous waste emission intensity remained flat compared with the previous year. The Group expects both hazardous and non-hazardous waste emission intensities to remain stable in 2026. It will further reduce the total volume of waste discharge through source reduction, enhanced recycling, improved resource utilization efficiency, and reduced landfill disposal.

From the perspective of paper management, paper consumption decreased by 3% year-on-year in 2025, reflecting the continuous effectiveness of the paperless transformation. Going forward, the Group will further develop its digital office system, reduce printing and paper-based document circulation, expand the application of electronic signatures, online approval and digital archiving, thereby advancing green office to a deeper level.

The annual consumption of cartons this year was approximately 8.99 million units, primarily influenced by two factors: first, a significant increase in the output of core products, which drove up the demand for packaging; and second, following the company's name change, existing packaging cartons printed with the former name became unusable, resulting in batch disposal. In comparison, the consumption of plastic bags and aluminum films was relatively low. The 2026 target is to maintain carton usage at the current year's level. The Group will continue to reduce carton consumption and resource waste, and improve resource efficiency while ensuring the compliance of pharmaceutical storage, transportation and quality by optimizing packaging specifications, streamlining redundant designs, promoting the use of reusable turnover equipment, strengthening quota-based management for material usage, and collaborating with suppliers to simplify incoming material packaging, so as to support green and low-carbon development.

5. SOCIAL RESPONSIBILITY AND WELL-BEING

The Group strictly adheres to laws and regulations such as the *Charity Law of the People's Republic of China and the Public Welfare Donation Law of the People's Republic of China*, deeply integrates corporate social responsibility into its strategic development, and pursues practical innovation and continuous efforts in two major areas: public welfare initiatives and university-enterprise collaboration. On the one hand, the Group focuses on key livelihood areas such as rural revitalization and emergency disaster relief, implementing precise and sustainable public welfare initiatives that demonstrate corporate care and responsibility; on the other hand, it deepens the full-chain cooperation with leading universities in talent development, scientific research collaboration, internships, and the industry-academia integration, facilitating the seamless connection of the education, talent, industry and innovation chains.

5.1 Corporate Social Responsibility

We strictly complies with relevant laws and regulations to ensure that the entire process of social responsibility and public welfare practice is legal and compliant. In fulfilling corporate social responsibility, we focus on two major areas: rural revitalization and emergency disaster relief. It carries out targeted and sustainable public welfare donations and support actions, effectively contributing to improving livelihoods, rebuilding communities and promoting grassroots development. We continuously uphold a pragmatic approach, demonstrating corporate responsibility through concrete actions, and continuously creating tangible value for society.

Case – Donation for Rural Revitalization

To thoroughly implement the work arrangement of counterpart support under the "Tang-Tang Cooperation", the company actively fulfills its corporate social responsibility and has established an "enterprise-village pairing" assistance mechanism with Yemu Village, Jiaowu Town, Litang County, Sichuan Province. In 2025, the Group made a targeted donation of RMB10,000, specifically used to support underprivileged local university students and provide medical assistance to villagers suffering from chronic and major diseases, effectively alleviating their difficulties and contributing to the improvement of rural livelihoods and sustainable development.

Case – Donation to Hong Kong Wang Fuk Court

On November 26, 2025, a severe fire broke out suddenly at Wang Fuk Court, a housing estate in Tai Po, New Territories, Hong Kong, causing casualties and property losses. After the disaster, the Group immediately initiated an emergency response and donated RMB300,000 specifically for relief efforts such as on-site rescue, temporary resettlement of disaster-affected people, living support and subsequent psychological assistance, supporting the disaster-stricken area in overcoming difficulties and rebuilding communities.

5.2 University-Enterprise Collaboration and Exchange

The Group actively promotes university-enterprise collaboration and has participated in various high-quality university-enterprise exchange activities, further deepening the strategic collaborative relationship with universities. This not only provides us with high-quality talents, but also promotes technological innovation. Through in-depth collaboration and exchange with university faculty and students, we jointly explore cutting-edge industry technologies, promote deep integration of industry, academia, and research, injecting new vitality into the Group's development. At the same time, our efforts in employee care and corporate culture development have also been recognized. These activities and achievements have not only strengthened our exchange and collaboration within the industry, but also laid a solid foundation for our future sustainable development.

In the Year, the Group continued to deepen the university-enterprise collaborative talent development mechanism, and engaged in in-depth collaboration with universities such as Hangzhou Vocational and Technical College, China Pharmaceutical University, Zhejiang University of Technology, and China Jiliang University in fields such as talent development, research cooperation and internship programs. In April, a special spring recruitment program was held in the College of Ecological Health of Hangzhou Vocational and Technical College, focusing engagement biomedical graduates; in July, new students from Zhejiang University of Technology were invited to visit Jiuyuan's R&D Center for an immersive first-hand workplace experience; in November, more than 60 teachers and students from China Jiliang University were hosted, offering a specialized internship course on R&D processes and career development around the "Mentor-Mentee Program"; in December, the Group attended the "Alumni and Best Employers Forum" of the Zhejiang Alumni Association of China Pharmaceutical University to jointly explore new pathways for the integration of industry, academia, and research. A series of practical initiatives have significantly enhanced the Group's employer brand, achieved tangible results in talent acquisition, technology collaboration and innovation incubation, and promoted smooth connectivity across the education, talent, industry, and innovation chains.

2025 Group University-Enterprise Collaborative and Exchange Activities

APPENDIX

HKEX Appendix C2 Environmental, Social and Governance Reporting Code Content Index

Indicators	Requirements of the HKEX ESG Reporting Code	Section/Remarks
Governance Structure		
General Disclosure	A statement from the board containing the following elements:	
	(i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Board Statement ESG Governance Structure
Reporting Principles		
General Disclosure	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	Compilation Basis
Reporting Boundary		
General Disclosure	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Reporting Period and Scope

Indicators	Requirements of the HKEX ESG Reporting Code	Section/Remarks
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 emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. *Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.*	4.1 Emissions Management
KPI A1.1	The types of emissions and respective emissions data.	4.1 Emissions Management
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.1 Emissions Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.1 Emissions Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Indicators and Targets
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	4.1 Emissions Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. *Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.*	4.2 Resource Utilization
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in'000s) and intensity (e.g. per unit of production volume, per facility).	4.2 Resource Utilization
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.2 Resource Utilization
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Indicators and Targets

Indicators	Requirements of the HKEX ESG Reporting Code	Section/Remarks
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	4.2 Resource Utilization Indicators and Targets
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	4.2 Resource Utilization
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	4.2 Resource Utilization
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4.2 Resource Utilization
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 compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	3.1 Employee Rights and Interests Protection
KPI B1.1	Total workforce by gender, employment type (for example, full – or parttime), age group and geographical region.	3.1 Employee Rights and Interests Protection
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	3.1 Employee Rights and Interests Protection
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 providing a safe working environment and protecting employees from occupational hazards.	3.2 Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.2 Occupational Health and Safety

Indicators	Requirements of the HKEX ESG Reporting Code	Section/Remarks
KPI B2.2	Lost days due to work injury.	3.2 Occupational Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.2 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. *Note: Training refers to vocational training. It may include internal and external courses paid by the employer.*	3.3 Employee Growth and Promotion
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	3.3 Employee Growth and Promotion
KPI B3.2	The average training hours completed per employee by gender and employee category.	3.3 Employee Growth and Promotion
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 (c) relating to preventing child and forced labour.	3.1 Employee Rights and Interests Protection
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	3.1 Employee Rights and Interests Protection
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	3.1 Employee Rights and Interests Protection
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	2.4 Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	2.4 Supply Chain Management
KPI 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.	2.4 Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	2.4 Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	2.4 Supply Chain Management

Indicators	Requirements of the HKEX ESG Reporting Code	Section/Remarks
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 health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	2.2 Product Quality Control 2.3 Customer Complaint Management 1.4 Business Confidentiality and Privacy Protection
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	2.3 Customer Complaint Management
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	2.3 Customer Complaint Management
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.1 R&D Innovation and Intellectual Property Protection
KPI B6.4	Description of quality assurance process and recall procedures.	2.2 Product Quality Control 2.3 Customer Complaint Management
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	1.4 Business Confidentiality and Privacy Protection
Aspect B7: Anticorruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	1.2 Commercial Compliance Management
KPI 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.	1.2 Commercial Compliance Management
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.2 Commercial Compliance Management
KPI B7.3	Description of anti-corruption training provided to directors and staff.	1.2 Commercial Compliance Management

Indicators	Requirements of the HKEX ESG Reporting Code	Section/Remarks
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 the communities' interests.	5.1 Corporate Social Responsibility
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	5.1 Corporate Social Responsibility 5.2 University-Enterprise Collaboration and Exchange
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	5.1 Corporate Social Responsibility
D. Climate-related Disclosures		
Governance	19 (a). An issuer shall disclose the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies	4.4 Climate Change

Indicators	Requirements of the HKEX ESG Reporting Code	Section/Remarks
	19 (b). An issuer shall disclose the management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	4.4 Climate Change
Strategy	20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall: (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making	4.4 Climate Change

Indicators	Requirements of the HKEX ESG Reporting Code	Section/Remarks
	21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose: (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	4.4 Climate Change
	22 (a). An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40;	4.4 Climate Change

Indicators	Requirements of the HKEX ESG Reporting Code	Section/Remarks
	22(b). An issuer shall disclose information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	4.4 Climate Change
	23 An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	4.4 Climate Change
	24 (a). An issuer shall disclose qualitative and quantitative information about how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	4.4 Climate Change
	24 (b). An issuer shall disclose qualitative and quantitative information about the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	4.4 Climate Change
	25 (a). The issuer shall provide qualitative and quantitative disclosures about how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy;	4.4 Climate Change
	25 (b). The issuer shall provide qualitative and quantitative disclosures about how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities. (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	4.4 Climate Change

Indicators	Requirements of the HKEX ESG Reporting Code	Section/Remarks
	26 (a). An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	4.4 Climate Change
	26 (b). An issuer shall disclose how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out.	4.4 Climate Change

Indicators	Requirements of the HKEX ESG Reporting Code	Section/Remarks
Risk Management	27 (a). An issuer shall disclose information about the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period	Risk Management 4.4 Climate Change
	27 (b). An issuer shall disclose information about the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities);	4.4 Climate Change
	27 (c). An issuer shall disclose information about the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	4.4 Climate Change Risk Management
Metrics and Targets	28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	4.1 Emissions Management

Indicators	Requirements of the HKEX ESG Reporting Code	Section/Remarks
	29. An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)	4.1 Emissions Management
	30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	4.4 Climate Change
	31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	4.4 Climate Change
	32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	4.4 Climate Change

Indicators	Requirements of the HKEX ESG Reporting Code	Section/Remarks
	33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	4.4 Climate Change
	34. An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	4.4 Climate Change
	35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	4.4 Climate Change
	36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks	4.4 Climate Change

Indicators	Requirements of the HKEX ESG Reporting Code	Section/Remarks
	37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Indicators and Targets
	38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions	Indicators and Targets
	39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Indicators and Targets

Indicators	Requirements of the HKEX ESG Reporting Code	Section/Remarks
	40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	Indicators and Targets
	41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Indicators and Targets