



友芝友生物制药

WUHAN YZY BIOPHARMA CO., LTD.

2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



CONTENTS

About This Report	01	Appendices	51
Board Statement	02	Key Performance Table	51
About Us	03	Index of <i>Environmental, Social and Governance</i> Code of the Hong Kong Stock Exchange	57



Responsible Operation and Excellent Management

ESG Governance	09
Business Ethics and Anti-corruption	12



Upholding Quality & Safeguarding Health

R&D and Innovation	15
Product Quality and Safety	17
Protection of Subject Rights	23
Protection of Intellectual Property Rights (IPR)	24
Responsible Supply Chain	25
Driving Industry Development	27



Low-Carbon Operations & Green Development

Energy Use	31
Resource Management	32
Emissions Management	33
Responding to Climate Change	35



People-Oriented & Advancing Together

Protection of Employee Rights and Welfare	41
Staff Training and Development	45
Occupational Health and Safety	47
Social Welfare and Inclusive Development	50

About This Report

This report is the third Environmental, Social and Governance (ESG) Report of Wuhan YZY Biopharma Co., Ltd. (hereinafter referred to as the "ESG Report" or "this report"), aiming to fully disclose the Company's ESG management, practices and performance, as a response to the expectations and concerns of all stakeholders.

Reporting Period

This annual report covers the period from January 1, 2025 to December 31, 2025 (hereinafter referred to as "this year"). Certain sections may contain information extending beyond this timeframe.

Reporting Scope

Wuhan YZY Biopharma Co., Ltd.

Compilation Basis

This report has been compiled in accordance with the *Hong Kong Stock Exchange Listing Rules Appendix C2 –Environmental, Social and Governance (ESG) Reporting Code*.

Representation

For clarity and reader convenience, we will interchangeably refer to Wuhan YZY Biopharma Co., Ltd. as "YZYBIO", "the Company", and "we/us" throughout this report.

Data Source

All information presented in this report is drawn from official internal documents, internal statistical data, and relevant public disclosures of the Company. Unless otherwise specified, monetary amounts mentioned herein are denominated in RMB.

Report Access

This report is available in both Traditional Chinese and English versions for readers' reference, and can be accessed electronically on the websites of HKEX (<https://www.hkexnews.hk>) and YZYBIO (<https://www.yzybio.com/>).

Contact Us

We welcome valuable suggestions and feedback from all our stakeholders to continually enhance our performance in terms of sustainability and elevate our ESG management standards. For any inquiries or comments regarding this report and its contents, please feel free to contact us through:

Address: Biolake, C2-1, No. 666 High-tech Avenue, Wuhan, Hubei Province, China

Tel.: 027-82668988

E-mail: info@yzybio.com

Board Statement

Integrating ESG factors into corporate operations and strategic decision-making is a core measure to ensure the Company's long-term sustainable development. The Board of Directors consistently regards ESG as a fundamental element in guiding the Company's growth trajectory. As the supreme decision-making body on ESG matters, the Board of Directors of YZYBIO periodically convenes meetings to review and update the Company's ESG objectives, strategies, and management policies; examine the annual analysis outcomes of material ESG issues and ESG reports, rigorously overseeing the progress of the Company's ESG objectives to ensure effective implementation of relevant policies and plans.

YZYBIO has integrated ESG functions into the scope of duties of the EHS (Environmental, Health and Safety) Committee and EHS Department. The EHS Committee is responsible for conducting regular identification, assessment, and management of ESG-related (including climate change) risks, determining the prioritization of material ESG issues, and reporting to the Board of Directors. This process provides the foundation for the Company's ESG disclosures and strategic management priorities.

This report offers a comprehensive overview of YZYBIO's ESG advancements and achievements throughout 2025, and has been approved by the Board of Directors. Moving forward, we are committed to continuous improvement and collaborative efforts with stakeholders to jointly promote the sustainable development of YZYBIO.

About Us

Company Overview

Founded in 2010, YZYBIO is a biotechnology company dedicated to developing bispecific antibody (BsAb)-based therapies targeting cancer and cancer-associated complications, as well as age-related ophthalmologic diseases, addressing medical needs in the fields of oncology and age-related ophthalmologic diseases. Our mission is to develop innovative drugs to improve the health of human.

YZYBIO was listed on the Main Board of HKEX on September 25, 2023. Stock code: 2496.

Milestones

- 2010

 - The predecessor of the Company, Wuhan YZY Biopharma Limited Company was established
 - The initiation of BsAb platform development
- 2012

 - The initiation of M802 R&D
 - The filing of the PCT patent application "Bispecific antibody" for the protection of the YBODY® platform
- 2013

 - The initiation of M701 R&D
 - The determination of molecule structure of M802 and M701

- 2018

 - M701 received China's second IND approval for self-developed BsAb
 - Established Check-BODY BsAb construction and R&D technological platform
 - Completed Series A Financing and raised an aggregate amount of approximately RMB 157.2 million
 - M802 was granted patent protection in China
 - Established Nano-YBODY bispecific antibody construction and R&D technological platform
 - The CD3 and HER2 dual-target antibodies patent on YBODY® platform was granted authorized protection in U.S.
- 2017

 - Patent protection for our YBODY® platform in U.S. was expanded to cover 35 targets
 - M701 became the second BsAb to file IND application in China
 - M802 obtained NMPA IND approval in China, which is the first IND approval for self-developed BsAb in China
- 2016

 - M802 became the first BsAb to file IND application in China
 - Completed Pre-A Financing and raised an aggregate amount of approximately RMB 50 million
- 2015

 - M701 was selected for the Major Science and Technology Special Project of the 12th Five-Year Plan for "Significant New Drugs Development"
- 2014

 - "Novel Bispecific Antibody Drugs for the Treatment of Tumors Development Project" were selected for the Major Science and Technology Special Project of the 12th Five-Year Plan for "Significant New Drugs Development"

- 2022

 - The Company was converted into a joint stock limited company with its name changed to "Wuhan YZY Biopharma Co., Ltd."
 - Obtained IND approval for a Phase Ib/II clinical trial of M701 for the treatment of MPE in China
 - Entered into asset transfer agreement with CMS Vision for Y400
 - Completed Series C Financing and raised an aggregate amount of approximately RMB 200 million
- 2021

 - Completed Series B Financing and raised an aggregate amount of approximately RMB 168.7 million
 - Y101D obtained FDA IND approval in U.S.
 - Completed Series B+ Financing and raised an aggregate amount of approximately RMB 20 million
 - Y101D obtained NMPA IND approval in China
 - Completed Series B++ Financing and raised an aggregate amount of approximately RMB 73.5 million
 - Y2019 obtained NMPA IND approval in China
 - Initiated a Phase II clinical trial for M701 in combination with systematic treatment for MA in China
- 2020

 - The establishment of the UVAX® platform
 - Y150 obtained FDA IND approval in U.S.
- 2019

 - PCT patent application for the protection of our Check-Body Platform was filed
 - M802 obtained FDA IND approval in U.S.
 - M701 obtained FDA IND approval in U.S.
- 2022

 - Obtained the IND approval for a Phase Ib/II clinical trial of Y101D in combination with gemcitabine and albumin paclitaxel as the first-line treatment for pancreatic cancer patients in China
 - Obtained the IND approval for a Phase Ib/II clinical trial of Y101D in combination with bevacizumab in treating HCC and other advanced solid tumors in China
- 2023

 - Y332 obtained NMPA IND approval in China
 - Y400 obtained NMPA IND approval in China
 - Listed on the Main Board of HKEX. Stock: 2496
 - Completed the M701MPE Phase Ib clinical trial
 - Completed enrollment for the Y101D Phase II clinical trial for pancreatic cancer
 - Obtained recognition as a High-tech Enterprise
- 2024

 - M701 was approved to proceed to Phase III clinical trials for the treatment of malignant ascites
 - M701 treatment for malignant pleural effusion advanced to Phase II clinical trials
 - A transaction worth a total of RMB 315 million was agreed upon with CHIATAI TIANQING for the domestic rights of M701
 - The project on key technological innovation and clinical application of immunotherapy for non-small cell lung cancer received the First Prize of the National Science and Technology Progress Award
- 2025

 - Co-established Antibody Drug Development and Achievement Transformation Center with Hubei Jiangxia Laboratory
 - Y225 obtained Chinese patent granted protection
 - Y225 obtained NMPA IND approval in China
 - M701 Phase II interim study data presented at ESMO Congress 2025
 - M701 Phase II clinical results published in renowned international journal EHO

Products

YZYBIO has been dedicated to the treatment of cancer and autoimmune diseases, focusing on the innovative research and development of bispecific antibodies, such as T-cell engagers (e.g., M701) and antibodies targeting the tumor microenvironment (e.g., Y101D, Y332). Leveraging its proprietary platforms such as YBODY®, Check-BODY, and Nano-YBODY™, the Company has established a pipeline of four clinical-stage candidate drugs. Additionally, the Y225 pipeline received IND approval on December 23, 2025.

YZYBIO possesses two key products, M701 and Y101D. M701 is a recombinant BsAb targeting human cancer cell surface antigen EpCAM and human T cell surface antigen CD3, primarily used for the treatment of MA and MPE (a severe complication of cancer, characterized by the accumulation of fluid in the abdominal or pleural cavity of cancer patients). M701 is currently in Phase III clinical trials, with the first patient enrolled in March 2024. Y101D is a recombinant humanized BsAb targeting PD-L1 and TGF-β and is now undergoing Phase Ib/II clinical trials for the treatment of advanced/metastatic pancreatic cancer with Y101D combination therapy.

Honors



September 2025: Awarded "Huayi Ranking • 2025 China Biopharmaceutical Innovation Value List: Top 10 Most Promising Biopharmaceutical Enterprises"



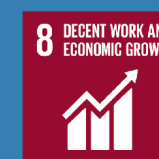
01

Responsible Operation and Excellent Management



YZYBIO consistently upholds sustainable development, ensuring the Company's long-term and steady growth through robust corporate governance practices. We continuously optimize the ESG management framework, proactively engage with stakeholders to facilitate the orderly advancement of sustainably initiatives. In daily operations, we prioritize risk compliance management and business ethics, consistently improve our compliance management mechanisms, and staunchly combat corruption and fraud, to ensure the stable development of the enterprise as a whole.

Contributions to SDGs



ESG Governance

YZYBIO continuously promotes the deep integration of ESG concepts with company operations and strategic decision-making to drive sustainable and high-quality development. The Board of Directors, as the supreme decision-making body for the Company's ESG governance, is responsible for approving the Company's ESG objectives, strategies, and management policies. It also examines the annual analysis outcomes of material ESG issues and ESG reports, while overseeing the progress of the Company's ESG objectives.

The Company has established an EHS Committee, responsible for identifying, assessing and managing risks related to ESG. This committee determines the prioritization of ESG issues, prepares the annual ESG report, formulates ESG objectives, strategies, and management policies, and promotes the execution of related measures. The committee also reports to the Board regularly. The Company's full-time safety management personnel, members of the EHS Committee, and department heads constitute the execution team for the Company's ESG, responsible for advancing and implementing the ESG.

As the Company grows, we will continue to refine our ESG governance structure, enhance communication and collaboration with stakeholders and perfect our ESG institutional framework to promote long-term healthy development of the Company.

Stakeholder Communication

We pay close attention to the expectations and demands of our stakeholders, actively listening to internal and external voices through diversified channels. The Company has established regular communication mechanisms with government and regulatory agencies, shareholders and investors, customers and patients, suppliers and partners, and the community members, systematically collecting and comprehensively addressing concerns to ensure effective responses to core demands.

Stakeholders	Expectations and Demands	Communication and Response
 Government / Regulatory Agencies	- Product quality and safety - Compliance operation - Business ethics and anti-corruption - Emissions management	- Regulatory reporting and approval compliance - Meeting convention and field research - Compliance disclosure - Strictly implement environmental management requirements
 Shareholders / Investors	- R&D and innovation - Corporate governance - Risk management	- Increase R&D investment - Hold regular shareholder meetings - Compliance disclosure
 Customers / Patients	- Product quality and safety - Customer privacy protection - Universal healthcare	- Strengthen quality control - Improve privacy protection systems - Establish official complaint channels
 Employees	- Employee rights and benefits - Occupational health and safety - Employee training and development	- Organize employee activities - Emphasize communication with employees - Provide training for employees
 Community Public	- R&D and innovation - Community welfare - Universal healthcare	- Increase R&D investment - Participate in public welfare activities - Focus on unmet medical needs
 Suppliers / Partners	- R&D and innovation - Responsible supply chain - Business ethics and anti-corruption	- Academic conferences and industry forums - Conduct strategic collaboration - Standardize procurement process

Material Issues

To further clarify the Company's key ESG issues and enhance the relevance and responsiveness of this report, we have conducted a materiality assessment.

01

Issue Identification



Based on national policy orientation, industry trends, and the Company's current business reality—where all pipelines are in clinical trial or preclinical research phase, with no large-scale production or commercial sales yet—YZYBIO identified 21 ESG material issues through peer benchmarking and internal analysis.

02

Issue Research



We systematically collected and integrated stakeholders' evaluations on issue materiality through a questionnaire survey targeting internal and external stakeholders in 2024, establishing a data foundation for subsequent analysis.

03

Issue Prioritization



We assessed and positioned each issue across two dimensions: "importance to YZYBIO's development" and "importance to YZYBIO's stakeholders", creating the 2025 ESG Materiality Matrix to clearly visualize priority distribution.

04

Issue Review



Following preliminary prioritization, external expert evaluations and leadership review led to the final identification of 7 high-materiality issues, which are specifically disclosed and addressed in this report.

2025 ESG Materiality Matrix of YZYBIO



Issues of High Importance

- 1 Product quality and safety
 - 2 Compliance employment
 - 3 Compliance operation
 - 4 Intellectual property protection
 - 5 Emissions management
 - 6 R&D and innovation
 - 7 Occupational health and safety

Issues of Medium Importance

- | | | | | |
|--------------------------------|---------------------------------------|--------------------------------------|------------------------------------|-------------------------|
| 8 Risk management | 9 Business ethics and anti-corruption | 10 Employee rights and benefits | 11 Employee equality and diversity | 12 Corporate governance |
| 13 Water resource management | 14 Industry advancement | 15 Employee training and development | 16 Universal healthcare | 17 Energy use |
| 18 Customer privacy protection | | | | |

Issues of General Importance

- 19 Community welfare 20 Response to climate change 21 Responsible supply chain

Business Ethics and Anti-corruption

YZYBIO values the cultivation of business ethics and integrity culture, committing to fostering an atmosphere of honesty and compliance. We require employees to sign the *Letter of Commitment on Engaging* and the *Acknowledgment of Serious Violations of Work Discipline or Company Regulations*, and continuously conduct awareness campaigns on the *Anti-Fraud, Anti-Bribery, Anti-Money Laundering, and Anti-Sanctions Management System* for all employees to enhance their understanding and recognition of business ethics and anti-corruption systems, ensuring compliant behavior and effectively safeguarding corporate reputation as well as the legitimate rights and interests of stakeholders including shareholders.

Meanwhile, the Company comprehensively strengthens all employees' compliance awareness and creates a clean and upright internal environment through holding meetings on compliance management and conducting compliance case training.

Reporting Mechanism

YZYBIO consistently maintains zero-tolerance towards corruption. To effectively prevent fraud risks, the Company has established the *Improper Conduct Reporting and Investigation Management System* to facilitate open communication channels for whistleblowers. Both company employees and external stakeholders can report fraudulence involving the Company and its personnel through hotlines, email, letters, etc., including complaints or reports about breaches of professional ethics.

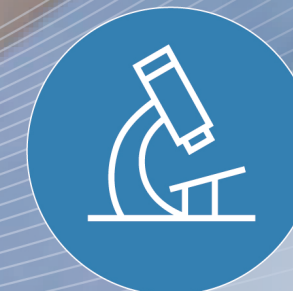
Upon receiving a report, the Strategic Development Department notifies the department head or relevant personnel to convene a special meeting to decide on further investigation. Employees confirmed to have engaged in fraudulent activities will face corresponding administrative disciplinary actions. Those whose actions violate criminal law will be transferred to judicial authorities for legal proceedings.

We have established a whistleblower protection mechanism to firmly safeguard their legitimate rights and interests. The Company strictly prohibits any illegal discrimination or retaliation, and is strictly prohibited from taking hostile measures against employees participated in investigations. Individuals who violate regulations by disclosing whistleblower information or retaliating against reporters will face sanctions including dismissal and termination of employment contracts to uphold the fairness of the reporting mechanism.

During the reporting period, no significant corruption-related litigation cases occurred at YZYBIO.

02

Upholding Quality & Safeguarding Health



Adhering to the corporate development purpose of "Tracing the Source of Life, Decrypting Tumors", YZYBIO is dedicated to developing BsAb-based drugs for cancer or cancer-associated complications, as well as age-related ophthalmologic diseases. The Company upholds the quality policy of "Scientific Development, Quality Foremost", ensuring rigorous control over product safety and quality. We protect the trial subjects' privacy, regulate intellectual property rights (IPR) systems, select premium and sustainable quality suppliers, foster industry exchanges and collaborations and contribute to the advancement of the industry.

Contributions to SDGs



R&D and Innovation

Guided by the corporate mission to "Develop Innovative Drugs, Relieve the Harm of Cancer, and Safeguard Human Health", adhering to the fundamental principle of "Clinical Value-Oriented and Patient-Centered", YZYBIO has established an integrated R&D platform. We relentlessly focus on developing innovative technologies and product pipelines to create BsAb-based drugs for cancer or cancer-associated complications, as well as age-related ophthalmologic diseases. The Company actively recruits R&D professionals, continually increases R&D investment, and devises innovative incentive policies to drive the progress of its R&D and innovation endeavors.

R&D Management

During the R&D process, YZYBIO rigorously complies with pertinent laws and regulations as well as industry policies, including the *Biosecurity Law of the People's Republic of China*, the *Regulations on the Management of Human Genetic Resources of the People's Republic of China*, and industry guidelines such as the *General Biosafety Guidelines for Laboratories Handling Pathogenic Microorganisms* and the *Technical Guiding Principles for Preclinical Research on Preventive Vaccines*. We ensure strict management over early-stage R&D projects and laboratory operations.

We have established innovative technology platforms, including an antibody library platform, a humanized antibody development platform, and an antibody high-throughput screening platform, providing a highly efficient and specialized work environment for scientific talents.

By the end of 2025, we had successfully developed 4 clinical candidate drug pipelines and 2 preclinical drug pipelines. Our products encompass 5 new drug varieties that cover a series of validated or innovative therapeutic targets, covering major disease areas: tumor, ophthalmic diseases and autoimmune diseases, etc.

YZYBIO's Pharmaceutical R&D Focus Areas



Tumor

- Immuo-oncology, especially immune checkpoint inhibitors and antigen-presenting cell agonists, contribute to the treatment of cancer as a breakthrough.
- YZYBIO devotes substantial efforts to the research and development of antitumor drugs. Our current pipelines include M701 and Y332.
- We are exploring novel T-cell engager drugs based on our bispecific antibody platform to provide potentially superior therapeutic molecules for patients with relapsed or refractory tumors in later lines of therapy.



Ophthalmic Diseases

- Neovascular Age-related Macular Degeneration (nAMD) and Diabetic Macular Edema (DME) are key therapeutic focus areas for YZYBIO.
- YZYBIO is developing pipeline Y400 targeting nAMD, DME, and other retinal vascular diseases.
- The Company maintains continuous expansion in ophthalmic disease therapeutics through novel target antibody discovery.



Autoimmune Diseases

- Ulcerative Colitis (UC) represents one of YZYBIO's strategic therapeutic domains.
- YZYBIO is advancing pipeline Y232 for Ulcerative Colitis.
- Ongoing development of novel target antibodies and screening of bispecific antibody drug molecules may enable more effective disease progression control, extend dosing intervals, and improve patient compliance.

R&D Team

The Company's R&D center comprises 23 members, including 4 PhD holders. YZYBIO has received official approval from the Ministry of Human Resources of the People's Republic of China and the National Administrative Committee of Postdoctoral Researchers to establish a postdoctoral scientific research workstation. In 2025, to attract and cultivate high-level talents, we partnered with universities and recruited eight joint-training interns. We also actively promoted the introduction of postdoctoral talents.

YZYBIO encourages its R&D staff to engage in innovative research and offers competitive remuneration packages and career advancement opportunities. We have formulated and upgraded the *R&D Project Management System*, implementing incentives including R&D achievement awards, clinical development milestone bonuses, drug approval rewards, and patent bonuses. In 2025, our total R&D investment reached approximately RMB 78.2 million. To meet the needs of our R&D team, we organized multiple online and offline scientific literature sharing sessions and technical seminars, creating a platform for researchers to learn from both internal and external peers.

YZYBIO adheres to the principle of "Scientific Development, Quality Foremost" and meticulously follows the regulations of the National Medical Products Administration and international standards such as the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH) Q10 quality management system. We have formulated a quality management system covering aspects such as procurement, process development, product manufacturing, storage, and transportation to ensure stable and controllable product quality.

The Company strictly complies with the *Medicinal Product Administration Law of the People's Republic of China*, the *Vaccine Administration Law of the People's Republic of China*, the *Measures for the Administration of Drug Registration*, the *Provisions for the Supervision and Administration of Drug Manufacturing*, and the *Pharmacopoeia of the People's Republic of China* (2025 Edition). We also comply with various GxP requirements (including but not limited to GMP, GCP, GVP), and ICH guidelines to maintain high-quality standards during drug R&D and production, while implementing drug safety management requirements during clinical trials. The Company has established a quality management system compatible with early-phase clinical drug production and release according to GMP requirements, as well as a commissioned production and testing management system covering key clinical batches, PC batches, and PPQ batches, comprehensively ensuring the quality and safety of clinical drugs and marketed pharmaceuticals.



The diagram illustrates the hierarchy of quality documents in a clinical trial, structured into four levels from top to bottom:

- Level 1:** 1 Master Outline
- Level 2:** 21 Regulatory and Guideline Documents
- Level 3:** 145 Procedure Documents Related to Quality Management
- Level 4:** Various Plans and Reports, Instructions for Use in Clinical Trial Drug Preparation, etc.

Four Levels of Quality Documents



Product Quality Management in Production Processes

YZYBIO implements comprehensive quality control measures throughout the entire production process, covering management documents and operational files concerning 4M1E in the aspect of man, machine, material, method and environment.



Man

- All personnel engaged in the production, inspection, storage, and release management of products subject to GMP requirements must undergo training and obtain certification before being authorized to operate.
- Critical operations related to product manufacturing are performed by one individual and independently verified by another to ensure the accuracy of the operation.
- Retraining programs are designed annually at the job, departmental, and company-wide levels.
- All individuals who directly or indirectly come into contact with products undergo annual health checks.



Machine

- All key production equipment, factory facilities, and devices follow a comprehensive annual calibration plan and undergo regular maintenance.
- Equipment and instruments used for GMP production and inspection must undergo metrology, qualification, or validation to ensure their stability and the accuracy of test results.



Material

- Rigorous qualification checks are conducted when selecting raw material suppliers, with on-site audits performed if necessary.
- Suppliers undergo annual re-evaluation, and all production materials are released for use only after passing inspections in accordance with relevant quality system documents.
- Production raw materials are managed hierarchically according to their intended use, with inspection, release, storage, and usage procedures aligned with the control requirements of different clinical stages. Material records are maintained with clarity and traceability, ensuring consistency among accounts, cards, and physical inventory.



Method

- The production process is rigorously managed in accordance with intermediate process control procedures, SOPs for operations and inspections, process instructions, and batch record requirements.
- Outsourced production service providers are subjected to strict control.



Environment

- Prior to any GMP batch production, clearance is conducted according to relevant management requirements, followed by static environmental monitoring conducted by the Department of Quality.
- Environmental conditions (temperature, humidity, pressure difference, etc.) are continuously recorded during the production process, with dynamic environmental monitoring conducted for key production steps and monitoring results incorporated into the release decision-making process.

Clinical samples are manufactured under GMP conditions, undergoing release inspection to ensure that results meet quality standards and receive approval for release before being used in clinical settings. This process ensures the safety of clinical medication.

Quality Check

YZYBIO has developed multiple analytical techniques for comprehensive characterization research and quality control of its products. Currently, the Company has established over 30 platform analysis methods compliant with both Chinese and U.S. filing requirements. These methods cover physical and chemical analysis, protein content determination, purity and impurity analysis, activity assays, and safety assessments, thereby expediting the product development process. Several platform analysis methods have been validated and applied for product release testing and stability studies, ensuring product quality.

The Department of Analytical and Quality Control of YZYBIO is responsible for establishing and maintaining the Company's quality testing system. This department conducts inspections on R&D samples according to the *Internal Request and Result Reporting Standard Management Procedure* and performs material testing, pilot-scale production testing, and stability testing in accordance with the *Inspection Work Management Procedure*.



2025 Quality Inspection Objectives

- Timeliness rate of material testing **≥95%**
- Accuracy rate of material testing **≥98%**
- Timeliness rate of product testing **≥95%**
- Accuracy rate of product testing **≥98%**
- Release timeliness rate of materials and products: **≥90%**

2025 Performance Against Targets

- Timeliness rate of material testing **100%**
- Accuracy rate of material testing **100%**
- Timeliness rate of product testing **100%**
- Accuracy rate of product testing **100%**
- Release timeliness rate of materials and products **100%**

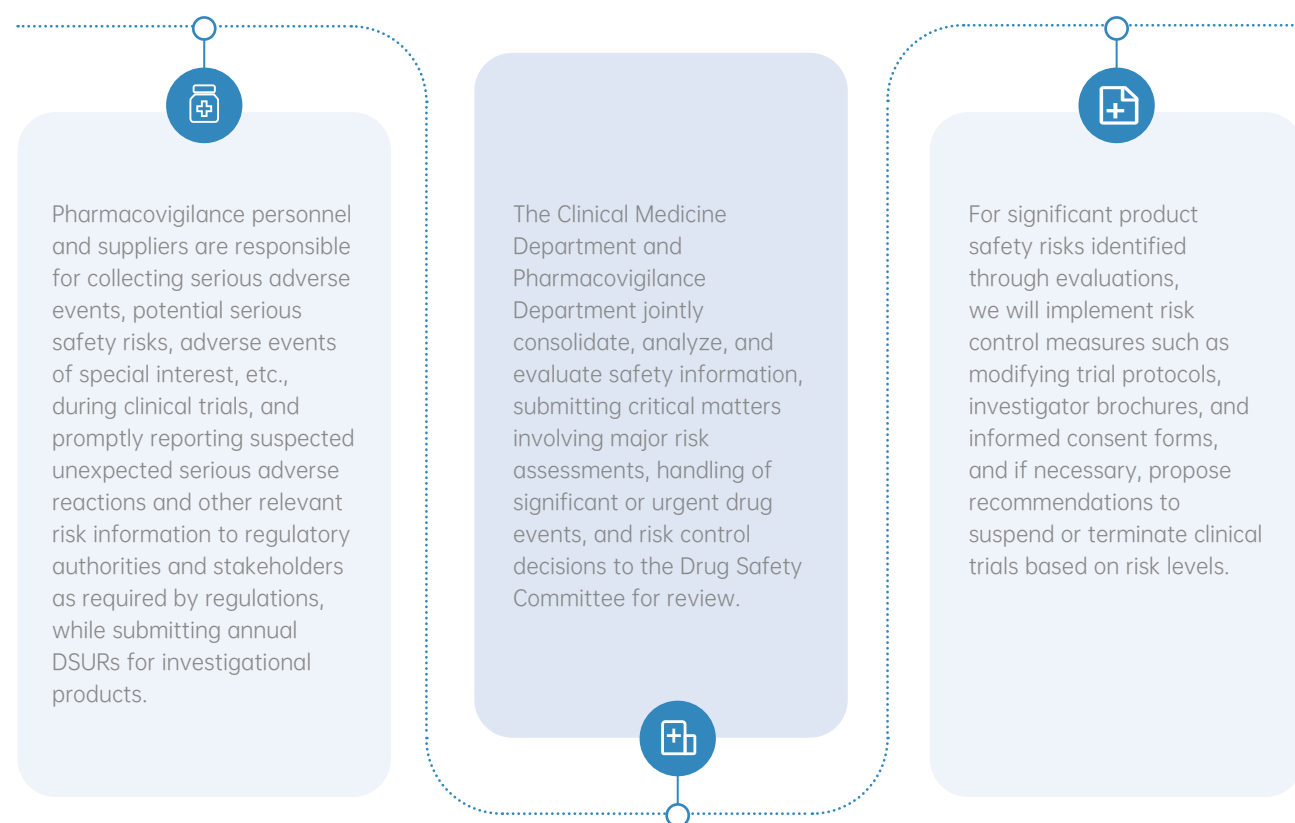
Quality Risk Management

The Company has formulated the *Quality Risk Management* and *Procedures for Quality Risk Management* following ICH, EU, and Chinese regulations. These documents aim to standardize the process of quality risk assessment and clarify staff responsibilities. Quality risk assessments are typically initiated by business requirement departments and conducted in collaboration with QA department and relevant departments to determine risk levels and implement risk control measures, thereby ensuring product quality. The quality risk management process proactively identifies, assesses, monitors and reviews potential quality risks throughout the product life-cycle. This approach enables effective and consistent risk response decisions.

Product Quality Management in Clinical Trial Phase

Quality management in clinical trial phase is crucial for ensuring product safety and efficacy. Compliant with regulations such as the NMPA's *Good Pharmacovigilance Practice* and other laws, the Company has established a series of management procedures and operational documents including *Pharmacovigilance Quality Management*, *Drug Safety Committee Management Procedures*, *Development Safety Update Report (DSUR) Operational Procedures*, and *Operational Procedures for Handling Individual Case Safety Reports During Clinical Trials* to comprehensively standardize pharmacovigilance activities. At the organizational level, we have established a Drug Safety Committee and a Pharmacovigilance Department, appointing a Pharmacovigilance Responsible Person and dedicated pharmacovigilance personnel to manage pharmacovigilance suppliers.

We have established monitoring, analysis, evaluation, and reporting processes for safety information:



To ensure the scientific accuracy, truthfulness, and reliability of clinical trial data and results, the Company comprehensively evaluates the quality risk of clinical trial projects from various dimensions, including the clinical trial stage and the serious adverse events (SAEs). Additionally, the Company selects 30%-40% of research centers to entrust third party to carry out audit of research centers, further mitigating product quality risks through external audits. In 2025, the Company commissioned third parties to conduct 32 audits on two ongoing clinical projects, none of which was found to have serious problem (Major PD).

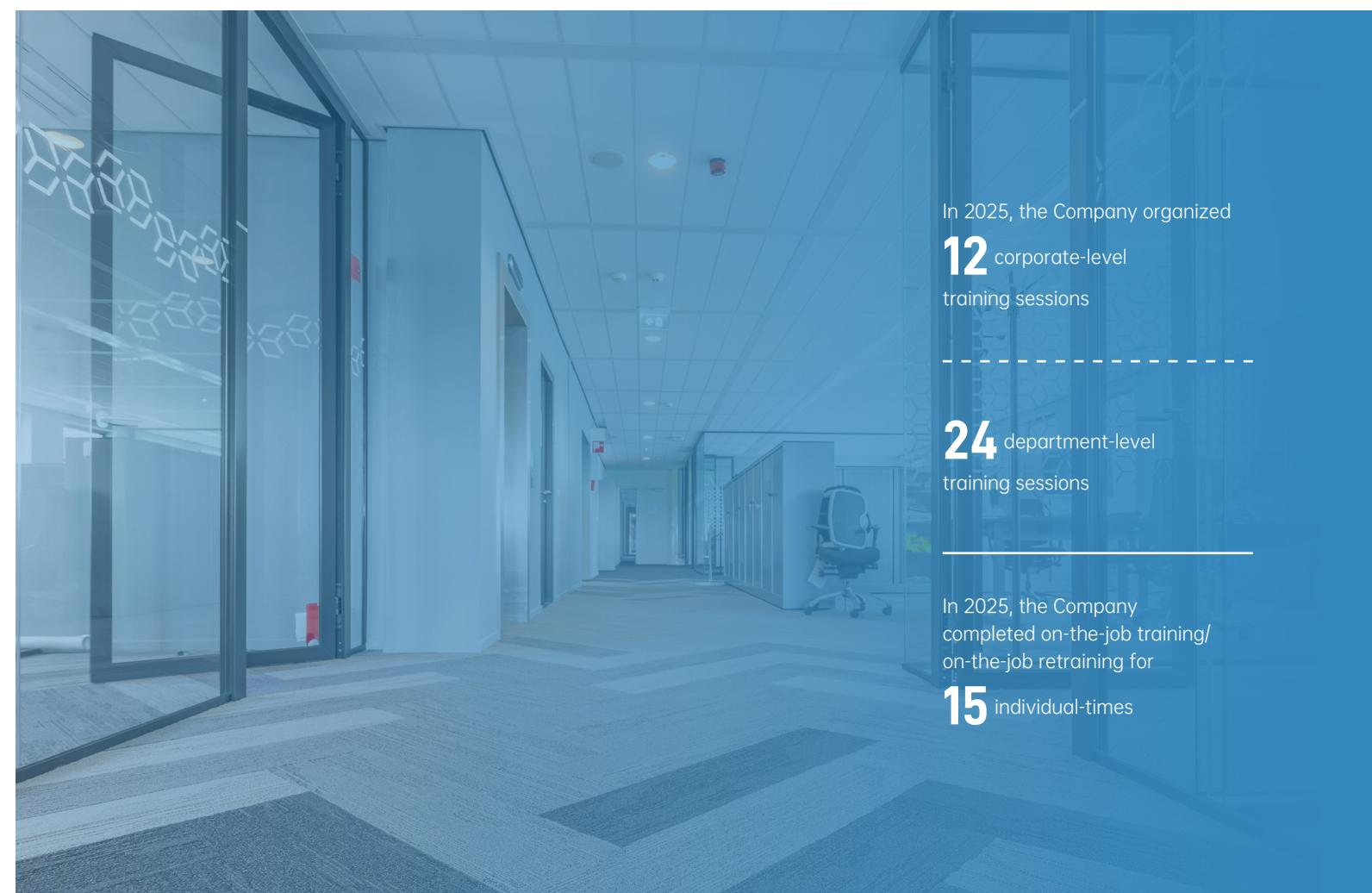
Currently, all of the Company's projects are in the clinical and preclinical stages, with drugs being sent to hospitals for clinical trials. They do not involve large-scale production or sales, as a result eliminating the need for product recalls. Throughout 2025, there were no instances of clinical trial drugs being recalled due to safety and health concerns, nor were there any complaints from trialed subjects.

Quality Training

The Company emphasizes quality training and has formulated the *Procedures for Personnel Training Management* and the *Job Training Matrix*. The employee quality training is categorized into four types: company-level, department-level, position-level, and on-the-job training. We require all personnel related to the drug research, manufacturing, production, and quality to undergo theoretical and practical training tailored to their position's requirements regarding regulations, job responsibilities, and skills, with regular evaluations of the actual training effectiveness.

The Quality Center annually drafts corporate-level training plans and requests anonymous completion of training effect assessment questionnaires by participants after each company-level training session. Except for company-level training, quality-related departments in YZYBIO submit department-level training plans based on actual needs, which are reviewed and implemented in cooperation by the Quality Center. In 2025, the Company organized 12 corporate-level and 24 department-level training sessions, covering all employees under the Company's quality management system.

We customize job-level training according to the knowledge and skills required by GMP positions, ensuring that employee competence aligns with job requirements. New hires, role changing personnel, and additional personnel under the GMP system must complete on-the-job training and obtain an on-the-job certificate before formally starting work. In 2025, the Company completed on-the-job training/on-the-job retraining for 15 individual-times.



Protection of Subject Rights

During the clinical trial phase, the Company strictly adheres to laws, regulations, and international guidelines such as the *Measures for the Ethical Review of Biomedical Research Involving Humans*, the *Guidelines for Ethical Review Work of Drug Clinical Trials*, the *World Medical Association's Declaration of Helsinki*, and the *International Ethical Guidelines for Biomedical Research Involving Human Subjects*. All projects proactively undergo initial review and periodic tracking by the Ethics Committee based on these principles. In the initial review phase, the Ethics Committee comprehensively examines the research proposal and informed consent form, voting to decide whether to approve the project. Throughout the project, the Company regularly reports trial progress to the Ethics Committee, which assesses whether the trial can continue, ensuring the rights and safety of subjects throughout the study process. In 2025, all of the Company's clinical trial projects passed ethical reviews.

Protection of Subject Informed Consent Rights

We ensure that research physicians guide subjects to conduct a comprehensive review of the informed consent form, explaining the trial's purpose, process, potential benefits, risks, and discomforts. This ensures that subjects fully understand trial-related information, voluntarily participate in the clinical trial and sign the informed consent form.

Protection of Subject Privacy

We assign each subject a unique identifier, associating their data while mandating strict confidentiality of subject privacy by employees and research physicians throughout and after the trial process.

Protection of Subject Safety and Health Rights

Our pharmacovigilance system protects the safety and health rights of subjects. For each product, we develop risk management and control plans, collect adverse events during the clinical trial, and periodically review and assess them. This allows us to monitor products' safety risks and risks change. In cases of suspected and unexpected adverse reactions during the trial, the Company promptly reports to regulatory authorities, and notifies researchers, clinical trial centers, and the Ethics Committee to take appropriate measures, ensuring subject safety.

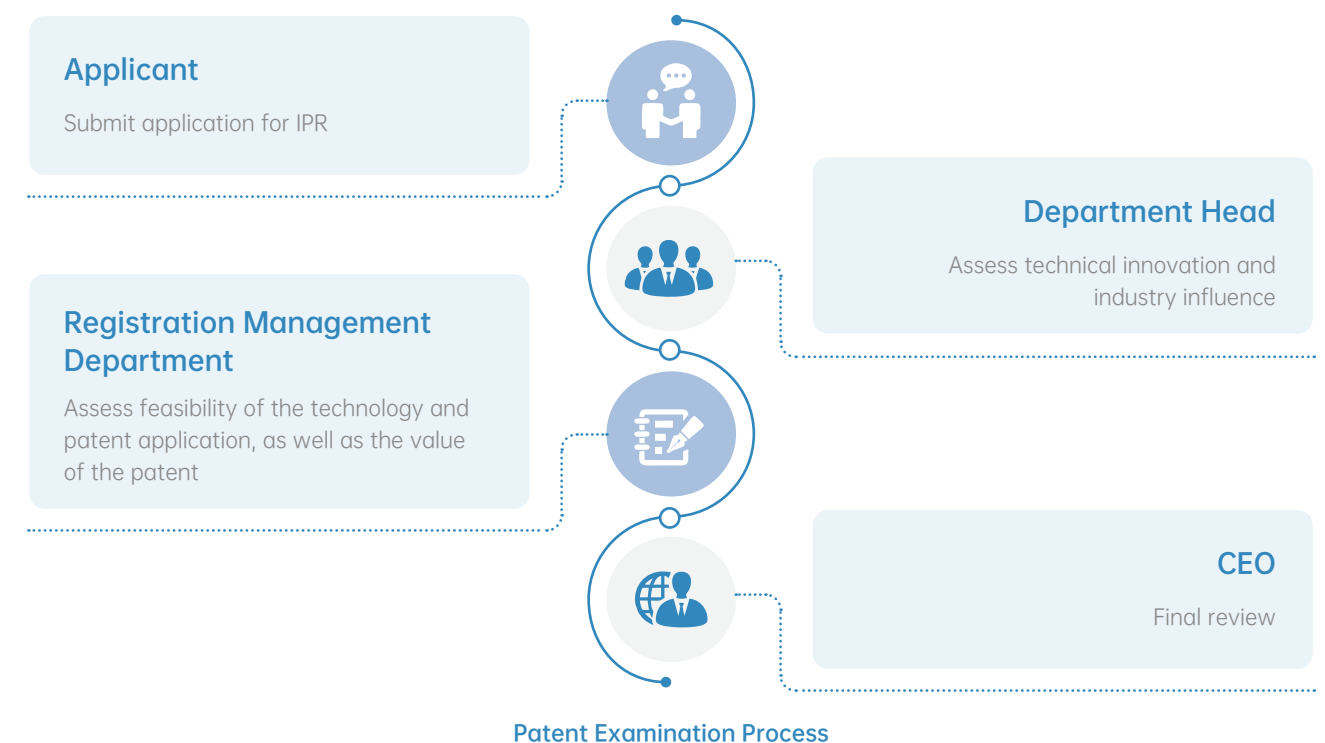
Support for Subjects

Subjects receive complimentary access to trialed drugs, related services, and medical advice from research physicians. Depending on specific circumstances, we provide transportation subsidies for subjects visiting the hospital and additional nutritional subsidies if research-related biological sample collection is involved. Additionally, we procure insurance for clinical trials, assuming responsibility for subjects' treatment costs and providing compensation for damages incurred due to research-related issues.

Protection of Intellectual Property Rights (IPR)

The Company strictly complies with Chinese and international IPR-related laws and regulations applicable to the pharmaceutical industry, including the *Medicinal Product Administration Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, the *United States Patent Act*, the *WIPO Convention*, and the *European Patent Convention*. We have formulated the *Regulation on Intellectual Property Management* to ensure IP compliance, facilitate R&D transformation, and safeguard the Company's IPR.

Internally, we have implemented a standardized patent review process. After applicants submit an intellectual property declaration application, three rounds of review must be conducted by the department head, the registration management department, and the CEO before a patent application can proceed.



Moreover, to mitigate patent infringement risks, the IP specialist in the registration management department conducts patent analyses prior to R&D project initiation, performs patent reviews before engaging in external collaborations and disclosing external information.

We have established OA workflows for patent applications, reward applications, and patent searches, enhancing the Company's patent management work compliance and ensuring comprehensive work record keeping. Additionally, the system supports the creation of a complete and searchable patent archive, improving patent management work quality while strengthening cross-checking and supervisory capabilities within and between departments.

As of the end of 2025, the Company had obtained 44 granted patents, comprising 27 Chinese patents and 17 foreign patents. Additionally, 37 patent applications are under review, including 3 PCT patents, 15 Chinese patents, and 19 foreign patents. In terms of trademarks, the Company has registered 30 trademarks, consisting of 26 Mainland China trademarks, 3 Hong Kong trademarks, and 1 Madrid trademark. Notably, there were no IP litigation cases involving the Company in 2025.

Responsible Supply Chain

YZYBIO strictly abides by national regulations such as the *Good Manufacturing Practices for Pharmaceutical Products* and the *GMP Guidelines for Pharmaceutical Products* as well as *EU GMP* standards. Upholding the principles of openness, safety, greenness, and integrity in procurement, the Company has established the *Supplier Management System* and the *Procedure for Supplier Approval Management*. We continuously refine supplier admission criteria to assist suppliers in enhancing product quality and sustainability capacity, establishing a responsible supply chain management system together.

Supplier Quality and Safety Management

Based on various business requirements, we categorize suppliers into Technical Outsourcing Service Providers and Material & Equipment Procurement Suppliers, developing distinct management processes and standards for each category. Through hierarchical classification management, we rigorously control the quality and safety of all supplier products and services.

For GMP material suppliers that directly impact our production quality, we have put in place a stringent *Material Procurement Management System* to ensure product quality and safety. Moreover, according to our supplier management system requirements, we conduct audits on new suppliers to comprehensively assess whether their quality systems and service capabilities align with our quality and project practical requirements.

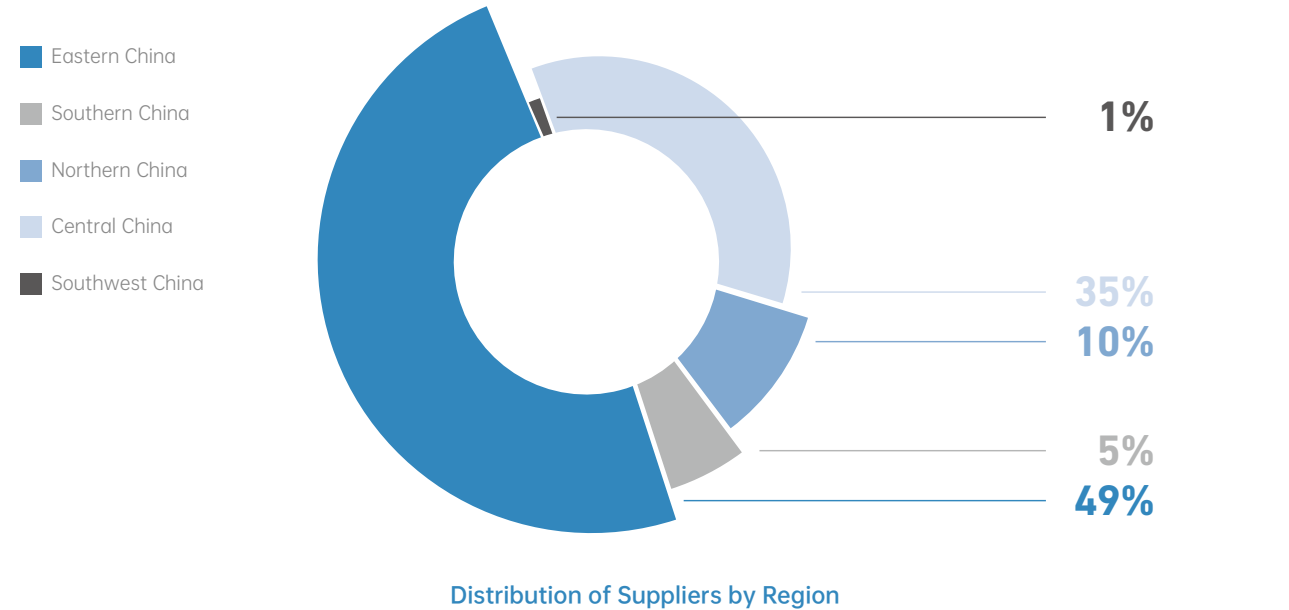
Supplier Management Mechanism	Concrete Content
Supplier Selection	- Once business needs are clearly defined, we proceed with material procurement and screening of suppliers based on principles of excellent quality, designated sourcing, proximity, economy, legality, and timeliness. - New suppliers are required to fill in the <i>Supplier Questionnaire</i> which will be reviewed by relevant departments of the Company.
Supplier Assessment	- The QA Department distributes the questionnaire to suppliers and the Head of the QA Department for approval. - On-site quality audits may be conducted for material suppliers when necessary. The assessing criteria includes: supplier qualifications, product quality, product technology and services, product pricing, material packaging, and accompanying documentation, etc.
Supplier Reassessment	- Conduct last year re-assessments for qualified suppliers, covering aspects such as product outer packaging and accompanying documents, incoming inspection results, and usage feedback. - Manage suppliers through a tiered system based on the <i>Supplier Reassessment Report</i>. - Suppliers that fail to meet the requirements are disqualified.
Supplier Exit	- Suppliers should be terminated if their qualifications change and no longer meet the Company's requirements, or if significant changes in their production processes fail to meet our requirements. - Suppliers should be terminated if their supplied materials are returned or if losses are caused due to quality issues more than three times within a year. - Suppliers should be terminated if failing the annual re-assessment or found to intentionally conceal or deceive.



Environmental and Social Risk Management of Supply Chain

Assuming the responsibility of establishing a responsible supply chain, we have integrated environmental and social risk considerations into our supplier management processes. In the supplier questionnaire, we extensively inquire about suppliers' environmental monitoring practices and their assessment and management of environmental and social risks during production and transportation. We incorporate environmental and social factors into the requirements for on-site supplier audits, encouraging suppliers to adopt more environmentally-friendly products and ensuring that their environmental and social management measures align with our sustainability standards.

We require all personnel involved in the procurement process to uphold impartiality and honesty, strictly prohibiting any corrupt acts such as bribery. We established management systems and policies such as the *Material Procurement Management System* and other supplier anti-corruption related regulations to standardize business ethics in the procurement process. We have drafted the *Supplier Sunshine Cooperation Agreement*, which mandates that suppliers must not bribe procurement personnel or any relevant parties involved in procurement processes for any reason, ensuring the establishment of normal business cooperation relationships between both parties. We require all suppliers to sign this agreement to eliminate bribery, kickbacks, and other violations at the source, jointly fostering a healthy and orderly business collaboration environment.

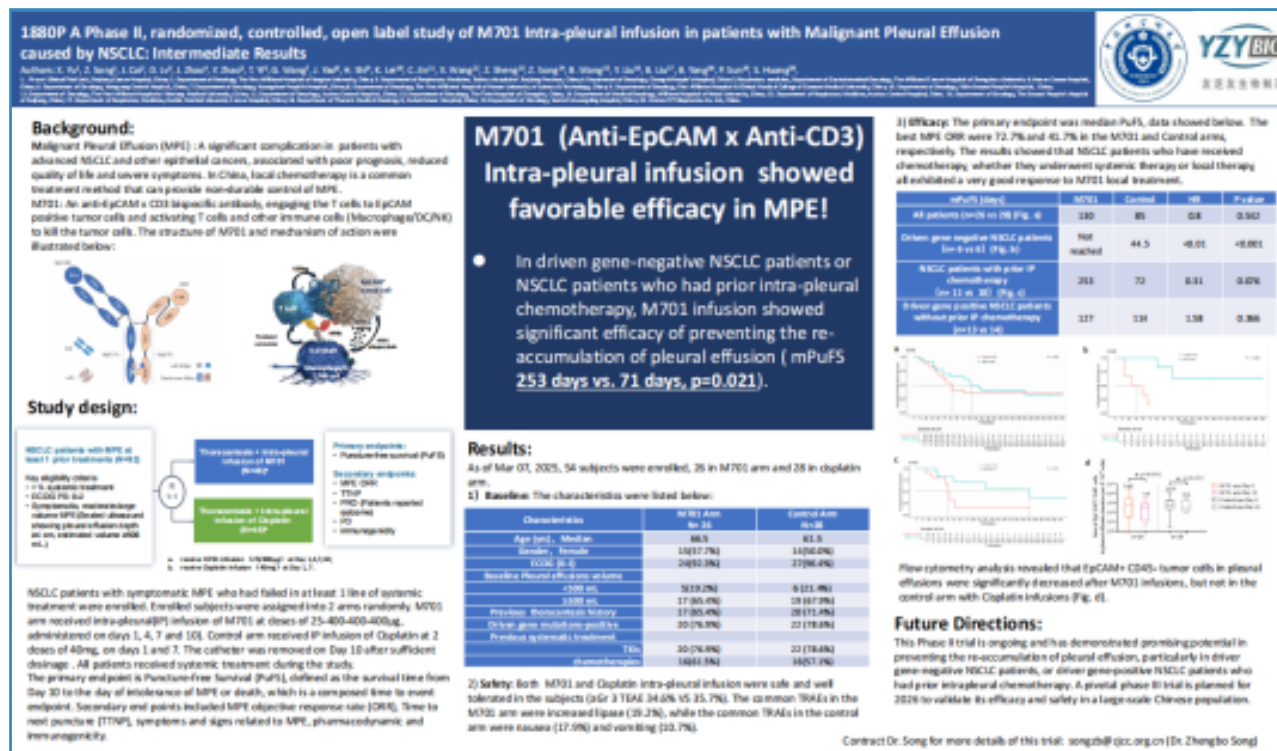


Driving Industry Development

YZYBIO adheres to the development philosophy of openness, cooperation, and mutual benefits, committed to driving innovative development in the biomedical field, and working together with partners to build a thriving and symbiotic industry ecosystem. In terms of international exchanges, YZYBIO actively builds bridges for global academic exchange. In 2025, it presented at the European Society for Medical Oncology (ESMO) Congress, disclosing interim Phase II clinical trial data via poster presentation for its self-developed EpCAM/CD3 bispecific antibody drug M701 in treating malignant pleural effusion in advanced non-small cell lung cancer. This research fully demonstrated M701's significant efficacy and favorable safety profile, attracting extensive attention and active inquiries from clinicians and oncology drug development experts across multiple countries during the congress, effectively promoting cross-border technical exchange and academic collaboration.



Graduate Students from Wuhan Institute of Virology Visiting the Company for Exchange



2025 ESMO Conference Poster

In innovative drug R&D and clinical translation, we collaborated with partner institutions to advance the clinical study of core pipeline product M701, achieving a major breakthrough in the treatment of malignant ascites. The Phase II clinical trial results were officially published in the internationally renowned academic journal *Experimental Hematology & Oncology (EHO)*, signifying that the clinical value of this innovative therapy has gained authoritative recognition from the global academic community, with the potential to provide a novel treatment option for patients with malignant ascites.

In 2025, we hosted approximately 15 master's and doctoral students from the Wuhan Institute of Virology, Chinese Academy of Sciences for a corporate visit and exchange. By showcasing R&D processes, introducing corporate strategies and culture, and interpreting talent requirements, the Company effectively established a dialogue platform between industry and academia, enhancing students' understanding of the biopharmaceutical industry.

Looking forward, YZYBIO will continue to deepen strategic cooperation with global industry leaders, reinforcing resource sharing and complementing each other's strengths to jointly promote the sustainable development of the biomedical industry and make greater contributions to human health.

03

Low-Carbon Operations & Green Development

To advance the Company's sustainable development, we have set the following environmental management objectives based on our actual operational conditions:

Per Capita Water Consumption
reduction in 2026 compared to 2022

10%

Per Capita Electricity Consumption
reduction in 2026 compared to 2022

10%

Per Capita Carbon Emissions
reduction in 2026 compared to 2022

5%

Per Capita Waste Emissions
reduction in 2026 compared to 2022

5%



YZYBIO adheres to the principles of sustainable development, integrating green and environmentally friendly concepts into daily operations. We are committed to enhancing energy and resource utilization efficiency, continuously minimizing pollutant emissions and actively responding to the climate change impacts, striving to harmonize business operations and environmental responsibilities.

Contributions to SDGs



Energy Use

YZYBIO strictly abides by laws and regulations such as the *Environmental Protection Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China*, incorporating the concept of energy conservation into its daily operation. Our goal is "to cut per capita electricity consumption by 10% by 2026, with 2022 as the base year". This year, we have successfully achieved the phased result of reducing per capita electricity consumption by 6% year-on-year.

Green Office

YZYBIO focuses on creating a green office environment, deeply integrating the concept of sustainable development into daily operations, and has formulated the *Office Environment Management System* to regulate various office operational behaviors. Night shift security guards patrol each floor to promptly switch off power and air conditioning in unused offices and laboratories, implementing energy-saving controls from details.

We implemented energy-saving renovations on high-energy-consuming equipment, such as replacing the entire lighting system with LED lights to reduce equipment energy consumption. We also promote the concept of a green office among employees, encouraging them to adopt energy-saving habits in their daily tasks. We advise employees to reasonably reduce the frequency of air conditioning usage, adjusting the temperature to a reasonable range to reduce energy consumption while maintaining indoor comfort. Meanwhile, we remind employees to turn off all non-essential instruments and equipment before leaving the premise during holidays, strictly controlling electricity consumption from the operational end.

Green Production

YZYBIO continuously enhances its process level, improving production efficiency through technological and management innovations to reduce energy consumption, enhance environmental standards, and drive the industry toward a greener, more efficient, and more sustainable direction.

Optimizing Processes to Increase Cell Expression

Through optimizing host cells, expression systems, and cultivation processes, we have successfully increased the expression yield of bispecific antibody projects, significantly improving per-unit-volume cell expression and harvest rates. This process also substantially reduces the required cultivation volume and production cycle, thereby lowering the water, electricity, and gas usage costs in production workshops and improving the Company's overall production and operational efficiency.

Optimizing Processes to Reduce Chromatography Cycles

In the downstream purification process, we have successfully reduced the column size and/or the number of chromatography cycles through the selection of high-capacity chromatography media. This optimization has not only reduced the amount of chromatography solution used and shortened the production cycle, but also remarkably decreased waste liquid discharge, and lowered energy consumption, achieving green and efficient operation in production processes.

Resource Management

YZYBIO is dedicated to green and eco-friendly development, prioritizing resource management in our daily operations and experimental development processes. We have established standardized experimental procedures, implemented resource recycling mechanisms, and advocated for resource conservation concepts to enhance corporate resource utilization efficiency and minimize resource consumption in operations and R&D processes from all aspects.

Water Resource Usage

YZYBIO strictly adhere to relevant laws and regulations such as the *Water Law of the People's Republic of China*, monitors corporate water consumption, and sets a water resource usage target of "reducing per capita water consumption by 10% by 2026, with 2022 as the base year". In daily office operations, the Company has formulated and implemented a water saving reward and punishment system to encourage all employees to conserve water. We post water-saving signs at all water usage points throughout the Company to strengthen employee awareness and effectively reduce office and domestic water consumption. In production operations, the Company reduces water usage through source control measures such as process optimization and adoption of water-saving equipment and technologies. Currently, the Company primarily uses municipal water supply for production, operation, and office purposes, with no instances of water resource shortages.

Paper Resource Usage

We strive to minimize paper usage in office operations by fully implementing an OA system, enabling the digitization of approval processes. Simultaneously, we advocate for reducing non-essential paper document printing and post paper-saving reminder signs at all printer locations to decrease the usage and consumption of paper resources.

Packaging Material Usage

We have established a recycling mechanism for packaging materials, outlining clear recycling channels and procedures to promote the circular utilization of packaging resources. We collect and sort used packaging materials for reuse and proper disposal. Employees are encouraged to actively participate in recycling initiatives during their daily work, fostering environmental awareness and laying the foundation for the green corporate culture.

Laboratory Resource Usage

We strictly avoid resource wastage by standardizing laboratory management systems and operational procedures. To reduce equipment damage, the Company conducts regular inspections of laboratory devices, promptly identifying and addressing abnormal equipment issues. During experimental operations, we prioritize high-efficiency materials to minimize reagent and filler consumption while shortening production cycles, achieving dual improvements in resource utilization efficiency and experimental operational efficiency.



Emissions Management

YZYBIO adheres to relevant laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution by Solid Wastes*, the *Measures for the Prevention and Control of Environment Pollution by Discarded Dangerous Chemicals* and the *Regulations on the Management of Medical Waste*. We have set up and implemented internal systems like the *Environmental Protection Management System*, the *Solid/Liquid Waste Management System* and the *Production-related Biological Waste Liquid Discharge Management Procedure System* to strictly prevent pollution caused by our emissions and ensure environmentally compliant operations. In 2025, the Company did not experience any environmental accidents or receive administrative penalties related to environmental matters.



Wastewater Management

Our wastewater is primarily categorized as process wastewater, equipment cleaning wastewater, laboratory waste liquids, and domestic sewage. We implement segregated pipeline collection based on wastewater sources and characteristics to prevent interference with other wastewater treatments, facilitating subsequent targeted processing. For laboratory waste liquids, we require laboratory personnel to conduct pretreatment, regularly monitor wastewater quality, and evaluate treatment effectiveness. Only after confirming no adverse impact on sedimentation tank water quality is the waste liquid discharged to the park's wastewater treatment station. Simultaneously, all domestic sewage generated by the Company is centrally discharged to the park's wastewater treatment station. The park's wastewater treatment station employs a combined "physicochemical and biochemical" treatment process operated by professional third parties to ensure compliant discharge standards.

Regarding wastewater reduction, we emphasize source control by optimizing processes and adopting water-saving equipment and technologies during R&D to minimize wastewater generation. Additionally, we have established routine monitoring and evaluation mechanisms to regularly assess wastewater quality and volume indicators, periodically evaluate the operational effectiveness of wastewater treatment systems and emission reduction measures, and promptly optimize treatment processes and adjust management strategies based on monitoring and evaluation results to achieve wastewater reduction targets.



Solid Waste Management

The main solid waste generated by the Company is domestic waste. We have set a waste reduction target of "reducing per capita waste emissions by 5% by 2026, with 2022 as the base year", encouraging employees to classify domestic waste in daily life, promote the reuse of recyclable items, and reduce waste generation at the source. In the waste management process, we deploy classified waste bins for segregated collection of domestic waste. The waste is uniformly transported daily by designated personnel to the Company's temporary waste storage point, and periodically sent to designated municipal domestic waste treatment facilities by qualified park sanitation departments for compliant disposal. We conduct annual reviews of the sanitation department's operational qualifications to ensure their legal processing capacity.



Hazardous Waste Management

For solid hazardous waste, we employ various disposal methods based on their composition and properties, using dedicated yellow garbage bags for classified collection. Once these bags are full, they are promptly transferred to a dedicated hazardous waste temporary storage area, stored in partitioned zones by category with prominent warning signs. When the temporary storage facility reaches a certain capacity, we promptly engage qualified third-party environmental companies with corresponding hazardous waste treatment certifications to transfer the waste. Transfer procedures are strictly handled according to the *Measures for the Management of Hazardous Waste Transfer Manifests*, ensuring unified collection, transportation to specialized treatment facilities for harmless disposal, and completion of *Waste Harmless Treatment Records* to guarantee traceability. We rigorously review partners' qualification certificates annually to ensure their processing capabilities and compliance.

For liquid hazardous waste, we classify and handle them based on their properties and pollutant concentrations. These wastes are collected in specialized waste liquid barrels with clear labeling and records. When the barrel is 2/3 full, we promptly notify a qualified third-party environmental company for collection and transportation, followed by harmless treatment through processes such as chemical neutralization and extraction. For waste liquids containing infectious pathogens, the Company strictly follows the *Regulations on the Administration of Medical Wastes* and other relevant laws and regulations, establishing the *Discharge Management Procedure for Production-related Biological Wastes* to standardize the management of biological waste discharge and prevent cross-infection and environmental harm.

YZYBIO conducts regular training sessions for employees on environmental protection and waste management to enhance their environmental awareness and sense of responsibility, ensuring adherence to environmental regulations and implementation of emissions management measures in practical work. We have established stable partnerships with local environmental authorities and specialized waste liquid treatment units to ensure timely and professional handling of emissions. Concurrently, we maintain regular environmental communication with suppliers and customers, synchronizing environmental management requirements to jointly advance green supply chain development and support sustainable business ecosystems.

Responding to Climate Change

In recent years, the urgency of addressing climate change has become increasingly evident, emerging as one of the foremost challenges confronting humanity. China has made a strategic commitment "to achieve peak carbon emissions by 2030 and achieve carbon neutrality by 2060", and has prioritized the vision of building a beautiful China as a key national development objective, demonstrating its steadfast dedication to advancing green and low-carbon social development. Aligned with this national strategic guidance, YZYBIO is accelerating its transition toward green development. We are integrating climate risks into our enterprise risk management framework and actively responding to the opportunities and challenges presented by climate change, also aiming to contribute to the establishment of a low-carbon society.

Governance

YZYBIO has incorporated the governance of climate change issues into its overall ESG governance framework. The Board of Directors, acting as the highest decision-making body for the Company's ESG matters, is responsible for reviewing and setting climate change-related objectives, obtaining timely climate-related information through channels such as EHS Committee reports, and overseeing climate-related risks and opportunities in corporate strategy formulation and major operational decisions. The EHS Committee is responsible for identifying and addressing climate-related risks, actively promoting the implementation of climate strategies and action plans, and reporting regularly to the Board of Directors to ensure climate risk management measures align with corporate strategy and objectives. The ESG Task Force, composed of EHS Committee members and department heads, serves as the core executive body responsible for implementing corporate climate change policies and advancing the achievement of specific policy objectives.

Strategy

To address challenges posed by climate change, we have established annual climate risk identification, assessment, and management mechanism based on industry characteristics and our operational realities. By systematically analyzing physical risks and transition risks related to climate change, we have developed targeted response strategies aimed at mitigating adverse impacts on operations and ensuring the safety and continuity of scientific research activities.

During the reporting period, we completed climate risk screening and assessment, identifying two physical risks (acute risks and chronic risks) and two transition risks (policy and legal risks, and technological risks) that may affect the Company. In accordance with the Hong Kong Stock Exchange's *Environmental, Social and Governance Reporting Code*, we conducted scenario analyses to assess the potential impact of these risks and the Company's climate resilience.

Physical Risk Scenario Analysis

Referencing the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, we selected two Shared Socioeconomic Pathways for analysis: low greenhouse gas (GHG) emissions (SSP1-2.6) and very high GHG emissions (SSP5-8.5).

Transition Risk Scenario Analysis

Applying the International Energy Agency's (IEA) Stated Policies Scenario (STEPS) and Net Zero Emissions by 2050 Scenario (NZE 2050) from the *World Energy Outlook 2025* report, we systematically analyzed future macro-environmental changes, focusing on impacts from policy, legal, and technological factors.

Based on these scenarios, we evaluated the likelihood and impact magnitude of identified climate risks and opportunities across short-term, medium-term, and long-term time horizons. Overall, as extreme weather events increase, climate policies intensify, and technological transformations accelerate, both physical and transition risks exhibit a time-progressive intensification pattern. Physical risks are more severe under SSP5-8.5, while transition risks are more pronounced under NZE 2050.

Management assessment indicates that relevant climate risks have limited impact on the Company's financial performance, business operations, and strategic planning in the current and foreseeable periods. Therefore, climate change is classified as a topic of general importance in this reporting period. Based on this assessment and pursuant to the exemption provisions of the Hong Kong Stock Exchange's *Environmental, Social and Governance Code*, the Company temporarily refrains from disclosing quantitative information on financial impacts of climate-related risks and opportunities for the 2025 fiscal year, including the amount and percentage of assets or business activities vulnerable to climate-related risks or opportunities, and capital expenditure, financing, or investment deployed toward climate-related risks and opportunities. The Company will initiate the collection and quantitative analysis of relevant data in 2026 and disclose such quantitative information in future ESG reports in a timely manner.

We have developed specific response strategies for identified major climate risks to mitigate potential adverse impacts and seize transition opportunities.

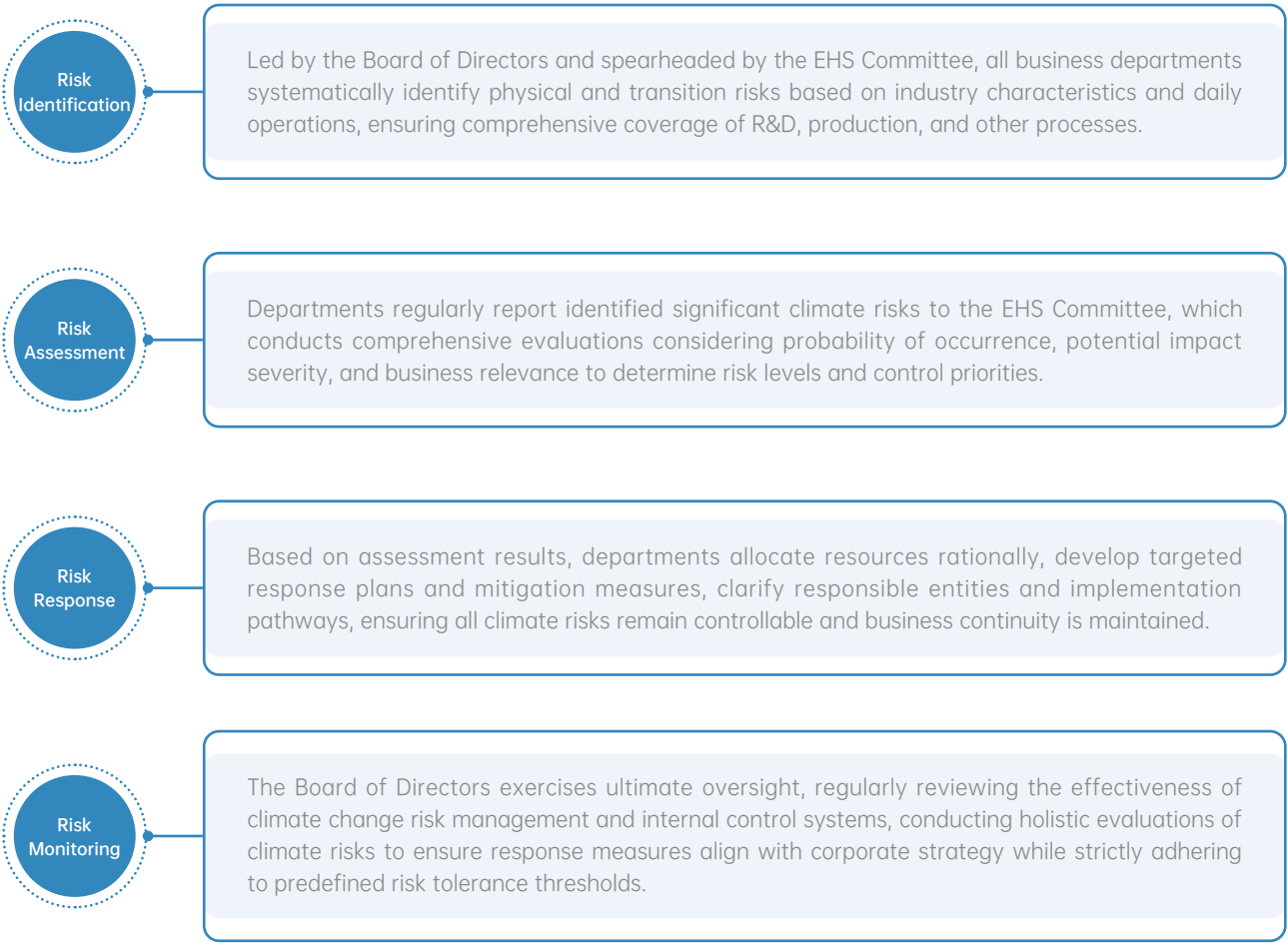
Physical Risks	Potential Impact	Timeframe ¹	Response Measures
Acute Risks	Extreme weather events and natural disasters, such as rainstorms and floods, damage laboratory equipment and raw materials, causing direct asset losses, disrupting supply chains, adversely affecting scientific research progress, diminishing asset value, and elevating operational costs	Short-term	- Establish emergency response mechanisms for sudden extreme weather events and natural disasters, and stockpile critical equipment and raw materials to ensure laboratory safety and experimental data integrity - Strengthen plant infrastructure to enhance flood control and drainage capacity, reducing asset damage and maintenance costs caused by floods - Develop emergency response plans with suppliers, increase supplier numbers, optimize supply chain layout, vigorously promote domestic substitution, reduce supply chain disruption risks, and enhance supply chain resilience
Chronic Risks	Long-term climate change leading to increased extreme summer heat and persistent rainfall, challenging laboratory and warehouse cleanliness and research continuity, raising medium-to-long-term operating costs	Medium and long term	- Increase temperature and humidity monitoring frequency in laboratories, enhance equipment inspection and maintenance, promptly detect abnormalities, and reduce emergency repair costs - Implement more stringent sealed storage measures for moisture-sensitive and mold-prone items; regularly conduct deep cleaning and comprehensive disinfection of equipment and surfaces to reduce microbial growth, minimizing material loss and replacement costs caused by equipment contamination - Schedule experiments reasonably and arrange small-sized generator sets to deal with power outages, mitigating the impact of high temperatures on experiments, ensuring continuity, and preventing data loss and experimental failure losses

Transition Risks	Risk Description	Timeframe ¹	Response Measures
Policy and Legal Risks	The Company confronts stringent global climate change-related regulations and disclosure requirements, resulting in additional compliance and reporting costs, and leading to rising operational costs in the medium to long term	Medium and long term	- Stay informed about the trend of carbon emission-related laws and regulations, promptly formulate response measures, improve information disclosure, and avoid carbon taxes or compliance penalties - Enhance energy management, bolster employee awareness on energy conservation, and reduce energy costs and consumption
Technical Risks	The Company needs to promptly invest human and resources in low-carbon technology transitions, resulting in elevated operational costs in the medium to long term	Medium and long term	- Replace high-energy-consuming equipment with energy-efficient equipment to reduce long-term operating costs and enhance energy efficiency - Continuously explore process optimization to reduce energy consumption and improve production efficiency.

¹ The short-term timeframe we have defined is 1-3 years, the medium-term is 4-10 years, and the long-term is over 10 years.

Risk Management

YZYBIO has integrated the entire process of identifying, assessing, responding to, and monitoring climate change-related risks and opportunities into the Company's ESG risk management system. This aims to effectively manage climate-related risks, seize climate change opportunities, mitigate the adverse impacts of extreme weather events on company operations and R&D activities, and continuously drive the Company toward low-carbon and sustainable development.



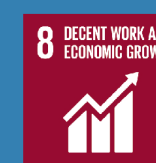
04

People-Oriented & Advancing Together



We consistently regard employees as the backbone of corporate development, focusing on safeguarding their legitimate rights and interests, continuously building a safe and healthy workplace, enhancing their capability, and encouraging career development. Simultaneously, we actively fulfill social responsibilities by enhancing medical accessibility through innovative drug R&D, enabling more people to access higher-quality healthcare services.

Contributions to SDGs



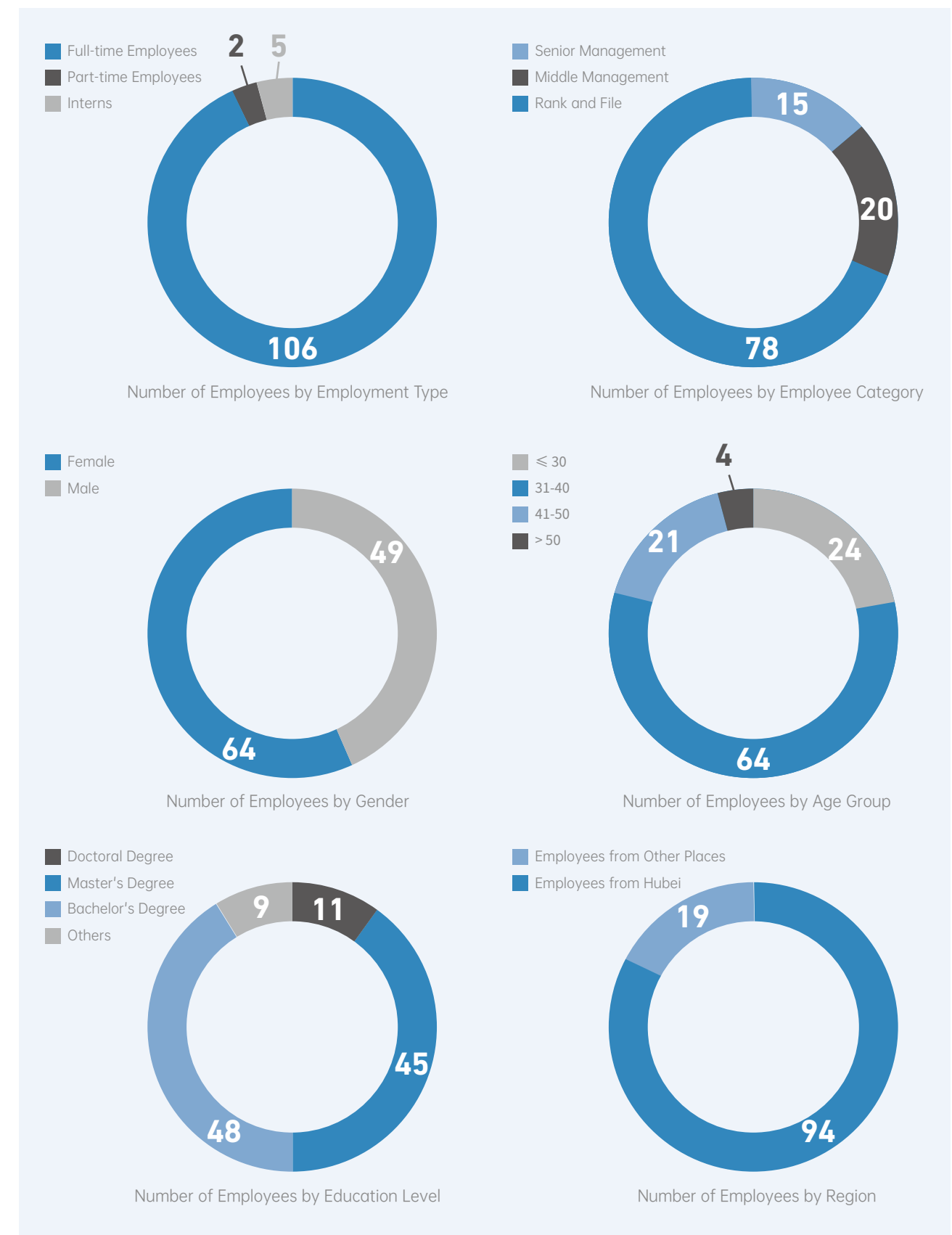
Protection of Employee Rights and Welfare

YZYBIO adheres to lawful and compliant employment practices, prioritizes employee physical and mental health, and is committed to enhancing employees' sense of belonging, well-being, and satisfaction. The Company has established a fair and competitive remuneration and benefits system that balances salary levels, performance incentives, and work-life equilibrium, effectively boosting employees' sense of fulfillment and satisfaction. Additionally, the Company emphasizes improving internal communication mechanisms, actively organizing diverse employee activities to foster team interaction and collaboration, strengthen team cohesion, and create a harmonious and positive work atmosphere.

Compliance Employment

YZYBIO consistently operates in compliance with laws and regulations, actively building an equal and fair working environment while fully adhering to requirements under the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China*, and the *Regulations of Hubei Province Concerning the Labor Protection of Female Staff and Workers*. The Company explicitly prohibits child labor and forced labor, and resolutely opposes discriminatory practices based on region, gender, or ethnicity during recruitment and employment. Should any violations be identified, we will promptly take corrective measures and report to relevant regulatory authorities as necessary.

The Company has established the *Recruitment and Hiring Management System* to systematically standardize recruitment processes, adhering to principles such as "open recruitment", "equal competition", "person-job fit", and "internal candidates first". All positions are publicly posted through formal recruitment channels, accepting applications from the public, with full implementation of equal pay for equal work between male and female employees. Furthermore, we are committed to building a diverse and high-caliber team by actively expanding talent sources and establishing an internal referral reward mechanism. To reduce barriers for external candidates, we provide travel expense reimbursement for interviewees traveling to Wuhan from other locations. In promoting equitable employment, the Company values the employment rights of persons with disabilities, collaborating with third-party staffing agencies to provide suitable job opportunities and advance inclusive employment. The Company lawfully signs labor contracts with all full-time employees to safeguard their labor rights.



Number of Employees by Category in 2025

Remuneration & Benefits

To ensure the standardization of remuneration and benefits management, the Company has formulated the *Remuneration & Benefits Management System* and the *Attendance and Leave Management System*, referencing the upper-middle level of peer salaries in the region to create an attractive remuneration system that facilitates talent acquisition and long-term retention.

The Company's remuneration structure is diversified, covering basic salary, position salary, performance-based pay, confidentiality allowances, comprehensive subsidies, and year-end performance bonuses. Employees also enjoy multiple benefits such as communication subsidies, lunch allowances, commuting subsidies, and seniority allowances, substantially enhancing overall income and job satisfaction. Our remuneration grades are categorized into three groups: research, engineering, and functional roles. At the beginning of each year, the Company signs target responsibility agreements with various departments, and subsequently makes adjustments to employees' remuneration and ranks based on the annual target assessment results and individual operation performance contributions, ensuring an open and fair mechanism.

In addition to fully implementing statutory leave entitlements and legally contributing the full amount to employees' five social insurances and one housing fund, the Company also provides diversified employee care benefits such as holiday greetings, team building, and summer heat prevention supplies, enriching the employee experience and enhancing their sense of belonging and well-being. In 2025, we organized multiple diverse and heartwarming activities, such as the "2024 YOUNAB Awards Ceremony and 2025 Spring Festival Gala" held in January to recognize outstanding colleagues and unite efforts for the new year; a team-building trip to Xiufeng Mountain and Sandie Spring organized in May to deepen team rapport, handicraft activities on Women's Day; a "Biting Autumn Melon" event on the Start of Autumn, and a sports meet on the Winter Solstice. All these initiatives were designed to foster a warm and vibrant corporate atmosphere.



Photo of the "2024 YOUNAB Awards Ceremony and 2025 Spring Festival Gala"



Photo of the Women's Day Handicraft Art Activity "In the Name of Flowers, Blossoming Female Elegance"



Photo of the Company Team-Building Activity "Lushan Expansion Journey"

Employee Communication

YZYBIO deeply recognizes that employees are the core force driving the Company's sustainable development, fully acknowledging their value and contributions. The Company has established diversified feedback mechanisms, allowing employees to submit suggestions through formal channels to their department heads or anonymously via the General Manager's mailbox. All feedback will be carefully evaluated by the Company based on actual circumstances, with optimization measures implemented as needed to enhance internal collaboration and management improvement, thereby promoting the Company's sustainable and healthy development.

The Company annually publishes the *Home of BsAb* yearbook, featuring diverse sections such as "Bispecific Antibody Column", "Management Forum", "Employee World", and "New Year Greetings", creating a platform for employee sharing. We encourage employees to actively contribute articles, sharing work insights and life reflections, fostering cross-departmental experience exchange and knowledge sharing. Additionally, the Company has established the "YOUNAB Connection Award" to honor outstanding employees annually through categories including the Outstanding Employee Award, Best Newcomer Award, Innovation Star Award, Service Star Award, and Diligence Star Award, thereby comprehensively showcasing the spirit of employees and corporate culture.



Winter Solstice Sports Day Photos



Christmas Eve and Christmas Activity Photos



Photo of the "Biting Autumn Melon" Activity on the Start of Autumn



Staff Training and Development

YZYBIO adheres to a talent-driven development strategy, emphasizing employee growth by providing abundant learning opportunities through continuous internal and external training programs, while establishing clear career advancement pathways dedicated to achieving mutual development for both employees and the Company.

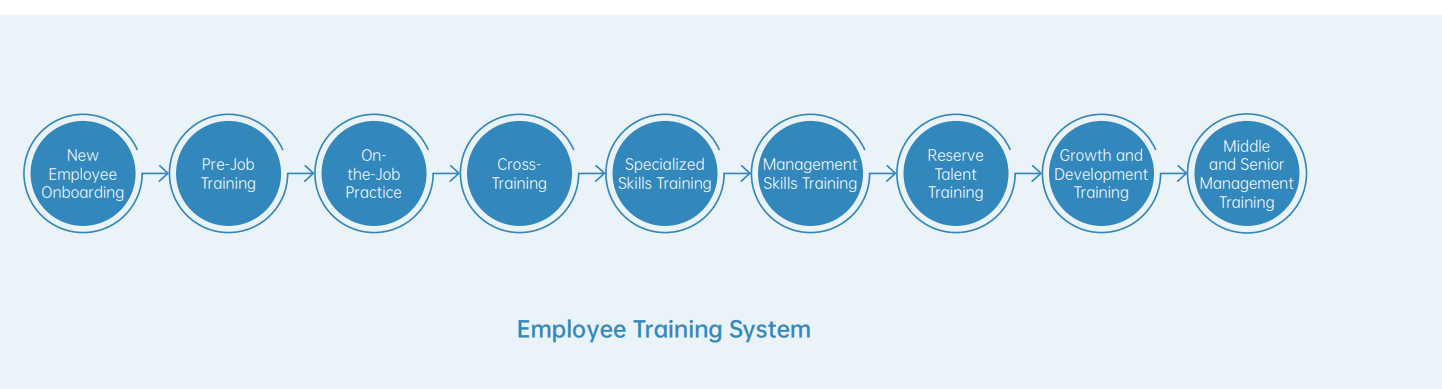
Diverse Career Advancement

The Company fully respects employees' job characteristics and professional strengths, constructing a diversified promotion system with ample development opportunities. We have formulated the *Employee Career Advancement Pathways and Position Grade Management System*, establishing multi-path development principles, hierarchy principles, and dynamic competition principles based on management, technical, production, and professional tracks, clarifying promotion standards, qualification requirements, and procedures, with annual rank evaluations conducted regularly. Simultaneously, through internal talent inventory and team building initiatives, we identify and focus on developing employees with high potential. To encourage innovation breakthroughs and professional expertise, the Company may activate an exceptional promotion mechanism for employees who make outstanding contributions in areas such as R&D project initiation, clinical advancement, and major scientific achievements, supporting their rapid advancement based on exceptional performance.

Empowerment & Development of Employees

To strengthen the systematic and standardized approach to talent cultivation, the Company has established the *Employee Training Management System*, which systematically plans the following year's training arrangements around the practical needs and development directions of various business domains at year-end, ensuring scientific and rational training content.

For new employee integration, we implement a mentorship program where new hires are assigned onboarding mentors, adopting a "pass-it-on" approach to help new colleagues quickly adapt to the environment, master skills, integrate into teams, accelerate role transition, and enhance individual capabilities and team collaboration efficiency. Additionally, we value knowledge sharing and collaborative growth among departments, requiring each department to conduct at least two cross-departmental training sessions annually for other departments, covering professional skills, workflow processes, operational tools, and industry information, to promote mutual understanding and collaboration across departments. The Company facilitates experience exchange through communication platforms, driving its own innovative development and continuous progress.



In 2025, the Company organized 75 training sessions, including 36 GXP training sessions, 22 EHS-related training sessions, and 17 specialized training sessions and external conference attendances. The training content encompassed various key areas such as industry frontiers, quality management, supplier management, work safety, mental health, and hazardous waste management, assisting participants in understanding the latest international and domestic trends in biopharmaceutical development, improving professional capabilities, and promoting the Company's sustainable development. Notably, in March, the Company focused on delivering AI General Application Training to enhance the team's artificial intelligence utilization capabilities. In 2025, YZYBIO's training program involved all employees, with an annual investment of nearly RMB 30,000 in training funds. A total of 2,775 person-times participated in training, with an average training duration of approximately 10.7 hours per person.

In 2025, the Company organized
75 training sessions

YZYBIO's training program involved
all employees

A total of
2,775 person-times
participated in training

with an average training
duration of approximately
10.7 hours per person



Photo of AI General Application Training

Occupational Health and Safety

YZYBIO prioritizes the health and safety of its employees above all else, continuously improving its occupational health and safety management system. The Company implements a series of management measures to focus on preventing health and safety risks, comprehensively enhancing employees' safety skills and emergency response capabilities to ensure their physical and mental safety during work.

Occupational Health & Safety Management System

YZYBIO adheres to the principle of "Safety First, Prevention-Oriented, Comprehensive Management", guided by the *EHS Management Handbook*, to establish a clearly structured three-tier management system. This system fully integrates 13 core elements of safety standardization, including objectives and responsibilities, institutionalized management, education and training, etc., continuously improving the EHS management system.

The Company has established the *EHS Responsibility and Assessment Management System*, creating an occupational health and safety management system and assessment management system with the EHS Committee as the primary responsible body. We implement an assessment reward and punishment mechanism, and has revised institutional documents such as the *EHS Training Management System*, *Three-tier EHS Safety Training Card for Employees*, and *EHS Laws, Regulations, Standards and Other Requirements Management System*. This improves management certification and retraining mechanisms, adds EHS compliance review requirements, and promotes continuous management enhancement.

In 2025, we successfully achieved all occupational health and safety targets:

Incidence rate of major occupational hazard accidents, work-related injuries, fire accidents, production accidents, and equipment accidents

0%

Rectification rate of accident hazards

100%

Employee participation rate in work injury insurance

100%

Timely delivery rate of labor protecting supplies

100%

Employee annual EHS training rate

100%

Safeguarding Occupational Health

YZYBIO upholds the core concept of "Prevention First with Treatment Combined", strictly implementing laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and the *Regulations of the People's Republic of China on Work-Related Injury Insurance*. We have formulated occupational health institutional documents including the *Occupational Health Management Procedure*, the *Labor Protection Management System for Female Employees*, and the *Occupational Health Hazards Notification and Health Surveillance System*. We have revised the *EHS Laws, Regulations, Standards and Other Requirements Management System*, clarifying occupational health work, organizational structure, and responsibilities. At the implementation level, the Company standardizes the procurement, distribution, use, and maintenance of labor protective supplies, while establishing notification mechanisms and monitoring systems for occupational hazard factors. We implement employee health surveillance to safeguard employee health.

We comprehensively identify job risks, completing the *Hazard Identification and Risk Assessment List* covering physical, chemical, and biological hazards in production, R&D, warehousing, and other processes, and have developed control measures. Based on risk characteristics, we equip each position with appropriate protective supplies. For example, laboratory researchers receive protective clothing/cleanroom suits, respirators, and safety goggles; personnel exposed to noise and high temperatures are provided with earplugs and heat-insulating clothing, ensuring precise and adequate protection.

The Company arranges pre-employment physical examinations for new employees to ensure their physical condition meets job requirements. Meanwhile, the Company organizes annual health check-ups for in-service employees to continuously monitor their health status, with 102 employees participating in the 2025 annual physical examination.

Strengthening Safety Management

In compliance with laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Regulations on the Safety Management of Hazardous Chemicals*, and the *Regulation on the Bio-safety Management of Pathogenic Microbe Labs*, YZYBIO has developed safety management systems, safety operating procedures, and emergency response plans, such as the *Work Safety Responsibility System*, the *Hazardous Chemicals Management System*, the *P2 Laboratory Bio-safety Management System*, and the *Controlled Precursor Chemicals Management System*. By clarifying the work safety responsibilities of personnel at all levels and functional departments, the Company ensures clear accountability and effective implementation, providing safety guidance throughout the R&D and production processes to effectively safeguard employee safety and production compliance.

In 2025, the Company established a mini fire station team composed of firefighting volunteers, safety management personnel, and security guards on duty. The *Mini Fire Station Operation Management Measures* was formulated to identify and eliminate fire hazards through daily patrols, monthly equipment inspections, and semi-annual emergency drills, thereby enhancing the Company's fire safety emergency response capabilities.

Identification and Rectification of Safety Hazard

To effectively prevent safety incidents, the Company has established the *EHS Management System for the Identification and Rectification of Hidden Hazards* and formed a dedicated hazard inspection team. Based on the characteristics of its daily operations, the Company conducts full-coverage inspections across all areas according to daily, weekly, monthly, quarterly and annual inspection plans, with a particular focus on high-risk areas such as storage zones, laboratories and workshops. Through this systematic inspection mechanism, we are able to continuously identify potential safety hazards and promptly implement effective corrective measures to ensure risks remain under control. At the same time, the Company encourages employees to actively participate in safety management and rewards those who promptly identify hazards, eliminate risks, or put forward effective improvement suggestions in the course of their work.

Safety Risk Management

Using the Safety Checklist (SCL) Method, we conduct thorough hazard identification and assessment according to the Company's *EHS Risk Management System*, the *EHS Major Hazard Identification and Control Management Procedure*, and the *Major Hazard Management System*.

To ensure equipment operation safety, we have developed regulatory documents such as the *Equipment Operation, Inspection, Maintenance and Servicing Management System* and the *Production Facilities Management System*. Regular inspections and maintenance are conducted to ensure equipment remains in good condition, prevent leaks or spills at the site, and maintain a tidy working environment. Simultaneously, we require all safety facilities to be intact and within their inspection validity periods, with regular testing and calibration performed as stipulated.

In daily production activities, the Company consistently adheres to the principle of "safety first, prevention foremost", strengthening safety inspections to ensure regular testing and maintenance of equipment and facilities. Operations and management are strictly conducted according to national regulations and company policies, thereby effectively controlling risks. The Company continuously conducts risk identification and implements targeted preventive measures. To prevent gas cylinder tipping risks, we have implemented securing protections for all experimental gas cylinders in the Company to ensure their stability and safety. To avoid insufficient oxygen levels in laboratories, we have installed oxygen content alarms in areas such as cell banks and gas cylinder rooms to promptly detect potential risks.

Identification and Elimination of Hidden Hazards

To effectively prevent safety incidents, the Company has established the *EHS Hidden Hazard Identification and Management System* and formed a specialized hidden hazard investigation team. Centered on daily operational characteristics, the team implements comprehensive inspections covering all company areas according to daily, weekly, monthly, quarterly, and annual inspection plans, with particular focus on high-risk zones such as storage areas, laboratories, and workshops. Through this systematic investigation mechanism, we can continuously identify potential safety hazards and promptly implement effective corrective measures to ensure risks remain controllable. Additionally, the Company encourages employees to actively participate in safety management, rewarding those who timely identify hazards, eliminate risks, or propose effective improvement suggestions during work.

Safety Training and Emergency Drills

To enhance employees' self-protection capabilities, the Company has revised the *EHS Training Management System* and *Employee Three-Level EHS Safety Training Card* in 2025, refining safety training requirements for special operations personnel, safety management personnel, and other employees. The Company organizes pre-job training for employees in special production positions, and regularly conducts safety training and emergency drills for different employee groups to continuously improve safety awareness and emergency response capabilities.

To ensure that employees in special production positions possess occupational health and safety competencies before assuming their roles, the Company has established normative documents such as the *Dangerous Operations Management System*, *Special Operations Personnel Management System*, and *Process Management System*, clarifying safety training and competency assessment requirements for each position.



Employees engaged in hazardous tasks and special operations are mandated to undergo safety training and acquire certifications before commencing work.



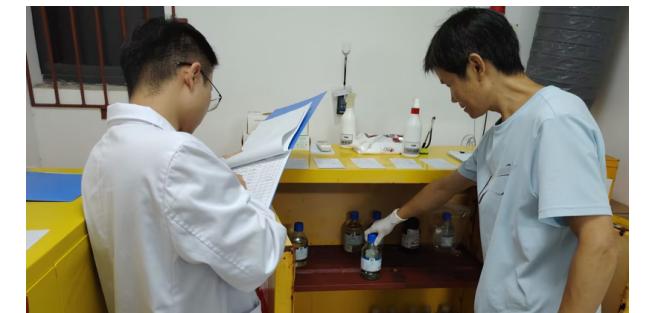
For process operators, they are required to strictly implement operational procedures and safety operating procedures in accordance with product manufacturing process specifications.

To enhance employees' understanding and application of job safety knowledge and skills and prevent occupational diseases, the Company regularly conducts occupational health and safety training. After each session, training effectiveness is evaluated through sign-in records, questionnaire feedback, and other methods to collect employee opinions and suggestions as a basis for continuous improvement of training content and teaching methods. In 2025, the Company conducted 35 occupational health and safety training sessions covering laboratory safety, biosafety, hazardous chemical management, fire safety, information security, occupational health protection, and emergency rescue, with a cumulative participation of 2,669 person-times.

Additionally, we emphasize practical orientation and case-based teaching, comprehensively improving employees' emergency response capabilities through simulated drills. In 2025, the Company conducted two emergency drills themed on firefighting exercises and hazardous chemical leakage accidents, involving 100 participants in total, effectively enhancing employees' teamwork capabilities and on-site response proficiency.



Fire Safety Training and Drill



Emergency Drill for Hazardous Chemical Leakage Accidents

Quantitative Indicators

Indicators	2025 Data	Unit
Certification rate of production personnel	100	%
Number of work-related fatalities occurred in the past three years	0	Person
Lost days due to work injury	0	Day
Number of production safety accidents	0	Time

Social Welfare and Inclusive Development

We encourage employees to actively participate in public welfare initiatives, carry forward the spirit of volunteer service, and proactively fulfill corporate social responsibilities. Meanwhile, YZYBIO focuses on enhancing global health outcomes, particularly alleviating the financial burden of major disease treatments (such as oncology) for low- and middle-income populations. Through sustained R&D and innovation, we strive to provide optimal treatment solutions and promote equitable access to healthcare resources.

Currently, the Company is advancing the commercial review of drug candidates. We will continue accelerating the market launch of innovative therapeutics, committed to rapidly delivering clinically validated medicines to broader patient populations, enabling timely access to our advanced medical breakthroughs.

Appendices

Appendix I: Key Performance Table

Environmental Performance

Indicators			2025	Unit
Emissions	Hazardous waste	Hazardous Waste Discharge	6.23	Tonnes
		Solid Hazardous Waste Disposal	4.23	Tonnes
		Liquid Hazardous Waste Disposal	2	Tonnes
		Intensity of Hazardous Waste Discharge	0.06	Tonnes per person
	Non-hazardous Waste	Non-hazardous Waste Disposal	7	Tonnes
		Intensity of Non-hazardous Waste Disposal	0.06	Tonnes per person
Greenhouse Gas (GHG) Emissions	Total GHG Emissions		481.88	Tonnes of CO ₂ equivalent
	GHG Emission Intensity		4.26	Tonnes of CO ₂ equivalent per person
	Scope 1 GHG Emissions		3.46	Tonnes of CO ₂ equivalent
	Scope 1 GHG Emission Intensity		0.03	Tonnes of CO ₂ equivalent per person
	Scope 2 GHG Emissions		455.42	Tonnes of CO ₂ equivalent
	Scope 2 GHG Emission Intensity		4.03	Tonnes of CO ₂ equivalent per person
	Scope 3 GHG Emissions (business travel category)		22.99	Tonnes of CO ₂ equivalent
	Scope 3 GHG Emission Intensity (business travel category)		0.20	Tonnes of CO ₂ equivalent per person
Use of Resources	Total Energy Consumption		114.31	Tonnes of standard coal
	Intensity of Comprehensive Energy Consumption		1.01	Tonnes of standard coal per person

Indicators		2025	Unit
Use of Resources	Water Consumption	2,359	Tonnes
	Per Capita Water Consumption	20.88	Tonnes per person
	Wastewater Discharge	1,500	Tonnes
	Electricity Consumption	68.65	10,000 kWh
	Per Capita Electricity Consumption	0.61	10,000 kWh per person
	Petrol Consumption	1,508	Liters
	Diesel Consumption	35	Liters
	Purchased Heat ⁵	828.79	GJ
	Packaging Material Consumption	0.68	Tonnes
	Intensity of Packaging Material Consumption	0.01	Tonnes per person
	Office Paper Usage	0.7	Tonnes
	Number of Environmental Incidents or Administrative Penalties Related to the Environment	0	Time

⁵ Due to the scheduling of the summer cooling season and winter heating season, the purchased heating data disclosed in this report covers the period from January 2025 to January 2026.

Social Performance

Indicators			2025	Unit
Employment	Total Number of Employees		113	Persons
	Number of Employees by Employment Type	Full-time employees	106	Persons
		Part-time Employees	2	Persons
		Other (Interns)	5	Persons

Indicators		2025	Unit	
Employment	Number of Employees by Employee Category	Senior management	15	Persons
		Middle Management	20	Persons
		Rank and File	78	Persons
	Number of Employees by Gender	Male	49	Persons
		Female	64	Persons
	Number of Employees by Age Group	≤ 30	24	Persons
		31-40	64	Persons
		41-50	21	Persons
		> 50	4	Persons
	Number of Employees by Region	Employees from Hubei	94	Persons
		Employees from Other Places	19	Persons
	Number of Employees by Education Level	Doctoral Degree	11	Persons
		Master's Degree	45	Persons
		Bachelor's Degree	48	Persons
		Other	9	Persons
	Number of Employee Turnovers		21	Persons
	Turnover Rate		18.58	%
Turnover Rate by Gender	Male	26.53	%	
	Female	12.50	%	
Turnover Rate by Age Group	≤ 30	25.00	%	
	31-40	14.06	%	

Indicators			2025	Unit
Employment	Turnover Rate by Age Group	41-50	19.05	%
		> 50	50.00	%
	Turnover Rate by Region	Employees from Hubei	17.02	%
		Employees from Other Places	26.32	%
Health and Safety	Employee Health Check Participation Rate		100	%
	Safety Training	Times	35	Times
		Number of Participants	2,669	Participants
	Emergency Drills	Times	2	Times
		Number of Participants	100	Participants
	Times of Large-scale Safety Check		7	Times
	Number of Work-related Fatalities Occurred in the Past Three Years		0	Person
	Rate of Work-related Fatalities Occurred in the Past Three Years		0	%
	Lost Days Due to Work Injury		0	Day
	Number of Production Safety Accidents		0	Time
Development & Training	Number of Employee Training Participants the Whole Year		2,775	Persons
	Annual Average Training Hours Completed per Employee		10.7	Hours
	Investment in Employee Training the Whole Year		2.945	RMB 10,000
	Percentage of Employees Trained by Gender	Male	43.4	%
		Female	56.6	%
	Average Training Hours Completed per Employee by Gender	Male	10.7	Hours
		Female	10.7	Hours

Indicators			2025	Unit
Development & Training	Percentage of Employees Trained by Employee Category	Senior Management	12.26	%
		Middle Management	18.87	%
		Rank and File	68.87	%
	Average Training Hours Completed per Employee by Employee Category	Senior Management	10.7	Hours
		Middle Management	10.7	Hours
		Rank and File	10.7	Hours
Supply Chain Management	Total Number of Suppliers		161	Suppliers
	Number of Suppliers by Region	Eastern China	79	Suppliers
		Southern China	8	Suppliers
		Northern China	16	Suppliers
		Central China	57	Suppliers
		Southwest China	1	Suppliers
	Number of Suppliers Subjected to On-site Inspections		5	Suppliers
	Percentage of Suppliers Including Environmental and Social Impact in Supplier Evaluation Questionnaire		100	%
Product Responsibility	Total R&D Investment		78.2	RMB Million
	Size of R&D Team		23	Persons
	Number of Intellectual Property Holdings		113	Items
	Number of Authorized Patents		44	Items
	Number of Patents Under Review		37	Items
	Number of Registered Trademarks		30	Times
	Number of Approved Research Topics		4	Items

Indicators			2025	Unit
Product Responsibility	Number of Published Research Papers		1	Paper
	Number of Product Recalls Due to Safety and Health Concerns		0	Item
	Number of Product and Service Complaints		0	Case
	Coverage Rate of Informed Consent Forms for Clinical Trial Subjects		100	%
	Number of Third-party Quality Audits Conducted on Clinical Trials		32	Times
	Quality-Related Training	Company-level Training Sessions	12	Times
		Department-level Training Sessions	24	Times
		Coverage Rate of Employees under GMP System	100	%
Anti-corruption	Number of Concluded Legal Cases Regarding Corrupt Practices		0	Case

Appendix II Index of *Environmental, Social and Governance Code* of the Hong Kong Stock Exchange

Mandatory Disclosure Requirements

Mandatory Disclosure Requirements		Description	Page
Governance Structure	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.		2
Reporting Principles	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.		9,10,38
Reporting Boundary	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.		1

"Comply or Explain" Provisions

General Disclosures and KPIs		Description	Page
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.		33,34

General Disclosures and KPIs		Description	Page
KPI A1.1	The types of emissions and respective emissions data.		51
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		51
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		51
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.		36,38
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.		33,34
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.		31,32
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).		51,52
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).		52
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.		31
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.		32
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.		52
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.		31-34
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.		31-34
B. Social			
Employment and Labour Practices			
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.		41,43,45

General Disclosures and KPIs		Description	Page
KPI B1.1		Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	52,53
KPI B1.2		Employee turnover rate by gender, age group and geographical region.	53,54
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.	47-49
KPI B2.1		Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	54
KPI B2.2		Lost days due to work injury.	54
KPI B2.3		Description of occupational health and safety measures adopted, and how they are implemented and monitored.	47-50
Aspect B3: Development and Training			
General Disclosure		Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	45-46
KPI B3.1		The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	54,55
KPI B3.2		The average training hours completed per employee by gender and employee category.	54,55
Aspect B4: Labour Standards			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	41
KPI B4.1		Description of measures to review employment practices to avoid child and forced labour.	41
KPI B4.2		Description of steps taken to eliminate such practices when discovered.	41
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure		Policies on managing environmental and social risks of the supply chain.	26
KPI B5.1		Number of suppliers by geographical region.	55
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.	25-26

General Disclosures and KPIs		Description	Page
KPI B5.3		Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	26
KPI B5.4		Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	26
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.	17-23
KPI B6.1		Percentage of total products sold or shipped subject to recalls for safety and health reasons.	56
KPI B6.2		Number of products and service related complaints received and how they are dealt with.	56
KPI B6.3		Description of practices relating to observing and protecting intellectual property rights.	24
KPI B6.4		Description of quality assurance process and recall procedures.	20,21
KPI B6.5		Description of consumer data protection and privacy policies, and how they are implemented and monitored.	23
Aspect B7: Anti-corruption			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	12
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.	56
KPI B7.2		Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	12
KPI B7.3		Description of anti-corruption training provided to directors and staff.	12
Community			
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.	50
KPI B8.1		Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	50
KPI B8.2		Resources contributed (e.g. money or time) to the focus area.	50

Climate-related Disclosures

Climate-related Disclosures	Description	Page or Remarks
(I) Governance		
19	An issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: (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 (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: (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.	35
(II) Strategy		
Climate-related risks and opportunities		
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.	36
Business model and value chain		
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).	36

Climate-related Disclosures	Description	Page or Remarks
Strategy and decision-making		
22	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: (a) 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; (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; and (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	36
23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	38
Financial position, financial performance and cash flows		
24	Current financial effect An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) 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.	36
25	Anticipated financial effect The issuer shall provide qualitative and quantitative disclosures about: (a) 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; and (b) 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.	36

Climate-related Disclosures	Description	Page or Remarks
Climate resilience		
26	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: (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: (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; (b) 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.	35,36
(III) Risk Management		
27	An issuer shall disclose information about: (a) 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;	37

Climate-related Disclosures	Description	Page or Remarks
27	(b) 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); and (c) 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.	37
(IV) Metrics and Targets		
Greenhouse gas emissions		
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.	38
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).	38
Climate-related transition risks		
30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	36
Climate-related physical risks		
31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	36
Climate-related opportunities		
32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	36

Climate-related Disclosures	Description	Page or Remarks
Capital deployment		
33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	36
Internal carbon prices		
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.	The Company has not yet applied carbon pricing in decision-making. We will continue to monitor policy developments regarding carbon pricing mechanisms, and timely study the feasibility of incorporating them into our internal assessment system. Relevant progress will be disclosed in subsequent ESG reports.
Remuneration		
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).	The Company has not yet incorporated climate factors into remuneration policies. We will refer to industry best practices and timely assess the feasibility of incorporating climate performance indicators in the remuneration evaluation system for senior management to further advance the implementation of the Company's climate strategy objectives.
Industry-based metrics		
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.	16, 21, 23, 56

Climate-related Disclosures	Description	Page or Remarks
Climate-related targets		
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.	38
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.	35,38
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.	38
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).	38



友芝友生物製藥