



基石药业

CSTONE
PHARMACEUTICALS

CStone Pharmaceuticals

基石藥業

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 2616

2025 環境、社會及管治報告
Environmental, Social and Governance Report

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1. About the Report

CStone Pharmaceuticals (the “Company”) and its subsidiaries (hereinafter referred to as “CStone”, the “Group” or “we”) are pleased to present the eighth Environmental, Social and Governance (“ESG”) Report (“this Report”). The scope of the ESG Report covers the policies, measures and achievements in sustainable development of the Group from January 1, 2025 to December 31, 2025 (the “Year” or “Reporting Period”). You may access the ESG Report by clicking “Information Disclosure” under the “INVESTOR RELATIONS” section on the Company’s website or relevant documents by browsing through HKExnews’s website.

BASIS FOR PREPARATION

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the “Code”) as set out in Appendix C2 from the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The report content complies with the mandatory disclosure requirement, “Comply or Explain” disclosure obligations and the reporting principles of materiality, quantitative, balance, and consistency of the Guide. Readers can review the final chapter of this Report – “Appendix II: The Stock Exchange ESG Reporting Code Index” for quick reference.

Reporting Principles	Relevant Response
Materiality	This Report discloses the process and assessment results for the Group’s communication with stakeholders and identification of materiality issues, and the Board of Directors (the “Board”) has prioritized the identified materiality issues.
Quantitative	This Report discloses statistical standards, methods, assumptions and calculation tools for all key performance indicators (“KPIs”) required to be disclosed under the Code, as well as the source of the conversion factors.
Consistency	This Report adopts the same statistical methodologies as last year for disclosure, any changes in methodology will be explained in this Report.
Balance	This Report provides a truthful, accurate and comprehensive overview of the Group’s ESG performance during the Year, avoiding inappropriate description that may influence a decision or judgment by the report readers.

1. About the Report

REPORTING BOUNDARY

This Report mainly covers the core business of the Group, and its overall performance regarding sustainability during the Reporting Period, including policies, measures and KPIs. The disclosure scope of social KPIs is consistent with that in the Annual Report, which covers the entire Group and the scope of environmental KPIs includes CStone Pharmaceuticals (Suzhou) Co., Ltd. (“Suzhou Office”, including Translational Medicine Research Center (“TMRC”), Tuo Shi Pharmaceutical (Shanghai) Co., Ltd. (“Shanghai Office”) and Chuang Shi (Beijing) Medical Technology Co., Ltd. (“Beijing Office”), all of which are our principal operating subsidiaries.

REPORT APPROVAL

The ESG Report is approved and adopted by the Board on March 26, 2026 after being confirmed by the management executives.

LANGUAGE OF THIS REPORT

This Report is available in two languages, being the Traditional Chinese and English versions. Should there be any inconsistency between them, the Traditional Chinese version shall prevail.

REPORT FEEDBACK

Your opinions on this Report are treasured by us. For any enquiries or recommendations, please feel free to contact us via e-mail at ir@cstonepharma.com.

2. Chairman's Message

On behalf of the Board, I am pleased to present the Group's eighth ESG Report, which provides a comprehensive overview of our commitments, practices and achievements in sustainable development for the year ended December 31, 2025.

We believe that the long-term value of an enterprise lies not only in its commercial success, but also deeply-rooted in its stewardship of the environment, its contributions to society, and its adherence to ethical governance. To this end, ESG principles have been fully embedded into our corporate strategy and day-to-day operations. Under the strong leadership of the Board, we have established a clear three-tier ESG governance structure with well-defined responsibilities, ensuring sustainability initiatives are effectively cascaded from the top down. As the highest decision-making and supervisory body, the Board assumes overall responsibility for reviewing ESG strategies, assessing material issues, managing associated risks, and approving ESG reports, thereby laying a solid foundation for the Group's sustainable future.

In terms of product quality and patient well-being, we consistently place patient safety as our top priority. We have established a comprehensive quality management system covering the entire product lifecycle, and strictly comply with Good Manufacturing Practice (GMP) requirements to ensure that every batch of our products is safe, effective, and reliable. We also attach great importance to the protection of clinical trial participants, ensuring that all studies are conducted within a framework of scientific rigor and ethical compliance. At the same time, we remain committed to fulfilling our responsibilities as a corporate citizen. During the Year, we provided financial and in-kind donations to patient assistance programs administered by the Beijing Kangmeng Charity Foundation, with total contributions exceeding RMB340 million in value. In addition, we expanded patient access by being included in the Huimin Insurance schemes of 92 cities.

With respect to talent management, we uphold a people-oriented philosophy and strive to foster a safe, equitable, diverse and inclusive work environment. We offer competitive remuneration and benefits, along with broad career development opportunities, supported by a structured training system to facilitate continuous employee growth. During the Year, we organized a wide range of training programs covering compliance, safety, and professional skills, strengthening employees' sense of belonging and mission, and enabling mutual growth of employees and the Company.

In response to global climate change, we actively fulfill our environmental responsibilities by integrating green operations into our daily management. We closely monitor greenhouse gas emissions, energy consumption, and waste generation, and set clear environmental targets to continuously advance energy conservation, emissions reduction, and waste minimization at source. During the Year, we enhanced our climate-related disclosures and remain committed to strengthening climate resilience, transforming climate risks into opportunities for sustainable development.

Guided by our mission of "Through scientific excellence and technological innovation, we develop transformative therapies and make high-quality treatments accessible worldwide to benefit patients and their families", we will continue to integrate ESG principles into every aspect of our business, from R&D ethics and green operations to patient accessibility and corporate governance, as we accelerate product development and expand our global presence. We look forward to working with all stakeholders to respond to societal expectations through concrete actions and to steadily advance toward our vision of "To be a pioneer in enhancing global patient health through innovation".

Dr. Wei Li

Chairman and Non-executive Director
Suzhou, China

3. About CStone

CStone (HKEX: 2616), established in late 2015, is an innovation-driven biopharmaceutical company focused on the research and development (R&D) of therapies for oncology, immunology, inflammation, and other key disease areas, and dedicated to addressing patients’ unmet medical needs in China and globally. To date, the Company has successfully launched 4 innovative drugs and secured approvals for 21 new drug applications (NDAs) covering 9 indications. Its current R&D pipeline is balanced by 16 drug candidates, featuring antibody-drug conjugates (ADCs), multispecific antibodies, immunotherapies and precision medicines. CStone also prides itself on a management team with comprehensive experiences and capabilities that span the entire drug development spectrum, from preclinical and translational research to clinical development, drug manufacturing, business development, and commercialization.

The following table summarizes our well-balanced portfolio of 16 innovative assets:

Asset	Indication	POC	Pivotal	NDA	Marketed	Approval						Partners	Partnering Regions
						CN	TW	HK	US	EU	UK		
Pralsetinib (RET)	1L NSCLC					✓	✓	✓				 	Mainland China
	2L NSCLC					✓	✓	✓					
	NSCLC									✓			
	TC					✓				✓			
	Multiple tumors												
Avapritinib (KIT/PDGFR)	PDGFRA exon 18 GIST					✓	✓	✓	✓			 	Mainland China
	PDGFRA D842V GIST									✓			
	ISM ¹								✓	✓			
	ASM ¹								✓	✓	✓		
Sugemalimab (PD-L1)	1L Stage IV NSCLC					✓				✓	✓	 	Mainland China Switzerland and Central Eastern Europe Middle East and Africa Latin America West Europe and the UK
	Stage III NSCLC					✓				✓	✓		
	1L G/GEJ					✓							
	1L ESCC					✓							
	R/R ENKTL					✓							
CS1002 (CTLA-4)	Solid tumors												Greater China

CN = Mainland China, TW = Taiwan, China, HK = Hong Kong SAR, China, US = United States, EU = European Union, UK = United Kingdom, POC = Proof of Concept, NDA = New Drug Application, NSCLC = Non-small Cell Lung Cancer, TC = Thyroid Cancer, GIST = Gastrointestinal Stromal Tumor, ISM = Indolent Systemic Mastocytosis, ASM = Advanced Systemic Mastocytosis, G/GEJ = gastric/gastroesophageal junction adenocarcinoma, ESCC = Esophageal Squamous Cell Carcinoma, R/R = Relapsed or Refractory, ENKTL = Extranodal NK/T Cell Lymphoma
1. POC study was conducted in North American and Europe. No clinical trials have been conducted in China while IND application is under preparation.

3. About CStone

Asset	Right	Indication	Discovery	Preclinical Development	IND-Enabling	FIH	POC
CS2009 (PD-1/VEGF/CTLA-4 trispecific antibody)	●	Solid tumors					
CS5001 ¹ (ROR1 ADC)	●	Solid tumors; hematologic malignancies					
CS5007 (EGFR/HER3 bispecific ADC)	●	Solid tumors					
CS5006 (ITGB4 ADC)	●	Solid tumors					
CS5008 (SSTR2/DLL3 bispecific ADC)	●	Solid tumors					
CS2013 (BAFF/APRIL bispecific antibody)	●	Immunology & Inflammation					
CS5009 (B7H3/PD-L1 bispecific ADC)	●	Solid tumors					
CS5010 (HER2-targeting dual-payload ADC)	●	Solid tumors					
CS5012 (HER2-targeting novel-payload ADC)	●	Solid tumors					
CS2016 (TL1A/α4β7 bispecific antibody)	●	Immunology & Inflammation					
CS1016 (PD-1 agonist antibody)	●	Immunology & Inflammation					
CS1012 (GDF-15 antibody)	●	Solid tumors					

Note: Assets status denotes progress in the region(s) noted in the column titled "Rights"; FIH = First in Human, POC = Proof of Concept.
 1. CStone obtains the exclusive global right from LigaChem Biosciences, Inc. (LCB) to lead development and commercialization of LCB71/CS5001 outside the Republic of Korea

Antibody ADC Global Rights

4. ESG Governance

Integrating ESG principles deeply into the corporate strategy and daily operations is pivotal to CStone's pursuit of sustainable, high-quality development. We are committed to establishing an efficient ESG governance structure with clearly defined responsibilities to ensure the effective top-down implementation of ESG management. As the highest decision-making and oversight body of the Group's ESG governance system, the Board is responsible for reviewing and approving ESG strategies, targets and material issues. The management and execution teams are responsible for the specific implementation, ensuring that ESG work and business development advance in synergy.

We place equal importance on maintaining continuous and two-way communication with all stakeholders. By establishing diversified communication channels, we actively listen to the expectations and feedback of our shareholders, employees, customers, partners, communities and other key groups, and incorporate them as important inputs for improving our ESG management. On this basis, we conduct regular materiality assessments to identify issues that have significant impact on both the Company and our stakeholders. The results of these assessments not only define the reporting boundaries of this report but also serve as the core foundation for formulating our ESG strategy, reallocating resources, and enhancing management performance, thereby ensuring our actions remain focused on the areas of greatest impact. Moving forward, we will continue to strengthen our ESG management and work hand-in-hand with all stakeholders toward a more sustainable future.

4.1 BOARD STATEMENT

A sound ESG governance framework has been established by the Group to systematically advance sustainability initiatives, reflecting our strong commitment to corporate social responsibility. Within this framework, the Board serves as the highest decision-making and oversight body and assumes full responsibility for decisions and supervision related to ESG matters. The Board closely monitors the Group's ESG performance, including in-depth review of the ESG strategy and material issues, identification and management of ESG-related risks in operations, and approval of the annual ESG report.

Under the Board's guidance and supervision, all departments across the Group collaborate to implement established ESG management policies, strategies and priorities to ensure seamless alignment of ESG policies with business development. By leveraging continuous improvement and innovation, we will strengthen our corporate responsibility, enhance our market competitiveness, drive our sustainable development and create greater value for all stakeholders in long run.

During the Year, we systematically reviewed and tracked the progress of established environmental targets, while closely aligning ESG principles and policies with the Group's strategic development direction in day-to-day operations. Looking ahead, we will continue to oversee and refine our ESG management practices to better address the increasingly complex market environment and external changes.

4. ESG Governance

4.2 ESG GOVERNANCE STRUCTURE

To ensure the deep integration of our ESG strategy with the Group's business development, we have established a three-tier ESG governance structure characterized by clear rights and responsibilities, distinct hierarchies, and efficient synergy. This framework comprises three core components, namely the Board, the Audit Committee and the ESG working group, which collectively drive the decision-making, oversight, and execution of ESG matters in pursuit of the Group's sustainable development goals.

As the highest decision-making level in the ESG governance structure, the Board is responsible for approving the overall ESG strategy, targets and policies. The Board assumes ultimate accountability for material ESG-related matters and provides ongoing oversight of ESG management effectiveness to ensure alignment with the Group's development direction. The Audit Committee is delegated by the Board to serve as the management level of ESG matters, mainly responsible for assisting the Board in materiality assessments and providing regular recommendations and progress reports on ESG execution. Representing the execution level, the ESG working group is a cross-functional team comprising members from various core departments. It is tasked with the day-to-day coordination, management, communication, and disclosure of ESG matters, while driving the implementation of daily ESG projects, data collection and performance tracking to ensure the effective integration of ESG practices.

The Board
Decision-making
Level

- Reviewing and approving the overall ESG strategy, targets and policies
- Overseeing the ESG management effectiveness and progress
- Assessing the ESG-related risks and material issues
- Reviewing and approving the public disclosure of ESG-related information

Audit Committee
Management Level

- Assisting the Board in assessing the Group's ESG risk appetite on an annual basis
- Reviewing the material issues and the ability to respond to climate changes
- Reviewing the adequacy of the Group's ESG resource allocation, employee qualifications and experience, training plan and budget, and reporting to the Board on the implementation of ESG on a regular basis

ESG working group
Executive Level

- Comprising staff from various departments including Investor Relations, Human Resources and Administration, Supply Chain Management, Legal Compliance and Quality Department
- Communicating with stakeholders in various ways, evaluating and responding to ESG-related risks and requirements
- Regularly reporting to the Audit Committee on the progress and achievements, and continuously optimizing ESG management based on the feedback

4. ESG Governance

4.3 COMMUNICATION WITH STAKEHOLDERS

Robust communication with stakeholders serves as the cornerstone for a company's sustainable prosperity. We recognize that maintaining an active and transparent dialogue with our stakeholders is essential to earning their long-term support and trust. During the Year, we have continued to engage in diversified interactions with our core stakeholders, including customers, investors, employees, government regulators, suppliers, and the community. Through various channels such as customer satisfaction surveys, General Meetings, our corporate website and seminars, we actively listen to, respond to, and incorporate their expectations and suggestions.

We are committed to integrating this invaluable feedback into our corporate governance and strategic decision-making processes, ensuring that stakeholders can meaningfully participate in and influence the Group's sustainable development journey. This approach has not only strengthened our internal and external connections but also significantly enhanced the transparency, inclusivity, and responsiveness of our corporate management, laying a solid foundation for CStone's long-term stable operations.

4. ESG Governance

Table of communication channels with stakeholders

Stakeholders	Communication Channels
Customers	<ul style="list-style-type: none">• Customer satisfaction survey and comment form• Email
Shareholders/investors	<ul style="list-style-type: none">• General meetings• Interim and annual reports• Corporate communications such as letters/circulars to shareholders and notices of meetings• Regular announcement• Company website• Investors' meetings
Employees	<ul style="list-style-type: none">• WeChat groups• Performance appraisal and assessments• Seminars/workshops/lectures
Government and regulatory authorities	<ul style="list-style-type: none">• Policy documents, guidelines and compliance reports• Meetings/presentations/seminars/forums and communication activities• Submissions/written responses to public consultations
Suppliers and business partners	<ul style="list-style-type: none">• Supplier management procedures• Suppliers/contractors evaluation systems• Site visits
Community/Non-governmental organization	<ul style="list-style-type: none">• Community activities
Pharmaceuticals peers	<ul style="list-style-type: none">• Strategic cooperation projects• Industry meetings, forums and communication activities
Media	<ul style="list-style-type: none">• Press conference/press releases/results announcement• Interviews with senior management• Media gathering

4. ESG Governance

4.4 MATERIALITY ASSESSMENT

Based on the material issue analysis by stakeholders, the Group identified 22 material issues, including 9 highly material issues, 8 medium material issues and 5 general material issues. During the Year, given that there have been no significant changes in the Group’s business and operating environment, and that the results of previous materiality assessments still adequately address the expectations of stakeholders regarding the Group, the management and the ESG working group have confirmed that such results of materiality assessment remain applicable for the Year. The following table denotes our materiality matrix:

CStone’s Materiality Matrix



Based on the results of the materiality assessment, CStone focuses on five key areas in ESG management during the Year: “Business Ethics and Integrity”, “Quality Management”, “Employment Management”, “Green Operations”, and “Community Engagement”. This Report provides a detailed disclosure of the Group’s policies, practices, and performance relating to aforementioned material issues for the Year.

5. Business Ethics and Integrity

Integrity and compliance are the core pillars of the Group's corporate culture and serve as a vital guarantee for our long-term sustainable development. We are committed to integrating business ethics and accountability into every aspect of our operations through a systematic governance framework. Our focus remains on robust management across four key areas: anti-corruption, intellectual property protection, data privacy and security, and responsible marketing.

We maintain a zero-tolerance policy toward all forms of corruption, bribery and illicit gains. To this end, we have established a comprehensive compliance system centered on prevention, oversight and accountability, while strengthening employee training and fostering a culture of integrity. We regard innovation as the primary driver of corporate growth. By implementing rigorous intellectual property management systems, we ensure full respect for third-party intellectual property rights while actively protecting our own innovations through patents, trademarks and trade secrets. Furthermore, we rigorously safeguard data security and privacy to build a strong defense for information security. We adhere to the principles of truthful, accurate, and transparent communication, eliminating false or misleading advertising to protect consumers' right to know and their freedom of choice.

5.1 ANTI-CORRUPTION AND INTEGRITY

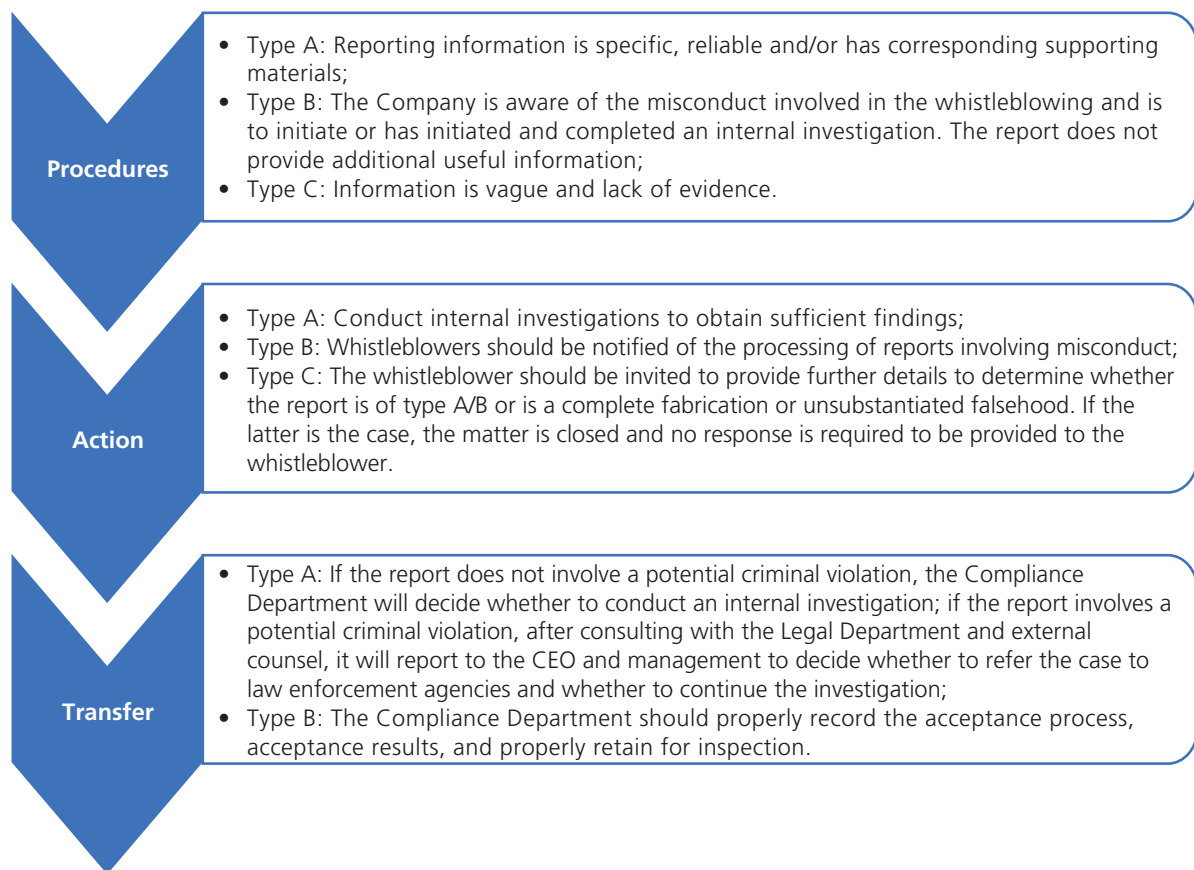
The Group maintains a "zero-tolerance" stance against all forms of corruption and bribery, strictly complies with the Anti-Unfair Competition Law of the People's Republic of China (the "PRC") 《中華人民共和國反不當競爭法》, Interim Provisions on Banning Commercial Bribery 《關於禁止商業賄賂行為的暫行規定》 and other relevant laws and regulations. To manage compliance systematically, the Group has established a robust compliance risk management framework and formulated the Compliance Management System. By combining internal controls with external supervision, we ensure that all business activities strictly conform to both internal policies of the Company and industry standards, and that compliant operations and integrity governance are implemented effectively.

At the compliance and governance level, the Board and the Legal Compliance Department are jointly responsible for formulating, promoting, and overseeing the execution of relevant systems. The Compliance Management System clearly defines mechanisms for the identification, assessment, monitoring, and reporting of compliance risks, and establishes a compliance review and evaluation framework. The Legal Compliance Department is responsible for drafting detailed rules for compliance reviews, inspections, reporting and accountability. It also maintains an effective internal evaluation mechanism to periodically assess each department's compliance risk management capabilities and effectiveness. In the event of a violation, we take disciplinary action against those responsible in accordance with the Company's Articles of Association and relevant regulations, ensuring the implementation of corrective measures.

To clarify standards of conduct, CStone has formulated and implemented the Code of Conduct for Employees. All employees are required to behave lawfully and compliantly, uphold principles of mutual respect and honesty, cherish the Company's reputation, actively resist corruption, and fulfill their management and supervisory duties. When interacting with third parties including business partners, government agencies, suppliers and healthcare professionals, employees of the Group are strictly prohibited from soliciting, providing, or accepting improper benefits in any form. We resolutely eliminate all types of corruption to ensure that all commercial activities comply with local laws, regulations and international standards. Employees must timely report to their immediate supervisor if they may gain any personal benefits during the performance of their duties, to maintain transparent and accountable professional conduct, ensuring business is conducted within a legal, compliant, and ethical framework.

5. Business Ethics and Integrity

In terms of whistleblowing mechanisms, the Group solemnly pledges to handle every report of misconduct in a serious, confidential, and timely manner to safeguard our core interests. Our Standard Operating Procedures for Whistleblowing and Internal Investigations cover investigations triggered by the “Whistleblower Report” and suspected misconduct investigations initiated by the Group. All employees and departments are required to provide necessary support and cooperation during such investigations. The Compliance Department is responsible for the preliminary verification of complaints and reports and may engage external legal experts to assist with in-depth investigations as necessary. Through these rigorous investigative procedures, CStone strives to effectively prevent and control non-compliant behavior, continuously solidifying the Company’s foundation of integrity and its capacity for compliant operations. The Compliance Department of the Group shall handle various reports in strict compliance with the following procedures:



5. Business Ethics and Integrity

In the daily operations, the Group continuously enhances its employees' ability to identify and prevent potential corruption risks by providing regular training sessions. During the Year, we provided training on the CStone Integrity Principles (CIP) to directors and all employees, which included anti-corruption modules. A total of 136 participants attended this one-hour training. We strictly require employees to adhere to the Group's anti-corruption compliance requirements in all dealings with government officials, relevant institutions, and third-party businesses to safeguard the Company's reputation and interests. These systematic training programs not only deepen employees' understanding of compliance which enables them to strictly abide by laws, regulations, and internal systems in their daily work, but also strengthen our internal controls and policy enforcement related to anti-corruption efforts. By doing so, we foster a responsible, transparent, and efficient corporate culture.

During the Reporting Period, there were no incidents of corruption, bribery, extortion, fraud or money laundering by CStone, and there were no litigation cases or disputes arising from the above matters.

5.2 PROTECTING INTELLECTUAL PROPERTY

Intellectual property is recognized as a valuable intangible asset for CStone, therefore we highly value intellectual property in the drug development process. We strictly abide by laws and regulations including Patent Law of the PRC 《中華人民共和國專利法》, Copyright Law of the PRC 《中華人民共和國著作權法》, Trademark Law of the PRC 《中華人民共和國商標法》 and Anti-Unfair Competition Law of the PRC 《中華人民共和國反不正當競爭法》. We have established a comprehensive internal intellectual property protection system to resolutely defend our legal rights and interests while strictly fulfilling our responsibility to respect the intellectual property of others.

To systematically manage intellectual property risks, the Group conducts comprehensive infringement searches and analysis to identify and prevent potential intellectual property infringement risks before the launch of self-developed drugs and the introduction of drugs from outside. At project initiation and other critical decision-making stages, we systematically evaluate intellectual property risks and their potential impact on the project. Additionally, the Group signs the Employee Confidential Information and Invention Assignment Agreement with staff to clarify confidentiality obligations and ownership of job-related inventions, ensuring comprehensive protection of our patents against infringement. These measures have strengthened our compliance and security in intellectual property management and effectively safeguarded our innovative achievements and market competitiveness.

During the Reporting Period, we maintained a total of 14 registered patents and obtained 1 new patent authorization, with no intellectual property infringement disputes occurring. Should any disputes arise in the future, we will engage external legal institutions to conduct professional assessments of the intellectual property rights involved and actively respond through legal means, such as filing for invalidation or negotiating licenses, to effectively control risks.

5. Business Ethics and Integrity

5.3 DATA PRIVACY AND SECURITY

The Group places high priority on data security and privacy protection. We strictly comply with the Personal Information Protection Law of PRC (《中華人民共和國個人信息保護法》) and other data-related laws and regulations, and have formulated the Personal Privacy Information Protection Policy, the Code of Conduct for CStone Employees and the Code of Conduct for Business Partners to ensure that the security and confidentiality of business information is implemented in every aspect of our services to patients. Our internal systems define standards for the use and oversight of personal information and data privacy, which apply not only to all employees but also to service providers and business partners, including contract research organizations (CROs), vendors and consultants, who are required to perform their activities in compliance with business policies, procedures or local regulatory requirements for the handling of personal information.

The Group consistently prioritizes the privacy protection of clinical trial participants to prevent the leakage or misuse of personal information. During the R&D phase of drugs that require the involvement of participants in clinical trials, participants will be explicitly informed of the desensitization of their personal data in the Informed Consent Form. For research results that need to be made public, any personal information that can identify the participants will also not be disclosed. In addition, in terms of Good Manufacturing Practice (GMP), to ensure the security and confidentiality of GMP data, we have formulated the GMP Data Storage System Standard Operating Procedures, which details the management, use and maintenance processes of the GMP data storage system. By adopting a collaborative approach between the Quality Assurance Department and the IT Department, the Group has ensured the efficient operation of the GMP data storage system while fully safeguarding the security and privacy of critical data.

Furthermore, in order to standardize the creation, management, retention and disposal of our internal information records, the Group has formulated the Corporate Records and Information Management Requirements. According to the severity of the possible consequences of information leakage, we classify the risks into three levels of "high, medium, and low", and set corresponding access rights for information at all levels. High-risk and medium-risk information can only be accessed by the leadership team members or authorized individuals, and records are permanently maintained. Through these measures, we are committed to ensuring the security and confidentiality of all personal information and effectively protecting personal privacy and interests.

5. Business Ethics and Integrity

5.4 RESPONSIBLE MARKETING

CStone regards responsible marketing as a core component of sustainable development and brand reputation. We uphold the reasonable, rigorous and responsible marketing principles, with a commitment to meeting patient needs as our core goal and driving force for progress. The Group complies with the Advertising Law of the PRC 《中華人民共和國廣告法》, the Regulations on the Administration of Drug Descriptions and Labels 《藥品說明書和標籤管理規定》, the Measures for the Administration of Drug Packaging 《藥品包裝管理辦法》 and other marketing-related laws and regulations. We have formulated the Standard Operating Procedures for the Management of Promotional Materials to ensure the authenticity, accuracy, and compliance of all product information.

In the production of product labels and advertisements, we strictly follow national laws and regulations to conduct full-process compliance review of drug instructions, labels, advertisements, and various promotional materials, aiming to ensure that information provided to patients, regulatory authorities and other stakeholders is scientifically rigorous and clearly expressed, avoiding any false or misleading information. The Group's Standard Operating Procedure for the Management of Promotional Materials applies to all medical and product information promotional materials issued by the Group. This ensures that all promotional materials, in both form and content, fully comply with the requirements of the Drug Administration Law of the PRC 《中華人民共和國藥品管理法》 and other relevant laws and regulations, and are consistent with the Code of Conduct for the Promotion of Medicines issued by the International Federation of Pharmaceutical Manufacturers and Associations (IFPMA) and the Group's internal policies. Through a continuously improved compliance framework, we are committed to upholding professional ethics in drug promotion activities. This not only safeguards patients' fundamental right to receive accurate and reliable drug information, but also strengthens long-term trust with healthcare professionals, regulatory authorities and the public, while maintaining the Group's strong reputation for corporate social responsibility.

6. Quality Management

CStone is committed to establishing a comprehensive, systematic, and transparent product quality management mechanism. We integrate high-standard quality requirements, rigorous compliance awareness, and a responsible approach to development throughout every aspect of our business operations. This ensures that while pursuing commercial success, we fulfill our corporate social responsibilities and earn the trust of all stakeholders. We consistently prioritize product quality and patient safety, establishing quality control procedures that cover the entire product lifecycle to safeguard the dignity, rights and safety of trial subjects. In terms of green supply chain management, we actively fulfill our environmental responsibilities by extending the principles of sustainable development to every link in the supply chain. Moving forward, we will continue to refine our quality management and compliance operations systems, optimize processes, strengthen execution, and enhance transparency, thereby fulfilling our corporate social responsibilities to even higher standards.

6.1 PRODUCT QUALITY CONTROL

In the core area of product liability, we profoundly recognize that excellent product quality and safety are not only the lifeline for the Company's survival and development, but also our fundamental responsibility to customers, society, and the environment. As a responsible pharmaceutical company, we always place patient medication safety as our foremost priority and steadfastly adhere to all relevant national laws and regulations across every stage of drug R&D, production, and distribution, including the Drug Administration Law of the PRC 《中華人民共和國藥品管理法》, Product Quality Law of the PRC 《中華人民共和國產品品質法》, Good Manufacturing Practices for Pharmaceutical Products 《藥品生產質量管理規範》, Good Supply Practice for Pharmaceutical Products 《藥品經營質量管理規範》, Administrative Measures of Production Supervision for Pharmaceutical Products 《藥品生產監督管理辦法》 and Administrative Measures for Drug Registration 《藥品註冊管理辦法》.

During the new drug R&D stage, we conduct all activities in strict compliance with the Good Clinical Practice for Pharmaceutical Products (GCP) 《藥物臨床試驗質量管理規範》 and the Good Laboratory Practice for Pharmaceutical Product (GLP) 《藥物非臨床研究質量管理規範》, ensuring that every step, from early-stage research to clinical application, meets the scientific norms and ethical standards, thereby laying a solid foundation for the safety and efficacy of the drug.

For drug production, the Group has established and rigorously implements comprehensive quality control procedures covering the entire process. These include the Standard Management Procedures for Consigned Production Quality Activities, Standard Management Procedures for Consigned Production Product Release, Standard Management Procedures for Consigned Production Sample Inspection and Standard Management Procedures for Consigned Production Non-Conforming Products and Recalls/Rework/Reprocessing, etc. These procedures ensure that every step, from raw materials to finished products, is subject to strict quality monitoring, effectively preventing non-conforming products from entering subsequent stages or market. As a result, the quality of every batch of drug consistently meets the Group's stringent quality standards.

6. Quality Management

At the same time, our quality management strictly adheres to the 2010 version of China Drug Manufacturing Quality Management Code 《2010 版中國藥品生產質量管理規範》 and Title 21 of the Code of Federal Regulations, Parts 210-211. We implement systematic management of any non-conforming raw and auxiliary materials, packaging materials, critical consumables, cell banks, stock solutions, intermediates and finished products that arise in entrusted production activities. Our Quality Assurance Department is responsible for overseeing the contract manufacturer's operations throughout the entire process, reviewing all proposed disposition plans for non-conforming products, and tracking the implementation and completion of those dispositions to ensure that every quality event is resolved in a closed-loop manner.

Should any non-conforming product be identified in the market, we will immediately initiate a quality risk assessment to determine whether product recall or reprocessing is required. In the event a recall is necessary, the Group will execute the recall operation strictly in accordance with established procedures and maintain complete documentation of the entire process. Any recalled or reprocessed product must undergo inspection and stability evaluation by the Quality Management Department, followed by comprehensive review and approval by the Quality Assurance Department, before it can be repackaged, released back to the market, or destroyed. This rigorous and transparent quality control system strongly reflects our unwavering commitment to product excellence and patient safety.

During the Year, we did not recall any products for safety and health reason.

6.2 SAFEGUARDING CLINICAL TRIAL PARTICIPANTS

Clinical trials are a very important part of the drug development process. The Group implements systematic management measures to comprehensively safeguard the safety and interests of trial subjects across all stages of clinical trials. We strictly comply with relevant national laws and regulations and have specifically established the Management Process of Medical Information Consultation to standardize the conduct and responsibilities of employees and third parties in handling and providing medical information consultations. This ensures the accuracy and compliance of information communicated, thereby protecting the interests of trial subjects, upholding product quality, and reinforcing the Company's reputation.

Prior to the commencement of a clinical trial, the Group will sign a Clinical Trial Agreement with the clinical trial organization, which clearly sets out the requirements in respect of trial execution, record keeping, auditing and data privacy protection, etc., with a view to fully safeguarding the legitimate rights and interests of trial participants. We will also purchase clinical trial liability insurance for clinical trials, researchers and research organizations in accordance with the relevant legal requirements, so as to enhance the risk resilience.

6. Quality Management

The research team has the responsibility to ensure that each participant fully understands the nature, significance, potential risks and impact of the trial before conducting the trial. Only when the participant is fully informed and voluntarily agrees to take part in the trial can he/she sign the Informed Consent Form and participate in the trial. In order to further clarify the rights and obligations of both parties, we also sign the Clinical Trial Agreement on Serious Adverse Events and the Settlement Agreement on Reconciliation of Clinical Trial Participants with the participant. Participants have the right to raise any concerns at any stage of the trial, and the researchers are obliged to respond to and resolve these issues promptly. Participants may also opt out at any stage of the study at their own discretion. Throughout the entire process, the health and interests of trial subjects remain our foremost priority.

During the Year, we received two clinical trials-related lawsuits, both of which are currently being processed.

6.3 SUPPLY CHAIN MANAGEMENT

Through the establishment of a systematic and efficient supplier management mechanism, the Group comprehensively ensures the stability and sustainability of its supply chain while effectively mitigating environmental and social risks therein. Such mechanism encompasses the entire procurement lifecycle, including supplier onboarding, contract execution and ongoing performance evaluation. It is supported by a series of standardized policies and procedures, such as the Standard Operating Procedure for Procurement, the Standard Operating Procedure for Supplier Engagement, and the Procurement Request and Quotation Comparison Procedure.

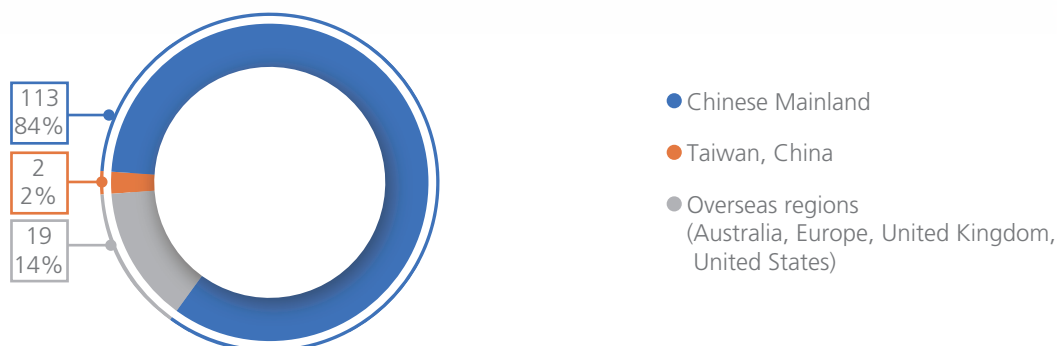
CStone places great emphasis on whether suppliers share the same ESG values as the Group, particularly in terms of demonstrated performance in environmental and social responsibility, when selecting suppliers. We explicitly require suppliers to comply with all applicable environmental and labor-related laws and regulations, and to meet the standards outlined in our Code of Conduct for Business Partners. This ensures that suppliers can effectively identify, manage, and mitigate potential environmental and social risks in their operations. Regarding the environmental aspect, we strictly prohibit any form of environmental pollution or ecological damage and prioritize sustainable suppliers that demonstrate strong environmental awareness and offer green products. At the same time, suppliers are required to respect employees' fundamental human rights and ensure occupational safety and health, while any suppliers involved in corrupt practices are excluded. Suppliers must possess the necessary qualifications, professional capabilities, and a solid foundation for compliant operations. During the procurement process, we conduct a comprehensive evaluation, with particular focus on alignment of proposals, delivery timeliness, after-sales service quality, and long-term strategic synergy potential. Any supplier found to engage in unethical or illegal conduct such as commercial bribery, child labor or dissemination of false information, will be included in our "supplier blacklist" and permanently barred from future cooperation.

6. Quality Management

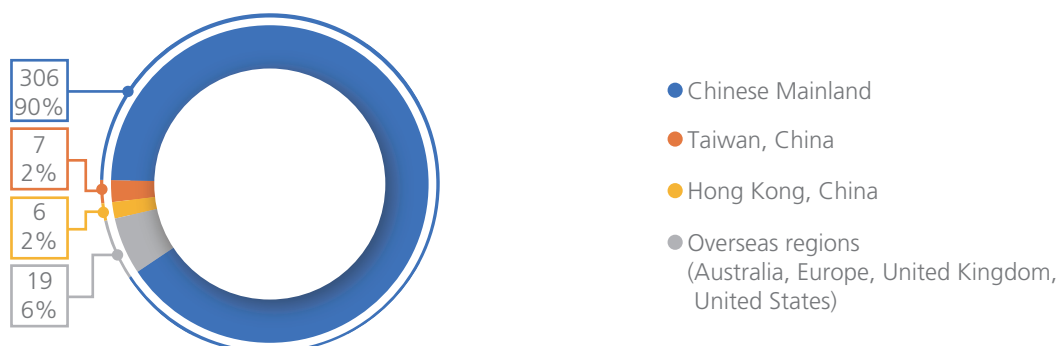
To ensure the quality and safety of the entire supply chain and to maintain high-standard quality management throughout the full product lifecycle, we have implemented multiple control measures. We strictly require all service providers to fully comply with GMP requirements across all aspects, including raw materials, personnel, facilities and equipment, production processes, packaging, transportation, and quality control. In accordance with our internally established Standard Operating Procedure for Management of GMP Service Providers, all suppliers must complete the preparation and approval of the GMP Service Provider Assessment Application and Approval Form. This systematic approach effectively reduces quality risks during drug production. We apply categorized management strategies to GMP service providers based on the characteristics of production cycles and conduct regular reviews to ensure their services consistently meet the required standards. Additionally, we provide GMP training programs for service providers to ensure that all partners fully understand and implement the Group's quality requirements. All efforts are made to maintain efficiency and compliance throughout the entire drug production process, ultimately delivering safe and effective medicines to patients and contributing to public health.

During the Year, the Group collaborated with a total of 472 suppliers. We have implemented relevant supplier engagement practices and regulations for all suppliers. The number and proportion of clinical-related and non-clinical-related suppliers by region are as follows:

Clinical-related suppliers by region



Non-clinical-related suppliers by region



7. Employment Management

The Group has always regarded talent as its most valuable asset. Upholding the people-oriented philosophy, we are committed to building an equitable, harmonious, and inclusive employment management system that supports the mutual growth and development of our employees and the Group. In terms of recruitment management, we strictly adhere to the principles of voluntary participation, fairness, and non-discrimination. We prohibit the employment of child labor and any form of forced labor, while ensuring that our recruitment processes are lawful and transparent.

In areas such as employee promotion, job transfers, remuneration, and training, we consistently adhere to principles of equal opportunity and diversity. Through these measures, we aim to continuously enhance the fairness and transparency of our employment practices, foster a diverse work environment, and drive overall team innovation and growth. We provide a competitive remuneration and benefits package aligned with market standards, while implementing a scientific performance management system and standardized offboarding procedures. These practices safeguard employee rights while maintaining the stability of our operations.

Furthermore, we have established a systematic training framework that provides employees with diverse career development pathways and ongoing learning opportunities. These initiatives empower employees to enhance their professional skills and overall competencies, enabling synergistic growth between individuals and the Group. We also strictly comply with national laws and regulations on work safety and occupational health. Through targeted safety awareness training, promotion campaigns and regular emergency drills, we elevate employees' safety consciousness and ensure a safe and healthy working environment for all staff.

As of December 31, 2025, CStone had 136 employees. The breakdown of employees by different types is shown in the following charts.

Total Number of Employees by Gender



7. Employment Management

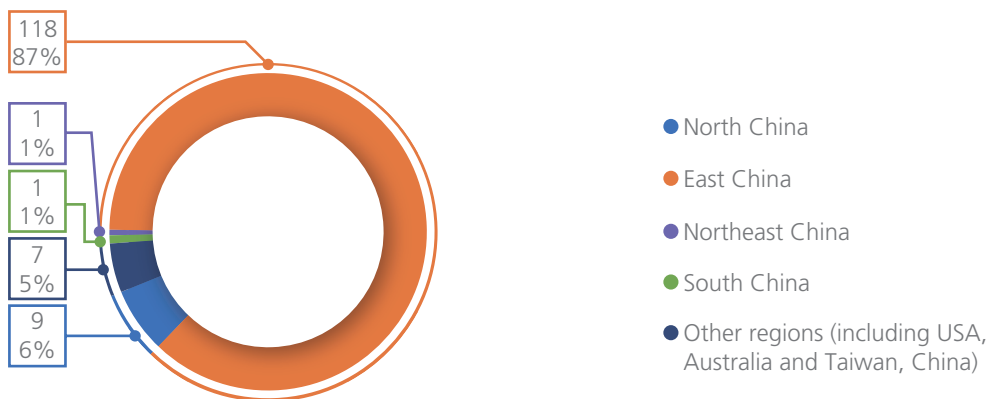
Total Number of Employees by Employment Category



Total Number of Employees by Age Group



Total Number of Employees by Geographical Region



7. Employment Management

7.1 RECRUITMENT AND REMUNERATION PACKAGE

Recruitment management

In strict compliance with the Labor Law of the PRC 《中華人民共和國勞動法》, Labor Contract Law of the PRC 《中華人民共和國勞動合同法》, Law of the PRC on the Protection of Minors 《中華人民共和國未成年人保護法》 and the Regulations on the Prohibition of Child Labor 《禁止使用童工規定》 and other laws and regulations related to labor standards, we have formulated the Recruitment Management System and the Employee Handbook as internal regulations to standardize the recruitment process and to ensure the comprehensive implementation of equal recruitment principles. We firmly oppose any form of discrimination in employment and are dedicated to earnestly safeguarding the legitimate rights and interests of our employees, striving to build an inclusive, respectful, and value-creating workplace for everyone.

Our recruitment decisions are based on the needs of business development and the functions of the positions, and we select personnel who meet the requirements of the functions, with equal opportunities for both internal and external personnel. We do not discriminate by reasons of gender, religion, age, ethnicity or disability. The principle of equal opportunity further applies to all aspects of employment, including but not limited to promotions, job transfers, remuneration, training opportunities and termination of employment. In order to attract talents with relevant expertise, we also recruit through open channels in accordance with our recruitment plan, thereby safeguarding recruitment quality while ensuring all processes are conducted in an orderly and highly efficient manner.

The Group strictly prohibits the use of child labor and all forms of forced labor. During the recruitment process, we will rigorously verify the candidates' identities and qualifications to prevent any illegal or non-compliant employment practices. To protect the reasonable workload of our employees, we have formulated the Working Hours and Overtime Management Policy, which strictly regulates overtime, weekend work, and work on statutory public holidays. Any overtime must be pre-approved by the employee's direct supervisor. Pregnant employees and those in the breastfeeding period shall not be assigned overtime under any circumstances. Should any instance of child labor or forced labor be identified, the Group will take immediate and serious action in full compliance with applicable laws.

During the Year, the Group had no case of employing child labor or forced labor.

7. Employment Management

Benefit management

The Group places strong emphasis on employee well-being and has established a comprehensive benefits system aligned with its long-term business objectives and competitive market practices. Our Employee Handbook and Benefits Management Policy clearly define employee benefits and administrative procedures, providing a structured basis for implementation. In addition to statutory social insurance and housing fund contributions, we offer a variety of supplemental benefits, including annual health check-ups, commercial medical insurance, traditional holiday benefits, transportation allowances, long-service awards, share incentive schemes, and congratulatory gifts for marriage, childbirth and birthdays.

Regarding leave arrangements, employees are entitled to statutory holidays and paid annual leave based on years of service, and may leave early on major festive occasions. We also grant various types of leave, including sick leave, unpaid leave, work injury leave, marriage leave, maternity leave, breastfeeding leave, parental leave and bereavement leave. Eligible employees are also entitled to half-day leave on International Women's Day and Youth Day. Through the provision of these reasonable remuneration and benefit guarantees, CStone aims to enhance employees' sense of belonging, engagement and job satisfaction, thereby boosting motivation to work and fostering sustainable corporate development.

Remuneration and performance management

The Group has formulated and implemented a Remuneration Management Policy, which follows the principles of structural uniformity, security, external competitiveness, performance orientation, and internal equity for all employees. Taking into account factors such as business performance, industry trends, and peer benchmarks, we provide remuneration packages that are competitive in the market. Compensation levels across different employee grades are subject to regular review and benchmarking.

We adhere to a performance-driven remuneration mechanism, emphasizing the principles of "shared accountability, performance-based rewards, and merit-based differentiation". We respect the value of our employees and seek to attract, retain, and motivate outstanding talent through fair and equitable practices. A comprehensive performance management system has been established, consisting of four core components: goal setting, performance feedback, performance evaluation, and integrated compensation management. This process is designed to ensure that individual employee performance is closely aligned with the Group's strategy and objectives, while scientifically structured remuneration incentives help attract and retain talent. In doing so, we aim to fully evoke employees' motivation and potential, thereby providing strong support for the Group's sustained business development and growth.

During the Year, the Human Resources Department led the annual performance target-setting and year-end appraisal process for 2025. Employees were required to align their individual objectives with the Company's overall business goals and obtain approval from their line managers. The year-end appraisal process comprised performance discussions, scoring, and calibration. Following evaluations by line managers and department heads, the Human Resources Department conducted performance calibration and normalization. For employees who do not meet performance requirements, supervisors will collaborate with them to develop a performance improvement plan to enhance their effectiveness. Through this systematic mechanism, we aim to effectively incentivize and guide employees to ensure their performance remains consistent with the Group's overall strategy and goal.

7. Employment Management

Resignation management

To ensure compliance and safeguard the interests of both employees and the Group, the Employee Handbook clearly outlines resignation policies and procedures for different scenarios.

For confirmed departures, the relevant process is initiated through the “eHR” system. Where necessary, exit interviews may be conducted to better understand the reasons for departure. Upon completion of all exit procedures, the Human Resources Department is responsible for final settlement of remuneration and issuance of separation certificates. The Group values maintaining positive relationships with former employees in order to uphold its corporate reputation.

7.2 EMPLOYEE TRAINING AND DEVELOPMENT

The Group places great importance on employee capability development and career growth. Through its internal platform, “CStone Academy,” we offer a wide range of training programs and encourage employees to participate in external seminars and knowledge-sharing sessions to broaden their professional expertise. These initiatives are designed to support employees realizing their potential and achieving their career development goals.

During the Year, we conducted various training initiatives (as shown in table below) aligned with both employee development and business strategy. These programs enhance employees’ overall competencies, expand professional knowledge and skills, and foster innovative thinking, enabling them to better adapt to an increasingly complex and dynamic business environment and requirements.

Training title	Content description	Purpose of training	Training objects	Form of training
New employee orientation	Introducing corporate structure and culture, and introducing processes and policies of related functional department: personnel department, finance department, and information system department, etc.	Familiarize new employees with the Company’s processes and policies, and gain understanding of the corporate structure and culture of the Company	New employees	Online + offline
Pharmacovigilance Annual Training 2025	Introducing the contents of POL-09-Safety Information Reporting, policies and processes for reporting drug safety information titled	Ensure that all employees are fully aware of and comply with safety information collection and reporting requirements	All employees	Online
CStone Integrity Policy Training 2025	Introducing the Company’s compliance policy and related standard operating procedures	Reinforce CStone’ culture of compliance and to ensure that all employees are fully aware of and follow the Company’s compliance policies	All employees	Online

7. Employment Management

Training title	Content description	Purpose of training	Training objects	Form of training
Employee Vocational Certificate Training	Training for necessary position certificates for employees engaged in related positions: special equipment operation license training, GCP certificate training, etc.	Ensure that staff members have the necessary skills for their positions, and improve their working ability	Employees in related positions	Offline
On-the-job Training for GMP Positions	Annual on-the-job training is initiated by the Quality Department in the first quarter of each year, and the immediate supervisor reviews the employee job training program and develops a training plan for the new year. Contents of the training include but are not limited to documents, operational skills, knowledge of each management system and related regulations and guidelines, etc.	Continuing training for GMP position-related staff to enhance relevant work skills and GMP awareness of employees	GMP-related personnel	Online
Corporate Quality-related Training	The content includes but is not limited to quality document training, GMP guidelines, data reliability, related policies and regulations, and other training	Enhance employees' awareness of GMP and strengthen their understanding of related policies and regulations	GMP-related personnel or all employees	Online + offline
Safety Education Series Training	Workplace safety training: fire safety knowledge, electrical safety, daily safety-first aid measures, etc.	Ensure that the employees in the relevant workplace are fully aware of the relevant safety protection and first aid measures	Employees at Suzhou Park	Online + offline
Laboratory Training	Laboratory biosafety awareness and emergency response training	Enhance laboratory personnel's awareness of biosafety and improve laboratory emergency response capabilities	Laboratory staff	Offline

7. Employment Management



Laboratory Operating Procedures Training (left) and Practical Training in Safety and First Aid (right)



Fire Extinguisher Training (left) and New Employee Orientation (right)

7. Employment Management

7.3 OCCUPATIONAL HEALTH AND SAFETY

The Group strictly complies with the Production Safety Law of the PRC (《中華人民共和國安全生產法》), the Fire Protection Law of the PRC (《中華人民共和國消防法》), the Regulations on the Supervision and Management of Construction Work Safety (《建築工程安全生產監督管理條例》), the Regulations on Laboratory Safety Production (《實驗室安全生產條例》), the Measures for the Administration of Work Safety Training (《安全生產培訓管理辦法》), the Provisions on Safety Training for Production and Business Entities (《生產經營單位安全培訓規定》) and other relevant laws and regulations. We have established internal protocols such as the Emergency Response Plan for Production Safety Accidents, the Standard Operating Procedures for the Identification and Remediation of Safety Hazards at the Translational Medicine Research Center, the Management Procedures for Environmental, Health and Safety (EHS) Inspection Standards, the EHS Training and Education Management System, the Responsibility System for the Prevention and Control of Occupational Hazards, the Emergency Response and Management Policy for Occupational Hazard Incidents to safeguard employee health and safety to the highest standards.

Work safety

We have identified occupational health and safety risks and implemented corresponding preventive measures. Our safety management system integrates policies and procedures across areas such as chemical handling, equipment operation, and fire safety, forming a standardized and systematic framework. We remain committed to continuously strengthening our safety management measures in order to build a more comprehensive and steady safety management system. These efforts are aimed at ensuring the safe and stable execution of all operations while providing employees with a safe, efficient, and comfortable working environment.

In terms of laboratory safety, we have provided our employees with appropriate equipment in strict accordance with SOP-EHS-1016-01 Standard Management Regulations for Labor Protection Articles and have formulated EHS-001-SOP-02 TMRC Standard Operating Procedures (SOP) for Wearing Personal Protective Equipment in Laboratories to ensure that our employees are able to use the protective equipment properly. In order to further strengthen the laboratory management, we have implemented TMRC-004-SOP-02 TMRC Cell Room Management SOP and TMRC-005-WI BSL-2 Laboratory Usage Guidelines, and have entered into a Hazardous Waste Commissioning and Collection Agreement in accordance with the Civil Code of the PRC (《中華人民共和國民法典》) and the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》) among other environmental protection related laws and regulations, to entrust a qualified third party to collect and dispose of hazardous waste and strictly comply with the provisions regarding how to dispose of various chemicals.

During the Year, CStone recorded zero work-related lost-time injuries, and no work-related fatalities have occurred in the past three years.

7. Employment Management

Training and emergency drills

We have established an EHS Training Management Policy and adhere to the principle of “safety first, prevention foremost” to standardize the management of occupational safety and environmental protection. This policy aims to comprehensively enhance employees’ knowledge and practical skills in safety and environmental protection, thereby minimizing human-induced safety risks to the greatest extent possible. Under this policy, all personnel responsible for safety management are required to receive systematic EHS training, while new employees must complete pre-job training in accordance with the New Employee Training Guidelines and pass the relevant assessments before starting work. In addition to routine safety awareness activities, we regularly organize emergency drills covering fire, explosion, and hazardous exposure scenarios to ensure that employees can respond calmly and effectively in emergency situations and safeguard their personal safety.

To strengthen fire prevention, the Group has posted evacuation plans in prominent locations across all floors and work areas, clearly indicating evacuation routes as well as the locations of fire hydrants and fire extinguishers. Laboratories are equipped with a range of protective and emergency facilities, including vertical emergency eyewash and shower units, sink-mounted single-head eyewash stations, and laboratory oxygen deficiency alarms, to ensure the safety of research personnel. During the Year, we actively participated in fire drills organized by the office building management, covering procedures such as fire emergency broadcasting, audible and visual alarm activation, emergency elevator recall, and evacuation via fire stairwells to designated outdoor assembly points. Regular fire drills have effectively enhanced employees’ familiarity with evacuation procedures and fire prevention measures, ensuring that they can respond calmly and safely in the event of a fire.

Meanwhile, in order to enable our employees to better understand their health conditions and to satisfy their health management needs, our Welfare Management System stipulates that employees are entitled to the benefit of annual health check-ups. In particular, the Group has formulated the CStone Annual Health Check-up Handbook, which sets out specific information on health check-up arrangements, notice, booking procedures, etc. Through the annual health checkup, employees can detect potential health hazards in a timely manner and prevent, control and eliminate occupational risks.

8. Green Operations

The Group recognizes that environmental protection is fundamental to sustainable development and is also the foundation of sustainable corporate development. We strictly comply with relevant environmental laws and regulations, including the Environmental Protection Law of the PRC 《中華人民共和國環境保護法》, the Energy Conservation Law of the PRC 《中華人民共和國節約能源法》, and the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste 《中華人民共和國固體廢物污染環境防治法》, and we diligently fulfill our corporate environmental responsibilities. Through various green initiatives, we effectively manage greenhouse gas emissions, waste generation, energy and water consumption, striving to minimize environmental impact while improving resource efficiency. At the same time, we pay close attention to the potential impacts of climate change on the Group. We also actively identify climate-related risks and opportunities and develop corresponding mitigation strategies, striving to turn environmental challenges into new opportunities for sustainable business growth, thereby contributing more effectively to addressing climate change and advancing sustainable development.

To enhance the systematic and effective management of environmental performance, we have set environmental targets. While maintaining a similar level of operational scale, we will continue to maintain or further reduce the intensity of greenhouse gas emissions, waste generation, electricity consumption, and water usage. During this Year, all established targets were achieved.

During the Reporting Period, the Group did not (i) violate any laws and regulations regarding emissions of air and greenhouse gases, discharge into water and land, and generation of hazardous and non-hazardous waste; (ii) experience any major accidents affecting the environment and natural resources; or (iii) receive any environmental fines and notice of the action.

8.1 GREENHOUSE GAS EMISSIONS

As the Group does not operate fuel-consuming equipment or vehicles, it does not generate direct air emissions. Greenhouse gas emissions primarily arise from purchased electricity used in daily office and operational activities, representing Scope 2 emissions.

In response to the national dual-carbon goals, we continuously strengthen the monitoring and management of GHG emissions. In accordance with the Greenhouse Gas Protocol 《溫室氣體盤查議定書》 developed by the World Resources Institute and the World Business Council for Sustainable Development, as well as ISO 14064-1 standards issued by the International Organization for Standardization, we have calculated and disclosed GHG emissions within the scope of this report.

During the Year, the Group's total GHG emissions amounted to 366.06 metric tons of CO₂ equivalent, a decrease of approximately 3.42% compared to last year; GHG emissions per employee were 2.69 metric tons of CO₂ equivalent, a decrease of approximately 10.53% compared to last year. For our energy management strategies and practices, please refer to section "8.2 RESOURCE CONSUMPTION". Through a series of energy management measures, we aim to continuously reduce our carbon footprint and promote green operations. Going forward, we will continue to embed the concept of green operations into daily management, actively fulfill our corporate environmental responsibilities, and transparently and responsibly report our efforts and commitments in energy saving and emission reduction.

8. Green Operations

8.2 RESOURCE CONSUMPTION

Waste management

The Group's operations encompass the field of pharmaceutical R&D, and daily operations generate both hazardous and non-hazardous solid waste. We strictly adhere to the Law of the PRC on the Prevention and Control of Environmental Pollution Caused by Solid Wastes 《中華人民共和國固體廢物污染環境防治法》 and other relevant laws and regulations, ensuring that all waste is handled safely and in full compliance, thereby minimizing negative environmental impact caused by improper disposal.

For hazardous waste, we implement stringent packaging requirements and designated zoned storage procedures. All hazardous waste is subsequently transferred to licensed hazardous waste disposal contractors for proper treatment and disposal in full compliance with applicable regulations. Regarding non-hazardous waste, we further differentiate between recyclable and non-recyclable materials and adopt the following corresponding treatment measures, including:

- Utilizing recycling bins or other appropriate devices to recover discarded paper, cardboard boxes, and metal and plastic products;
- Promoting the reuse of office resources, including envelopes, binders, file cards, and other routine office supplies;
- Placing used batteries into specific recycling containers for centralized disposal;
- Optimizing material usage to reduce unnecessary inventory backlog.

Through these practices, we endeavor to construct a resource-efficient and eco-friendly green office system, continuously improving our waste management standards to minimize the impact of our operations on the ecological environment.

During the Year, the Group generated a total of 690.00 kg of non-hazardous waste and recycled a total of 132.00 kg of non-hazardous waste; the amount of non-hazardous waste generated per employee was 5.07 kg, representing a decrease of approximately 6.68% compared to last year. The Group generated a total of 2,930.20 kg of hazardous waste and the amount of hazardous waste generated per employee was 21.55 kg, representing an increase of approximately 16.16% compared to last year¹. In addition, we generated 25 pieces of waste batteries and 36 pieces of waste ink cartridges and toner cartridges as hazardous waste in our office operations.

Indicators	Unit	2024	2025
Hazardous waste generation ²	kg	2,337.00	2,930.20
Hazardous waste generation intensity	kg/person	18.55	21.55
Non-hazardous waste generation	kg	685.00	690.00
Non-hazardous waste generation intensity	kg/person	5.44	5.07

¹ During the Year, the increase in the volume of experiments resulted in the increase in the amount of hazardous waste generated compared to last year.

² Hazardous solid waste such as waste packaging containers, gun tips, PE tubes, PPE and activated carbon filtering cotton from experiments, or hazardous liquid waste containing serum, fluorescent dyes, ethanol and other hazardous liquids such as waste mother liquor from laboratory media.

8. Green Operations

Energy use management

Electricity is the primary source of energy consumption. We implement various energy-saving measures to enhance energy efficiency and reduce unnecessary consumption. We encourage centralized office use to improve space and energy efficiency, configure computers to enter sleep mode when idle, and prioritize the use of natural daylight over artificial lighting where possible. Lights are turned off when office areas are not in use, and UV-blocking thermal window films and sealing strips are installed to enhance insulation. In addition, a summer casual dress policy is implemented to help reduce air-conditioning demand. Furthermore, we install independent lighting switches by zone and operate a smart centralized control system to optimize energy use. Regular maintenance of lighting and air-conditioning systems is also carried out, including cleaning lighting fixtures and replacing air-conditioning filters, to ensure that equipment operates efficiently at all times.

During the Year, our total electricity consumption amounted to 689,894.00 kWh, a decrease of approximately 2.33% compared to last year; the electricity consumption per employee was 5,072.75 kWh, a decrease of approximately 9.51% compared to last year.

Water resources management

In order to raise our staff's awareness of valuing water resources, we have actively implemented water conservation measures, including a regular maintenance program for faucet fixtures to ensure that any leakage or dripping problems are identified and repaired in a timely manner and dealt with by our professional maintenance staff. We also promote water conservation awareness among all employees, ensuring that all faucets are properly closed, in order to foster and strengthen the culture of water conservation in the workplace.

During the Year, our total water consumption was 582.00 metric tonnes, a decrease of approximately 15.53% compared to last year; the water consumption per employee was 4.28 metric tons, a decrease of approximately 21.74% compared to last year. Meanwhile, we have not encountered any difficulties in acquiring water resources.

Office paper usage management

In our daily office operations, we implement a range of practical measures to fulfill our environmental commitments. These include configuring computers and printers to default double-sided printing and toner-saving modes, using internet-based fax systems to filter unsolicited faxes, reusing waste paper as note paper, and promoting the use of electronic greeting cards during festive seasons. We also continuously encourage employees to reuse paper and prioritize double-sided printing. In addition, we have fully digitalized our office administrative systems and widely adopted online approval workflows, particularly for processes such as contract applications, policy development, and internal approvals, thereby promoting environmentally responsible practices while enhancing operational efficiency. At the same time, we actively utilize electronic communication channels for information exchange to further reduce paper consumption and resource waste.

During the Year, we consumed 1,725.00 kg of paper, with an average consumption of 12.68 kg per employee, representing a decrease of about 3.87% in per capita paper consumption compared to last year.

8. Green Operations

8.3 CLIMATE CHANGE

Against the backdrop of deepening global climate governance and the accelerated transition towards green and low-carbon development, proactively addressing climate change has emerged as a core agenda for enterprises to achieve sustainable development. CStone attaches great importance to the risks and opportunities arising from climate change and has disclosed climate-related information in accordance with the Code of the Stock Exchange, remaining dedicated to enhancing our capabilities in climate risk identification and management.

Governance

We have established a three-tier governance structure, comprising the Board (decision-making level), the Audit Committee (management level), and the ESG working group (execution level), to systematically integrate climate-related considerations into the entire decision-making and supervision process. The Board holds overall responsibility for the leadership and oversight of ESG matters, approving the formulation and implementation progress of the Group's overall ESG and climate strategies, and regularly reviewing reports from management regarding the identification, assessment, and management of climate-related risks and opportunities, as well as the progress of relevant initiatives. Management provides overall coordination and supervision for the concrete implementation of ESG and climate-related work, while the execution level, represented by the ESG working group, supports overall planning and cross-departmental collaboration to ensure that climate-related actions are effectively implemented across all business units. Looking ahead, we will provide professional climate-related training for directors to further enhance the Board's climate governance capabilities.

Strategy

The Group recognizes that climate change, together with the physical and transition risks it presents, not only has far-reaching implications for the natural environment but also poses tangible challenges to corporate operations. To systematically address this complex issue, we have conducted climate-related risk assessments to identify and manage climate risks and their potential impacts, and have implemented targeted response measures in light of our business operations.

Regarding physical risks, we have identified and assessed the potential impact of natural disasters such as typhoons, floods, and extreme heat, which could lead to temporary closures of office premises. Such events may result in asset losses and operational disruptions, pose risks to employee safety, and affect supply chain stability and transportation logistics, ultimately exerting an adverse impact on our revenue. To effectively prevent and mitigate these risks, we closely monitor severe weather warnings and have established and implemented comprehensive emergency response plans for extreme weather events. We also adjust operational arrangements dynamically in response to actual weather conditions and temperature fluctuations to ensure the smooth operation of transportation and core business activities, thereby minimizing the impact of natural disasters on our operations. In terms of transition risks, changes in policies and regulations may increase our compliance costs. We closely monitor potential regulatory developments issued by relevant government authorities and promptly incorporate any new requirements into our internal management policies and practices.

8. Green Operations

The climate-related risks currently identified by the Group are considered anticipated impacts and have not had any influence on the value of its assets. At present, information regarding climate-related opportunities is not yet suitable for public disclosure. Looking ahead, we will continue to actively fulfill our corporate climate responsibilities. Leveraging our accumulated expertise, organizational capabilities and resource allocation, we will further deepen and refine our climate scenario analysis. We will closely monitor climate-related risks and opportunities relevant to our operations and, where necessary, conduct renewed and systematic assessments of climate-related risks and opportunities. Through these efforts, we aim to optimize our response measures and continuously enhance our environmental management strategies and operational resilience.

Risk management

The Board assumes overall responsibility for risk management and internal control systems, and is accountable for reviewing their effectiveness. It assesses and determines the nature and extent of risks that must be assumed to achieve the Group's strategic objectives, while ensuring the Group maintains robust and effective risk management and internal control systems. In accordance with our internal risk management procedures, we integrate climate-related risks into business operations and have established a comprehensive management process covering risk identification, assessment, response and strategy implementation. We also conduct regular reviews and monitoring of both physical and transition risks associated with climate change.

Moving forward, we will deepen the integration of climate assessments into our enterprise-wide risk management framework, continually refining our climate response measures through periodic reviews and adaptive adjustments.

Measures and targets

Our prior ESG reports have disclosed Scope 1 and Scope 2 greenhouse gas emissions on an ongoing basis. Currently, we are initiating preliminary Scope 3 identification efforts with relevant functions to determine the key emission categories material to our Group's operations. These will serve as the basis for future external disclosures.

Greenhouse Gas Emissions Performance	Unit	2024	2025
Greenhouse Gas Emissions			
Direct Greenhouse Gas emissions (Scope 1)	tonnes of CO ₂ e	0.00	0.00
Indirect Greenhouse Gas emissions (Scope 2)	tonnes of CO ₂ e	379.04	366.06
Total Greenhouse Gas emissions (Scope 1 & 2)	tonnes of CO ₂ e	379.04	366.06
Greenhouse Gas Emission Intensity			
Per square meter of area (Scope 1 & 2)	tonnes of CO ₂ e/m ²	0.08	0.08
Per employee (Scope 1 & 2)	tonnes of CO ₂ e/person	3.01	2.69

8. Green Operations

Climate-related targets

We are committed to reducing the environmental impact of our operational activities. While maintaining a similar scale of operations, we will continue to maintain or further reduce our greenhouse gas emissions. For further details on the specific measures implemented to achieve these environmental targets, please refer to the “8.2 RESOURCE CONSUMPTION” section.

The Group conducts climate-related disclosures on a “comply or explain” basis, in accordance with the requirements set out in Part D of Appendix C2 to the Code. As certain projects are currently in the capacity-building stage and the data foundation is still being refined, we have prioritized the establishment of a governance framework and data infrastructure this year, providing qualitative descriptions in line with the “reasonable information relief” principle. We have outlined clear directions and pathways for improvement and will continue to refine our data foundation and measurement methodologies. Our overall disclosure level will increase annually as data coverage expands and methodologies mature, ensuring that information remains traceable, comparable, and subject to continuous improvement.

9. Community Engagement

In recent years, the Group has remained committed to giving back to society and has consistently participated in a wide range of charitable initiatives and volunteer service programs. Leveraging our expertise and resources in the healthcare and pharmaceutical sectors, we strive to improve the quality of life of cancer patients and bring hope and support to more families. We actively maintain broad engagement and meaningful interaction with the communities we serve, demonstrating our sincere commitment to repaying the long-standing support and trust of society through tangible actions. As of the end of 2025, our assistance programs had been successfully included in 92 city-level health insurance schemes (city insurance plans) (“城市惠民保”), further expanding patient access and coverage.

During the Year, the Group continued to support patient assistance programs, with the following contributions:

- **Cash donations:** RMB3,699,508 donated to the Zepuerkang Assistance Project for Patients (PAP) (“澤普而康”) administered by the Beijing Health Alliance Charitable Foundation;
- **Medicine donations:** A total of 7,057 boxes of medicines were donated to the programs of Zepuerkang PAP (“澤普而康”) and Jihua PAP (“吉華助”), with an equivalent donation value of approximately RMB341,107,152.

Looking ahead, the Group will continue to deepen its commitment to corporate social responsibility while pursuing steady business growth. We aim not only to provide greater treatment accessibility and hope for patients through continuously optimized assistance programs, but also to deliver warmth and compassion to society, demonstrating our enduring commitment to advancing human health and well-being.

Appendix I: Sustainability Data Statements

Indicators	Unit	2025
Environmental Aspect³		
Greenhouse Gas Emission		
Direct greenhouse gas emissions (Scope 1)	tonnes of CO ₂ e	0.00
Indirect greenhouse gas emissions (Scope 2)	tonnes of CO ₂ e	366.06
Total greenhouse gas emissions (Scope 1 & 2)	tonnes of CO ₂ e	366.06
Greenhouse gas emission intensity (Scope 1 & 2) (per square meter)	tonnes of CO ₂ e/m ²	0.08
Greenhouse gas emission intensity (Scope 1 & 2) (per employee)	tonnes of CO ₂ e/ person	2.69
Energy Consumption		
Total energy consumption	kWh	689,894.00
Total energy consumption intensity (per square meter)	kWh/m ²	151.83
Total energy consumption intensity (per employee)	kWh/person	5,072.75
Water Consumption		
Total water consumption	tonnes	582.00
Total water consumption intensity (per square meter)	tonnes/m ²	0.13
Total water consumption intensity (per employee)	tonnes/person	4.28
Hazardous Waste		
Hazardous waste generation	kg	2,930.20
Hazardous waste generation intensity (per employee)	kg/person	21.55
Waste batteries	piece	25
Waste ink cartridges, waste toner cartridges	piece	36
Non-hazardous Waste		
Non-hazardous waste generation	kg	690.00
Non-hazardous waste generation intensity (per employee)	kg/person	5.07
Paper Consumption		
Paper consumption	kg	1,725.00
Paper consumption intensity (per employee)	kg/person	12.68
Social Aspect		
Number of Employees		
Total number of employees	person	136
Total Number of Employees by Gender		
Female	person	97
Male	person	39
Total Number of Employees by Employment Category		
Short-term contract/part-time employee ⁴	person	6
Below deputy director	person	83
Deputy director and above	person	41
Senior management team	person	6

³ The scope of data collection for environmental KPIs includes offices in Suzhou (including TMRC), Beijing and Shanghai.

⁴ Including labor dispatch/outsourced service staff.

Appendix I: Sustainability Data Statements

Indicators	Unit	2025
Total Number of Employees by Age Group		
Below 30	person	12
30-50	person	115
Above 50	person	9
Total Number of Employees by Geographical Region		
East China	person	118
North China	person	9
Northeast China	person	1
Northwest China	person	0
South China	person	1
Others (including USA, Australia, Taiwan, China)	person	7
Employee Turnover Rate⁵		
Total employee turnover rate	%	15.40
Employee turnover rate by gender⁶		
Female	%	12.00
Male	%	3.00
Employee Turnover Rate by Age Group⁷		
Below 30	%	0.70
30-50	%	14.00
Above 50	%	0.70
Employee Turnover Rate by Geographical Region⁷		
East China	%	11.00
North China	%	2.20
Northeast China	%	0.00
Northwest China	%	0.70
South China	%	0.70
Others (including USA, Australia, Taiwan, China)	%	0.70
Development and Training⁷		
Employee Training Performance by Gender		
Number of female trainees	%	71.32
Number of male trainees	%	28.68
Average training hours of female employees	hour	10
Average training hours of male employees	hour	10

⁵ Employee turnover ratio = number of employees lost ÷ number of employees at the end of the year × 100%

⁶ Employee turnover ratio of this category = number of employees lost of this category ÷ total number of total employees at the end of the year × 100%

⁷ Percentage of trainees by category = Number of trainees in that category / Total trainees × 100%
T(x) = Number of trainees in category x
T = Trainee

Appendix I: Sustainability Data Statements

Indicators	Unit	2025
Employee Training Performance by Employment Category		
Number of short-term contract/part-time ⁶ trainees	%	4.41
Number of trainees below deputy director level	%	61.03
Number of trainees at deputy director level and above	%	30.15
Number of trainees of senior management team	%	4.41
Average training hours of short-term contract/part-time trainees	hour	8
Average training hours of trainees below deputy director level	hour	10
Average training hours of trainees at deputy director level and above	hour	10
Average training hours of trainees of senior management team	hour	12
Health and Safety		
Number of work-related fatalities in the past three years (including 2025, 2024, 2023)	person	0
Rate of work-related fatalities in the past three years (including 2025, 2024, 2023)	%	0.00
Number of lost days due to work-related injury	day	0

Appendix II: The Stock Exchange ESG Reporting Code Index

Description of the Indicators		Relevant Chapter
A. Environmental Aspect		
A1: Emissions	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.
	A1.1	The types of emissions and respective emission data.
	A1.3	Total hazardous waste produced and intensity.
	A1.4	Total non-hazardous waste produced and intensity.
	A1.5	Description of emissions target(s) set and steps taken to achieve them.
	A1.6	Description of how hazardous and nonhazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.
		8 Green Operations
		8.1 Greenhouse gas emissions
		8.2 Resource consumption Appendix I: Sustainability Data Statements
		8.2 Resource consumption Appendix I: Sustainability Data Statements
		8 Green Operations
		8 Green Operations

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Description of the Indicators			Relevant Chapter
A2: Use of Resources	General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	8.2 Resource consumption
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.	8.2 Resource consumption Appendix I: Sustainability Data Statements
	A2.2	Water consumption in total and intensity.	8.2 Resource consumption Appendix I: Sustainability Data Statements
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	8 Green Operations
	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.	8 Green Operations
	A2.5	Total packaging material used for finished products and with reference to per unit produced.	Not applicable. The Company has no production activities, and the products are currently outsourced to third parties for production.
A3: Environment and natural resources	General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	8 Green Operations
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	8 Green Operations

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Description of the Indicators		Relevant Chapter
B. Social Aspect		
B1: Employment	General disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.
	B1.1	Total workforce by gender, employment type, age group and geographical region.
	B1.2	Employee turnover rate by gender, age group and geographical region.
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.
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.
	B2.2	Lost days due to work injury.
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.
		7 Employment management
		7 Employment management Appendix I: Sustainability Data Statements
		Appendix I: Sustainability Data Statements
		7.3 Occupational health and safety
		Appendix I: Sustainability Data Statements
		Appendix I: Sustainability Data Statements
		7.3 Occupational health and safety

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Description of the Indicators			Relevant Chapter
B3: Development and training	General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	7.2 Employee training and development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix I: Sustainability Data Statements
	B3.2	The average training hours completed per employee by gender and employee category.	Appendix I: Sustainability Data Statements
B4: Labor standard	General disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	7.1 Recruitment and remuneration package
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	7.1 Recruitment and remuneration package
	B4.2	Description of steps taken to eliminate such practices when discovered.	7.1 Recruitment and remuneration management
B5: Supply chain management	General disclosure	Policies on managing environmental and social risks of the supply chain.	6.3 Supply chain management
	B5.1	Number of suppliers by geographical region.	6.3 Supply chain management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	6.3 Supply chain management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	6.3 Supply chain management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	6.3 Supply chain management

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Description of the Indicators		Relevant Chapter	
B6: Product liability	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, labeling and privacy matters relating to products and services provided and methods of redress.	5.3 Data privacy and security 5.4 Responsible marketing 6.1 Product quality control 6.2 Safeguarding clinical trial participants
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	6.1 Product quality control
	B6.2	Number of products and service related complaints received and how they are dealt with.	6.2 Safeguarding clinical trial participants
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.2 Protecting intellectual property
	B6.4	Description of quality assurance process and recall procedures.	6.1 Product quality control
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	5.3 Data privacy and security
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 preventing bribery, extortion, fraud and money laundering.	5.1 Anti-corruption and Integrity
	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.	5.1 Anti-corruption and Integrity
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	5.1 Anti-corruption and Integrity
	B7.3	Description of anti-corruption training provided to directors and staff.	5.1 Anti-corruption and Integrity

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Description of the Indicators			Relevant Chapter
B8: Community Investment	General disclosure	Policies on community engagement to understand the needs of communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	9 Community Engagement
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	9 Community Engagement
	B8.2	Resources contributed to the focus area.	9 Community Engagement
Part D. Climate-related Disclosures			
(I) Governance	19.	An issuer shall disclose information about: <ul style="list-style-type: none"> (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. (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities. 	8.3 Climate change
(II) Strategy	20.	Climate-related risks and opportunities 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.	8.3 Climate change
	21.	Business model and value chain 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.	8.3 Climate change Reasonable Information Relief – We are not required to scope our value chain using reasonable and supportable information that is not available without undue cost or efforts as of the reporting date.

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Description of the Indicators	Relevant Chapter
<p>22. Strategy and decision-making</p> <p>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:</p> <p>(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.</p>	<p>8.3 Climate change</p> <p>Reasonable Information Relief – The Group currently does not have a climate transition plan in place; however, it will assess the feasibility of its adoption in the future.</p>
<p>23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).</p>	<p>8.3 Climate change</p>
<p>24. Financial position, financial performance and cash flows</p> <p>Current financial effects</p> <p>An issuer shall disclose qualitative and quantitative information about:</p> <p>(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and</p> <p>(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.</p>	<p>8.3 Climate change</p> <p>Financial Effects Relief – We will further assess the financial effects of climate-related risks and opportunities in the future.</p>

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Description of the Indicators	Relevant Chapter
<p>25. Anticipated financial effects</p> <p>The issuer shall provide qualitative and quantitative disclosures about:</p> <ul style="list-style-type: none"> (a) how the issuer expects its financial position to change over the short, medium and long term, taking into consideration its strategy to manage climate-related risks and opportunities; (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. 	<p>Reasonable Information Relief – Information that is reasonably available and supportable and can be obtained without undue cost or effort as of the reporting date.</p>
<p>26. Climate resilience</p> <p>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.</p>	<p>8.3 Climate change</p> <p>Reasonable Information Relief – We have not yet disclosed any climate scenario analysis, but we will explore its feasibility in the future.</p>

Appendix II: The Stock Exchange ESG Reporting Code Index

Description of the Indicators		Relevant Chapter
(III) Risk Management	27.	
	An issuer shall disclose information about:	8.3 Climate change
	(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks;	
	(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.	
(IV) Metrics and targets	28.	
	Greenhouse gas emissions	8.3 Climate change
	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ equivalent, classified as:	Appendix I: Sustainability Data Statements Reasonable Information Relief – We will continue to collect more comprehensive data to gradually expand and improve the disclosure coverage of the three subcategories that have a significant effect on the Group's business.
	(a) Scope 1 greenhouse gas emissions;	
	(b) Scope 2 greenhouse gas emissions; and	
	(c) Scope 3 greenhouse gas emissions.	

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Description of the Indicators	Relevant Chapter
<p>29. An issuer shall:</p> <ul style="list-style-type: none"> (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; (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). 	<p>8.3 Climate change</p> <p>Appendix I: Sustainability Data Statements</p> <p>Reasonable Information Relief – We will continue to collect more comprehensive data to gradually expand and improve the disclosure coverage of the subcategories of Scope 3 that have a significant effect on the Group's business.</p>

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Description of the Indicators	Relevant Chapter
<p>30. Climate-related transition risks</p> <p>An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.</p>	<p>Reasonable Information Relief – We will enhance the methods and processes for assessing the financial effect of climate-related risks and opportunities in our future reports.</p>
<p>31. Climate-related physical risks</p> <p>An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.</p>	<p>Reasonable Information Relief – We will enhance the methods and processes for assessing the financial effect of climate-related risks and opportunities in our future reports.</p>
<p>32. Climate-related opportunities</p> <p>An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.</p>	<p>Reasonable Information Relief – We will enhance the methods and processes for assessing the financial effect of climate-related risks and opportunities in our future reports.</p>
<p>33. Capital deployment</p> <p>An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.</p>	<p>The Group has identified climate-related risks and will further identify relevant data to optimize disclosure.</p>

Appendix II: The Stock Exchange ESG Reporting Code Index

Description of the Indicators	Relevant Chapter
<p>34. Internal carbon price</p> <p>An issuer shall disclose:</p> <p>(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</p> <p>(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.</p>	<p>Negative Statement</p> <p>– The Group does not currently apply internal carbon pricing in decision-making process but will explore the feasibility of its implementation in the future.</p>
<p>35. Remuneration</p> <p>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).</p>	<p>Negative Statement</p> <p>– We have not yet linked climate-related considerations to executive remuneration but will explore the possibility of integrating such metrics in the future.</p>
<p>36. Industry-based metrics</p> <p>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.</p>	<p>Reasonable Information Relief – We do not currently disclose any industry-based metrics but will explore the applicability in the future.</p>

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Description of the Indicators	Relevant Chapter
<p>37. Climate-related targets</p> <p>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.</p>	8.3 Climate change
<p>38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target.</p>	8.3 Climate change
<p>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.</p>	8.3 Climate change
<p>40. Each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39.</p>	8.3 Climate change
<p>41. Applicability of cross-industry metrics and industry-based metrics</p> <p>In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of (i) cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).</p>	Reasonable Information Relief – We do not currently disclose any cross-industry metrics and industry-based metrics but will explore the applicability in the future.



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