



Fujian Haixi Pharmaceuticals Co., Ltd. 福建海西新藥創制股份有限公司

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

Stock code: 2637



**ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
REPORT**

2025



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2025 Environmental, Social and Governance Report

ABOUT THIS REPORT

Purpose

Fujian Haixi Pharmaceuticals Co., Ltd. (“**Haixi Pharmaceuticals**” or the “**Company**”, together with its subsidiaries, collectively the “**Group**” or “**we**”) is pleased to present this Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”) to stakeholders. The Report aims to disclose and highlight the Group’s management approaches, strategies, policies and measures for material sustainability issues to our key stakeholders, and provide an elaboration of the Group’s performance in relevant areas through detailed data disclosure.

Reporting Period and Scope

Unless otherwise stated, the Report covers the core business of the Group located in the People’s Republic of China (“**China**” or the “**PRC**”) for the period from 1 January 2025 to 31 December 2025 (the “**Reporting Period**”), including the research and development (“**R&D**”) of innovative drugs, and the R&D, production and sales of generic drugs, which together accounted for approximately 100% of the Group’s total revenue.

Based on the principle of materiality, the reporting scope is determined according to the financial and operational significance of each business to the Group, and its impact on ESG aspects.

Reporting Standards and Principles

The Report has been prepared in accordance with the disclosure requirements of the Environmental, Social and Governance Reporting Code (the “**ESG Reporting Code**”) set out in Appendix C2 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) published by The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”). The Report adheres to the following reporting principles as stipulated in the ESG Reporting Code:

Reporting Principle	Description	Response of the Group
Materiality	The ESG matters covered in the Report are sufficiently important to investors and other stakeholders that they should be reported. In addition, pursuant to the requirements of Part D of the Environmental, Social and Governance Reporting Code, where climate-related risks and opportunities could reasonably be expected to affect the Group’s cash flows, access to finance and cost of capital over the short, medium or long term, the Group shall also make disclosure accordingly.	The Group identifies and prioritises material ESG issues through ongoing stakeholder engagement and comprehensive materiality assessments. These processes evaluate the relevance of sustainability matters to the business and stakeholders. For further details, please refer to the “Stakeholder Engagement and Materiality Assessment” section.
Quantitative	The Report should disclose Key Performance Indicators (KPIs) in a measurable manner, with targets set to reduce a particular impact. In this way, the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate.	Where applicable, the Report discloses its key environmental and social performance indicators in a quantitative manner.

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Reporting principle	Description	Response of the Group
Balance	The Report should provide an unbiased picture of the Group's positive and negative information in an objective manner; should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment made by the report reader.	The Report provides a complete, balanced, clear, comparable and objective overview of the Group's ESG policies and performance, presenting a fair perspective to stakeholders.
Consistency	The methodologies and reporting scope used in the ESG Report should remain consistent from year to year to ensure comparability of ESG data across different years. Any changes should be clearly disclosed with corresponding explanations provided.	Any changes to the reporting framework or methodology are clearly explained in the Report to ensure that stakeholders can conduct comparative analysis and maintain transparency in reporting.

Publication

The Report is published in both Traditional Chinese and English, and is available on the HKEXnews website of the Hong Kong Stock Exchange. In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

Contact Us

We value stakeholders' views on our ESG management and performance. Please send your feedback and suggestions to info@hxpharma.com.

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ABOUT US

Group Overview

Haixi Pharmaceuticals was formally established in 2012 in Fuzhou, China. We are a commercial-stage pharmaceutical company that integrates R&D, production and sales capacities, with a continuously advancing pipeline of innovative drug candidates. We have built a diversified product portfolio and robust R&D reserves in the largest and fastest growing therapeutic areas in China. In 2025, Haixi Pharmaceuticals was successfully listed on the Main Board of the Hong Kong Stock Exchange, marking a new phase of development.

Our commercialised product portfolio primarily consists of generic drugs for digestive system diseases, cardiovascular system diseases, endocrine system diseases, nervous system diseases and inflammatory diseases. As of the end of 2025, we have obtained marketing approval from the National Medical Products Administration (NMPA) for 15 pharmaceutical products. Meanwhile, we are actively developing original new drugs, including **C019199**, a next-generation targeted immunomodulator of the immunosuppressive tumor microenvironment, to continuously enrich our R&D pipeline.

Looking ahead, Haixi Pharmaceuticals will continue to uphold the corporate spirit of “Hard-Working with Result-Oriented”, and adhere to its core values of “Innovation, Integrity, Sharing & Goodwill”. With both a down-to-earth approach and visionary ambition, the Company will keep expanding its portfolio of globally competitive innovative medicines, striving to realize its vision: “Best Medicine Made Available to People”.

Awards and Certifications

- Pharmaceutical Manufacturing License



- High-tech Enterprise Certificate



SUSTAINABILITY MANAGEMENT APPROACH

Sustainability Strategy

Having been committed to the development strategy of “Generics Empower Innovation, Innovation Drives the Future” since its founding, the Group aims unswervingly to become a leader in sustainable development through parallel efforts in both generic and innovative drugs. While actively providing safe and effective medicines to our customers, we also integrate sustainability into our daily operations.

Based on this philosophy, the Group formally established a sustainability strategy system during the Reporting Period, which is centered on four pillars encompassing: “Innovative Pharmaceuticals • Safeguarding Patients’ Health”, “Green System • Co-creating a Sustainable Future”, “People Centricity • Fostering a Healthy Workplace”, and “Returns to Society • Benefiting the Greater Community”, integrating sustainability into every stage from R&D, clinical trials, manufacturing to sales.

Furthermore, we have integrated 11 United Nations Sustainable Development Goals (“**UNSDGs**”) from the United Nations 2030 Agenda for Sustainable Development into our corporate strategy, complementing the four pillars to further advance sustainable development in the pharmaceutical sector. Going forward, Haixi Pharmaceuticals will develop innovative drug products with global competitiveness, and steadfastly fulfill its corporate vision of “Best Medicine Made Available to People”.

Sustainability Strategy	
Innovative Pharmaceuticals • Safeguarding Patients’ Health	
<ul style="list-style-type: none"> Pharmaceutical Technology Superior Quality 	<ul style="list-style-type: none"> Sustainable Supply Chain Responsible Operation 
People Centricity • Fostering a Healthy Workplace	
<ul style="list-style-type: none"> Employment Management Diversity, Equality and Inclusion Employee Training and Development 	<ul style="list-style-type: none"> Employee Rights and Well-being Occupational Health and Safety Caring for Employees 

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Sustainability Strategy

Green System • Co-creating a Sustainable Future

- Climate Resilience
- Energy Management
- Emission Management
- Waste Management
- Water Resource Management
- Biodiversity



Returns to Society • Benefiting the Greater Community

- Access to Affordable Medicines



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**Innovative Pharmaceuticals •
Safeguarding Patients' Health**



Key Areas	Commitment	2025 Progress/Highlight Actions	Progress
<ul style="list-style-type: none"> Pharmaceutical Technology 	<p>Persistently driving product upgrades through technological breakthroughs, ensuring that every patient has access to safe, effective and high-quality medicines</p>	<ul style="list-style-type: none"> Having obtained marketing approval from the NMPA for 15 pharmaceutical products, and possessing over 39 invention patents R&D personnel with master's degrees or above accounting for 19.5%, forming a high-caliber innovation team 	<ul style="list-style-type: none">
<ul style="list-style-type: none"> Superior Quality 	<p>Providing high-quality products and services, handling customer complaints effectively, continuously improving service standards and ensuring customer satisfaction</p>	<ul style="list-style-type: none"> Maintaining a 24-hour customer feedback response mechanism, with a 100% timely issue confirmation rate Receiving zero material complaints regarding product health and safety, with no product recalls due to safety or health reasons 	<ul style="list-style-type: none">
<ul style="list-style-type: none"> Sustainable Supply Chain 	<p>Building a supply chain with shared responsibility, ensuring that procurement aligns with sustainable development principles</p>	<ul style="list-style-type: none"> Incorporating multiple ESG principles and expectations into the Supplier Code of Conduct Considering ESG factors in the procurement process and actively encouraging suppliers to practice sustainable procurement Conducting regular assessments of suppliers' sustainability performance and product quality to ensure that the partnership and its scope align with contractual agreements Continuously optimising supply chain management, and expecting suppliers to make ESG commitments 	<ul style="list-style-type: none">



Achieved



Progressing as planned

2025 Environmental, Social and Governance Report



Green System • Co-creating a Sustainable Future



Key Areas	Commitment	2025 Progress/Highlight Actions	Progress
<ul style="list-style-type: none"> Climate Resilience 	Addressing the challenges of climate change, actively driving transition towards a low-carbon sustainable future	<ul style="list-style-type: none"> Establishing carbon reduction target of reducing the intensity of total greenhouse gas (“GHG”) emissions by 5% by 2030¹ Conducting climate-related risk and opportunity management mechanisms and assessments 	
<ul style="list-style-type: none"> Energy Management 	Promoting the upgrade and application of energy-saving technologies to enhance energy efficiency and advance towards low-carbon operations	<ul style="list-style-type: none"> Formulating management targets of reducing the intensity of total electricity consumption by 5% by 2030¹ Installing a 1.7 MWp photovoltaic power generation project at the production base, with implementation completed in early 2026 Introducing diversified high-efficiency energy-saving technologies, and conducting regular monitoring and assessment of the operational performance 	
<ul style="list-style-type: none"> Emission Management 	Effectively managing emissions such as waste and pollutants to safeguard environmental quality and protect the health and well-being of community residents	<ul style="list-style-type: none"> Developing differentiated classification management and monitoring approaches for various types of waste and pollutants Ensuring that all emissions and treatment comply with national standards 	



Achieved



Progressing as planned

¹ Compared to the base year of 2024

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People Centricity • Fostering a Healthy Workplace



Key Areas	Commitment	2025 Progress/Highlight Actions	Progress
<ul style="list-style-type: none"> Occupational Health and Safety 	Continuously strengthening safety management to comprehensively safeguard employee safety and health	<ul style="list-style-type: none"> Setting annual safety targets, achieving “zero major safety accidents”, with a 100% hidden danger rectification rate Holding “Fire Drill” and “Hazardous Waste Leak Emergency Drill”, with a total of 25 training hours 	<ul style="list-style-type: none">
<ul style="list-style-type: none"> Diversity, Equality and Inclusion 	Promoting an inclusive culture and remaining committed to building a diverse and equitable workplace	<ul style="list-style-type: none"> Valuing the development of female employees, with women representing 33% of the Board of Directors Upholding the principle of fair and equitable employment 	<ul style="list-style-type: none">
<ul style="list-style-type: none"> Employee Training and Development 	Valuing talent development and continuously investing in employee growth and well-being	<ul style="list-style-type: none"> Organising multiple themed events, including sports and healthy lifestyle promotion, staff outings, and traditional festival celebrations Providing annual training programmes, with average training hours per employee reaching 0.78 hours in 2025, covering professional skills and management development 	<ul style="list-style-type: none">



Achieved



Progressing as planned

2025 Environmental, Social and Governance Report



Returns to Society • Benefiting the Greater Community



Key Areas	Commitment	2025 Progress/Highlight Actions	Progress
<ul style="list-style-type: none"> Access to Affordable Medicines 	Remaining committed to providing patients with high-quality medicines that are affordable, comprehensive in range, and proven effective	<ul style="list-style-type: none"> Engaging in industry-academia-research collaborations with top-tier institutions such as Peking University and Xiamen University, driving accessible healthcare through innovation 	

Achieved
 Progressing as planned

Sustainability Governance and Board Oversight

We have established a clear sustainability governance structure with well-defined processes, roles and responsibilities, leveraging cross-departmental expertise to deeply integrate sustainability into business operations, while ensuring robust oversight by the Board and the ESG Working Group. The following is an overview of the Group’s sustainability governance structure:



Board Engagement

As the highest governing body of the Group, the Board assumes full responsibility for the Group's sustainability strategy and reporting, as well as related matters (including climate-related issues, risks and opportunities), which includes, but is not limited to: formulating and overseeing ESG strategies, management approaches and ESG policies; reviewing stakeholder feedback and market trends to identify and manage material ESG risks and opportunities; reviewing progress towards ESG targets and key performance indicators; monitoring the effectiveness of the ESG Working Group to ensure the management structure operates effectively; and ultimately approving the annual ESG report and related disclosures to drive the implementation of the sustainability agenda.

ESG Working Group

The ESG Working Group is appointed and authorised by the Board, and is fully responsible for handling day-to-day ESG matters. The ESG Working Group comprises core management from relevant departments of the Group and leaders of major business entities, possessing diverse expertise and practical experience to comprehensively and effectively address the Group's sustainability strategy and related initiatives. The ESG Working Group reports to the Board on work progress at least once annually, including but not limited to:

- development, implementation, and review of ESG framework, management approaches, strategies and initiatives of the Group;
- identification, assessment, prioritisation and management of material ESG-related risks and opportunities (including but not limited to climate-related risks and opportunities, ESG-related risks along the supply chain, ESG-related risks and opportunities in the Group's strategy and decision-making or major transactions);
- formulation, implementation and review of ESG-related policies, action plans and practices;
- monitoring and evaluation of the Group's ESG performance and progress against targets and goals;
- review and monitoring of the effectiveness of the Group's stakeholder engagement channels;
- tracking of stakeholders' feedback (including the review and approval of material issues and materiality matrix), latest market trends and peer performances on ESG;
- arrangement of training and ongoing professional development on ESG topics for directors and senior management;
- collection and analysis of data required for the ESG Report, including key ESG performance indicators on an annual basis; and
- preparation of an annual ESG Report and an ESG-related risk and opportunity assessment report for the Board's approval.

ESG RISK AND OPPORTUNITY MANAGEMENT

Effective management of sustainability risks and opportunities is the cornerstone of strengthening the Group’s long-term business resilience, and reflects sound corporate governance. The ESG Working Group regularly identifies, assesses, prioritises and manages material sustainability risks and opportunities, with a particular focus on climate-related risks and opportunities, as well as environmental and social risks in the supply chain. The Board assumes ultimate oversight responsibility for relevant management approaches. Meanwhile, the Group has integrated climate change factors into its risk management system and crisis response plans, systematically identifying and assessing climate-related risks and opportunities, and formulating corresponding response strategies and transition measures. For details, please refer to the section headed “Climate Resilience – Strategy”.

 <p>Identification</p>	<ul style="list-style-type: none">• Under the oversight of the Board, the ESG Working Group identifies material ESG risks, including climate risks, supply chain risks and opportunities.• Assess risks and opportunities with reference to local and international reporting frameworks, latest market analysis, industry research, regulatory updates and internal reviews.	1
 <p>Assessment</p>	<ul style="list-style-type: none">• We evaluate the potential impact and likelihood of major ESG risks and opportunities.	2
 <p>Prioritisation</p>	<ul style="list-style-type: none">• Prioritise risks and opportunities based on their impact and likelihood of occurrence.	3
 <p>Management</p>	<ul style="list-style-type: none">• The ESG Working Group assists the Board in managing and monitoring the identified ESG risks and opportunities, formulating response and transition measures, and regularly presents risk and opportunity assessment reports to the Board.• As part of its oversight responsibilities, the Board regularly reviews the effectiveness of risk and opportunity control measures and transition measures, and provides recommendations for improvement when necessary.• Implement mitigation and transition measures across business units.• The Board regularly participates in ESG training to track regulatory changes with a forward-looking perspective.	4

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Stakeholder engagement enables us to thoroughly understand diverse perspectives and expectations, helping us define current and future sustainability strategies. We actively engage with stakeholder groups directly related to our business operations, including the Group’s employees, customers and consumers, suppliers and partners, shareholders and investors, government and regulators, non-governmental organisations and the community.

During the Reporting Period, we maintained regular communication with key stakeholder groups (details shown in the table below), addressing their issues of concern and updating them on our progress in sustainable development. Insights gained from stakeholder engagement activities are essential to the preparation of the Report.

Stakeholder Engagement

Stakeholders	Issues of Concern	Communication Channels
The Group’s Employees 	<ul style="list-style-type: none"> • Protection of Employee Rights and Interests • Occupational Health and Safety • Training and Development 	WeChat Official Account Employee Training Meetings Suggestion Box Surveys and Questionnaires
Customers and Consumers 	<ul style="list-style-type: none"> • Product and Service Quality and Safety • Business Ethics and Integrity • Privacy and Data Security 	On-site Visits Customer Satisfaction Surveys Social Media Telephone Communication Email Surveys and Questionnaires
Suppliers and Partners 	<ul style="list-style-type: none"> • Responsible Supply Chain Management • Business Ethics and Integrity • Product and Service Quality and Safety 	On-site Visits Supplier/Contractor Assessment System Supplier Quality Communication Meetings Surveys and Questionnaires
Shareholders and Investors 	<ul style="list-style-type: none"> • Product and Service Quality and Safety • Industry Development and Collaboration • Business Ethics and Integrity • Climate Change and Resilience 	General Meetings Investor Consultations Information Disclosure Email Surveys and Questionnaires
Government and Regulators 	<ul style="list-style-type: none"> • Business Ethics and Integrity • Risk Management • Climate Change and Resilience 	Information Disclosure Surveys and Questionnaires
Non-governmental Organisations and the Community 	<ul style="list-style-type: none"> • Biodiversity Conservation • Energy Efficiency and Carbon Emission Management • Community Engagement and Investment 	Community Engagement Surveys and Questionnaires

Materiality Assessment

The Group recognises that stakeholder engagement is critical to sustainable development and continuously refines its communication mechanisms to ensure information transparency, effective responsiveness and long-term development. We adopt a three-step approach to identify, prioritise and validate ESG matters that are material to our business continuity and development as well as to our stakeholders, enabling us to gain in-depth understanding of stakeholder expectations and emerging sustainability trends, which in turn allows us to incorporate sustainability priorities into our strategy formulation and reporting processes:

1 Step 1 – Identification

- Review potential material ESG issues identified through regular stakeholder engagement
- Conduct peer benchmarking and reference international ESG disclosure standards, including the Sustainability Accounting Standards Board (SASB) Standards, IFRS Sustainability Disclosure Standards No. 1 – General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1), and IFRS Sustainability Disclosure Standards No. 2 – Climate-related Disclosures (IFRS S2)
- Conduct online stakeholder communication and surveys with key external and internal stakeholders

2 Step 2 – Prioritisation

- Assess material ESG issues from two perspectives: (i) materiality to stakeholders and (ii) materiality to the Group's business continuity and development
- Prioritise the 26 identified relevant issues based on the results of the online stakeholder survey, and develop a materiality matrix

3 Step 3 – Review and Validation

- Submit the finalised list of material issues and the materiality matrix to the ESG Working Group for review and approval

Materiality Matrix

The Group applies a materiality matrix to demonstrate the impact of 26 ESG-related material issues on stakeholders and the Group’s business continuity and development. Issues of highest materiality in the matrix are classified under Tier 1, while relatively less material issues are classified under Tier 3.

During the Reporting Period, 12 Tier 1 issues were identified as the most material and will be disclosed with emphasis in the Report.



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List of ESG-related Material Issues

Materiality	Issues	Strategy	Section
Tier 1: High Material Issues	3. Waste Management	Green System • Co-creating a Sustainable Future	Waste Management
	9. Product and Service Quality and Safety	Innovative Pharmaceuticals Safeguarding Patients' Health	• Superior Quality
	10. Product Innovation and Research and Development	Innovative Pharmaceuticals Safeguarding Patients' Health	• Pharmaceutical Technology
	11. Responsible Marketing and Labelling	Innovative Pharmaceuticals Safeguarding Patients' Health	• Responsible Operation
	12. Privacy and Data Security	Innovative Pharmaceuticals Safeguarding Patients' Health	• Data Responsibility
	13. Intellectual Property Protection	Innovative Pharmaceuticals Safeguarding Patients' Health	• Intellectual Properties
	15. Compliance Management	Innovative Pharmaceuticals Safeguarding Patients' Health	• List of Significant Laws and Regulations
	16. Risk Management	Innovative Pharmaceuticals Safeguarding Patients' Health	• ESG Risk and Opportunity Management
	17. Business Ethics and Integrity	Innovative Pharmaceuticals Safeguarding Patients' Health	• Compliance and Business Ethics
	19. Protection of Employee Rights and Interests	People Centricity • Fostering a Healthy Workplace	Employee Rights and Well-being
	21. Occupational Health and Safety	People Centricity • Fostering a Healthy Workplace	Occupational Health and Safety
	26. Industry Development and Collaboration	Returns to Society • Benefiting the Greater Community	Access to Affordable Medicines
Tier 2: Moderate Material Issues	7. Raw Materials and Packaging Materials Management		
	8. Responsible Supply Chain Management		
	14. Customer Health and Well-being		
	18. Employment Practices		
	20. Diversity and Equal Opportunities		
	22. Training and Development		
	23. Labour Standards		
	25. Medical Inclusion		
Tier 3: Relevant Material Issues	1. Air Emissions		
	2. Energy Efficiency and Carbon Emission Management		
	4. Water Resource Management		
	5. Climate Change and Resilience		
	6. Biodiversity Conservation		
	24. Community Engagement and Investment		

INNOVATIVE PHARMACEUTICALS • SAFEGUARDING PATIENTS' HEALTH

Staying true to its original aspiration of “Best Medicine Made Available to People”, the Group is committed to advancing the pharmaceutical industry by scientific research and innovation. We adhere to the development philosophy of “Generics Empower Innovation, Innovation Drives the Future”, and focus on the research and development of high-value-added medicines in therapeutic areas including oncology, endocrinology, psychiatry, cardiovascular diseases and gastroenterology, thereby creating sustainably growing value for the Group. With scientific research as the core strength, we will continue to drive product upgrades through technological breakthroughs, ensuring that every patient has access to safe, effective and high-quality medicines.

Pharmaceutical Technology

Product Technology Innovation

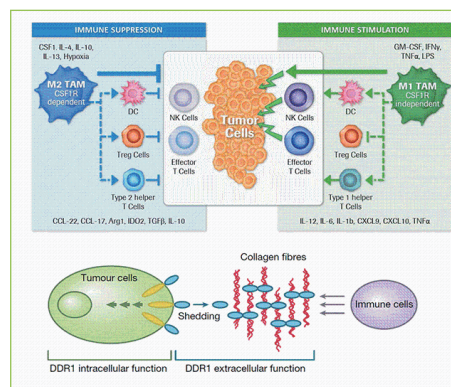
Haixi Pharmaceuticals adopts a dual-track R&D model highlighting equal efforts in generics and innovative drugs. In the generics sector, we focus on developing products with high technical barriers, securing timely regulatory approvals and ensuring full compliance with quality standards to establish market leadership. Meanwhile, we continuously invest in our generic drug pipeline, with four innovative drug candidates under development targeting therapeutic areas including oncology and ophthalmology.



Innovative Drug Case 1:

Triple-Mechanism Targeted Drug — Innovative Multi-Mechanism Immunomodulator

C019199 is a multi-mechanism immunomodulator independently developed by the Group, for use as monotherapy and in combination with anti-PD-1 monoclonal antibodies and other agents for the treatment of various tumor diseases. C019199 modulates the immunosuppressive tumor microenvironment and exerts synergistic antitumor effects through selective inhibition of three targets: CSF-1R, DDR1 and VEGFR2, inhibiting tumor angiogenesis and suppressing multiple pathways involved in tumor cell division, growth, migration and invasion. Phase Ia clinical trials were completed in the first half of 2022, followed by exploratory clinical studies in solid tumors including tenosynovial giant cell tumor, osteosarcoma and breast cancer. In the first half of 2023, the Phase I/II clinical IND application for combination therapy with immune checkpoint inhibitors was approved, with Phase I dose escalation completed in December 2023, following which, Phase II studies proceeded in advanced solid tumors including colorectal cancer, gastric cancer, esophageal cancer, head and neck squamous cell carcinoma, pancreatic cancer, triple-negative breast cancer and osteosarcoma. Phase III clinical studies for the first indication, osteosarcoma, are planned to commence in the first half of 2026. Simultaneously, Phase I/II clinical trials for osteosarcoma will be initiated in the United States upon obtaining IND approval from the U.S. Food and Drug Administration (“FDA”).





Innovative Drug Case 2:

Potential First-in-Class Oral Therapy for Ocular Fundus Diseases

HXP056 is a single-agent multi-target oral drug developed based on the MultiSel-Opt platform, designed to provide a novel treatment option for hemorrhagic retinal diseases including wet age-related macular degeneration (“nAMD”), diabetic macular edema (“DME”) and retinal vein occlusion (“RVO”). This drug candidate aims to overcome the technical challenge of blood-retinal barrier penetration, enabling precise targeting of lesion sites while optimizing systemic dosing to ensure patient safety. HXP056 is expected to become the world’s first oral drug for the treatment of the aforementioned retinal diseases, representing not only a significant technological breakthrough but also substantial global market potential. Preliminary data from the Phase I clinical study of HXP056 in the treatment of nAMD demonstrated favorable safety and tolerability profiles, with a positive dose-exposure relationship. Furthermore, preliminary improvements in fundus morphology and retinal function were observed in both treatment-naïve patients and previously treated nAMD patients enrolled in the Phase I clinical trial. Based on these encouraging early results, the Group has initiated patient recruitment for a Phase II expansion study in China during the Reporting Period, while the Phase I dose-escalation trial remains ongoing. We aim to rapidly evaluate and identify the optimal therapeutic dose, thereby establishing a solid foundation for the Phase III clinical study to be commenced in the near term.



Research and Development Management

To ensure the efficiency of R&D management, we have established a full-fledged R&D team that covers the entire cycle of pharmaceutical R&D, including medicinal chemistry, formulation, preclinical research, quality control, quality assurance, clinical operation and regulatory affairs. On this foundation, we have concurrently built two major product development platforms to systematically strengthen the management and execution of R&D processes.

These two platforms undertake R&D tasks with distinct strategic positioning. With the multi-target innovative drug development platform, we facilitate the screening, discovery and optimisation of compound candidates, which enable us to extend our pipeline to cover a variety of therapeutic areas, improve the success rate of drug development and enhance our drugs’ clinical applicability. Our drug discovery project selections are focused on the therapeutic areas with unmet medical needs. First, we identify those indications based on our understandings on the underlying disease mechanisms, in which kinases may play critical roles. We then select the target kinases and identify their relative activity profiles needed for the potential treatments. With robust biochemical and cellular assays, our in-house biology team could screen commercial and in-house compound library to identify and select lead compound series for optimisation. We have developed four innovative drug candidates that can target selective multiple kinases and modulate their relative activities to treat a variety of disorders.

For another, the generic drug development platform focuses on developing generic drugs that could obtain regulatory approvals in a timely manner and comply with all quality requirements, with technical barriers and substantial market potential that have yet to be selected in national volume-based procurement (“**VBP**”) schemes. The underlying platform that we use in our development of generic drugs is our generic drug development platform, which is primarily based on our reverse engineering of reference listed drug and know-how of in vitro/in vivo correlation. As of the end of 2025, these technologies had enabled 15 generic drugs to pass the consistency evaluation and obtain marketing approvals, laying a solid foundation for us to rapidly establish and consolidate our market position.

To further enhance R&D efficiency and execution quality, we have also established partnerships with industry-leading contract research organisation (“**CRO**”), entrusting them to manage, execute and support preclinical research and clinical trials. When selecting CRO partners, we comprehensively evaluate their professional qualifications, research capabilities, therapeutic area experience, industry reputation, project specialty, track records and data management systems, among other criteria, and enter into general service agreements. Through rigorous oversight mechanisms, we ensure that CRO adhere to contractual obligations and applicable laws and regulations, safeguarding the integrity and authenticity of trial and research data, thereby effectively shortening the overall drug development timeline.

Intellectual Properties

Intellectual properties are our core assets and economic moat. To that end, we have established internal policies and protocols to protect each innovative drug candidate that we develop with a series of patents. So far, we have obtained 39 patents globally, including 18 in overseas jurisdictions covering U.S., Canada, Australia, Japan, Korea, Singapore, India and 29 European countries.

To further maintain the compliance and competitiveness of our intellectual properties, we have established a rigorous internal management mechanism, with the intellectual property team involved at every stage of innovative drug development to ensure intellectual properties are protected in every aspect. At the institutional level, we actively protect the rights of all parties from infringement, and proactively pursue patent registration, filing and documentation for the Group’s R&D achievements. At the execution level, the intellectual property team rigorously reviews all design outputs, striving to protect our technological innovations while strictly mitigating infringement risks, thereby achieving the dual objectives of compliant operation and sustainable development.

To further ensure compliance and confidentiality, customers or any third parties who suspect that their privacy or intellectual property rights have been infringed may file a report through established channels, including telephone, email or written submissions. The Group will initiate investigations and take appropriate disciplinary actions based on the details of such reports.



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Superior Quality

Quality Management System

The Group is committed to providing customers with high-quality products and services and handling customer complaints effectively, striving to continuously enhance service standards and ensure customer satisfaction. To guarantee product and service quality, we have established comprehensive quality management policies and procedures covering the entire process from R&D, raw material procurement, clinical trials, manufacturing to sales, ensuring that products meet industry standards and safety regulations while fully protecting customer interests.

To ensure product and service quality, we have established a sound quality management system. Structurally, we have set up a dedicated quality management team comprising two core departments: (i) a quality assurance department staffed by over 15 employees, responsible for monitoring and ensuring that quality standards are met throughout the manufacturing process; and (ii) a quality control department staffed by over 20 employees, responsible for quality research and testing of products.

Given that our current manufacturing activities are primarily outsourced to contract manufacturing organisation (“**CMO**”), we have also implemented robust quality control and assurance systems for cooperation with external parties, to ensure that products delivered by CMO consistently meet our high standards. Furthermore, we advance quality improvement initiatives with continuous follow-up inspections, addressing issues in a timely manner, and adopting corrective and preventive actions to consistently elevate product and service quality, thereby underpinning the success and sustainable development of our business.

Quality Control in Raw Material Procurement

We procure raw materials directly or authorise CMO to do so, requiring CMO to conduct inspection and quarantine upon receipt, to ensure that raw materials meet quality specifications and are stored under stringent monitoring.

Quality Control of Final Products

We have established release specifications for final products, which are strictly enforced, requiring CMO to conduct sampling inspections and document reviews for each batch; any products failing to meet quality standards must be reported immediately, and only products approved against drug quality standards may be released for sale.

Quality Assurance during Production

Our quality assurance department ensures that the entire production process complies with GMP requirements by requiring CMO to adhere to standard operating procedures, conducting regular on-site inspections, and reviewing production and quality documentation. Only products that have been inspected and meet drug quality standards are approved for release and entry into the market.

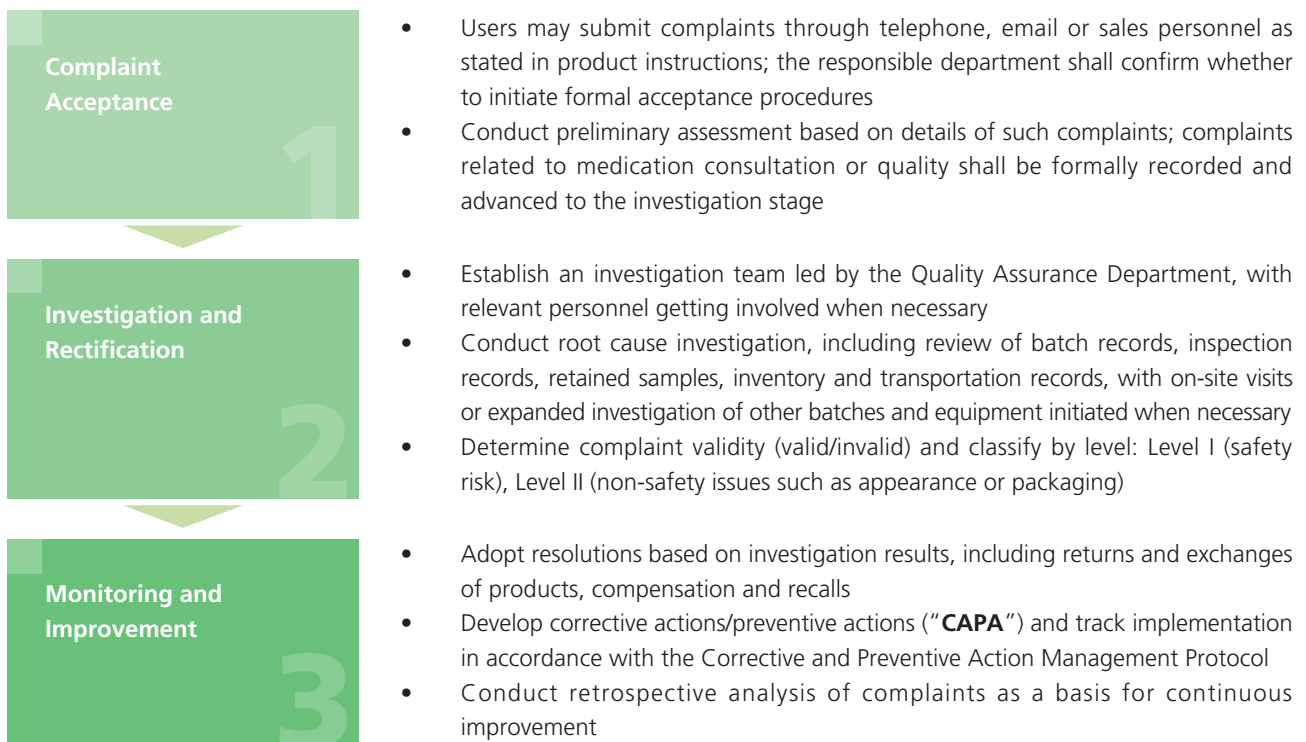
Product Safety and Regulatory Compliance

To ensure the compliance and safety of our products and services, the Group has established and continuously refines a quality management system covering the entire product lifecycle. Prior to product launch, we are committed to ensuring that all stages comply with the legal requirements of national pharmaceutical regulatory authorities and other regulatory bodies. Following the launch, we have established dedicated adverse drug reaction monitoring and control procedures to promptly identify, assess and address potential risks, thereby safeguarding public medication safety. Meanwhile, for non-conforming raw materials, excipients, packaging materials and finished products generated during the manufacturing process, we have formulated stringent disposal application and handling procedures, under which, all products and materials failing to meet quality requirements are uniformly and compliantly destroyed in accordance with the Destruction Management Protocol, preventing non-conforming products from entering the market and eliminating quality risks at source.

Complaint Resolution

The Group highly values customer feedback and has established comprehensive complaint management procedures to ensure that all product quality complaints are recorded, evaluated, investigated and resolved, with immediate measures adopted to control potential risks, protect patients' health, and drive continuous improvement in the Group's product quality and the quality management system. The Group receives complaints primarily through two major channels: one is the contact details provided in product instructions, such as telephone, fax or address particulars, the other is delivery by sales personnel, business partners or other individuals, or otherwise means, for feedback (for example, customer may directly inform our in-house specialists, or employees may discover defects in our products in the market), ensuring that customer voices are fully attended to and properly addressed. During the Reporting Period, the Group did not receive any material complaints relating to products and services.

Complaint Handling Procedures



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Product Recall

To safeguard patient medication safety, the Group has formulated the Product Recall Management Protocol, clearly outlining procedures for product recall and enabling rapid and effective recall of any batch of products with quality defects or other safety hazards from the market, when necessary, thereby protecting customer interests.

Upon identifying potential quality or safety concerns regarding a product, the Group immediately initiates internal review procedures, with relevant departments assessing the severity of the issue and proactively coordinating with customers and suppliers to develop appropriate corrective actions. Once a quality defect or safety hazard is recognised, we promptly communicate and coordinate with distributors to ensure rapid product recall, while simultaneously suspending production, release, sale and use, and report to the drug regulatory authorities in the relevant jurisdiction in accordance with applicable laws.

If a recall is necessary, the Group will follow the process outlined below:

Issue Identification and Assessment

Proactively investigate or respond to mandatory recall notices to assess whether a drug has quality issues or safety risks, determine the scope of impact based on the level of hazard and formulate a response plan.

Customer and Supply Chain Communication

Develop a recall plan according to the recall severity level, issue recall notifications, and coordinate with customers and suppliers to ensure effective communication of recall information and availability of necessary support.

Correction and Disposition Measures

Regularly report progress during the recall process, take appropriate disposition measures for the recalled products by the nature of the issue (e.g., destruction, return, or otherwise), to ensure that the products concerned are properly handled.

Post-Recall Review and Improvement

Complete a final recall summary report, submit it to the drug regulatory authority, and conclude the recall after review and approval confirmed without dissent, concurrently conduct a root cause analysis and improve the quality management system, to prevent recurrence of similar issues.

During the Reporting Period, the Group had no product recalls due to safety or health reasons.

Sustainable Supply Chain

Supply Chain Management

The Group values the long-term cooperative relationships with its supply chain partners and continuously promotes the sustainability management of its supply chain. We select suppliers based on the principles of openness and fairness, establish clear supplier review and management procedures, and set out relevant procurement policies to enhance the compliance and transparency of the supply chain. During the Reporting Period, we implemented the relevant supplier engagement practices with all suppliers.

 <p>Supplier Selection and Review</p>	<ul style="list-style-type: none"> • Conduct reviews of potential new suppliers, and in addition to assessing price, quality, suitability and demand, particularly focus on compliance, environmental performance, product and service quality, fair labour practices and business ethics. Only suppliers rated as qualified can become our recognised suppliers, and we procure solely from recognised suppliers; • Fairly select suitable, capable and responsible suppliers; • Suppliers must comply with relevant laws, regulations and contractual obligations.
 <p>Supplier Management and Evaluation</p>	<ul style="list-style-type: none"> • Expect suppliers to meet the requirements of the Supplier Code of Conduct; • Conduct regular follow-up evaluations of existing suppliers, including but not limited to comprehensive assessments of compliance, environmental performance, product and service quality, fair labour practices and business ethics, and conduct on-site inspections of suppliers when necessary; • Meanwhile, communicate regularly with existing suppliers to encourage them to provide environmentally friendly products and services, and ensure that their operations align with our ethical standards; • Engage third-party agencies to conduct audits when necessary. If a supplier is found to be non-compliant with policies or contractual requirements, further cooperation will be suspended until the situation is rectified.
 <p>Supply Chain Risk Control</p>	<ul style="list-style-type: none"> • Conduct regular comprehensive risk assessments and collect adverse information on suppliers to identify significant risks related to ESG matters across the supply chain; • Closely monitor identified risks and implement relevant control measures to minimise the impact of risks on daily operations.
 <p>Implementation and Monitoring Mechanism</p>	<ul style="list-style-type: none"> • Adopt effective monitoring systems and management controls to detect and prevent bribery, fraud or other improper conduct during the procurement and tendering process.

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Distributor Management

We have established the Pharmaceutical Distributor Management Protocol to ensure that drug sales operations meet standards and compliance requirements, which provides stringent distributor selection criteria, requiring comprehensive assessment of distributors' qualifications, financial stability, operational capabilities and regulatory compliance. Agreements with distributors must include explicit terms regarding payment, delivery and pricing policies. The protocol also implements strict regional sales restrictions, prohibiting unauthorised price adjustments or cross-regional sales, and mandates periodic compliance reviews. Furthermore, we have established agreements for handling product returns, adverse event reporting and market surveillance to prevent unethical conduct and ensure that the distribution network remains standardised and transparent, in alignment with the Group's policies and regulatory standards.

Supplier Code of Conduct

The Group has formulated and implemented the Supplier Code of Conduct, setting forth fundamental expectations regarding social, environmental and ethical compliance, which applies to all suppliers, distributors and their subsidiaries, with the aim of jointly establishing an honest, compliant and sustainable supply chain system.

The scope of the Supplier Code of Conduct covers, but is not limited to, the following ESG areas:

Environmental Protection	Strictly monitor pollutants, and ensure compliance with environmental regulations
Sustainable Resource Use	Promote the use of environmentally friendly materials in operations, and enhance resource efficiency
Occupational Health and Safety	Provide occupational health and safety training for employees, and ensure a safe working environment
Labour Rights and Human Rights Protection	Comply with applicable laws and regulations, prohibit child labour and forced labour, and eliminate discrimination
Business Ethics and Integrity	Strictly prohibit corruption, fraud and anti-competition practices, and comply with applicable regulations
Confidential Information and Privacy Protection	Strictly prevent data leakage, and protect the Company's intellectual property and patent rights
Quality Assurance	Ensure products and services meet quality standards, and work together to realise the vision of medication safety

The Group encourages all suppliers to actively implement the principles of the Supplier Code of Conduct in their daily operations, and will review and update the content of the Supplier Code of Conduct as needed in response to actual requirements.

Green Procurement

When selecting suppliers and procuring products, we consider not only price, quality and technical capabilities, but also actively incorporate environmental factors into the decision-making process to promote green procurement practices. We prioritise suppliers committed to advancing green procurement and environmental initiatives, such as adopting reduced or eco-friendly packaging materials, emphasizing products' contribution to resource efficiency, and minimising the use of disposable products, thus reducing waste at source and building a more sustainable supply chain together.

Responsible Operation

Responsible marketing is not only the key to business success, but also the foundation for maintaining brand reputation and customer trust. The Group has developed multiple policies and measures to ensure that product labeling content is accurate, clear and consistent with that approved by drug regulatory authorities, preventing confusion and errors arising from management oversight.

To ensure product information is transparent, accurate and compliant with regulatory requirements, the Group has implemented a series of stringent management measures for product labeling. First, all label and drug instruction designs and content must present information in a truthful and lawful manner, eliminating any false or misleading statements. Second, relevant personnel are required to carefully review label content and comprehensively verify its accuracy and completeness, ensuring consumers obtain sufficient and reliable product information. Furthermore, we have established a sound internal label review process, with the Quality Management Center and relevant departments of the Operation Center jointly involving in multi-layer verification of label content, to ensure authenticity and compliance with the high standards of both the Group and regulatory requirements.

Data Responsibility

We fully recognise that data protection is critical to our operations, particularly the smooth advancement of R&D activities. To this end, we have formulated a series of internal management policies, including the Information Security Policy, which clearly specifies access controls for network security management and data center operations; and the Confidential Document Management Policy, which establishes specific management protocols for the storage, authorised access, transmission methods and secure destruction of confidential documents.

In the management of clinical study data, we strictly protect relevant personal data and adhere to Good Clinical Practice guidelines, and require engaged third-party organisations (such as CRO) to comply with relevant regulations to ensure compliance throughout the data handling process. During data collection, we collect data through clinical trial centers and CRO, encode data generated from clinical trials, and utilise electronic systems to separate personal identity data from clinical data. Subsequent clinical data management is executed by professionally trained staff in accordance with standardised operating procedures, covering data cleaning, verification, access control and audit trails, further strengthening data security. We also employ encryption technologies to protect data during storage or transmission.

Furthermore, we require all employees to sign confidentiality agreements, strictly prohibiting any unauthorised access to the Group's data through circumvention of access controls. Upon termination or expiration of employment, employees must immediately return all materials involving trade secrets, refrain from using such information for personal purposes, and must not instruct or permit third parties to use it in any form. We also exercise oversight over CRO and research partners to ensure the integrity and confidentiality of data are guaranteed.



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Compliance and Business Ethics

Compliance and business ethics are among the Group's core values. Therefore, the Group consistently upholds high standards of conduct. Our ESG Working Group and the Board actively engage in compliance matters, ensuring that the Group fully adheres to ethical standards and best practices in corporate governance throughout its operations. The Group is committed to fostering a corporate environment characterised by high degree of transparency and clear accountability, embedding this philosophy into every aspect of business operations to ensure that the Group maintains sound business ethics and compliance standards.

Anti-Corruption

The Group strictly requires all employees to comply with anti-corruption regulations and the business ethics standards in daily operations, strictly prohibiting any form of corrupt practices, including but not limited to acceptance of improper benefits, bribery, extortion, fraud and money laundering, thereby ensuring that employees act in the best interests of the Group and avoid conflicts of interest. Employees who seriously violate discipline will be dismissed immediately without compensation; those involved in corruption, bribery or fraud may have their employment contracts terminated unconditionally by the Group, be held economically liable, and in serious cases be referred to judicial authorities for further actions.

To ensure that employees fully understand the Group's ethical standards and enhance their anti-corruption awareness, the Group provides anti-corruption training to directors and employees to strengthen their knowledge and understanding of anti-corruption practices and regulatory requirements. We also distribute anti-corruption training materials on business ethics and anti-corruption practices to them annually, to enhance their knowledge and capabilities in identifying and addressing corruption issues, further reinforcing the Group's commitment to responsible business operations.

During the Reporting Period, the Group was not aware of any concluded legal cases regarding corrupt practices brought against the Group or its employees.

Whistleblowing Mechanism

Under the philosophy of responsible operation, establishing a sound whistleblowing mechanism serves as an important foundation for implementing corporate compliance management. To this end, the Group has established a transparent and privacy-protected reporting channel, encouraging all employees and business partners to proactively report any suspected violations or misconduct.

Employees may report suspected corruption or breaches of business ethics to the management through a dedicated whistleblowing email. Upon receiving such reports, the Group's Legal Department will immediately initiate investigation procedures and handle subsequent matters in accordance with internal policies and applicable laws. To protect whistleblowers from undue influence, we strictly maintain the confidentiality of all whistleblowers' identity information. Furthermore, the Board will also oversee relevant cases to ensure that the entire process is fair, transparent and consistent with the highest standards of corporate governance. The Board assumes overall responsibility for the whistleblowing mechanism, while the Legal Department is responsible for overseeing and implementing the mechanism.

Clinical Ethics

Pharmaceutical R&D ethics has long remained in the Group's list of issues of concern. Accordingly, the Group has established the Management Protocol for Bioequivalence Clinical Trials to clarify clinical trial procedures and exercise control over various stages, ensuring that clinical trials are conducted in an orderly manner.

Ethics Review and Informed Consent Protection	Documents to be submitted to the Ethics Committee for review include: trial protocol, informed consent form, recruitment materials for subjects, source medical records, case report forms, investigator's brochure, drug inspection reports and certificates for trial medications, names and contact numbers of all parties, and qualification certificates, to ensure that subjects are fully informed of the trial content.
Medication Safety Protection	If serious adverse events occur during the trial, they will be handled promptly in accordance with the Operating Procedures for Handling Individual Case Safety Reports in Clinical Trials and the Management Protocol for Assessment and Handling of Adverse Drug Reactions, to ensure the safety of subjects.
Oversight and Quality Control of Trial Process	The Group will assign specialists to assist with on-site management during trial execution and make necessary records, ensuring that the trial process complies with the Good Clinical Practice. During the data management stage, the correctness of data is confirmed by all parties through mechanisms such as data review meetings and database lock approval forms before the database is locked. This multi-party oversight procedure can effectively prevent human error and protect the rights and interests of subjects.

Protection of Animal Rights and Well-being

Regarding animal experimentation, the Group obtains valid licenses for the use of laboratory animals and related products prior to their use, ensuring that animal rights are duly protected.









2025 Environmental, Social and Governance Report

GREEN SYSTEM • CO-CREATING A SUSTAINABLE FUTURE

Against the backdrop of global climate change, the Group has elevated environmental responsibility to the strategic level. We deepen environmental management by formulating ESG policies, setting specific environmental targets and regularly monitoring performance. Through continuous optimisation of operational processes, we actively reduce our environmental footprint and enhance resource efficiency, responding to stakeholders' high expectations for sustainable development.

Meanwhile, the Group is committed to comprehensively identifying climate-related risks and opportunities, and establishing sound internal control mechanisms to proactively address the challenges posed by climate change while seizing potential development opportunities arising therefrom.

To encourage all business departments and employees across the Group to practice green operation and reduce impacts on the environment and natural resources, we have set the following green targets:

Area	Environmental target	Progress
 Emissions	With 2024 as the base year, reduce GHG (Scope 1 and Scope 2) emission intensity (per RMB'0,000 revenue) by 5% by 2030	Progressing 
 Waste	Reduce total hazardous and non-hazardous waste intensity through enhanced waste management	Progressing 
 Purchased electricity	With 2024 as the base year, reduce purchased electricity consumption intensity (per RMB'0,000 revenue) by 5% by 2030	Progressing 
 Water consumption	With 2024 as the base year, reduce water consumption intensity (per RMB'0,000 revenue) by 5% by 2030	Progressing 

Climate Resilience

The Group recognises the profound impact of climate change on society and business operations. Together with stakeholders, we are committed to driving climate change response actions and continuously advancing the transition to a low-carbon economy. During the Reporting Period, we have turned challenges into opportunities by actively assessing our business resilience against climate risks and opportunities, and accelerating GHG emission reductions in our operations.

Governance

The Role and Oversight of the Board

The Board of the Group assumes ultimate responsibility for the oversight of climate-related risks and opportunities, and with assistance of the ESG Working Group, continuously supervises the Group's policy formulation and risk and opportunity management in relation to climate change. The ESG Working Group convenes at least once a year, regularly reporting to the Board on sustainability-related matters, with the scope of reporting covering climate-related issues, climate-related risks and opportunities. In formulating strategies, making decisions on major transactions and managing risk, the Board considers trade-offs between various climate factors and balances them in an integrated manner with other business, financial and operational priorities, while reviewing the progress of implementation of climate targets, thereby incorporating climate considerations into the Board's overall decision-making.

Members of the Board and the ESG Working Group are equipped with knowledge of climate-related issues and develop a thorough understanding of their impact on the Group's business and operation. The Group regularly provides training and materials on climate-related topics to ensure that the Board and ESG Working Group are well-informed and have access to the latest information.

Responsibilities of the Management

Under the supervision of the Board, the ESG Working Group comprising the management is responsible for assessing and managing climate-related risks and opportunities, planning and implementing climate-related measures, and reviewing climate-related policies to ensure that the Group incorporates climate-related considerations into daily operations. The ESG Working Group also continuously identifies, assesses, prioritises, manages and discloses climate risks and opportunities, formulates corresponding measures, and tracks implementation effectiveness.

For details, please refer to the section headed "Sustainability Governance and Board Oversight".

Strategy

In response to the long-term challenges posed by climate change, we continue to strengthen our capabilities in identifying and managing climate-related risks and opportunities, and integrate them into our sustainability risk and opportunity management framework. Through its established ESG Working Group, the Group maintains adequate resources to support the relevant transition measures. During the Reporting Period, we assessed the financial and non-financial impacts of climate change on the Group from dimensions including business operations, supply chain and market environment, to enhance our climate resilience. The table below summarizes the major climate-related risks and opportunities we have identified, their potential impacts on our business model and value chain, and our response and transition measures. However, as data availability and quantification methodologies continue to develop and evolve, we will continue to monitor them and, where practicable, explain the concentration of climate-related risks and opportunities in our business model and value chain. With the progressive advancement of relevant research and analytical methodologies, the Group expects to enhance its understanding of climate-related risks and opportunities, thereby enabling a more comprehensive identification of the risks and opportunities associated with its core business operations.

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Climate-Related Risks and Opportunities	Financial Impacts	Non-financial Impacts	Response and Transition Measures
Physical risks			
<p>Acute risks</p> <p>S M L</p> <p>Increased frequency and intensity of extreme weather events (such as super typhoons, heavy rainfall, flooding, etc.) causes direct physical impacts on corporate production activities, business models, and the supply chain</p>	<p><u>Current Financial Impacts</u></p> <ul style="list-style-type: none"> ➤ Increased equipment repair and maintenance costs ➤ Reduction in current period revenue due to supply chain disruptions caused by transportation network interruptions <p><u>Anticipated Financial Impacts</u></p> <ul style="list-style-type: none"> ➤ Increased costs of preventive measures in the short to medium term (e.g., reinforcing and maintaining infrastructure) ➤ Potential increase in property insurance premiums in the medium to long term as extreme weather events become more frequent 	<ul style="list-style-type: none"> ➤ Increased safety risks for employee commuting or operations due to extreme weather ➤ Delivery delays caused by interruption of raw material supply, with the Group's reputation affected 	<ul style="list-style-type: none"> ➤ Closely monitoring weather warnings and reminding employees in office premises to implement response plans for severe weather events such as heavy rain and floods in advance, including strengthening inspections of building roofs, walls, doors and windows, and implementing protective measures for critical equipment ➤ Exploring business interruption insurance to cover all potential and actual losses ➤ Prioritising the selection of local and nearby suppliers to reduce delays caused by logistics disruptions and/or material supply interruptions
<p>Chronic risks</p> <p>M L</p> <p>Long-term changes in climate patterns (such as sea level rise, persistent high temperatures, drought, etc.), lead to the deterioration of the operating environment</p>	<p><u>Current Financial Impacts</u></p> <ul style="list-style-type: none"> ➤ No significant direct financial loss at present <p><u>Anticipated Financial Impacts</u></p> <ul style="list-style-type: none"> ➤ Increase in energy costs due to greater demand for air conditioning in the medium to long term ➤ Increase in equipment maintenance costs due to heat-related wear and tear in the medium to long term 	<ul style="list-style-type: none"> ➤ Increasing risk of heatstroke among employees, rising equipment failure rates, and affected supply chain stability due to persistent high temperatures 	<ul style="list-style-type: none"> ➤ Optimizing the operating efficiency of heating, ventilation, and air conditioning systems to reduce electricity consumption even under rising temperatures ➤ Conducting regular inspections and testing, and adopting protective measures

S Short term (2030) **M** Medium term (2040) **L** Long term (2050)

Climate-Related Risks and Opportunities	Financial Impacts	Non-financial Impacts	Response and Transition Measures
Transition risks			
<p>Policy and legal risks</p> <p>M L</p> <p>Global and local regulatory bodies are accelerating the implementation of emission reduction requirements, including China's "Dual Carbon" strategy, carbon pricing, and carbon market expansion. Meanwhile, the Hong Kong Stock Exchange has implemented new requirements on climate-related disclosures. Scope 3 emissions. Overall, climate policies are becoming increasingly stringent, and companies are facing higher transparency and emission reduction requirements.</p>	<p><u>Current Financial Impacts</u></p> <ul style="list-style-type: none"> ➤ Additional compliance costs arising from new climate disclosure requirements <p><u>Anticipated Financial Impacts</u></p> <ul style="list-style-type: none"> ➤ One-time investments in equipment upgrades or energy replacement in the medium to long term to meet policy trends (such as the implementation of carbon pricing mechanism and switching to renewable energy sources), leading to increased operating costs 	<ul style="list-style-type: none"> ➤ Damage to the Group's reputation in the capital markets due to failure to meet regulatory requirements or demonstrate a feasible transition pathway 	<ul style="list-style-type: none"> ➤ Proactively implementing new climate-related disclosure requirements issued by the Hong Kong Stock Exchange, with gradual execution of work plans, progress tracking and timelines ➤ Regularly monitoring the latest regulatory changes in laws, policies and regulations to ensure compliance ➤ Regularly providing training to enhance employees' and suppliers' knowledge of climate-related government policies and regulatory requirements, thereby aligning with new regulations
<p>Market risk</p> <p>M L</p> <p>As stakeholders place greater emphasis on climate change issues, market preference is shifting toward companies and products that are more resilient to climate change, and consumers are paying increased attention to the sustainability of goods and services, and prioritising low-carbon products.</p>	<p><u>Current Financial Impacts</u></p> <ul style="list-style-type: none"> ➤ No significant direct financial loss at present <p><u>Anticipated Financial Impacts</u></p> <ul style="list-style-type: none"> ➤ Potential revenue decline in the medium to long term due to failure to respond to market demand for green products, risking falling behind industry peers during the industrial transition 	<ul style="list-style-type: none"> ➤ Long-term damage to brand reputation and customer relationships resulting from the product and technology roadmap misaligned with the green healthcare trend 	<ul style="list-style-type: none"> ➤ Actively adopting green measures where applicable, including use of renewable energy and recyclable packaging materials, etc. ➤ Regularly tracking, reporting and managing sustainability performance of the core business

S Short term (2030) **M** Medium term (2040) **L** Long term (2050)

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Climate-Related Risks and Opportunities	Financial Impacts	Non-financial Impacts	Response and Transition Measures
Climate-Related Opportunities			
<p>Energy source S M L Adopting renewable energy generation, alternative energy sources and/or purchased renewable electricity at operational sites</p>	<p><u>Current Financial Impacts</u></p> <ul style="list-style-type: none"> ➤ No significant direct financial impact at present <p><u>Anticipated Financial Impacts</u></p> <ul style="list-style-type: none"> ➤ Reduction in energy consumption and direct carbon emissions in the short, medium, and long term, and decreased regulatory expenses (such as carbon taxes and carbon allowances) 	<ul style="list-style-type: none"> ➤ Enhanced energy independence, brand reputation, and market competitiveness resulting from reduced reliance on fossil fuels 	<ul style="list-style-type: none"> ➤ Actively promoting green production, and installing photovoltaic power generation systems at the production base to introduce clean energy
<p>Resource efficiency S M Significantly reducing long-term operating costs by investing in energy-efficient equipment and improving operational management</p>	<p><u>Current Financial Impacts</u></p> <ul style="list-style-type: none"> ➤ No significant direct financial impact at present <p><u>Anticipated Financial Impacts</u></p> <ul style="list-style-type: none"> ➤ Reduced operating costs in the short to medium term, as a result of adoption of more energy-efficient equipment and improvement of resource efficiency in daily operations 	<ul style="list-style-type: none"> ➤ Reduction of carbon emissions generated in operations to meet increasingly stringent carbon regulations and disclosure requirements, and to enhance brand reputation and market competitiveness 	<ul style="list-style-type: none"> ➤ Adopting advanced equipment at the production base, including energy-saving variable frequency technology, heat pipe energy-saving systems, condensate recovery systems, and high-efficiency steam generators ➤ Regularly providing resource efficiency training to employees, effectively enhancing employees' awareness

S Short term (2030) **M** Medium term (2040) **L** Long term (2050)

Climate-Related Risks and Opportunities	Financial Impacts	Non-financial Impacts	Response and Transition Measures
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Climate-Related Opportunities

Market

M L

The impact of climate change on human health may further increase demand for existing and innovative drugs, driving up healthcare needs and creating new market opportunities

Current Financial Impacts

- No significant direct financial impact at present

Anticipated Financial Impacts

- Sales revenue growth driven by provision of corresponding preventive and therapeutic drugs for specific diseases with increased incidence due to climate change

- Enhanced public and community recognition of and trust in the brand resulting from early deployment of solutions addressing climate-related health issues

- Further advancing research and development, regularly conducting market assessments, and focusing on talent development, coupled with the provision of product innovation-related training to ensure employees' awareness of the latest health needs, developments and trends, thereby promoting product innovation

S Short term (2030) **M** Medium term (2040) **L** Long term (2050)

Risk Management

The Board assumes ultimate responsibility for formulating and executing risk management mechanisms. Under the supervision of the Board and with the assistance of the ESG Working Group, the Group conducts ESG risk and opportunity assessments, which cover climate-related risks and opportunities. We identify, assess and manage the potential impact and likelihood of climate-related risks and opportunities, and prioritise them accordingly. Based on assessment conclusions, the Group formulates corresponding mitigation measures to strengthen overall risk resilience. For details, please refer to the section headed "ESG Risk and Opportunity Management".

Metrics and Targets

We are committed to addressing climate change and actively reducing GHG emissions within the scope of our business operations. In response to China's "3060 Dual Carbon Goals" (i.e. achieving carbon peaking before 2030 and carbon neutrality before 2060), and taking into account the Paris Agreement, the international climate agreement aimed at limiting global warming to within 1.5°C above pre-industrial levels, we have, within this framework, established specific emission reduction targets as follows: with 2024 as the base year, we aim to reduce the intensity of Scope 1 and Scope 2 GHG emissions (per RMB'0,000 revenue) by 5% by 2030². This target reflects the Group's commitment to global climate action, and conduces to enhancement of operational efficiency and resilience. We will achieve direct emission reductions in our operations by promoting energy efficiency measures and responsible resource management. To ensure effective oversight and decision-making, the ESG Working Group will continuously monitor progress against climate targets and related performance indicators, and report annually to the Board.

The "Appendix 1 Overview of KPIs" of this Report discloses the Group's direct and indirect energy consumption, as well as the corresponding GHG emissions. In 2025, Scope 3 emissions have been included with available data under two applicable categories, reflecting our continuous progress in strengthening data accuracy and calculation methodologies. We will continue to monitor Scope 3 emissions data and strive to further enhance relevant disclosures in the near future, with a view to reducing carbon emissions across the value chain.

Energy Management

The Group has long been committed to enhancing energy efficiency through effective management and sustainable operational strategies, fulfilling its commitment to a low-carbon future. To further strengthen internal energy management mechanisms, we continuously optimise facility operations and introduce innovative energy-saving technologies, supporting operational stability while fostering harmony with the environment.

We have advanced multiple concrete energy-saving initiatives at the production base to comprehensively enhance energy efficiency:

- **Solar power generation:** Installed rooftop photovoltaic systems at the factory to introduce clean energy
- **High-efficiency equipment:** Adopted advanced equipment including energy-saving variable frequency technology, heat pipe energy-saving systems, condensate recovery systems, and high-efficiency steam generators
- **Smart lighting systems:** Fully converted to LED energy-efficient lighting fixtures, and installed sensor-activated street lights in outdoor areas



New Milestone in Advancing Green Energy:

1.7 MWp Photovoltaic Power Generation Project

To promote green energy development, the Group officially launched a photovoltaic power generation project during the Reporting Period with an installed capacity of 1.7 MWp, and scheduled to commence grid-connected power generation in early 2026, providing clean and renewable green electricity for the Group's operations.



² Our GHG reduction target applies to our core businesses and covers three GHGs as defined under the Kyoto Protocol: carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O), details of the scope of which are set out in the section headed "Reporting Period and Scope". We will assess the possibility of incorporating quality carbon credits and renewable energy certificates into our decarbonisation pathway, and will continue to monitor relevant guidance and market developments relating to carbon credits and carbon offsets, including the Stock Exchange's guidance on the use of carbon credits to offset GHG emissions for the purpose of achieving GHG emissions targets.

Emission Management

The Group is committed to reducing waste gas and GHG emissions generated in operations, and has clearly established relevant management approaches in the ESG Policy, covering emission source control, daily operation optimisation, regulatory compliance monitoring and performance disclosure.

Key Measures	Concrete Actions
Waste Treatment and Monitoring	Install waste gas treatment facilities and regularly monitor their operation to ensure emissions meet standards.
Vehicle Maintenance	Conduct regular maintenance of company vehicles to ensure optimal operational performance.
Green Transportation Transition	Gradually transition to electric or hybrid vehicles, encourage employees to practice green commuting, and prioritise low-carbon transport options.
Business Model Optimisation	Prioritise online meeting patterns to reduce carbon footprint from business travel.

Waste Management

The Group fully recognises the impact of waste on the environment and society, and carefully manages all types of waste generated in operations. Our operational waste is mainly categorised into hazardous waste and general non-hazardous waste. To ensure proper treatment, the Group has clearly formulated relevant management approaches, and established specific supervision and disposal measures for each waste category to effectively prevent environmental risks arising from misclassification or improper handling.

To effectively manage non-hazardous waste, we implement the principles of waste reduction at source and resource recycling, promoting employee engagement through workplace promotions and prioritising reusable eco-friendly packaging materials in packaging operations. Additionally, we regularly record the output of various types of non-hazardous waste to track effectiveness, and install sorted recycling bins to implement waste sorting; if on-site treatment is not feasible, waste is transported to designated municipal waste collection points for centralised treatment by municipal authorities, ensuring that the overall waste management process complies with environmental regulations.

Regarding hazardous waste management, we fully recognise its potential risks to the environment and safety, and therefore adopt stringent measures to mitigate impacts. We have established storage facilities that prevent secondary pollution to ensure proper containment of hazardous waste; meanwhile, we follow environmental regulations to implement classification and packaging standards, taking measures to prevent dispersion, scattering or leakage to ensure safe transportation and storage. Furthermore, we regularly record the output of hazardous waste to track its flow, and engage qualified third-party contractors for transportation and harmless treatment. On packaging labels, we clearly indicate categories such as highly toxic and highly corrosive substances to fulfill the responsibility of risk notification and prevention.

Water Resource Management

The Group fully recognises the finite nature and importance of water resources, and continuously strengthens water resource management during production and operations, committed to minimising water consumption and environmental impact while ensuring stable business operations. To this end, the Group has developed and implemented multiple water conservation measures, including regular inspection and prompt maintenance of water facilities to prevent leakage and unnecessary water loss; prioritising high-efficiency water-saving equipment that meets water efficiency labeling requirements to enhance water efficiency at source; and continuous monitoring and analysis of water usage data to identify peak consumption periods and potential waste areas, and developing targeted optimisation measures.

Concurrently, the Group also strengthens internal communications and employee training to enhance water conservation awareness across the organisation and drive the implementation of water conservation measures in daily operations. Through these multi-pronged management approaches, the Group effectively improves water efficiency, reduces operating costs, and achieves synergistic growth in economic and environmental benefits. Going forward, we will continue to strengthen water resource management to contribute to sustainable development. During the Reporting Period, the Group did not encounter any issues in obtaining suitable water sources.

Biodiversity

Biodiversity is essential for maintaining the health and stability of ecosystems. The Group places great emphasis on biodiversity conservation, and is committed to minimising the potential impact of operational activities on the surrounding environment through systematic management measures and rigorous internal policies.

We fully recognise that maintaining clean water sources and land is key to preserving the habitat of local species. To this end, the Group has established a comprehensive wastewater treatment system with real-time monitoring through a central control room, and regularly tests the quality of wastewater and rainwater discharge to ensure all emissions comply with relevant national standards and regulatory requirements. Furthermore, all wastewater and rainwater discharge outlets are established in accordance with the law, and have been approved and filed with competent environmental authorities, thereby minimising impact on surrounding ecosystems from the source.



PEOPLE CENTRICITY • FOSTERING A HEALTHY WORKPLACE

The Group firmly believes that talent is the core driver of sustainable development. Therefore, we are committed to fostering a fair and inclusive working environment, emphasizing the diversified development of employees as well as their rights and well-being. With comprehensive employee management systems, systematic training and rigorous safety management measures, the Group strives to create a work atmosphere that promotes personal growth and teamwork, laying a solid foundation for long-term development. We have formulated policies including the Human Resources Management Policy and the Employee Handbook, covering areas such as compensation and dismissal, recruitment and promotion, working hours and rest periods, equal opportunities, diversity, anti-discrimination, benefits, occupational health and safety, employee development and training, and labour standards, ensuring that employees clearly understand relevant policies and effectively safeguard their rights and interests.

Employment Management

In employment, we uphold the principles of fairness, openness and merit-based selection, comprehensively assessing candidates' knowledge, character, professional capabilities and experience. To maintain managerial independence and organisational fairness, the Group implements a relative avoidance policy: generally, relatives of current employees are not hired; if direct superior-subordinate or mutual supervisory relationships exist between employees, the Group will adjust job arrangements as appropriate to avoid conflicts of interest and ensure transparent and fair organisational operations. While striving to achieve business strategies, we are devoted to the aim of promoting the common growth of the business and employees through rational allocation of human resources and continuous improvement of management effectiveness.

Additionally, we vigorously diversify recruitment channels, establishing a highly-skilled team with strong professional capabilities by leveraging external recruitment and internal mobility mechanisms coordinately, supporting the Group's innovation and long-term development.

Recruitment

External Recruitment

To strengthen core competitiveness in key business areas, we concentrate resources on attracting high-caliber talent, and for this purpose, diversify recruitment channels for the Group, providing detailed job descriptions to help candidates to be fully informed of job duties and corporate culture. Meanwhile, we adopt diverse interview formats in alignment with characteristics of different positions to facilitate two-way communication and in-depth understanding, ensuring the selection of talent possessing professional capabilities and according with business needs, thereby enhancing the Group's technical strength and market competitiveness.

Internal Recruitment

We ensure that all permanent employees have the right to apply for promotion or internal transfer. We conduct objective and comprehensive assessments based on employees' professional skills, professional integrity, capabilities and experience, and identify suitable internal candidates through rigorous selection procedures to ensure the final selection best accords with business needs, thereby achieving business objectives, strengthening teamwork, and driving innovation and development in key management positions.



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Diversity, Equality and Inclusion

For diversity, equality and inclusion, the Group remains consistently committed to fostering a workplace that respects and embraces all employees. We firmly believe that team diversity not only brings broader perspectives but also inspires innovative solutions, driving sustainable business development. For this pursuit, the Group promotes all human resources management activities under the principle of equal opportunity, which include recruitment, training, promotion, transfer, compensation, benefits and termination of employment, resolutely eliminating discrimination for age, gender, physical or mental condition, marital status, family status, race, colour, nationality, religion, political affiliation or sexual orientation, and strongly supporting the concepts of diversity and equal opportunity.

Employee Training and Development

We place great emphasis on talent cultivation and growth, and remain committed to developing a high-caliber team with potential of sustainable development. With diversified training programmes, we continuously enhance employees' professional skills and career development potential, enabling them to adapt to technological advancements and evolving work patterns, thereby achieving mutual growth for both the business and employees.

Training and Development Strategy

Committed to providing training and development opportunities that satisfy the actual needs of employees, the Group aims to facilitate employee to achieve improvement in work performance, career development and overall strength. We take vigorous efforts to foster a culture that values both virtuous competition and growth, encourage employees to work diligently and continuously enhance their own capabilities.

To motivate employees to the fullest potential, the Group provides promotion and development opportunities for those with outstanding performance and capabilities, and make job arrangement adjustments or demotions for those whose performance falls short of expectations. With the flexible mechanism enabling upward and downward mobility and matched promotion and demotion, we aim to forge a virtuous cycle within the organisation that sustains overall vitality and drives talent growth.

Training Programmes

During the Reporting Period, the Group worked actively to advance multiple professional training courses and exchange events on diverse fields, providing employees with abundant learning opportunities to enhance their technical knowledge, professional skills and workplace competitiveness. The Group has formally formulated and implemented the Annual Training Programme, with the scope covering relevant laws and regulations on drug supervision and administration, various rules and regulations, standard operating procedure documents, environmental health and safety, responsibilities and required skills for relevant positions. Additionally, specialised training is provided for employees in high-risk operation areas to ensure they possess necessary safety awareness and professional operation capabilities. With systematic training planning, the Group comprehensively enhances employees' overall quality and professional skills, ensuring that every employee is adequately qualified for the respective positions and accordant with actual requirements, further laying a solid talent foundation for the Group to continuously strengthen quality management and compliant operations.

Employee Rights and Well-being

Employees are the most valuable asset for us, and the Group is committed to creating a diverse, equitable and inclusive working environment, enabling work-life balance, and cultivating a workplace culture highlighting safety and empowerment, to ensure that all employees can develop in a healthy and supportive environment. We firmly prohibit any exploitative practices and adhere to fair and ethical employment standards.

The Group firmly opposes child labour and forced labour, and is committed to creating a safe and fair working environment. To ensure no child labour is used, the Group's Human Resources Department rigorously verifies all candidates' age, work records and identification documents. If any case of child labour is identified, the Group will immediately terminate the employment relationship and take necessary measures, including reporting to relevant law enforcement authorities. Furthermore, the Group has formulated detailed policies specifying working hours, rest periods and leave arrangements to prevent excessive labour and forced labour. The Group regularly reviews recruitment practices to avoid child and forced labour, and examines the effectiveness of human resources management systems to ensure that all employees work in an environment stressing compliance and mutual respect.

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Compensation, Benefits and Employee Well-being

The Group is committed to providing fair and market-competitive compensation and benefits, adjusting and improving these aspects based on local market conditions and living standards. In accordance with the guidelines of the Human Resources Management Policy, the Group offers employees diversified benefit programmes, which may specifically include:

Paid Leave	<p>Employees are entitled to various types of paid leave, including:</p> <ul style="list-style-type: none">• Statutory holidays• Annual leave• Personal leave• Sick leave• Marriage leave• Bereavement leave• Maternity leave
Allowances	<p>Employees are entitled to various types of allowances based on position, length of service, and special working conditions, such as:</p> <ul style="list-style-type: none">• Position-based• Seniority• Communication• Special post• Business travel• Meal
Social Insurance and Housing Provident Fund	<p>The Group provides social insurance and housing provident fund programmes that meet local requirements for employees, covering:</p> <ul style="list-style-type: none">• Pension• Medical• Work-related injury• Maternity• Unemployment• Accident• Housing provident fund
Other Employee Benefits	<p>When appropriate, the Group reviews and adjusts employee benefits based on business needs, which may include:</p> <ul style="list-style-type: none">• Festival allowances• Childbirth gifts• Marriage gifts• Condolence payments• Excellence awards• Performance bonuses

Occupational Health and Safety

Maintaining the health and safety of employees as the top priority, we take their health and safety as the first consideration and ensure employees remain both physically and mentally healthy. The Group has developed a series of internal control policies including the ESG Policy and the Safety Management Policy to duly implement the approach of “prioritising safety, adopting preventive measures and advancing comprehensive management”:

 <p>Structure</p>	<ul style="list-style-type: none"> • Multi-level Structure: Establish a Safety Management Committee (highest decision-making body) and a Safety Executive Committee (daily implementation) to ensure a well-defined hierarchical management system. • Specialised Organisation: For fire safety, establish a leading group and a volunteer fire brigade to assign dedicated personnel for specific responsibilities, and clearly define the accountability for fire safety facilities, equipment maintenance and reporting procedures.
 <p>Policy</p>	<ul style="list-style-type: none"> • Policy Formulation: Implement the core approach of “prioritising safety, adopting preventive measures and advancing comprehensive management”, and fully enforce the work safety accountability system. • System Improvement: Establish comprehensive systems covering general safety management and specialised fire safety management; clarify basic order regulations in the workplace, including prohibitions on smoking, drinking and unauthorised network connections. • Dynamic Review: Establish a mechanism for regular formulation and review of rules and regulations to ensure management practices closely follow the trends of the times.
 <p>Execution</p>	<ul style="list-style-type: none"> • Training and Drills: Offer pre-job training for new employees and transferred personnel, arrange regular job-specific examinations and annual emergency evacuation drills, including hazardous waste leak response and fire drills, to comprehensively enhance employees’ risk prevention awareness. • Inspection and Communication: Conduct regular safety inspections; where issues are identified, immediately assign responsible departments to make rectification within specified timeframes; immediately report major hidden dangers for coordinated actions, ensuring closed-loop management of potential risks. • Operation Control: Strictly enforce the special operation approval system, implement on-site supervision of high-risk activities such as hot work and confined space operations; strengthen management of precursor chemicals and explosive chemicals, standardise laboratory protection and waste disposal procedures.
 <p>Review</p>	<ul style="list-style-type: none"> • Accident Response: Cover the procedures for reporting, handling, leave taking, assessment and compensation following employee injuries; strictly apply the “Four Nos” principle in accident investigations. • Performance Rewards and Penalties: Establish a fire safety assessment system, recognising excellence and penalizing violations; hold those whose violations lead to accidents or who conceal such incidents strictly accountable in accordance with the law.

Over the past three years (including the Reporting Period), the Group has not recorded any work-related fatalities or injuries.

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Caring for Employees

The Group fully recognises that employee well-being directly affects overall work efficiency and team atmosphere. Therefore, the Group is committed to creating a supportive and dynamic work environment where every employee feels valued and cared for.



Celebrating Major Milestones

- Listing celebration souvenirs



Celebrating Traditional Festivals

- Lantern Festival riddle-guessing activity
- International Women’s Day celebration
- Work commencement and Spring Festival greetings
- Gifts for important festivals



Promoting Sports and Healthy Lifestyle

- New Year Sports Event
- Badminton activities (including staff team competitions and regular sessions)
- Beach park walking



Strengthening Departmental and Fellow Bonds

- Employee birthday celebrations
- Team building activities



Organising Staff Travel and Leisure Activities

- Training Base tour
- Hong Kong-Zhuhai-Macau trip
- Headquarters "Bo Bing"

RETURNS TO SOCIETY • BENEFITING THE GREATER COMMUNITY

Access to Affordable Medicines

Haixi Pharmaceuticals is committed to providing patients with a rich variety of high-quality medicines with proven efficacy. The Group focuses on the R&D and manufacturing of high-quality generic drugs, with 15 pharmaceutical products currently approved for marketing by the NMPA, making good medicines accessible and affordable for more patients.

Meanwhile, Haixi Pharmaceuticals actively promotes industry-academia-research integration, serving as an internship base for Fuzhou University, Fujian Medical University, Minjiang University and other institutions, while also advancing close research collaborations with top-tier institutions such as Peking University and Xiamen University, driving pharmaceutical accessibility with innovation and putting the spirit of universal benefit into practice.

APPENDIX 1 OVERVIEW OF KPIS

Environmental Aspects ^{3,4}

Indicators	Unit	2025
GHG emissions^{5,6}		
Total GHG emissions (Scope 1 and 2)	tCO ₂ e	4,475.60
Total GHG emissions (Scope 1, 2 and 3)	tCO ₂ e	29,246.15
– Direct emissions (Scope 1)	tCO ₂ e	1,051.70
– Energy indirect emissions (Scope 2) — location-based	tCO ₂ e	3,423.90
– Other indirect emissions (Scope 3) ⁷	tCO ₂ e	24,770.55
Intensity of total GHG emissions (Scope 1 and 2)	tCO ₂ e/RMB'0,000 revenue	0.077
Intensity of total GHG emissions (Scope 1, 2 and 3)	tCO ₂ e/RMB'0,000 revenue	0.50
Air emissions		
Nitrogen oxides (NO _x)	kg	2,596.43
Sulphur oxides (SO _x)	kg	42.62
Particulate Matter (PM)	kg	96.93

³ Environmental Key Performance Indicators (“KPIs”) cover our major business operations.

⁴ Due to rounding, the totals may not be the exact sum of the figures shown here.

⁵ According to the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (Revised Edition) published by the World Business Council for Sustainable Development and the World Resources Institute, Scope 1 direct emissions originate from business operations owned or controlled by the Group; Scope 2 energy indirect emissions are indirect emissions generated from the generation of purchased or acquired electricity, heating, cooling and steam; Scope 3 other indirect emissions occur within the Group’s value chain.

⁶ Carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) have been included in the GHG calculation.

⁷ Scope 3 emissions include available data derived from Category 2: Capital Goods and Category 7: Employee Commuting.

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Indicators	Unit	2025
Energy consumption		
Total energy consumption	MWh	10,455.51
– Purchased electricity	MWh	5,926.78
– Diesel	MWh	12.44
– Natural gas	MWh	4,504.58
– Unleaded petrol	MWh	11.70
Intensity of total energy consumption	MWh/RMB'0,000 revenue	0.18
Water consumption		
Total water consumption	m ³	55,767.00
Intensity of total water consumption	m ³ /RMB'0,000 of revenue	0.96
Waste produced		
Non-hazardous waste		
Total non-hazardous waste produced	tonnes	21.00
Intensity of total non-hazardous waste produced	kg/RMB'0,000 revenue	0.36
Hazardous waste		
Total hazardous waste produced	tonnes	25.81
Intensity of total hazardous waste produced	kg/RMB'0,000 revenue	0.44

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Social Aspects

Indicators ⁸	Unit	2025
Workforce		
By gender		
Male	number of people	99
Female		101
By employment type		
Full-time	number of people	200
Part-time		0
By employee category		
General and technical staff	number of people	162
Middle management		31
Senior management		7
By age group		
30 or below	number of people	85
31-50		104
51 or above		11
By geographical region		
Chinese Mainland	number of people	200

⁸ The scope of social KPIs covers the entire Group.

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Indicators	Unit	2025
Employee turnover rate⁹		
By gender		
Male	%	19.2
Female		15.8
By age group		
30 or below	%	23.5
31-50		13.5
51 or above		9.1
By geographical region		
Chinese Mainland	%	17.5
Health and Safety		
Lost days due to work injury	days	0
Work-related fatalities	number of cases	0
Development and Training¹⁰		
Percentage of employees trained		
By gender		
Male	%	49.5
Female		50.5
By employee category		
General and technical staff	%	90.0
Middle management		7.0
Senior management		3.0
Average training hours completed per employee¹⁰		
By gender		
Male	hours	2.4
Female		3.5
By employee category		
General and technical staff	hours	2.6
Middle management		3.1
Senior management		12.2
Supply Chain Management		
By geographical region		
Chinese Mainland	number of suppliers	106
Other regions		29

⁹ Calculation method: Employee turnover rate = Number of departing employees ÷ Total number of employees at year-end × 100% (excluding part-time employees/interns and employees who resigned during the probationary period)

¹⁰ The calculation of training data includes relevant training data of departing personnel from the Group's core business, in order to accurately reflect the training resources invested by the Group.

APPENDIX 2 LIST OF SIGNIFICANT LAWS AND REGULATIONS

Subject Areas and Aspects	Significant Laws and Regulations	Compliance Status
A: Environmental	<ul style="list-style-type: none"> • Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution • Integrated Emission Standard of Air Pollutants • Interim Regulations on the Administration of Carbon Emission Trading • Environmental Protection Law of the People’s Republic of China • Water Pollution Prevention and Control Law of the People’s Republic of China • Regulations on the Administration of Pollution Discharge Permits • Soil Pollution Prevention and Control Law of the People’s Republic of China • Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste 	<p>During the Reporting Period, the Group was not aware of any material non-compliance with environmental laws and regulations.</p>
B1: Employment B4: Labour Standards	<ul style="list-style-type: none"> • Labor Law of the People’s Republic of China • Labor Contract Law of the People’s Republic of China • Employment Promotion Law of the People’s Republic of China • Regulations on Paid Annual Leave for Employees • Provisions on Labor Protection for Female Employees • Law of the People’s Republic of China on the Protection of Women’s Rights and Interests • Law of the People’s Republic of China on the Protection of Persons with Disabilities • Social Insurance Law of the People’s Republic of China • Provisions on the Prohibition of Using Child Labor of the People’s Republic of China • Law of the People’s Republic of China on the Protection of Minors • Criminal Law of the People’s Republic of China • Circular of the State Administration of Taxation on Issues Concerning the Deduction of Enterprise Wages and Salaries and Employee Welfare Expenses 	<p>During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to employment and labour standards.</p>

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Subject Areas and Aspects	Significant Laws and Regulations	Compliance Status
B2: Health and Safety	<ul style="list-style-type: none"> • Labor Law of the People’s Republic of China • Work Safety Law of the People’s Republic of China • Law of the People’s Republic of China on Prevention and Control of Occupational Diseases 	<p>During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to health and safety.</p>
B6: Product Responsibility	<ul style="list-style-type: none"> • Drug Administration Law of the People’s Republic of China • Good Manufacturing Practice for Drug Production • Good Pharmacovigilance Practice • Advertising Law of the People’s Republic of China • Provisions for Drug Insert Sheets and Labels • Measures for the Administration of Drug Recall 	<p>During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to product responsibility.</p>
B7: Anti-corruption	<ul style="list-style-type: none"> • Supervision Law of the People’s Republic of China • Criminal Law of the People’s Republic of China • Anti-Telecom and Online Fraud Law of the People’s Republic of China • Anti-Money Laundering Law of the People’s Republic of China 	<p>During the Reporting Period, the Group was not aware of any material non-compliance with anti-corruption laws and regulations.</p>

APPENDIX 3 CONTENT INDEX OF THE ESG REPORTING CODE OF THE HONG KONG STOCK EXCHANGE

Subject Areas, Aspects, General Disclosures and KPIs	Section/Statement
A. Environmental	
Aspect A1: Emissions	
<p>General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.</p>	<p>Emission Management Waste Management List of Significant Laws and Regulations</p>
KPI A1.1	<p>The types of emissions and respective emissions data. Overview of KPIs - Environmental Aspects</p>
KPI A1.2	<p>Repealed on 1 January 2025 N/A</p>
KPI A1.3	<p>Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). Overview of KPIs - Environmental Aspects</p>
KPI A1.4	<p>Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). Overview of KPIs - Environmental Aspects</p>
KPI A1.5	<p>Description of emission target(s) set and steps taken to achieve them. Green System • Co-creating a Sustainable Future Waste Management</p>
KPI A1.6	<p>Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. Green System • Co-creating a Sustainable Future Waste Management</p>

Subject Areas, Aspects, General Disclosures and KPIs	Section/Statement
<p>Aspect A2: Use of Resources</p>	
<p>General Disclosure</p>	<p>Energy Management</p>
<p>Policies on the efficient use of resources, including energy, water and other raw materials.</p>	<p>Water Resource Management</p>
<p>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>	
<p>KPI A2.1</p>	<p>Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). Overview of KPIs - Environmental Aspects</p>
<p>KPI A2.2</p>	<p>Water consumption in total and intensity (e.g. per unit of production volume, per facility). Overview of KPIs - Environmental Aspects</p>
<p>KPI A2.3</p>	<p>Description of energy use efficiency target(s) set and steps taken to achieve them. Green System • Co-creating a Sustainable Future Energy Management</p>
<p>KPI A2.4</p>	<p>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. Green System • Co-creating a Sustainable Future Water Resource Management</p>
<p>KPI A2.5</p>	<p>Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. Overview of KPIs - Environmental Aspects</p>

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Subject Areas, Aspects, General Disclosures and KPIs	Section/Statement
Aspect A3: The Environment and Natural Resources	
General Disclosure Policies on minimising the issuer’s significant impacts on the environment and natural resources.	Biodiversity
KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Biodiversity
B. Social	
Employment and Labour Practices	
Aspect B1: Employment	
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	People Centricity • Fostering a Healthy Workplace List of Significant Laws and Regulations
KPI B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Overview of KPIs - Social Aspects
KPI B1.2 Employee turnover rate by gender, age group and geographical region.	Overview of KPIs - Social Aspects



Subject Areas, Aspects, General Disclosures and KPIs	Section/Statement
Aspect B2: Health and Safety	
<p>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.</p>	Occupational Health and Safety List of Significant Laws and Regulations
<p>KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.</p>	Occupational Health and Safety
<p>KPI B2.2 Lost days due to work injury.</p>	Overview of KPIs - Social Aspects
<p>KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.</p>	Occupational Health and Safety
Aspect B3: Development and Training	
<p>General Disclosure Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</p>	Employee Training and Development
<p>KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).</p>	Overview of KPIs - Social Aspects
<p>KPI B3.2 The average training hours completed per employee by gender and employee category.</p>	Overview of KPIs - Social Aspects

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Subject Areas, Aspects, General Disclosures and KPIs	Section/Statement
Aspect B4: Labour Standards	
<p>General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.</p>	<p>Employee Rights and Well-being List of Significant Laws and Regulations</p>
KPI B4.1	<p>Description of measures to review employment practices to avoid child and forced labour. Employee Rights and Well-being</p>
KPI B4.2	<p>Description of steps taken to eliminate such practices when discovered. Employee Rights and Well-being</p>
Operating Practices	
Aspect B5: Supply Chain Management	
<p>General Disclosure Policies on managing environmental and social risks of the supply chain.</p>	<p>Sustainable Supply Chain</p>
KPI B5.1	<p>Number of suppliers by geographical region. Overview of KPIs - Social Aspects</p>
KPI B5.2	<p>Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. Sustainable Supply Chain</p>
KPI B5.3	<p>Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. ESG Risk and Opportunity Management Sustainable Supply Chain</p>
KPI B5.4	<p>Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. Green Procurement</p>



Subject Areas, Aspects, General Disclosures and KPIs	Section/Statement
Aspect B6: Product Responsibility	
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Innovative Pharmaceuticals • Safeguarding Patients' Health List of Significant Laws and Regulations
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. Superior Quality
KPI B6.2	Number of products and service related complaints received and how they are dealt with. Superior Quality
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights. Pharmaceutical Technology
KPI B6.4	Description of quality assurance process and recall procedures. Pharmaceutical Technology Superior Quality
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored. Responsible Operation
Aspect B7: Anti-corruption	
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Responsible Operation List of Significant Laws and Regulations
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. Responsible Operation
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. Responsible Operation
KPI B7.3	Description of anti-corruption training provided to directors and staff. Responsible Operation

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Subject Areas, Aspects, General Disclosures and KPIs		Section/Statement
Community		
Aspect B8: Community Investment		
General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Returns to Society • Benefiting the Greater Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Returns to Society • Benefiting the Greater Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Returns to Society • Benefiting the Greater Community

Climate-related Disclosures		Section/Statement
I. Governance		
19. An issuer shall disclose information about:		
(a)	the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	Sustainability Governance and Board Oversight Climate Resilience - Governance
(i)	how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	The Group has not yet incorporated climate-related performance indicators into its remuneration policy. We will explore the feasibility of refining the remuneration policy.
(ii)	how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	
(iii)	how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and	
(iv)	how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies; and	
(b)	management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	
(i)	whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	
(ii)	whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	

Climate-related Disclosures	Section/Statement
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II. Strategy

Climate-related risks and opportunities

20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:

- | | | |
|-----|---|---|
| (a) | describe climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term; | Climate Resilience – Strategy

Climate Resilience – Metrics and Targets |
| (b) | explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; | |
| (c) | specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and | |
| (d) | explain how the issuer defines ‘short term’, ‘medium term’ and ‘long term’ and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making. | |

Business model and value chain

21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer’s business model and value chain. Specifically, the issuer shall disclose:

- | | | |
|-----|---|---|
| (a) | a description of the current and anticipated effects of climate-related risks and opportunities on the issuer’s business model and value chain; and | Climate Resilience – Strategy |
| (b) | a description of where in the issuer’s business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets). | We have identified the key climate-related risks and opportunities and disclosed their current and/or anticipated qualitative financial impacts. Given the limited availability of data, together with the evolving nature of climate science and assessment methodologies, measurement results are subject to a high degree of uncertainty, and the quantified financial impacts may have limited informational value. Going forward, we will continue to assess the feasibility of disclosing such data in line with the development of our business. |

Climate-related Disclosures	Section/Statement
Strategy and decision-making	
22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	Climate Resilience – Strategy Climate Resilience – Metrics and Targets
(i) current and anticipated changes to the issuer’s business model, including its resource allocation, to address climate-related risks and opportunities;	
(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	
(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer’s transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	
(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	
(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	



Climate-related Disclosures	Section/Statement
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23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a). N/A

Financial position, financial performance and cash flows

Current financial effect

24. An issuer shall disclose qualitative and quantitative information about:

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|------------|--|--|
| (a) | how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and | Climate Resilience – Strategy

We have identified the key climate-related risks and opportunities and disclosed their current and/or anticipated qualitative financial impacts. Given the limited availability of data, together with the evolving nature of climate science and assessment methodologies, measurement results are subject to a high degree of uncertainty, and the quantified financial impacts may have limited informational value. Going forward, we will continue to assess the feasibility of disclosing such data in line with the development of our business. |
| (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. | No significant risk of major adjustments is anticipated for the next annual reporting period. |

Anticipated financial effect

25. The issuer shall provide qualitative and quantitative disclosures about:

- | | | |
|-------------|--|--|
| (a) | how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: | Climate Resilience – Strategy

We have identified the key climate-related risks and opportunities and disclosed their current and/or anticipated qualitative financial impacts. Given the limited availability of data, together with the evolving nature of climate science and assessment methodologies, measurement results are subject to a high degree of uncertainty, and the quantified financial impacts may have limited informational value. Going forward, we will continue to assess the feasibility of disclosing such data in line with the development of our business. |
| (i) | its investment and disposal plans; and | |
| (ii) | its planned sources of funding to implement its strategy; and | |
| (b) | how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities. | |

Climate-related Disclosures	Section/Statement
<p>Climate resilience</p>	
<p>26. An issuer shall disclose information that enables an understanding of the resilience of the issuer’s strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer’s identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer’s circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:</p>	
<ul style="list-style-type: none"> (a) the issuer’s assessment of its climate resilience as at the reporting date, which shall enable an understanding of: <ul style="list-style-type: none"> (i) the implications, if any, of the issuer’s assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer’s assessment of its climate resilience; and (iii) the issuer’s capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; and (b) how and when the climate-related scenario analysis was carried out, including: <ul style="list-style-type: none"> (i) information about the inputs used, including: <ul style="list-style-type: none"> (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out. 	<p>Reasonable and supportable information was not available at the reporting date without undue cost or effort. Therefore, we have not yet incorporated climate-related scenario analysis into our decision-making processes. We will explore the application of climate-related scenario analysis in the future.</p>

Climate-related Disclosures	Section/Statement
<p>III. Risk Management</p>	
<p>27. An issuer shall disclose information about:</p>	
<p>(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:</p>	Climate Resilience – Strategy
<p>(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);</p>	ESG Risk and Opportunity Management
<p>(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;</p>	
<p>(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);</p>	
<p>(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;</p>	
<p>(v) how the issuer monitors climate-related risks; and</p>	
<p>(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;</p>	
<p>(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</p>	
<p>(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.</p>	

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Climate-related Disclosures	Section/Statement
<p>IV. Metrics and Targets Greenhouse gas emissions</p>	
<p>28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO₂ equivalent, classified as:</p>	
<p>(a) Scope 1 greenhouse gas emissions;</p>	<p>Overview of KPIs - Environmental Aspects</p>
<p>(b) Scope 2 greenhouse gas emissions; and</p>	
<p>(c) Scope 3 greenhouse gas emissions.</p>	
<p>29. An issuer shall:</p>	
<p>(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;</p>	<p>Overview of KPIs - Environmental Aspects</p>
<p>(b) disclose the approach it uses to measure its greenhouse gas emissions including:</p>	<p>We will explore the feasibility of purchasing quality carbon credits and renewable energy certificates to offset GHG emissions generated from our operations.</p>
<p>(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;</p>	
<p>(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and</p>	
<p>(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;</p>	
<p>(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</p>	
<p>(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>	



Climate-related Disclosures	Section/Statement
<p>Climate-related transition risks</p>	
<p>30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.</p>	<p>Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.</p>
<p>Climate-related physical risks</p>	
<p>31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.</p>	<p>Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.</p>
<p>Climate-related opportunities</p>	
<p>32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.</p>	<p>Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.</p>
<p>Capital deployment</p>	
<p>33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.</p>	<p>Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.</p>
<p>Internal carbon prices</p>	
<p>34. 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>We have not yet incorporated internal carbon pricing into our decision-making process. We will explore the employment of internal carbon pricing in the future.</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.</p>	

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Climate-related Disclosures	Section/Statement
Remuneration	
<p>35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).</p>	<p>The Group has not yet incorporated climate-related performance indicators into its remuneration policy. We will explore the feasibility of refining the remuneration policy.</p>
Industry-based metrics	
<p>36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.</p>	N/A
Climate-related targets	
<p>37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:</p>	Climate Resilience – Metrics and Targets
(a)	the metric used to set the target;
(b)	the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);
(c)	the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);
(d)	the period over which the target applies;
(e)	the base period from which progress is measured;
(f)	milestones or interim targets (if any);
(g)	if the target is quantitative, whether the target is an absolute target or an intensity target; and
(h)	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.



Climate-related Disclosures	Section/Statement
<p>38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <p>(a) whether the target and the methodology for setting the target has been validated by a third party;</p> <p>(b) the issuer’s processes for reviewing the target;</p> <p>(c) the metrics used to monitor progress towards reaching the target; and</p> <p>(d) any revisions to the target and an explanation for those revisions.</p>	<p>Climate Resilience – Metrics and Targets</p> <p>We will explore the feasibility of having the Group’s targets verified by third parties.</p>
<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>	<p>Climate Resilience – Metrics and Targets</p>
<p>40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:</p> <p>(a) which greenhouse gases are covered by the target;</p> <p>(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;</p> <p>(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;</p> <p>(d) whether the target was derived using a sectoral decarbonisation approach; and</p> <p>(e) the issuer’s planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:</p> <p>(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;</p> <p>(ii) which third-party scheme(s) will verify or certify the carbon credits;</p> <p>(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and</p> <p>(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).</p>	<p>Climate Resilience – Metrics and Targets</p> <p>At present, such targets are not derived using a sectoral decarbonisation approach. We will explore the feasibility of purchasing quality carbon credits and renewable energy certificates to offset the GHG emissions generated in operations.</p>
<p>Applicability of Cross-industry Metrics and Industry-based Metrics</p>	
<p>41. In preparing disclosures to comply with the requirements of paragraphs 21 to 26 and 37 to 38, an issuer shall refer to (i) cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36), and consider whether they are applicable.</p>	<p>Climate Resilience – Metrics and Targets</p> <p>Overview of KPIs - Environmental Aspects</p>