Promote a Healthier Life for Humankind Through Advancements in Science

Jiangsu Hengrui Pharmaceuticals Co., Ltd.

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2025

Environmental, Social and Governance Report

Jiangsu Hengrui Pharmaceuticals Co., Ltd.

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About This Report

This is the fifth Environmental, Social and Governance (ESG) Report of Jiangsu Hengrui Pharmaceuticals Co., Ltd., and it discloses in details of the Company's efforts to implement the new development philosophy, as well as the work and progress in sustainability, including environmental protection, social responsibilities and corporate governance, in an objective, transparent, and comprehensive manner.

Reporting Period

This report covers the period from January 1, 2025 to December 31, 2025. Note that some information may be from a previous time period.

Reporting Scope

This report focuses on Jiangsu Hengrui Pharmaceuticals Co., Ltd. and includes all of the Company's subsidiaries in its financial statements.

Basis of Preparation

This report is prepared in accordance with the principles of materiality, quantification and consistency under the *Environmental, Social and Governance Reporting Code ("ESG Reporting Code") set out in Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited,* with reference to the *Guidelines No. 14 of Shanghai Stock Exchange for Self-regulation of Listed Companies—Sustainability Report (Trial)* and the *Global Reporting Initiative (GRI) Standards.*

Materiality

This report covers ESG issues identified by the Board of Directors as material to investors and other stakeholders. For the identification process and results of material ESG issues of the Company in 2025, please refer to section 1.1.4 Double Materiality Assessment in this report.

Quantification Information

This report discloses quantified ESG data, as well as standards and methodologies adopted for statistics and calculation, with textual explanations for quantitative data. For the Company's 2025 quantified ESG data, please refer to the performance tables in the main text of corresponding chapters of this report.

Consistency

Unless otherwise stated, the Company shall adopt consistent disclosure and statistical methods for each reporting period.

Reference Description

For ease of expression and reading, "Jiangsu Hengrui Pharmaceuticals Co., Ltd." is replaced by "Hengrui Pharma", "the Company" and "We" in this report. When it comes to the Company's subsidiaries or branches, the abbreviation for their names is used.

Data Sources

The information and data are derived entirely from the Company's formal documents, statistical reports and financial statements. This report's content is provided by Hengrui Pharma and its partners and is solely for the purpose of disclosing the Company's sustainability progress and management. It should not be used for business purposes.

Note on Language

This report is available in Simplified Chinese, Traditional Chinese and English. In the event of a discrepancy between the two versions, the Simplified Chinese version shall prevail.

Confirmation and Approval

After confirmation by the Company's management, the Board of Directors approved the publication of this report on March 25, 2026.

Access to this Report

This report is available in Simplified Chinese, Traditional Chinese and English versions. Please refer to our official website for online browsing and download: https://www.hengrui.com.

We value feedback from our stakeholders greatly. You may contact us via any of the following channels. Your comments and suggestions will help us improve this report and our environmental, social and governance performance.

Investor Hotline: 021-61053323

Email: ir@hengrui.com

Address: Capital Market and Securities Affairs Department, No. 1288 Haike Road, Pudong New Area, Shanghai

Management's statement

The tide of progress continues to move forward. In 2025, China's 14th Five-Year Plan reaches its successful conclusion, while comprehensive policies supporting the entire innovative drug value chain are shaping a new industry ecosystem. Against this backdrop of profound transformation—defined by scientific advancement and a strong sense of responsibility—Hengrui Pharma has carved out its own path of determined progress.

Looking back on this journey, amid industry fluctuations and an increasingly complex market environment, the family of Hengrui Pharma have remained steadfast, embodying the spirit of "forging a sword over ten years." Navigating a course where opportunities and challenges run in parallel, we have continued to advance with resilience and focus. We have further strengthened and fully embedded our ESG philosophy and policies, delivering sustained progress across critical areas including eco-friendly operations, research and development innovation, talent development, and inclusive access to healthcare.

Compliance as a Priority, Building a Solid Governance Foundation

Hengrui Pharma is firmly committed to conducting business in full compliance with applicable laws and regulations. We continue to enhance our corporate governance framework and risk management systems, foster a clean, transparent, and integrity-driven business environment, and support the Company's long-term, stable development. We have consistently deepened our commitment to sustainable development, maintained ongoing and effective engagement with stakeholders, and resolutely integrated ESG principles into corporate decision-making and daily operations, translating our commitments into concrete actions that respond to stakeholder expectations. In May 2025, Hengrui Pharma was successfully listed on the Main Board of The Stock Exchange of Hong Kong, officially entering the "A+H" dual-listing era.

Low-Carbon as the Core, Preserving Blue Skies and Clear Waters

Responding actively to the national "Dual Carbon" strategy, Hengrui Pharma empowers the construction of a Beautiful China. We have integrated climate risk and opportunity management into the Company's strategy and decision-making processes, and fulfilled our climate action commitments. Meanwhile, we have strengthened environmental management across the full lifecycle of operations and products, advanced the clean transition of energy structure, promoted the recycling of packaging materials, pursued refined resource management, and practiced the concept of green development. In 2025, 7 core manufacturing entities of Hengrui Pharma have obtained ISO 14001 Environmental Management System certification, with a coverage rate of 70%.

Innovation as the Wing, Pioneering a Healthy Future

Hengrui Pharma adheres to a global patient-centric approach, advancing technological innovation and its international strategy in depth. We have established 15 R&D centers in Asia, Europe, the United States, and Australia, launched the Shanghai Innovation R&D Center equipped with world-class laboratories, and built a global collaborative R&D network. In 2025, the Company had seven Class 1 innovative drugs approved for marketing and six new indications of innovative drugs authorized, with the cumulative number of marketed Class 1 innovative drugs reaching 24. Focusing on key therapeutic areas such as oncology, autoimmune diseases, and metabolic diseases, we continue to deepen the development of emerging technology platforms including ADCs and bispecific antibodies, striving to address unmet clinical needs. We always adhere to the highest international quality standards, uphold full-lifecycle quality control, and safeguard the health of thousands of households with exceptional quality.

Growth as the Path, Nurturing a Thriving Talent Ecosystem

In the sustainable development of the Company, Hengrui Pharma adheres to "people-oriented" philosophy and regards talents as the core asset. We are committed to building an equal, inclusive and diverse workplace, providing every employee with a safe, healthy and comfortable working environment. We have continuously expanded channels for talent introduction, deepened university-enterprise joint training programs, gathered global talents, and comprehensively enhanced the depth and breadth of talent reserve. We have improved differentiated assessment and incentive mechanisms, built personalized talent growth platforms, and promoted mutual growth and value sharing between employees and the Company.

Responsibility at Heart, Warmth to Every Family

Hengrui Pharma has always upheld its original aspiration and mission of "Promote a healthier life for humankind through advancements in science", committed to enhancing global pharmaceutical accessibility and affordability. In 2025, a total of 20 products/indications of the Company were included in the new national reimbursement drug list, among which 10 products entered the NRDL for the first time through negotiations. We have implemented a fair pricing strategy for more than 10 products in emerging markets such as Vietnam, Pakistan and Bolivia, effectively alleviating the burden of medical expenses on patients. The Company actively fulfills its global health responsibilities, continuously carrying out inclusive chronic disease prevention and treatment, doctor-patient health education and primary medical capacity building in developing countries. Through public welfare programs such as drug donations and patient care initiatives, we ensure that high-quality innovative drugs benefit more patients in need.

With a long journey ahead, we embark on a new mission with renewed determination. Looking ahead, Hengrui Pharma will remain patient-oriented, deepen innovative R&D, accelerate globalization planning, and contribute more to the high-quality development of the pharmaceutical industry and the cause of human health.

About Hengrui Pharma

Company Profile

As one of the most innovative pharmaceutical enterprises in China, Hengrui Pharma has always integrated the values of "Innovation, Pragmatism, Focus, Diligence" into its development. Taking technological innovation as the core driving force, the Company focuses on the R&D, production and promotion of high-quality drugs, commits to safeguarding life and health through continuous innovation, serves the "Healthy China" strategy, steadily advances globalization, and strives to become a global biopharmaceutical group through innovation.

Founded in 1970, Hengrui Pharma (Stock Code: 600276.SH, 1276.HK) was listed on the Shanghai Stock Exchange in 2000 and The Stock Exchange of Hong Kong Limited in 2025, becoming an "A+H" dual-listed enterprise. The Company has ranked among Pharm Exec's Top 50 Global Pharmaceutical Companies for seven consecutive years. In Citeline's "Top 25 Global Pharmaceutical Companies by Pipeline Scale", Hengrui Pharma has been on the list for 4 consecutive years, with its self-developed pipeline ranking second globally.

Mission

Promote a healthier life for humankind through advancements in science

Vision

Become a global biopharmaceutical group through innovation

Values

Innovation, Pragmatism, Focus, Diligence

Corporate Culture

The Company focuses on therapeutic areas with major unmet medical needs and long-term growth potential, including oncology, metabolic and cardiovascular diseases, immunological and respiratory diseases, and neuroscience. Committed to technology-driven development, the Company maintains high-intensity R&D investment, with cumulative R&D investment exceeding RMB 53 billion, ranking among the top in China's pharmaceutical industry. The Company has established 15 R&D centers across Asia, Europe, the US and Australia, with a global R&D team of over 5,600 members. It has built a number of world-leading technology platforms including PROTAC, peptides, monoclonal antibodies, bispecific antibodies, multi-specific antibodies, ADCs and radioligand therapies, forming a leading and highly differentiated innovative product portfolio. To date, the company has secured approval for 24 class 1 innovative drugs, 5 class 2 innovative drugs in China, with, more than 100 self-developed innovative products under clinical development, and over 400 clinical trials conducted domestically or internationally.

with cumulative R&D investment exceeding RMB **53** billion

As a key innovation entity in China's pharmaceutical R&D sector, Hengrui Pharma continues to fulfill its social responsibility in improving access to healthcare After being included in the national reimbursement drug list, many core products have significantly improved patients' affordability and accessibility. Innovative drugs such as Rezvilutamide, Dalpiciclib and Henagliflozin have benefited a wider range of patients with clinical data more suitable for the Chinese population and expanded hospital coverage. Meanwhile, products with significant clinical benefits such as Adebrelimab have been covered by inclusive commercial medical insurance in many regions, further reducing patients' affordability burden.

Globalization is one of the core strategic directions of the Company. Following the development path of "dual engines of technological innovation and globalization", the Company accelerates global expansion based on independent R&D, gives full play to the potential of product portfolio and technology platforms, and gradually builds a global R&D and commercialization system.

To date, the Company has initiated a number of overseas clinical trials in the US, Europe, Australia and other countries, with products commercialized in more than 50 countries. In 2025, the Company signed 5 out-licensing cooperation agreements with multi-national pharmaceutical corporations. Since 2023, the Company has completed 12 overseas business development transactions including out-licensing, NewCo and strategic alliances, with a total transaction value exceeding USD 27 billion, partnering with multinational pharmaceutical giants such as Merck KGaA, MSD and GSK, greatly enhancing the Company's global influence and industry recognition.

Since 2023, the potential total transaction value of overseas business development deals has exceeded USD **27** billion

Looking ahead, Hengrui Pharma will always adhere to its mission to "promote a healthier life for humankind through advancements in science", and its vision of "becoming a global biopharmaceutical group through innovation". We will promote the in-depth integration of high-quality R&D investment, global collaborative innovation and industrialization capabilities, continuously develop more innovative drugs with clinical value and accessibility, advancing the "Healthy China" initiative and benefiting patients worldwide.

Development History

1970

- Lianyungang Pharmaceutical Factory, the predecessor of Hengrui Pharma, was officially established.

1987

- Hengrui Pharma successfully developed its first anti-tumor drug "Etoposide", indicating a breakthrough of the Company in anti-tumor drugs.

2000

- Shanghai Hengrui R&D Center was established;
- Hengrui Pharma was listed on the Shanghai Stock Exchange in October 2000 (Stock Code: 600276.SH)

2005

- Hengrui New Jersey R&D Center was established in the United States.

2011

- Company's first innovative drug Imrecoxib was approved for marketing;
- The anti-tumor drug Irinotecan Injection was approved for marketing in the United States, marking Hengrui Pharma as the first Chinese pharmaceutical company to obtain U.S. market approval for an injectable.

2017

- The anti-tumor drug Docetaxel injection was approved for marketing in the United States and was designated by the FDA as a Reference Standard.

2019

- The innovative drug Camrelizumab was approved for marketing;
- Since 2019, Hengrui Pharma has been ranked among Pharm Exec's Top 50 Global Pharmaceutical Companies for seven consecutive years.

2024

- The Company entered into collaboration and licensing agreements with Kailera Therapeutics and IDEAYA Biosciences, respectively.

2025

- Listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 1276.HK);
- Signed cooperation and licensing agreements with Merck KGaA, MSD and GSK respectively.

Honors and Awards Received by Hengrui Pharma in 2025

With excellent ESG performance, Hengrui Pharma has won honors and certifications in corporate governance, human resources, product quality, brand innovation, social responsibility and other fields, widely recognized and encouraged by all sectors of society.

Corporate Governance

2025 Board Secretary Office
◆◆ Best Practice Certificate ◆◆
China Association of Public Companies

2025 Board Secretary Office
◆◆ 5A Certificate for Performance Evaluation ◆◆
China Association of Public Companies

2025 Board of Directors
◆◆ Best Practice Case Certificate ◆◆
China Association of Public Companies

2025 Corporate Rule of Law and Compliance Construction of Jiangsu Province
◆◆ Excellent Case ◆◆
Department of Industry and Information Technology of Jiangsu Province

2025 *Hurun Global 500*
◆◆ No. 366 ◆◆
Hurun Research Institute

2025 China's Most Valuable Non-Government-Owned Enterprises in *Hurun Global*
◆◆ No. 23 ◆◆
Hurun Research Institute

Global Pharmaceutical Companies
◆◆ TOP50 ◆◆
Pharmaceutical Executive

Pharmaceutical Companies by Pipeline Scale
◆◆ Top 25 Global ◆◆
Citeline

Top 500 Private Manufacturing Enterprises in China 2025
◆◆ No. 320 ◆◆
All-China Federation of Industry and Commerce

2025
◆◆ Golden Bull Award ◆◆
China Securities Journal

Information Disclosure Assessment
◆◆ A-level ◆◆
Shanghai Stock Exchange

Human Resources

◆◆ 2025 China Outstanding Employer Certification ◆◆
Top Employers Institute

◆◆ 2025 Dynamic Employer ◆◆
Global Human Resources Think Tank

Product Quality

2025 Pharmaceutical Industry Quality Management and Quality Control Group Activities
◆◆ First Prize ◆◆
China Quality Association for Pharmaceuticals

2025 Pharmaceutical Industry Quality Management Group Activities
◆◆ Best Presentation Award ◆◆
China Quality Association for Pharmaceuticals

Brand Innovation

Hetrombopag Olamine Tablets / HengQu
◆◆ Gold Prize of the 25th China Patent Award ◆◆
World Intellectual Property Organization
China National Intellectual Property Administration

2025 Jiangsu Private Enterprises in R&D Investment
◆◆ Top 100 ◆◆
Jiangsu Federation of Industry and Commerce

Social Welfare

◆◆ Honor Certificate ◆◆
China Rural Development Foundation

Hengrui Pharma attaches great importance to the concerns of the capital market. By continuously improving the accuracy, completeness and timeliness of information disclosure, the Company maintains and enhances its transparency. It actively participates in and supports industry collaboration in the field of sustainable development, joins relevant associations on its own initiative, and aligns extensively with capital market rating systems and sustainability certifications. The Company is committed to achieving the coordinated development of economic benefits and social value.

MSCI ESG Rating

Hengrui Pharma's MSCI ESG rating has been upgraded to AA in 2025, placing it among the leading global pharmaceutical companies and accelerating its sustainable development progress.

ESG New Benchmark Enterprise

Stockstar

ESG Performance Highlights

Compliance as a Priority

Held **3** shareholders' meetings and **10** board meetings in the year

Anti-corruption training covered **100** % of employees, with **238,070** training hours and **10** hours per capita

No corruption-related violations or litigation cases occurred

Low-Carbon as the Core

7 core manufacturing entities obtained ISO 14001 Environmental Management System certification, with a coverage rate of **70** %

Conducted professional qualification audits on **151** environmental, occupational health and safety suppliers, and on-site EHS audits on **46** new and key suppliers

Energy use target completion rate reached **100** %

Annual key energy-saving initiatives reduced carbon emissions by over **7,434.75** tons

Photovoltaic power generation projects accumulated **1.1374** million kWh of power

Accumulated water conservation exceeded **13,500** tons

Growth as the Path

Awarded "2025 China Outstanding Employer" by Top Employers Institute

Employee training coverage reached **100** %, with a total of **1,520,640** training hours and **73.81** hours per capita

Annual employee health and safety training hours reached **191,804.85** hours

Obtained ISO 45001 Occupational Health and Safety Management System certification

Responsibility at Heart

Company products entered more than **50** countries, obtained more than **20** overseas registrations, and product registration ongoing in more than **50** countries

21 Class 1 innovative drugs included in the National Reimbursement Drug List

20 products/indications added to the updated National Reimbursement Drug List in 2025

Equitable pricing strategies implemented for no less than **10** products in Vietnam, Pakistan, Bolivia and other countries

Innovation as the Wing

24 Class 1 innovative drugs and **5** Class 2 drugs approved for marketing

8 marketed products covering rare disease/orphan drug indications, addressing **10** rare disease areas aligned with domestic and international standards

More than **10** pipeline products targeting rare disease/orphan drug indications, covering **11** related rare disease areas

986 authorized invention patents in the Greater China Region and **1,021** foreign authorized patents in Europe, the US, Japan and other regions

343 quality training sessions held in the year, covering **100** % of employees

0 product recall incidents occurred

Annual customer satisfaction reached **97** %

01

Compliance as a Priority, Building a Solid Governance Foundation

Hengrui Pharma has consistently regarded sound corporate governance as a fundamental cornerstone for long-term development. We continuously improve our governance system, strengthen risk management and compliance controls, and are committed to reinforcing the foundation for steady growth through an efficient and transparent decision-making and execution framework.

Our Actions

- Enhancing Governance Effectiveness
- Strengthening the Bottom Line of Compliance

1.1 Enhancing Governance Effectiveness

Hengrui Pharma focuses on enhancing the effectiveness of corporate governance by strengthening the leadership and decision-making capabilities of the Board of Directors and its committees, and by deeply embedding ESG governance into its development strategy, thereby enhancing the Company's adaptability to a complex market environment and its long-term competitiveness.

1.1.1 Corporate Governance

Governance Structure

Hengrui Pharma continuously refines our governance structure in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Articles of Association, among other applicable laws, regulations, and internal policies, to ensure efficient and compliant operations. During the Reporting Period, in accordance with the latest requirements of the *Company Law of the People's Republic of China*, the *Guidelines on the Bylaws of Listed Companies*, and the *Transitional Arrangements for the Implementation of Supporting Rules* under the *Company Law of the People's Republic of China*, we abolished the Board of Supervisors and the position of supervisors, with the Board-level Audit Committee assuming the relevant responsibilities.

During the Reporting Period

The Company convened **3** shareholders' meetings and **10** Board meetings.

The Board of Directors has established four special committees: the Strategy Committee, the Audit Committee, the Remuneration and Assessment Committee and the Nomination Committee. These committees provide advice and recommendations from multiple perspectives to support scientific and efficient decision-making.

Hengrui Pharma's Corporate Governance Structure

The Company places strong emphasis on board diversity. In the director nomination and selection process, we comprehensively consider diversity factors such as gender, educational background, professional backgrounds, regional distribution and management experience. We are committed to building a Board of Directors and senior management team with diverse perspectives, strategic vision and professional competence to effectively respond to changes in the market and operating environment, thereby providing organizational support for a compliant and transparent corporate operating environment.

Information Disclosure and Investor Relations

Hengrui Pharma strictly complies with the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*, the *Guidelines No. 3 of the Shanghai Stock Exchange on the Application of Self-Regulation Rules for Listed Companies—Industry Information Disclosure*, and the *Main Board Listing Rules of The Stock Exchange of Hong Kong Limited*, among other relevant regulatory provisions. In conjunction with internal policies such as the *Management System of Information Disclosure Matters* and the *Internal Reporting System for Material Information*, we continuously optimize its information disclosure process and improve the quality and transparency of information disclosure. During the Reporting Period, the Company received an "A" rating, the highest rating, in the Shanghai Stock Exchange's evaluation of information disclosure.

Hengrui Pharma attaches great importance to investor relations management. In accordance with the *Regulatory Guidelines for Listed Companies No. 3—Distribution of Cash Dividends of Listed Companies* issued by the China Securities Regulatory Commission and internal policies including the *Investor Relations Management System*, we conduct investor engagement in a standardized and compliant manner. Through performance briefings, analyst meetings, site visits, the SSE E-Interactive Platform, telephone calls and emails and other channels, we continuously strengthen communication with shareholders and investors, convey the Company's investment value and development strategy, and respond to various concerns. During the Reporting Period, the Company conducted more than 100 investor communication activities.

1.1.2 ESG Governance

Based on our development strategy and operational realities, Hengrui Pharma has established an ESG governance system with clearly defined responsibilities and efficient coordination. We have clarified the Board of Directors' oversight responsibilities over ESG matters and the management of related risks and opportunities, promoted the systematic integration of ESG considerations into operational decisions and risk management, and continuously enhanced the governance foundation and implementation effectiveness for the Company's sustainable development.

Board Statement

The Board of Directors has oversight responsibilities for ESG-related matters. The Board oversees the identification and management of ESG-related risks and opportunities, and reviews and approves ESG strategies, targets, and disclosure arrangements relevant to the Company's business development.

The Board is responsible for formulating and overseeing the implementation of the Company's ESG management policies and related working mechanisms. It identifies, assesses, and prioritizes important ESG issues relevant to the Company, and incorporates such considerations into strategic decision-making and business operations and management processes to systematically manage ESG-related risks that may affect the Company's operations, compliance, and long-term development.

By reviewing the ESG Report, ESG management progress, and related work reports on a regular basis, the Board continuously reviews progress toward ESG targets. In alignment with the Company's development strategy and business characteristics, the Board evaluates ESG management performance to ensure that relevant targets remain consistent with the Company's overall business direction and long-term development.

ESG Governance Structure

Board of Directors

- As the highest body of responsibility and decision-making, the Board of Directors exercises review and approval authority over ESG strategy, vision, targets, risk assessment, and information disclosure.

The Strategy Committee

- Provide recommendations on the formulation and revision of the Company's ESG strategy, vision, and targets.
- Supervise the formulation and implementation of the Company's ESG policies, execution management, information disclosure, and other sustainability-related matters.

Hengrui Pharma's ESG Governance Structure

To strengthen ESG management and accountability oversight and ensure the effective implementation of ESG and sustainability requirements, Hengrui Pharma has systematically incorporated ESG-related performance indicators—such as safety, environmental protection, quality management, and compliance—into the remuneration and performance evaluation system for management. Relevant non-financial indicators are assigned a weighting of approximately 5%–20% in performance evaluation. In addition, based on the responsibilities of different management positions, the Company has established ESG performance red lines. In cases involving compliance-related issues, performance bonuses and equity holdings of the responsible management personnel are reduced in accordance with relevant rules, and corresponding adjustments are made to their remuneration, thereby strengthening accountability constraints and incentive orientation.

Identification and Management of Sustainability-Related Risks and Opportunities

During the Reporting Period, we have fully integrated the identification of sustainability-related risks and opportunities into the Company's risk management processes. Through stakeholder engagement, double materiality assessment and routine risk identification and management mechanisms, we identify and address sustainability-related risks and opportunities. Key risk areas with significant financial impact are subject to focused management. At the same time, in accordance with Part D of the *Environmental, Social and Governance Reporting Code set out in Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited*, we systematically manage and respond to climate-related risks and opportunities. Based on the double materiality assessment, we identified "R&D and Innovation" as a financially material topic.

For detailed identification results and response measures, please refer to Section 2.5 "Addressing Climate Change" and Section 3.1 "Innovation-Driven Development" of this Report.

1.1.3 Stakeholder Engagement

Hengrui Pharma places great importance on ongoing communication and constructive engagement with all stakeholders. We regard stakeholder input as an essential foundation for improving corporate governance and ESG management. The Company has established diversified and normalized communication mechanisms to fully understand and proactively respond to stakeholder concerns and expectations, and accordingly optimize and adjust our ESG management strategies as appropriate.

Stakeholders	Key topics of concern		Major communication channels	
Government and Regulatory Authorities	• Operational compliance • Corporate governance • R&D and innovation • Product and Service Safety and Quality	• Anti-commercial bribery and anti-corruption • Anti-unfair competition • Environmental compliance management	• Policy directive • Work briefing	• Information submission • On-site Inspection
Shareholders and Investors	• Corporate governance • R&D and innovation • Product and Service Safety and Quality	• Operational compliance • Anti-commercial bribery and anti-corruption • Anti-unfair competition	• Shareholders' Meeting • Performance briefing • Investor communication meetings	• Research roadshow • Information disclosure • Communications phone call and email
Customers and Consumers	• Customer service • R&D and Innovation • Product and Service Safety and Quality • Access to health care	• Data security and customer privacy protection • Responsible marketing • Sustainable supply chain management • Intellectual property protection	• Regular visits • Meetings	• Customer forums • Customer satisfaction survey
Employee	• Labor rights • Employee pay and benefits • Employee training and development	• Occupational health and safety • R&D and innovation • Social welfare and rural revitalization	• Labor union and employees' representatives congress • Employee satisfaction survey	• Performance evaluation communication • Feedback and grievance channels • Irregular visits and interviews
Suppliers and Partners	• Sustainable supply chain management • Intellectual property protection • R&D and innovation	• Promotion of industry development • Product and Service Safety and Quality	• Tender meetings • Field research and visits	• Exchanges and cooperation • Industry forum
Social Organizations and Media	• R&D and innovation • Promotion of industry development • Access to health care • Product and Service Safety and Quality	• Climate change and greenhouse gas emissions • Pollutant discharge and management • Community Welfare and Rural Revitalization	• Communication on environmental policies • Disclosing environmental information	• Volunteerism • Public welfare activity

1.1.4 Double Materiality Assessment

Hengrui Pharma adheres to the principle of double materiality. In accordance with the requirements of the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*, we systematically identify and assess ESG topics related to our business operations. We comprehensively analyze the impacts of various aspects of its business activities on the environment and society (hereinafter referred to as "impact materiality"), as well as the potential impacts of relevant topics on the Company's financial performance and long-term value (hereinafter referred to as "financial materiality").

Identification of Material Topics

Material topics were identified based on the following dimensions:

- The *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*
- Industry practices
- ESG rating indicators and requirements
- Stakeholder concerns

Conducting the Double Materiality Assessment

Impact Materiality:

- Taking into account the likelihood and severity of impacts (including scope, scale, and irremediability), we developed questionnaires to collect impact materiality scores from various stakeholders.

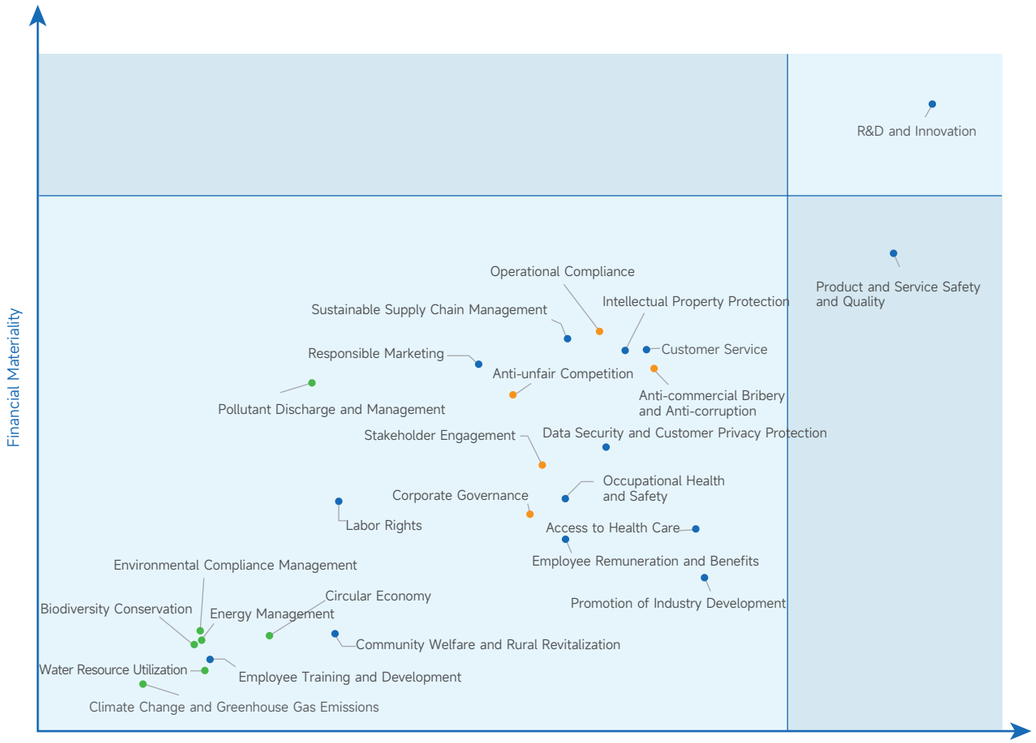
Financial Materiality:

- Considering the likelihood and magnitude of financial impacts (including continuity of resource utilization and dependency on ongoing production and operations), we developed questionnaires to collect financial materiality scores from members of the Board of Directors and senior management regarding ESG topics.
- Through communication and workshops, we also gathered recommendations and opinions from the Board of Directors and senior management on the financial materiality determination of ESG topics.

Analysis of Results and Optimization of ESG Management and Resource Allocation

- The Board of Directors reviewed and confirmed the results of the double materiality assessment. Based on these results, relevant departments optimized ESG management practices as appropriate, clarified ESG priorities, and advanced the continuous improvement of ESG management performance.

Based on the above process, we identified 26 material topics during the year. For the topic with the highest financial materiality—R&D and Innovation—we provide disclosures in the relevant sections of this Report structured around four dimensions: "Governance – Strategy – Impact, Risk and Opportunity Management – Metrics and Targets," covering the governance structure, risk management measures, and related performance of this topic. The results of the double materiality assessment and the matrix are presented in the figure below.



Double Materiality Matrix

1.2 Strengthening the Bottom Line of Compliance

Hengrui Pharma consistently adheres to prudent and compliant development. We fully integrate responsible development principles and risk management awareness into corporate operations, continuously improve governance standards, uphold business ethics, and advance diversity initiatives to promote sustainable development through concrete actions.

1.2.1 Business Ethics

We recognize that adherence to business ethics is an important foundation for building long-term trust and sustainable development capabilities. Hengrui Pharma strictly complies with applicable national laws and regulations in relevant fields. Based on our operational realities, we have formulated and continuously improved business ethics and compliance policies and systems, including the *Measures for Compliance Management of Jiangsu Hengrui Pharmaceuticals Co., Ltd.*, the *Notice on Further Clarifying the Company's Compliance Management Responsibilities*, the *Guidelines for Compliance in Academic Activities*, the *Guidelines for Compliance Management in Medical Projects*, and the *Notice on Once Again Reiterating Compliance Red Line Behaviors*. With reference to domestic and international standards, compliance management systems and regulatory guidance, we issued the *Compliance Management Implementation Measures (2025 Edition)* to optimize and adjust the primary compliance responsibilities at different organizational levels and maintain a clean and integrity-driven industry ecosystem.

Data Security

- *Provisions on Promoting and Regulating Cross-Border Data Flows*
- *Regulations on the Management of Online Data Security*
- *Cybersecurity Law of the People's Republic of China*
- *Measures for the Certification of Cross-Border Transfer of Personal Information*

Anti-Monopoly

- *Anti-monopoly Guidelines in the Field of Pharmaceuticals*
- *Guidelines for Review of Horizontal Concentration of Undertakings*
- *Provisions on Prohibiting Monopoly Agreements*

Anti-Money Laundering

- *Anti-Money Laundering Law of the People's Republic of China*

Anti-Bribery and Anti-Corruption

- *Amendment (XII) to the Criminal Law of the People's Republic of China*
- *Notice on Key Tasks in Rectifying Unethical Conduct in medical services, and the Purchasing and Sale of Medical Products in 2025*
- *Compliance Guidelines for Pharmaceutical Enterprises on Prevention of Commercial Bribery Risks*
- *Administrative Measures for the Management of Medical Representatives (Draft for Comments)*
- *Anti-Unfair Competition Law of the People's Republic of China*

Tax and Financial Management

- *Accounting Law of the People's Republic of China*
- *Opinions on Further Improving the Comprehensive Punishment and Prevention of Financial Fraud in the Capital Market*
- *Interpretation on Several Issues on Handling Financial Fraud Crime Cases*

List of Laws and Regulations Followed by Hengrui Pharma

Under a comprehensive institutional framework, Hengrui Pharma has established a business ethics governance structure with the Strategy Committee of the Board as the highest leadership body. Responsibilities are clearly defined at all levels, ensuring that compliance requirements are integrated into all aspects of the Company's operations. The Strategy Committee, a special committee under the Board of Directors serves as the highest decision-making body for business ethics management. It is responsible for overseeing the applicability and effectiveness of the business ethics compliance system and continuously assesses and manages related risks.

The Strategy Committee, a special committee under the Board of Directors is responsible for reviewing and overseeing anti-corruption and other business ethics-related matters of the Company and bears ultimate responsibility for the Company's business ethics governance

Composed of directors and senior executives, coordinates the strategic planning of business ethics-related risks and the implementation of major Company policies

The designated department for compliance management responsible for organizing, coordinating and supervising the Company's compliance management

Responsible for guiding, supervising and assessing compliance management-related work of the Company's departments, branches and subsidiaries

As the executive body, it is responsible for the routine compliance management of its departments, branches and subsidiaries, as well as related business areas

Hengrui Pharma's Business Ethics Governance Structure

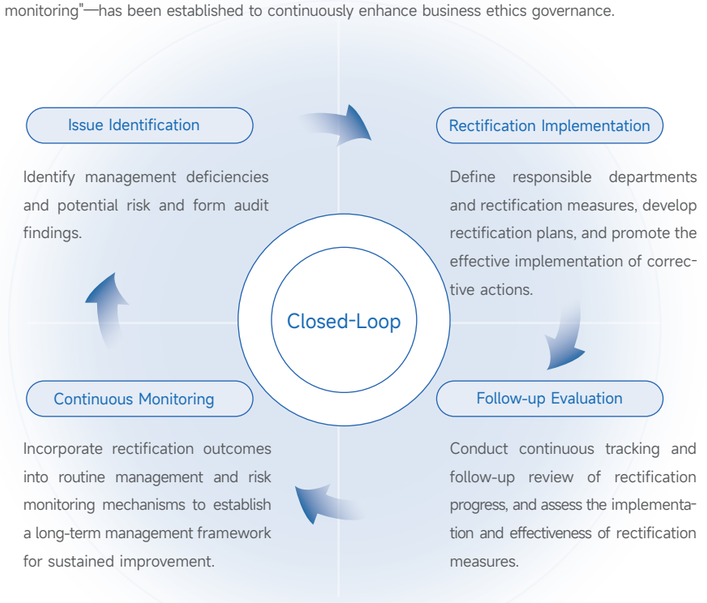
In 2025, Hengrui Pharma officially launched the compliance management system certification project. With the guidance and support of consulting institutions, we benchmarked against the ISO 37301:2021 international standard and the national standard GB/T 35770-2022. The certification scope covers key business areas including pharmaceutical R&D, clinical research, manufacturing, and sales. During the Reporting Period, the Company successfully obtained the ISO 37301 Compliance Management System Certification Certificate.

ISO 37301 Certificate

Business Ethics and Compliance Audit

The Company attaches great importance to business ethics and Operational Compliance. We continuously improve our business ethics management system and strictly comply with applicable laws and regulations. Business ethics and compliance risks are incorporated into the annual internal audit plan, covering both domestic and overseas operating locations as well as key business areas. Through a formalized audit oversight mechanism, we continuously strengthen business ethics governance. In practice, business ethics and compliance are key audit areas across various audit projects. The Company has established whistleblowing and complaint channels through which employees and relevant parties may report potential violations. All reports are handled under confidentiality management, and whistleblower protection mechanisms are implemented. The Company strictly prohibits any form of retaliation against whistleblowers.

Internal audit conducts oversight through special audits, departure and resignation audits, and investigation of complaints and reports. Key business scenarios subject to supervision include marketing management, channel cooperation, supplier management, and expense use, with a focus on Anti-commercial Bribery and Anti-corruption, Responsible Marketing, and tendering and bidding compliance. For management deficiencies identified during audits, the Company establishes rectification tracking records, designates responsible persons and timelines, and promotes corrective actions through continuous tracking and review. A closed-loop management mechanism—"issue identification – rectification and implementation – follow-up evaluation – continuous monitoring"—has been established to continuously enhance business ethics governance.



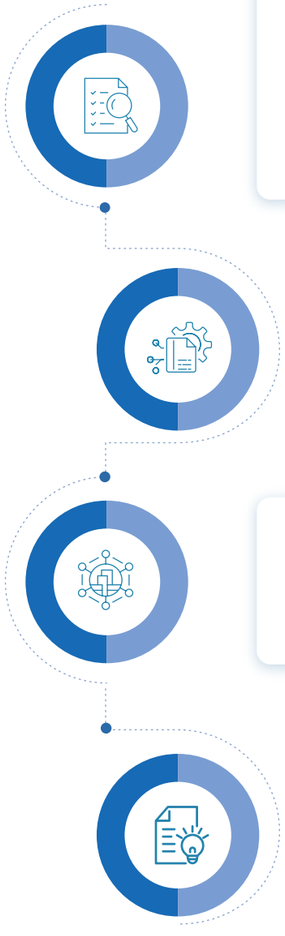
Hengrui Pharma's Closed-Loop Rectification Management Mechanism

The Company has established a risk-oriented periodic business ethics audit mechanism. Each year, continuous audit assessments of business ethics are conducted across key business areas and operating locations, ensuring that all business areas and operating locations are covered at least once every three years. During audits, the Company also reviews the implementation of business ethics policies and verifies the effectiveness of monitoring, identification, and incident response procedures, thereby promoting continuous improvement of the business ethics management system.

During the Reporting Period, through special audits, monthly inspections, and complaint investigations, the Company conducted internal business ethics audits across all operating bases. The audits focused on anti-fraud, anti-bribery, responsible marketing, and channel cooperation. Comprehensive reviews were conducted on expense authenticity, tendering and bidding compliance, and supplier management. The Company comprehensively assessed the implementation of business ethics-related systems and requirements across different business processes and ensured that all identified issues were effectively rectified.

Reporting and Complaint Mechanism

Hengrui Pharma consistently upholds integrity as a fundamental principle in daily operations and business activities. Business ethics and compliance management are explicitly integrated into relevant systems and processes, including senior management performance evaluation systems and supplier selection processes.Through business ethics training programs covering all employees, we foster an honest and integrity-driven working environment and safeguard the legitimate rights and interests of stakeholders. In accordance with the *Measures for Compliance Management of Jiangsu Hengrui Pharmaceuticals Co., Ltd.*, we have established a clear response and handling mechanism for business ethics violations, standardizing procedures for handling business ethics violations to ensure timely identification, investigation, and resolution of issues.



Identification and Reporting

- When employees identify suspected violations of business ethics, graded reporting procedures are applied based on the severity of the risk. For urgent matters, reports may first be made verbally, by telephone, or via instant communication tools, followed by written documentation. The Company has established a violation reporting platform to receive reports from employees and relevant parties.

Investigation and Handling

- The Office of the Compliance Management Committee designates dedicated personnel to conduct investigations and verification and proposes handling recommendations based on the findings. For employees who violate Company policies and regulations, handling recommendations are formed based on the severity of the circumstances and implemented upon approval by the Compliance Management Committee.

Rectification and Supervision

- Relevant departments rectify issues identified in violation incidents and report rectification results to the Office of the Compliance Management Committee. The Office supervises and follows up on the implementation of rectification measures.

Effectiveness Assurance Measures

- The Company ensures the effective operation of the violation reporting and investigation mechanisms by clearly defining compliance responsibilities of departments and personnel, establishing supporting risk handling procedures, conducting compliance training for all employees and new hires, carrying out periodic compliance inspections and reviews, and undergoing compliance management system certification.

Response and Handling Process for Business Ethics Violations

Business Ethics Training

To strengthen the foundation of compliance management, we continuously implement business ethics training programs covering all employees. Through diversified training formats, we promote understanding and implementation of business ethics and compliance requirements in actual business activities.

Executive Integrity and Compliance Performance Discussion Program	In 2025, we conducted executive integrity and compliance performance interviews, organizing four sessions with a total of 52 attendances. These sessions focused on communicating and reminding management personnel of their responsibility requirements in compliance performance and reinforced management's awareness of integrity and self-discipline in professional conduct.
Business Ethics Standards Training for All New Employees	Business ethics and compliance requirements are incorporated into onboarding training, enabling employees to understand the Company's compliance systems, reporting channels, and codes of conduct.
"Compliance Station" Online Training Platform Section	Through online courses and assessments, we continuously conduct thematic learning on business ethics and compliance to strengthen employees' daily compliance awareness.
Special Training on Business Ethics and Sales Compliance for Business Departments	Based on business characteristics, the Sales Compliance Department and relevant departments organize targeted training on business ethics and sales compliance, focusing on key areas such as marketing conduct standards, expense management, and channel cooperation.
Various Offline Special Training Programs on Compliance Themes	Specialized communication and training sessions are conducted on policy updates, typical risk scenarios, and key business processes to promote effective implementation of institutional requirements.

Business Ethics Training Programs of Hengrui Pharma

During the Reporting Period

Hengrui Pharma achieved **100** % coverage of ethics and Anti-corruption training for all employees, including all full-time and part-time employees. Total training hours reached **238,070** hours, with an average of **10** training hours per employee. Directors received a total of **500** hours of business ethics training.

1.2.2 Risk Management

Risk Management System

Hengrui Pharma continuously improves its Enterprise Risk Management (ERM) system and integrates risk management into the entire process of corporate governance and operational management. The Company has established a Board-centered risk governance structure, under which the Board of Directors and its Audit Committee oversee the overall risk management system. Management is responsible for promoting the implementation of risk management policies, while business departments are responsible for daily risk identification, assessment, and control. Through a multi-level risk management mechanism, we continuously enhance the Company's overall risk governance capabilities and management standards.

The Company has established a "Four Lines of Defense" risk management system. Through layered governance mechanisms involving business departments, risk and compliance functions, internal audit, and Board oversight, we identify, assess, and manage operational risks: The first line of defense consists of business departments, which are responsible for risk identification, assessment, and control in daily operations. The second line of defense consists of compliance, finance, and other relevant functional departments, which are responsible for the development of risk management systems and the supervision of their implementation. The third line of defense is internal audit, which conducts independent evaluations of the effectiveness of the risk management and internal control systems. The fourth line of defense is the Board of Directors and its Audit Committee, which oversee the Company's overall risk governance framework. The emergency management mechanism is also an integral component of the Company's risk governance system.

First Line of Defense

Business departments are responsible for risk identification, assessment, and control in daily operations.

Second Line of Defense

Functional management departments promote the effective implementation of risk prevention and control measures within their respective areas of responsibility through institution building, process standardization, and professional oversight.

Third Line of Defense

The Audit Center conducts independent audit supervision, evaluates the effectiveness of risk management and internal control systems, ensures that compliance and ethical standards are implemented in key business areas, urges immediate rectification of identified issues, and holds relevant personnel accountable for losses incurred.

Fourth Line of Defense

The Board of Directors and its Audit Committee exercise oversight at the governance level to ensure the sound operation of the Company's overall risk management system and safeguard the rights and interests of shareholders and stakeholders.

Four Lines of Defense for Risk Management

The Company conducts periodic enterprise-level risk identification and assessment and dynamically updates risk assessment results in response to business development and changes in the external environment. Through risk identification, assessment, response, and continuous monitoring, we systematically manage key risks. Risk classification management is applied to formulate corresponding response measures, and the effectiveness of these measures is continuously tracked to continuously improve the risk management mechanism and enhance the Company's overall risk governance capabilities. Significant risk matters are regularly reported to management and the Audit Committee of the Board through corporate governance procedures. Risk assessment results also serve as an important basis for formulating the annual internal audit plan.

The Company has established corresponding risk control mechanisms around key business areas and critical risk links to reduce operational and compliance risks, mainly including:

Risk Management Mechanisms in Key Business Areas

Business Areas	Key Risk Management Mechanisms
Procurement and Supply Chain	Strengthen supply chain risk control through supplier qualification and onboarding, classification management, and procurement price review mechanisms, enhancing transparency and traceability of procurement processes.
Marketing and Commercial Operations	Promote responsible marketing management and strengthen supervision of market activities, channel cooperation, and expense management to ensure compliant and controllable commercial conduct.
R&D and Clinical	Establish compliance management mechanisms for R&D and clinical activities, strengthen control at critical milestones, and enhance data integrity management to reduce compliance risks.
Manufacturing and Quality	Improve the quality management system, strengthen production process control and deviation management, and ensure product quality meets regulatory requirements.
Legal and Regulatory Affairs	Strengthen contract compliance review and legal assessment of major matters to mitigate legal and regulatory risks.
Financial Risk Management	Enhance cash management and financial internal controls, and improve the level of financial risk management through financial inspections and special reports.

During the Reporting Period, the Company continuously strengthened risk management across key business areas and critical risk points through risk identification and assessment, internal audit, and management improvement measures, promoting the effective implementation of risk management requirements throughout business processes.

Optimization of Approval Processes and Authority Allocation

During the Reporting Period, based on management requirements and operational realities, we completed the update of the *Expense Authority Matrix (2025),* optimized approval processes across 33 categories, clarified the allocation of approval authority, and improved the scientific basis and efficiency of authorization management.

Procurement Internal Control Diagnostics and Enhancement

In 2025, the Company systematically conducted diagnostics of procurement internal controls, identifying 12 improvement areas and proposing optimization measures. Key enhancements were made to the policies and oversight mechanisms for key areas such as supplier management, tendering and bidding, and emergency procurement.

To enhance employees' risk identification and standardized operational capabilities in daily work, Hengrui Pharma carried out systematic risk and internal control training programs for all employees, centered on key processes and institutional requirements and tailored to actual business needs, promoting the transition from understanding to implementation in institutional execution and reinforcing compliance consciousness and procedural discipline. During the Reporting Period, in combination with the practical operations of the business, we carried out a series of risk and internal control training and awareness activities for all staff members.

Regularly issued six editions of the High-Frequency Issues and Standard Operating Guidelines, explaining common issues in the OA system and standardized operating procedures, helping employees master standardized process tools and improve operational efficiency.

Compiled efficiency guidelines and review standardization manuals for 20 key processes,clarifying operational requirements at critical control points.

Conducted focused training sessions interpreting key policies to summarizing core provisions and common issues to help employees further improve their accurate understanding of institutional requirements and promote their effective implementation in actual business activities.

Internal Audit and Supervision Mechanism

The Company continuously improves its internal audit supervision system, strengthening oversight of the effectiveness of risk management and internal control systems through independent audit functions. The internal audit function is undertaken by the Audit Center, which reports independently to the Audit Committee of the Board of Directors. The Audit Committee reviews the annual internal audit plan, supervises audit execution, and regularly reviews significant audit findings and rectification progress.

During the Reporting Period, the Company further improved its internal audit and risk management systems, strengthened the supervisory role of internal audit as the third line of defense, and established an audit framework covering corporate policies, departmental management systems, business process standards, and professional ethics. By improving audit project management procedures, whistleblowing coordination mechanisms, and rectification management mechanisms, and by establishing standardized audit processes covering engineering, sales, internal control, and operations, we enhanced audit standardization and execution efficiency and promoted the effective implementation of corrective actions.

Internal audit activities are conducted in accordance with internal audit policies and working guidelines, with reference to the *International Standards for the Professional Practice of Internal Auditing (IIA Standards)*. Adhering to principles of independence, objectivity, professionalism, fairness, avoidance of conflicts, and confidentiality, the Company conducts special audits, routine audits, departure and resignation audits, and whistleblowing and complaint investigations to provide ongoing supervision of key business areas and critical risk points.

During the Reporting Period, the Company formulated and implemented the annual internal audit plan based on a risk-oriented approach. Internal and special audits were conducted across major business systems and operating sites, with a focus on marketing compliance, procurement and supply chain, engineering construction, and operations management, thereby strengthening the effective operation of risk management and internal control systems.

1.2.3 Anti-corruption

Hengrui Pharma regards anti-corruption as a top priority within its compliance framework and considers integrity as the bottom line of corporate development. We continuously strengthen our integrity system to ensure fairness and transparency in industry cooperation, deliver high-quality products and services, and create long-term value for stakeholders. We continuously improve our anti-corruption institutional framework by formulating and issuing policies including the *Anti-bribery and Anti-corruption Policy of Jiangsu Hengrui Pharmaceuticals Co., Ltd.*, the *Compliance Guidelines for Academic Activities*, the *Code of Conduct for Clinical Research Employees, and* the *Compliance Management Guidelines for Clinical Research Meetings*. These documents clarify employees' responsibilities and boundaries regarding anti-corruption, anti-money Laundering, and integrity in commercial conduct. The policies prohibit obtaining improper benefits through bribery or other illegal activities and prohibit engaging in unfair competition. They apply to all employees and relevant business activities.

To ensure that its anti-corruption policies remain aligned with the Company's operating practices and regulatory requirements, the Company regularly reviews such policies and updates them as necessary. Through internal audit arrangements, we assess the implementation of anti-corruption policies and evaluate the effectiveness of monitoring and response procedures. The audit scope covers business areas including R&D, manufacturing, and sales to evaluate policy implementation and the effectiveness of the operation of the anti-corruption management system and processes, identify potential risks, and promote related improvements.

During the Reporting Period, Hengrui Pharma did not experience any corruption-related violations, nor were there any legal proceedings involving corruption, unfair competition, or anti-monopoly violations by the Company, its directors, management, or employees.

Whistleblowing Channels

The Company continuously improves its whistleblowing channels to ensure that employees and the public can report issues conveniently and securely. In accordance with internal policies including the *Anti-bribery and Anti-corruption Policy of Jiangsu Hengrui Pharmaceuticals Co., Ltd.*, the Company conducts investigations into reported matters through strict and confidential procedures, with clear departmental allocation processes and follow-up handling arrangements. All reports are treated confidentially, and personal information and evidence provided by whistleblowers are strictly protected. Retaliation against whistleblowers is strictly prohibited.

Whistleblowing Channels:

Hotline：0518—85108796

Email：compliance.report@hengrui.com

Corporate WeChat：Complaint/Whistleblowing Module

1.2.4 Information Security

Hengrui Pharma attaches great importance to information security management across all operational processes. We have established internal policies including the *Application System Operation and Maintenance Management Procedures*, the *Access Control Management Policy,* and the *Endpoint Security Control Guidelines* to strictly prevent potential information leakage and information security violations.

With comprehensive information security protection measures in place, the Company has obtained ISO/IEC 27001 Information Security Management System Certification. We regularly conduct information security awareness training for employees to continuously enhance their information security knowledge and risk prevention awareness and promote company-wide participation in information security management.

Information Security Management System Certification

02

Low-Carbon as the Core, Preserving Blue Skies and Clear Waters

Hengrui Pharma remains committed to implementing its sustainable development strategy and actively responds to China's "Dual Carbon" goals by fully integrating green and low-carbon principles into all aspects of its operations and production. We continue to improve our environmental management system, enhance the efficiency of resource recycling and utilization, promote clean production and the application of energy-saving technologies, and actively explore pathways for green transformation, striving to build an environmentally friendly and resource-conserving manufacturing system. We are willing to work with all parties to advance ecological conservation and contribute to the achievement of sustainable development goals.

Our Actions

- Environmental Compliance Management
- Resource Utilization
- Pollutant Discharge and Management
- Eco-friendly Office Practices
- Addressing Climate Change
- Biodiversity Conservation

2.1 Environmental Compliance Management

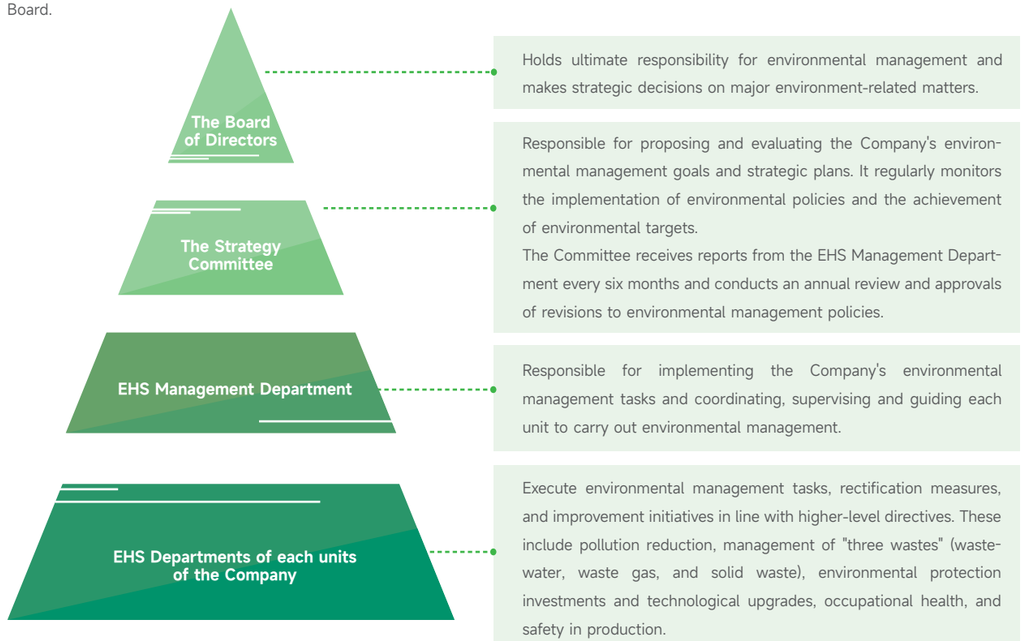
Hengrui Pharma strictly complies with relevant environmental protection laws and regulations and industry standards of the country and the location of its operation site. We dynamically conduct compliance assessments and take effective measures to ensure the compliance and standardization of all business activities.

We have formulated the *Environmental Management Policy of Jiangsu Hengrui Pharmaceuticals Co., Ltd.,* which defines management approaches, principles, and key measures across key areas such as energy conservation and emissions reduction, resource and energy management, emissions management, and environmental training. Through clear delineation of responsibilities, we strengthen coordination among relevant parties, reinforce the integration of prevention, control, and improvement processes, and steadily advance environmental management practices.

During the Reporting Period, Hengrui Pharma did not experience internal or external environmental pollution incidents caused by operations and received no administrative penalties for environmental violations.

2.1.1 Environmental Management System

Hengrui Pharma has established an environmental governance structure in which the Board of Directors serves as the highest responsible body to ensure effective implementation of environmental policies. The Strategy Committee under the Board reviews major environmental issues and risk assessments and regularly reports environmental performance progress, risk assessment results, and improvement recommendations to the Board.



Hengrui Pharma's Environmental Management Structure

The Company continues to promote the standardization and systematization of environmental management system (EMS) with a focus on strengthening environmental management in production processes and advancing environmental management system certification, clean production audits, and green factory development. As of the end of the Reporting Period, seven core manufacturing units had obtained ISO 14001 certification, representing a 70% certification rate, thereby achieving the previously established target of having at least three manufacturing operating units certified by 2025.

Hengrui Pharma regards the cultivation of environmental awareness among all employees as a key foundation for green development and is committed to fostering a strong environmental culture. Guided by the *Environmental Health and Safety Training Program,* we combine online courses and offline practical training. Training content is designed at different levels around the interpretation of environmental regulations, enhancement of professional skills, and green practices to improve employees' understanding of environmental responsibilities and participation. By integrating green principles into operational standards and daily management processes, we promote the effective implementation of environmental requirements in daily work activities and jointly advance sustainable development.

Each production unit organizes waste management training

The Company has established environmental emergency management systems, including the *Emergency Plans for Environmental Emergencies and* the *Preventive Measures and Emergency Plans for Hazardous Waste Incidents,* requiring all units to conduct regular emergency drills to strengthen prevention and response capabilities. During the Reporting Period, five manufacturing units updated and filed their *Emergency Plans for Environmental Emergencies*, and a total of 16 hazardous waste leakage emergency drills were conducted.

2.1.2 Environmental Review and Audit

Hengrui Pharma has established an internal audit mechanism covering all manufacturing units and operational sites. Annual audits are conducted for core manufacturing units, while other units undergo comprehensive audits every three years, ensuring 100% audit coverage. The EHS Management Center organizes these audits and provides improvement recommendations focusing on staffing, on-site management, and facility upgrade potential, and tracks rectification progress of the EMS.

We engage independent third-party agencies to conduct annual compliance audits for units certified under the environmental management system and conduct recertification audits every three years to ensure continuous and effective operation of the environmental management system.

In terms of environmental management and audits in the supply chain, Hengrui Pharma has formulated and implemented the *Supplier EHS Audit Management Procedures* to standardize supplier EHS audit processes. During the year, we introduced the *EHS, Energy and Carbon Management and Other Service Suppliers Admission Management Policy,* incorporating environmental qualifications, pollutant discharge permits, pollutant disposal, and environmental violation records as key criteria in supplier admission and performance evaluation. Supplier EHS audits are conducted every three years through a combination of document review and on-site inspection. Major hazardous waste disposal suppliers are subject to on-site EHS audits every three years to strengthen environmental risk management across the supply chain.

Suppliers that fail audits are required to complete rectification within a specified timeframe, and those that do not meet standards may face suspension of cooperation. During the Reporting Period, Hengrui Pharma conducted professional qualification audits for 151 suppliers engaged in environmental protection and occupational health and safety services and carried out on-site EHS audits for 46 new and key suppliers. We also collaborated with multiple departments to implement targeted environmental governance initiatives to support suppliers in enhancing environmental management capabilities and improving the green supply chain management system, thereby contributing to the building of a green and sustainable value chain system.

Collaboration with Suppliers to Reduce Toxic Substance Emissions in the Supply Chain

During the Reporting Period, Hengrui Pharma carried out a supply chain toxic substance reduction initiative with a pharmaceutical supplier, focusing on the classified treatment of wastewater generated from different stages of active pharmaceutical ingredient production. Through systematic analysis of pollutant composition and concentration in wastewater from each production stage, technologies including UBF biodegradation, advanced oxidation, and multi-effect evaporation were applied to treat high-toxicity wastewater. This effectively reduced the burden on downstream wastewater treatment systems and decreased the volume of hazardous liquid waste requiring outsourced disposal by more than 1,000 tons annually, thereby improving environmental performance across the product life cycle.

2.1.3 Environmental Targets

In recent years, based on the *Hengrui Pharma 2021–2025 EHS Plan*, Hengrui Pharma has defined key priorities for environment, health, and safety management and set phased targets. The 2021–2025 phased targets and the progress toward the Reporting Period targets are shown in the table below.

To effectively drive continuous improvements in environmental performance and enhance environmental compliance management and pollutant control, we have also set medium-long term targets for key aspects of environmental management.

Dimension	2021–2025 Phased Targets	2025 Progress	Future Targets
Environmental Management System	By 2025, no fewer than 3 manufacturing operating units will obtain environmental management system certification.	Target achieved	By 2030, 100% of established manufacturing operating units will obtain ISO 14001 certification.
Wastewater, Air Emissions, and Noise Management	Maintain 100% compliant discharge of wastewater and air emissions annually; 100% control of noise levels	Target achieved	100% compliant discharge of wastewater and waste gas; 100% compliant control of noise.
Solid Waste Management	Ensure 100% compliant disposal of hazardous waste.	Target achieved	100% compliant disposal of hazardous waste; by 2030, the entrusted resource recovery utilization rate of hazardous waste will reach at least 70%.
Energy Management	/		Using 2025 as the baseline year, reduce energy consumption intensity by 5% by 2030.
Use of Water Resources	/		Using 2025 as the baseline year, reduce water use intensity by 10% by 2030.
Greenhouse Gas Emissions Reduction	/		Using 2025 as the baseline year, reduce greenhouse gas emissions intensity (Scope 1 and Scope 2) by 10% by 2030.

Hengrui Pharma links executives' year-end bonuses and equity incentives to the achievement of performance in areas including safety and environmental protection. Specifically, when a major environmental incident or serious violation occurs, the Company will impose constraint measures on the relevant responsible management personnel, such as downward adjustments to annual performance ratings and cancellation of eligibility for awards and promotion. The Company will also handle such matters in accordance with the *Disciplinary Mechanism for Non-Marketing Functions (Trial)*, based on graded severity, with a maximum deduction of 5% from the total score of executives' annual performance evaluations.

2.2 Resource Utilization

Hengrui Pharma places the sustainable use of energy, water resources, and production resources at the core of its environmental management and continues to advance energy conservation and consumption reduction as a key task. We continuously optimize our energy mix, gradually increase the proportion of renewable energy, and reduce resource consumption and waste in a systematic manner by implementing water-saving technical upgrades, strengthening water recycling and reuse, and promoting refined management of production resources.

2.2.1 Energy Management

Hengrui Pharma strictly complies with the *Energy Conservation Law of the People's Republic of China* and other applicable laws and regulations, and continuously improves its energy management system. The Company has developed and refined internal policies such as the *Procedure for Resource and Energy Management*, clarified responsible departments for energy management, and strengthened energy-saving awareness across the workforce.

We have established an Energy Management Office and a Leadership Group to coordinate the development of Energy Management targets and work plans and to conduct real-time monitoring and performance evaluation of energy use across production sites and functional departments. To enhance energy data transparency, the Company has launched the development of an energy management and control system, leveraging intelligent and digital tools to achieve efficient energy allocation and utilization. As of the end of the Reporting Period, Hengrui Pharma had obtained ISO 50001 energy management system certification.

In 2025, we have set energy-saving targets for manufacturing operation units and strictly evaluated their performance. The annual energy-saving target completion rate reached 100%. At the same time, we conducted special energy audits for these manufacturing operation units, focusing on energy management systems, on-site energy management, energy balance, and energy information system construction. This effectively identified and improved the areas that needed improvement in the energy management process.

Energy Conservation and Emissions Reduction

To improve energy efficiency, reduce environmental burdens, and advance climate transition, during the Reporting Period, Hengrui Pharma implemented a series of energy-saving projects across energy digitalization, clean energy, HVAC and lighting systems, and cooling and heating systems, achieving solid results and delivering carbon reductions of more than 7,434.75 tons.

Key energy conservation and emissions reduction measures

Technical upgrades to energy systems and equipment

We updated aging equipment and carried out energy-efficiency retrofits to improve energy utilization efficiency and reduce unnecessary energy consumption. Key projects during the Reporting Period included:

- Promoting the retrofit of pneumatic valves to electric valves in the PW2 purified water distribution system to reduce compressed air consumption;
- Implementing energy-efficient retrofits for the facility lighting system and promoting high-efficiency lighting;
- Conducting pipeline optimization retrofits for chiller units to improve hydraulic balance in the cooling system and enhance delivery efficiency;
- Optimizing energy-saving fans in general areas by adopting low-power EC energy-saving fans;
- Replacing water pumps and hot water circulation pumps with energy-efficient pumps, and retrofitting glycol circulation pumps with variable-frequency drives to improve system operating efficiency;
- Procuring magnetic-levitation chillers to replace old chillers and optimize load matching and operating energy efficiency of the cooling system.

Optimizing energy management and operational management

We leverage intelligent control systems to conduct refined management of energy use, dynamically adjust equipment operating parameters in real time, and achieve efficient energy allocation and use. During the Reporting Period, we added an intelligent energy-saving control system and implemented a low-flow circulation mode during non-water-production periods in the purified water system to enable refined energy management and control.

Smart Lighting Energy-Saving Retrofit in Public Areas

To reduce lighting energy consumption in public areas of office buildings, we launched a smart lighting retrofit project to improve electricity efficiency through upgraded sensor-based control and dynamic adjustment technologies. The project replaced traditional sensor lights with an intelligent dimming system that supports "person/vehicle detection + zone linkage." When no one is present, brightness is automatically reduced. The system is also equipped with an adaptive light control module that intelligently turns lights on and off based on natural light intensity.

Clean Energy Utilization

Hengrui Pharma actively explores energy transition approaches aligned with the Company's actual circumstances to promote energy transition in a more sustainable manner. Through measures such as installing solar photovoltaic power generation facilities, we advance renewable energy applications and continue to increase the proportion of renewable energy use.

Regional Clean Energy Utilization

Chengdu Suncadia (Chengdu Suncadia Pharmaceutical Co., Ltd., a subsidiary of the Company) and Chengdu Xinyue (Chengdu Xinyue Pharmaceutical Co., Ltd., a subsidiary of the Company) fully leveraged the local high-quality energy mix, with annual hydropower consumption totaling 1.2468 million kWh.

Distributed Photovoltaic Power Generation Projects

In 2025, Hengrui Pharma (Dongjin Road Plant, Lingang Industrial Zone) added a 1.2 MW photovoltaic project, with an estimated annual power generation of 1.6 million kWh. The project was connected to the grid in December 2025, and cumulative power generation during the Reporting Period reached 37,200 kWh.

Shanghai Hengrui (Shanghai Hengrui Pharmaceutical Co., Ltd., a subsidiary of the Company) installed smart rooftop photovoltaic systems with a total installed capacity of 620 kW. The project was connected to the grid in May 2024. As of the end of the Reporting Period, cumulative power generation reached 1.1 million kWh and it is expected to reduce carbon dioxide emissions by 583.77 tons[1].

[1]Calculated with reference to the 2023 national average electricity emission factor of 0.5306 kg CO_2/kWh as specified in the *Announcement on the Release of 2023 Electricity Carbon Dioxide Emission Factors*.

The table below presents Hengrui Pharma's energy consumption data.

Indicator		Unit	2023	2024	2025
Energy Consumption	Total direct energy consumption[2]	Tonnes of Standard Coal	2,751	4,697	5,621
	Total indirect energy consumption	Tonnes of Standard Coal	53,884	68,191	74,113
	Comprehensive energy consumption	Tonnes of Standard Coal	56,635	72,888	79,734
	Comprehensive energy consumption intensity	Tonnes of Standard Coal/ million RMB revenue	2.48	2.60	2.52

2.2.2 Water Resource Management

Hengrui Pharma strictly complies with the *Water Law of the People's Republic of China* and other applicable laws and regulations and continuously improves water use efficiency. Through strengthened management systems and control measures, we implement strict controls over water used in production and office operations. The Company regularly conducts water balance tests to identify water-saving potential and optimize water management.

All operating sites source water from municipal supply systems, primarily for production and office use, and have not encountered any issues in securing water resources. Each operating site proactively declares water use plans in accordance with regulatory requirements and strictly manages water consumption. In parallel, water-saving retrofit projects are implemented based on production needs. In 2025, the Company saved a total of 13.5 thousand tons of water, demonstrating significant results in water resource management.

Water Conservation Measures

Water Recycling

- Recycled concentrated water generated from water purification systems is reused for animal facility cleaning and toilet flushing, reducing fresh water consumption.
- Promoted steam condensate recovery to improve water recycling efficiency.

Equipment Upgrade

- Reduced water intensity through equipment upgrades and technical optimization, effectively improving water use efficiency.

Our water resource consumption data are presented in the table below.

Indicator		Unit	2023	2024	2025
Water Resource Consumption	Total Water Consumption	Tonnes	3,859,973	4,777,352	5,441,013
	Total Water Consumpti on Intensity	Tonnes /million RMB revenue	169.15	170.71	172.02

[2]The total direct and indirect energy consumptions in the table are calculated according to the principle of converting various energy sources into standard coal and the reference coefficient set in the *GB/T 2589 General Rules for Calculation of the Comprehensive Energy Consumption.*

2.2.3 Production Resource Management

Hengrui Pharma fully integrates green principles into production processes. We adopt recyclable and environmentally friendly packaging materials and upgrade production processes to reduce the consumption of pharmaceutical raw materials, thereby continuously improving resource efficiency. Through packaging material substitution and recycling initiatives, we reduce the use of single-use packaging and prioritize low-carbon raw materials to minimize environmental impact at the source.

Packaging Material Management

Hengrui Pharma places strong emphasis on the environmental attributes of packaging materials and integrates green packaging enhancement into product life cycle management. In packaging R&D, design, and procurement processes, the Company actively promotes circular practices by improving packaging reuse rates through recycling and substitution strategies.

Key Initiatives for Optimizing Packaging Materials

- **Packaging design innovation**: Through lean production and incremental innovation, we improved and substituted small packaging formats and reduced carton usage, thereby lowering the consumption of cartons and stretch film. This initiative generated annual packaging cost savings of more than RMB 1.2 million.
- **Improved packaging equipment stability**: Enhanced case sealer stability to reduce large carton waste.
- **Process optimization**: Installed positioning devices on both sides of cold-forming guide rails to eliminate production deviations, improve forming precision, and enhance material utilization. A temperature-controlled flattening process was introduced at the final forming stage to ensure flat packaging output and prevent scrap caused by curling and deformation. This initiative resulted in cost savings of more than RMB 200,000 for aluminum composite panels.
- **Outer packaging printing innovation**: Replaced traditional inkjet printing with corner labeling and digital printing technologies, eliminating potential health risks associated with ink and reducing ethanol solvent consumption and cleaning-related resource use.
- **Product packaging upgrade**: Promoted the use of biodegradable paper trays to replace plastic trays for vials, significantly reducing plastic consumption and advancing green transformation of packaging materials.

Raw Material Management

Hengrui Pharma continues to explore environmentally friendly innovation approaches and actively promotes the application of green technologies to minimize the use of toxic and hazardous materials in R&D and production. We also advance waste recycling management by adopting more environmentally friendly substitute materials and optimizing production processes to improve resource efficiency, thereby reducing the potential environmental impact of production activities.

Solvent Substitution and Recovery

We utilize multiple recovery systems within our facilities, including membrane distillation, high-gravity separation, and continuous distillation towers, to recover organic solvents. These measures improve solvent recovery rates while reducing waste generation.

During the Reporting Period

we processed **53,700** cubic meters of recoverable solution, achieving the reuse of **17,800** cubic meters of solution and generating economic benefits of approximately RMB **117.85** million.

Our packaging material and raw material consumption data are presented in the table below.

Indicator		Unit	2023	2024	2025
Packaging Material Consumption	Main Packaging Material Consumption	Tonnes	/	/	9,447
Packaging Material Consumption Intensity		Tonnes /million RMB revenue	/	/	0.30
Raw Material Consumption	Major Raw Material Consumption	Tonnes	18,114	21,820	28,959

2.3 Pollutant Discharge and Management

Hengrui Pharma actively fulfills its environmental responsibilities and is committed to achieving the integrated development of economic, social, and ecological benefits while maintaining steady growth. With compliance as the baseline, we have established a full life-cycle pollution prevention and control system covering waste gas, wastewater, and solid waste, and strictly implemented noise control measures to comprehensively prevent and mitigate the environmental impacts and related risks arising from operational activities.

2.3.1 Waste Gas Emissions Management

We strictly comply with national and local environmental protection laws and regulations and have formulated and implemented internal policies including the *Waste Gas Discharge Management Procedures*, the *Waste Gas Discharge Management System*, and the *Environmental Operation Guidelines* to ensure standardized and systematic waste gas treatment. We regularly conduct waste gas treatment assessments and reduce the environmental impact of emissions through process innovation and management improvement, ensuring stable compliance with discharge standards.

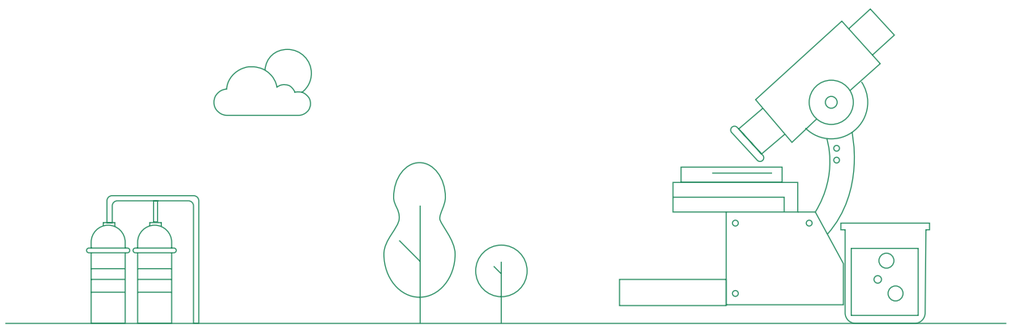
Waste Gas Emissions Management Measures

Production workshop waste gas management

- Upgraded waste gas treatment facilities and adopted advanced processes to improve treatment efficiency and reduce volatile organic compound (VOCs) emissions.
- Strengthened routine operation and maintenance of treatment facilities to ensure optimal operating conditions and improve VOCs removal efficiency.

Laboratory Waste Gas Management

- Strengthen laboratory management by adopting measures such as specialized sealing caps to reduce reagent volatilization and minimize unorganized emissions of VOCs.
- Conduct regular monitoring of laboratory waste gas emissions to ensure the treatment meets environmental requirements.



During the Reporting Period, we implemented a series of waste gas treatment and technical upgrade projects, effectively reducing emissions and improving waste gas treatment efficiency.

Workshop Waste Gas Treatment Upgrade

To address the treatment needs of organic waste gas such as ethanol, Chengdu Suncadia added two-stage water spray tower to its existing process. Through promoting physical absorption VOC removal efficiency was improved by approximately 7%, effectively reducing particulate matter and VOC emissions and improving ambient air quality around the site.

Application of High-Efficiency Incineration Technology

Chengdu Xinyue phased out outdated facilities and constructed a regenerative thermal oxidizer (RTO) system. Different treatment solutions were adopted for different waste gas characteristics. After the upgrade, VOC treatment efficiency increased significantly and reached 98.5%.

- Non-chlorinated hydrocarbon waste gas: Treated using a "scrubbing + RTO incineration" process for high-temperature decomposition and efficient pollutant removal.
- Chlorinated hydrocarbon waste gas: Treated using a "condensation + resin adsorption-desorption + RTO incineration" combination process, achieving both resource recovery and gas purification.

Multi-Stage Purification System Construction

In response to environmental policy requirements, Hengrui Pharma (Jinqiao Road Plant, Dapu Industrial Zone) constructed a new "alkaline scrubbing + demisting + activated carbon adsorption-desorption" system to separately treat waste gas from hazardous waste storage and process emissions. The existing "alkaline scrubbing + white oil absorption" facility was upgraded to a three-stage treatment process of "alkaline absorption + water absorption + activated carbon adsorption-desorption." After the upgrade, VOC removal efficiency improved by approximately 10%, effectively reducing environmental impact on surrounding areas.

2.3.2 Wastewater Discharge Management

Hengrui Pharma strictly complies with applicable laws and regulations and prohibits direct discharge of wastewater into natural water bodies. We have established and implemented internal policies including the *Wastewater Discharge Management Procedures,* the *Wastewater Discharge Management System* and the *Environmental Operation Guideline,* clarifying standardized processes and management requirements for wastewater treatment. In practice, we implement the principles of "separation of rainwater and sewage, separation of clean and contaminated water, and classified treatment." Production wastewater, domestic sewage, rainwater, and clean drainage are collected and treated separately to ensure scientific and compliant management.

Key Wastewater Discharge Measures

- Continuously optimizes wastewater treatment processes to improve efficiency and capacity
- Regularly maintains and upgrades facilities to ensure stable system operation
- Strengthens monitoring and data analysis of wastewater discharge to achieve precise control

Wastewater Treatment Plant Upgrade Project

To enhance wastewater treatment performance, Chengdu Suncadia invested RMB 1.5 million in 2025 to optimize the existing wastewater treatment plant. After the upgrade, overall COD reduction efficiency increased about 9%, supporting improvements in regional water quality. Key improvements included:

Process upgrade

Added a high-efficiency anaerobic treatment unit to form a three-stage treatment model of "pretreatment + high-efficiency anaerobic + advanced aerobic," significantly improving organic pollutant removal;

Sludge dewatering efficiency enhancement

Optimized the sludge dewatering system to shorten processing cycles and reduce moisture content, improving solid-liquid separation efficiency.

2.3.3 Solid Waste Management

Hengrui Pharma follows the waste management philosophy of "source reduction, safe disposal, and recycling," and effectively improves its waste management performance through improved management systems, refined operational procedures, and strengthened technological upgrades. We have formulated and refined internal policies including the *Solid Waste Management Regulations,* the *Precious Metal Catalyst Management Policy,* and the *Waste Management Procedure,* clarifying full-process management requirements covering classification, storage, and compliant disposal.

Key Solid Waste Management Measures

Enhanced Classification Management

Develops and implements targeted procedures for the management of non-hazardous and hazardous waste, specifying requirements for storage, transportation, and treatment, along with emergency response plans to ensure safe operations and reduce environmental risks.

Improved Hazardous Waste Handling

Conducts regular training on hazardous waste management to strengthen employees' full-process oversight and emergency response capabilities.
Established specialized temporary storage rooms equipped with anti-seepage flooring, drainage ditches, and anti-seepage pallets to ensure safe interim storage of hazardous waste.

Promoted Resource Utilization of Waste

Categorizes and collects waste precious metal catalysts generated during laboratory and production processes, and engages qualified third parties for recycling, significantly improving the utilization rate of hazardous waste.

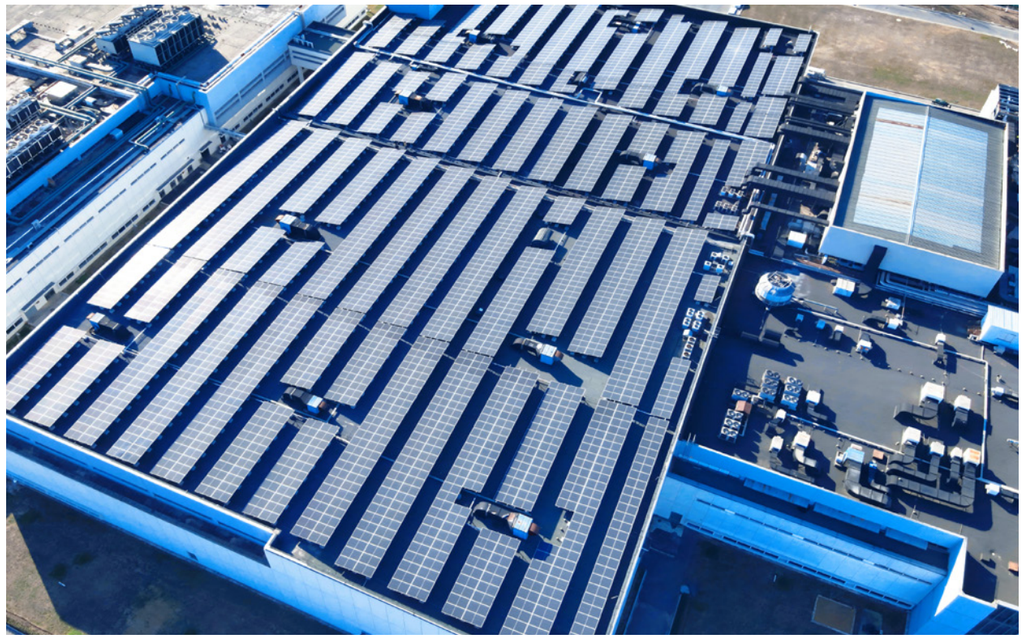
Hengrui Pharma practices the principle of recycling in waste management. Through precise classification, process optimization, and technological upgrades, we promote the reduction of harmful waste at the source and the recycling of waste containing precious metals and valuable elements.

Subsidiary	Waste Type	Management Measures	2025 Reduction Results
Shandong Suncadia (Shandong Suncadia Pharmaceutical Co., Ltd., a subsidiary of the Company)	Waste palladium carbon	Required laboratories to collect all filter materials and waste liquids in contact with waste palladium carbon.	Recovered 0.6265 tons of waste palladium carbon, an increase of 0.32 tons compared with 2024.
Suzhou Suncadia	Evaporation residue	Through refined management, the centrifuge dewatering time is extended to reduce the moisture content of the residue.	Reduced hazardous waste generation by approximately 26 tons.
Hengrui Pharma (Dongjin Road Plant, Lingang Industrial Zone, Lianyungang Economic and Technological Development Zone)	Platinum- and iodine-containing waste	Established collection procedures for platinum- and iodine-containing waste liquids and disposed of waste containing precious metals and valuable elements throughout the year.	Disposed of nearly 23 tons of waste containing precious metals and valuable elements.
Hengrui Pharma (Jinqiao Road Plant, Dapu Industrial Zone, Lianyungang Economic and Technological Development Zone)	Iodine-containing wastewater	Added a nanofiltration system (approximately 500 m^3/day capacity) to enhance iodine recovery efficiency.	Recovery increased by 15 kg per batch.

Annual Highlights in Waste Reduction and Resource Utilization

Our pollutant discharge data are presented in the table below.

Indicator	Unit	2023	2024	2025
Nitrogen Oxides Emissions	Tonnes	2.09	1.76	1.94
Sulphur Oxides Emissions	Tonnes	0.12	0.08	0.16
Organic Compound Emissions	Tonnes	33.67	22.27	30.53
Total Other Significant Gas Emissions	Tonnes	2.43	1.43	2.41
Total Wastewater Discharge	Ten thousand tonnes	/	384.98	440.69
Total Hazardous Waste	Tonnes	18,493.75	21,749.47	29,173.25
Total Non-hazardous Waste	Tonnes	437.34	673.94	1,165.89
Hazardous Waste Intensity	Tonnes/ million RMB revenue	/	0.78	0.92
Non-Hazardous Waste Intensity	Tonnes/ million RMB revenue	/	0.02	0.04



2.4 Eco-friendly Office Practices

Hengrui Pharma integrates green and low-carbon principles into all aspects of office operations. We continuously strengthen energy and resource management in office facilities, promote vehicle energy conservation and emissions reduction, and build a systematic green office model to fulfill our environmental responsibilities.

2.4.1 Eco-friendly Office Management

We have established internal policies including the *Administrative Building Management Regulations* and the *Vehicle Fueling and Maintenance Management Process,* which define requirements for energy conservation and green travel. Daily inspections and assessments are conducted to ensure effective implementation of green office measures.

Energy Conservation	• Conduct seasonal inspections of pumps, electrical systems, valves, and pipelines, and clean coil filters during HVAC transition periods to avoid abnormal energy consumption. • Track weather and indoor temperature changes to optimize equipment operating hours; compare daily electricity usage and determine optimal shutdown timing to reduce unnecessary energy waste. • Strictly implement temperature control standards: cooling not lower than 26°C in summer and heating not higher than 22°C in winter. • Standardize office equipment use and prohibit unauthorized wiring or high-power appliances to reduce energy consumption at the source.
Water Conservation	• Utilize rainwater collection systems and use rainwater for landscape irrigation.
Paper Conservation	• Promote double-sided printing, paperless meetings, and online approval processes; establish waste sorting stations to facilitate recycling. • Recycle used paper and cardboard, with proceeds used to purchase cleaning supplies. • Implement QR code visitor registration to streamline approval processes and improve efficiency.
Eco-friendly Office Environment	• Enforce strict landscaping management policies to protect greenery and public facilities. • Require personnel to maintain cleanliness, prohibit littering, and ban smoking in non-designated areas to safeguard indoor air quality.

Eco-friendly Office Practices

2.4.2 Vehicle Energy Saving and Emissions Reduction

Hengrui Pharma optimizes energy management in transportation through an intelligent dispatch system. By integrating real-time traffic data and order distribution, transportation routes are dynamically adjusted to reduce empty mileage and lower energy consumption. We gradually increase the use of electric trucks for short-distance delivery to replace traditional fuel vehicles and reduce idling time through the rational allocation of vehicle resources and optimized departure sequencing.

During the Reporting Period, the Company's average fuel consumption per 100 kilometers continued to decline.

Strict Fuel Consumption Management

- Establish fuel consumption standards based on vehicle age, horsepower, and model;
- Implement incentive mechanisms by conducting monthly fuel consumption assessments and rewarding compliant and fuel-efficient drivers.

Enhanced Vehicle Maintenance

- Strengthens vehicle maintenance through routine inspections, fault reporting, seasonal maintenance, throttle cleaning, and spark plug replacement to reduce fuel consumption caused by mechanical issues.

Flexible Dispatching

- Use GPS technology to establish dynamic vehicle monitoring systems ensuring traceability and oversight;
- optimize routing and shuttle arrangements to eliminate empty runs and reduce resource waste;
- optimize shuttle routes and departure sequences to reduce commuting-related carbon emissions.

Key Measures for Energy Conservation and Emissions Reduction in Transportation

2.5 Addressing Climate Change

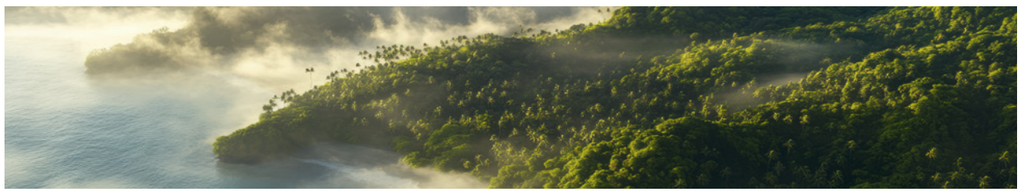
Hengrui Pharma recognizes the profound impact of climate change on the Company's long-term resilience. We continuously enhance our climate governance structure, strengthen the identification, analysis, and assessment of climate-related risks and opportunities, and improve operational resilience. With energy conservation and carbon reduction as core strategies, we promote low-carbon transformation across the value chain and contribute to global climate governance.

2.5.1 Governance

Hengrui Pharma integrates climate-related issues into its ESG strategy and planning, led by the Board of Directors and the Strategy Committee. Responsibilities at each governance level are clearly defined to ensure effective implementation of climate strategies, policies, and targets, as well as routine management of climate-related risks and opportunities.

The Board is responsible for formulating climate strategy, reviewing and confirming climate-related risk and opportunity lists, and tracking progress on climate metrics and targets. The Strategy Committee regularly consolidates climate-related information from business units, coordinates identification and analysis of risks and opportunities, formulates response measures, and reports significant climate-related risks to the Board. Under the supervision and authorization of the Strategy Committee, relevant management personnel guides the implementation of climate risk and opportunity response plans, conducts regular monitoring of climate-related metrics and targets, and reports progress to the Strategy Committee at least semi-annually.

The Board receives periodic professional training on climate-related topics to enhance its knowledge base in climate governance and its ability to perform climate-related duties. We will continue to improve the climate management system and working mechanisms and may incorporate climate-related performance into directors' remuneration policies when necessary.



2.5.2 Strategy

To systematically assess the potential impacts of climate change on our business model and value chain, we, in accordance with Part D of the *Environmental, Social and Governance Reporting Code set out in Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited,* assess climate-related risks and opportunities and their impacts across short- term, medium- term, and long-term horizons by selecting climate scenarios under different temperature pathways, and formulate corresponding response strategies to continuously enhance resilience under climate change.

Climate Scenario and Time Horizon Selection

Based on internal development planning and the external operating environment, we defined short-, medium-, and long-term time horizons, with 2025–2026 as the short term, 2027–2030 as the medium term, and 2031–2050 as the long term.

For physical risks, we selected two climate scenario frameworks—a low-emissions pathway and a high-emissions pathway—to assess climate-related risks and opportunities across the defined time horizons. These scenarios reflect different climate change pathways and potential outcomes, including a low-temperature pathway aligned with the Paris Agreement objective of limiting global warming to 1.5°C, and a high-temperature pathway under which warming reaches or exceeds 3°C.

Scenario	SSP1-2.6 (IPCC)	SSP5-8.5 (IPCC)
Description	*A pathway that is highly consistent with* the *objectives of* the *Paris Agreement*, wherein emissions peak around 2020, subsequently decline gradually, and achieve net-negative emissions before 2100.	A pathway with limited policy efforts in emission reduction actions, characterized by continuous growth in greenhouse gas emissions, ultimately resulting in a high concentration of greenhouse gases in the atmosphere.
Analytical Approach	Assess potential impacts on Company assets and the value chain across short-, medium-, and long-term horizons.	

For transition risks, we selected the International Energy Agency's "Net Zero Emissions by 2050 Scenario (NZE)" as the low-emissions pathway and the "Stated Policies Scenario (STEPS)" as the high-emissions pathway to assess the principal transition risks across the defined time horizons.

Scenario	Net Zero Emissions (NZE)	Stated Policies Scenario (STEPS)
Description	This scenario charts a pathway for the global energy sector to achieve net-zero carbon dioxide emissions by 2050 without relying on emission reduction measures from outside the energy sector.	This scenario is based on a sector-by-sector and country-by-country assessment of the current measures implemented by governments worldwide, reflecting both existing and announced policies.
Analytical Approach	Analyze transition risks and opportunities associated with climate mitigation and adaptation across short-, medium-, and long-term horizons.	

Climate-related Risks and Opportunities

In 2025, we conducted a comprehensive assessment and review of significant climate-related risks and opportunities that could affect the Company's financial position, operating performance, and cash flows[3]. For current impacts, we based our assessment on climate-related events that actually occurred during the Reporting Period. For expected impacts, we referred to internationally recognized climate data sources, including the International Energy Agency (IEA), the Network for Greening the Financial System (NGFS), and the World Resources Institute (WRI), to obtain future climate projections and macroeconomic forecasts under different scenarios, and assessed the potential impacts of climate change accordingly.

Based on our current analysis, given that the pharmaceutical industry does not exhibit characteristics such as high energy intensity, high emissions, outdoor operational exposure, or climate dependency, we conclude that climate change is not expected to have a material financial impact on the Company's operations or asset value in the current or foreseeable period. No climate-related risks or opportunities vulnerable to climate change have been identified that would result in significant adjustments to the carrying amounts of assets or liabilities in the next Reporting Period.

Physical Risks

Based on the above parameters, we assessed the expected financial impacts of identified significant climate-related physical risks by calculating the asset loss ratio[4]. The results are presented below.

Physical Risk	Current Impact	Expected Impact	SSP1-2.6	SSP5-8.5
Typhoon	In 2025, Hengrui Pharma did not experience any operational disruptions or other events that had a significant financial impact due to extreme weather events such as typhoons, floods, and extreme heat.	Short term	Low	Low
		Medium term	Low	Low
		Long term	Low	Low
Flood		Short term	Low	Low
		Medium term	Low	Low
		Long term	Low	Low
Extreme heat		Short term	Low	Low
		Medium term	Low	Low
		Long term	Low	Low

[3]The financial impact analysis of climate-related physical risks for the year covered our primary operating location in Lianyungang, Jiangsu Province.

[4]Asset Loss Ratio: Refers to the proportion of potential asset damage and related replacement costs caused by physical risks such as typhoons relative to total fixed assets.

Transition Risks

Based on our analysis, the primary transition risks with potential direct financial impacts relate to the overall societal low-carbon transition, particularly increased carbon pricing and rising energy costs. We therefore selected the cost increase ratio[5] as the metric to assess the expected financial impacts of significant transition risks. The results are presented below.

Transition Risk		Current Impact	Expected Impact	NZE	STEPS
Policy and regulation	Increased carbon pricing	In 2025, Hengrui Pharma did not incur significant management costs related to greenhouse gas emissions, nor did it identify energy price increases attributable to climate change.	Short term	Low	Low
			Medium term	Low	Low
			Long term	Low	Low
Market	Increase in raw material costs		Short term	Low	Low
			Medium term	Low	Low
			Long term	Low	Low

[5]Cost Increase Ratio: Refers to the proportion of additional costs that may be incurred due to the risk relative to the total costs in the baseline year.

Climate Opportunities

With respect to climate-related opportunities, we identified primary opportunities arising from the overall energy transition, including improved energy efficiency and increased availability of energy sources, which may lead to cost savings. We therefore selected the cost savings ratio[6] as the metric to assess the financial impact of climate opportunities on operating costs. The results indicate that foreseeable cost savings from climate-related opportunities are currently limited, and the financial impact remains low.

Opportunity		Current Impact	Expected Impact	NZE	STEPS
Energy efficiency	Improved energy efficiency	In 2025, Hengrui Pharma did not identify significant cost savings resulting from improved energy efficiency or increased use of clean energy.	Short term	Low	Low
			Medium term	Low	Low
			Long term	Low	Low
Energy sources	Increased proportion of clean energy use		Short term	Low	Low
			Medium term	Low	Low
			Long term	Low	Low

[6]Cost Savings Ratio: Refers to the ratio of energy cost savings resulting from climate-related opportunities to the total costs in the baseline year.

In summary, under all climate scenarios across short-, medium-, and long-term horizons, the physical risks, transition risks, and climate opportunities identified by Hengrui Pharma are assessed to be at a low and controllable impact level and are not expected to have a material effect on the Company's financial position, operating results, or cash flows.

Based on the identification of climate-related risks and opportunities, we have clarified priorities for climate response and management, formulated corresponding response measures, and incorporated climate considerations into daily operations and management decision-making to enhance our overall climate resilience. The complete list of identified climate-related risks and opportunities and corresponding response measures is presented in the table below.

Type	Description	Potential Impact	Response Measures
Physical Risks			
Acute	Typhoon/Hurricane	Infrastructure may be damaged, resulting in additional repair or replacement costs; logistics may be disrupted, causing order delivery delays and potential contractual penalties.	Strengthen disaster resilience of production facilities and build a more resilient supply chain; formulate detailed and effective emergency response plans and conduct regular drills.
	Extreme Heat	Extreme temperatures may challenge pharmaceutical transportation conditions and affect product quality; increased electricity consumption for workspaces and refrigeration systems may raise energy costs.	Adopt advanced cold chain logistics technologies and equipment to ensure full-process temperature control in compliance with quality standards; Procure or utilize renewable energy (e.g., solar energy) as appropriate to optimize the energy mix.
	Flood	Flooding may damage production equipment, interrupt operations, and cause inventory losses, affecting operational stability and product supply.	Develop emergency response plans, strengthen flood-season emergency response capabilities, ensure employee safety, and prioritize recovery of critical operations; Monitor early warning information in real time and activate response measures promptly to enable proactive risk management.
Chronic	Rising Average Temperature and Sea Level Rise	Coastal operating sites may face seawater intrusion, potentially affecting production equipment and infrastructure.	Enhance protective measures in coastal areas and strengthen flood control and drainage systems.
Transition Risks			
Policy	Strengthened Emissions Reporting Requirements	Increased investment in environmental governance and energy-saving and emissions reduction projects to meet compliance requirements may raise operating costs.	Promote technological improvements in pollutant control and energy conservation projects to enhance efficiency and reduce costs.
	Increased Carbon Pricing	Tightening carbon pricing and carbon border adjustment mechanisms may increase energy consumption and carbon emission costs across R&D, production, and supply chain activities.	Closely monitor climate-related laws and regulations in operating regions; Reduce carbon emissions through process efficiency improvements, energy-efficient equipment upgrades, and clean energy use.
Market	Increase in Raw Material Costs	Rising demand for green and low-carbon products may drive up electricity and natural gas prices, increasing operating costs.	Optimize the energy mix, promote self-generation and self-consumption of renewable energy, and reduce energy intensity per unit of output to lower operating costs.
Reputation	Increasing Negative Stakeholder Feedback	Heightened stakeholder attention to environmental performance; slow progress may harm corporate reputation and investor confidence.	Strengthen climate-related risk management and proactively disclose data and progress related to Pollutant Discharge and Management, carbon emissions, environmental targets, and climate objectives.
Opportunities			
Resource Efficiency	Improved Energy Efficiency	Process improvements, equipment upgrades, and technological innovation enhance resource efficiency, strengthen production sustainability, and improve competitiveness.	Upgrade outdated equipment and implement intelligent retrofits to improve energy efficiency; Promote intelligent control systems for refined energy management and efficient energy allocation.
Energy Sources	Increased Proportion of Clean Energy Use	Increasing renewable energy application reduces dependence on fossil fuels and strengthens the Company's green and sustainable brand image.	Promote regional clean energy use and distributed photovoltaic power generation to optimize the energy structure and advance low-carbon transition, maximizing energy benefits.

2.5.3 Risk Management

Hengrui Pharma continuously improves its climate-related risk and opportunity management processes. We are committed to integrating climate risk management into the Company's overall risk management system and implementing routine assessment and management of identified climate-related risks and opportunities to enhance the efficiency of risk and opportunity management.

Based on our business characteristics and geographic distribution of operating sites, and in consideration of external policy developments and industry trends, we conduct identification of climate-related risks and opportunities. Through internal workshops and discussions, we determine the potential impacts, response measures, materiality, and prioritization of identified risks and opportunities, and regularly track and review the implementation of climate response actions.

Risk Identification and Assessment

- Identify climate-related risks and opportunities based on industry trends, stakeholder feedback, and external professional recommendations, and regularly update the list of risks and opportunities.

Risk Prioritization and Response

- Analyze the impacts of risks and opportunities through climate scenario analysis and internal discussions;
- Prioritize risks and opportunities based on their level of impact;
- Develop targeted management measures for key risks and opportunities and incorporate response measures into daily operations and management decision-making.

Risk Monitoring and Improvement

- Regularly track the implementation of response measures for climate-related risks and opportunities and review areas for improvement in the risk management process.

2.5.4 Metrics and Targets

Hengrui Pharma actively responds to China's "carbon peaking and carbon neutrality" strategy and has established long-term climate targets to drive low-carbon transition within the Company and across the industry.

Greenhouse Gas Emission Reduction Target

Using 2025 as the baseline year, reduce greenhouse gas emissions intensity[7] (Scope 1 and Scope 2) by 10% by 2030.

To continuously monitor and evaluate progress toward climate targets, we annually engage third-party institutions to analyze and verify greenhouse gas data, thereby enhancing data quality and management effectiveness and ensuring accurate tracking of carbon reduction progress.

In 2025, we advanced the accounting and disclosure of Scope 3 greenhouse gas emissions. We engaged SGS-CSTC Standards Technical Services Co., Ltd to conduct independent verification of annual greenhouse gas emissions data and obtained a greenhouse gas verification certificate, further improving the accuracy of greenhouse gas data management and disclosure. The Company's greenhouse gas emissions data[8] for the past three years are presented in the table below.

Indicator	Unit	2023	2024	2025
Scope 1 GHG emissions[9]	Tonnes of CO_2 equivalent	4,898.00	8,516.60	54,874.45
Scope 2 GHG emissions[10]	Tonnes of CO_2 equivalent	203,382.08	249,380.64	270,564.48
Scope 3 GHG emissions[11]	Tonnes of CO_2 equivalent	/	/	756,662.33
Total GHG emissions	Tonnes of CO_2 equivalent	208,280.09[12]	257,897.24[13]	1,082,101.25
GHG emissions intensity	Tonnes of CO_2 equivalent/ million RMB revenue	9.13	9.22	34.21

In addition, we will continue to explore the feasibility of establishing mechanisms in the future such as internal carbon pricing and linking executive remuneration to climate-related targets to support the ongoing evaluation and improvement of the Company's climate actions.

2.6 Biodiversity Conservation

Hengrui Pharma strictly complies with the *Forest Law of the People's Republic of China*, the *Environmental Impact Assessment Law of the People's Republic of China*, and other applicable environmental and ecological protection regulations, as well as relevant domestic and international biodiversity protection initiatives. We are committed to integrating ecological and biodiversity protection concepts into environmental system development and daily operations.

We conduct project construction and operations in accordance with applicable laws and regulations and make every effort to minimize adverse impacts on the surrounding ecological environment during construction and operational processes. None of Hengrui Pharma's project operating sites are located within biodiversity-sensitive areas or ecological redline zones. In daily operations, we emphasize ecological maintenance and restoration within our facilities. By promoting ecological construction practices such as permeable pavement, we enhance rainwater infiltration and retention capacity, protect soil structure, and maintain natural water cycle functions.

[7]Emissions intensity refers to greenhouse gas emissions (Scope 1 and Scope 2) per unit of revenue.

[8]The measurement methodologies, input data, and related assumptions for the Company's greenhouse gas emissions are primarily based on the *Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004)* and other generally recognized accounting frameworks. We apply the operational control approach and consider data availability to reasonably reflect the Company's overall Scope 1, Scope 2, and Scope 3 emissions. Core assumptions include the use of the most recent and available emission factors, as well as the accuracy and reliability of metering facilities and internal data recording processes, to ensure the accuracy and comparability of the calculation results.

[9]Scope 1 greenhouse gas emissions primarily arise from the direct combustion of gasoline, diesel, natural gas, liquefied petroleum gas, and other fuels, as well as process emissions and fugitive emissions associated with operations and production activities. The data are primarily sourced from internal records such as energy invoices and are calculated in accordance with the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* issued by the Intergovernmental Panel on Climate Change (IPCC).

[10]Scope 2 greenhouse gas emissions primarily arise from the consumption of purchased electricityand steam. Electricity consumption data are sourced from internal records such as electricity billing statements. The electricity emission factor is selected from the *Announcement on the Release of 2023 Electricity Carbon Dioxide Emission Factors*, jointly issued by the Ministry of Ecology and Environment of the People's Republic of China and the National Bureau of Statistics of China.The steam emission factor is calculated based on a comprehensive consideration of the *Guidelines for Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises in Other Sectors (Trial)* and the *2006 IPCC Guidelines for National Greenhouse Gas Inventories*.

[11]Scope 3 greenhouse gas emissions cover purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, downstream transportation and distribution, processing of sold products. Other categories are excluded as they are either not applicable or deemed immaterial based on the materiality principle.

[12]In that year, Scope 3 data were not calculated; therefore, total greenhouse gas emissions include only Scope 1 and Scope 2 emissions.

[13]In that year, Scope 3 data were not calculated; therefore, total greenhouse gas emissions include only Scope 1 and Scope 2 emissions.

03

Innovation as the Wing, Pioneering a Healthy Future

Driven by technological innovation and guided by a global vision, Hengrui Pharma continuously solidifies the foundation for its products and services. We are committed to enhancing our global quality management system to deliver efficient and reliable healthcare solutions for patients. Working closely with our supply chain partners, we advance green transformation and collaborative efficiency, building a resilient and inclusive industry ecosystem that supports the long-term development of global health.

Our Actions

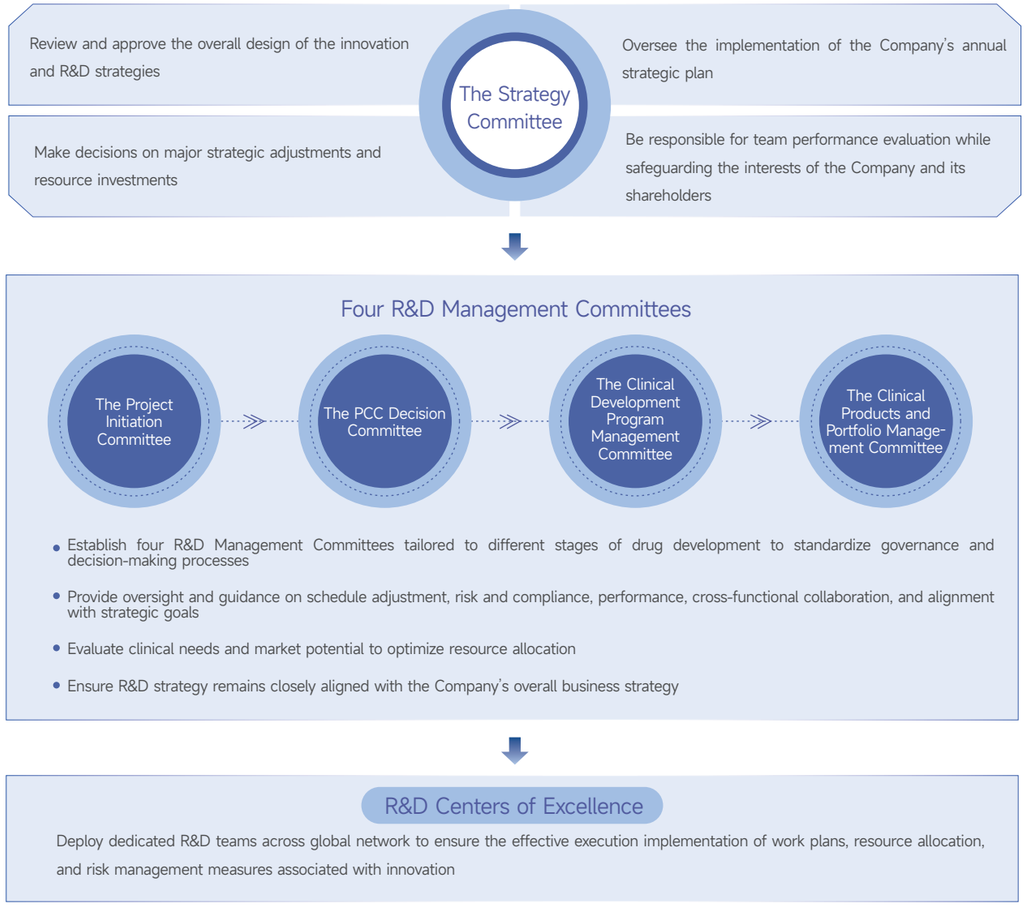
- Innovation-Driven Development
- Pursuing Excellence in Quality
- Practicing Responsible Procurement

3.1 Innovation-Driven Development

Hengrui Pharma takes technological innovation as the key driving force. Through sound management and the integration of global resources, we focus on addressing global public health needs. We are committed to bringing more innovative medicines originating from China to patients worldwide, while continuously creating broader social value.

3.1.1 Governance

We continuously refine our R&D innovation governance framework. We have established a governance structure consisting of the Strategy Committee, four R&D Management Committees, and our Global R&D Centers of Excellence. Through this framework, we promote more informed decision-making, standardized processes, and globally coordinated resource allocation. This ensures that our R&D efforts remain closely aligned with our overall corporate strategy, enabling us to improve R&D efficiency and optimize the value of our product pipeline.



Innovation and R&D Governance Structure

To support the Company's strategic development, we have established and continuously refined our innovation and R&D management system, embedding the value of "Patient-oriented" and the principles of responsible innovation into actionable management processes. We implement systematic and standardized project management practices, supported by a project management system that enables real-time tracking of R&D progress. During the planning stage, we define timelines, resource allocation, key milestones, and risk management measures. During execution, we make dynamic adjustments and address issues promptly to drive efficient project delivery.

We implement a product lifecycle management approach to clearly define R&D strategic objectives, market positioning, and project priorities. During the Reporting Period, we established an internal governance process for a cross-functional Project Review Committee, which conducts early-stage, independent, and multidisciplinary evaluations of each clinical trial protocol. This mechanism helps ensure that clinical trial protocols meet high standards of scientific rigor, operational feasibility, ethical compliance, and patient safety. In addition, our evaluation process examines whether a program maximizes product value, demonstrates differentiated molecular design or innovative study design, and proficiently tackles unresolved clinical demands.

We continue to enhance our digital management system covering the full lifecycle of innovative drugs development, integrating artificial intelligence (AI) technologies across the entire R&D process. By leveraging our AI-powered big data platform, high-performance computing capabilities, and advanced algorithm models, we have achieved key breakthroughs in areas including drug target discovery, AI-driven macromolecule and peptide design, as well as small-molecule generation and optimization. We are committed to building automated and intelligent systems for data collection, analysis, and computation, providing integrated support across the drug development process and accelerating the development of innovative drugs.

3.1.2 Strategy

"Promote a healthier life for humankind through advancements in science" has always been the mission of Hengrui Pharma. We regard innovation and R&D as the key factor in maintaining our industry-leading position. During the Reporting Period, Hengrui Pharma invested 8.72 billion RMB in R&D, accounting for 27.58% of sales revenue, thereby maintaining an industry-leading position.

To systematically address uncertainties in the innovation process while capturing emerging opportunities, we identify the key risks and opportunities associated with innovation and R&D across the short term (1–3 years), medium term (3–5 years), and long term (5–10 years). Based on the assessment results, we evaluate their potential impacts on the Company's operations and financial performance to develop proactive response strategies. Innovation and R&D considerations are fully integrated into our business decision-making and resource allocation processes, enabling us to strengthen operational resilience and support long-term sustainable growth.

During the Reporting Period

Hengrui Pharma invested **8.72** billion RMB in R&D

accounting for **27.58%** of sales revenue

maintaining an industry-leading position

Risk / Opportunity	Risk / Opportunity Description	Time Horizon	Financial Impact	Response Measures
Risk				
Insufficient R&D efficiency	Delays in product launch timelines may result in missed market opportunities and reduced product competitiveness	Short-, medium-, and long-term	Decrease in operating revenue Increase in R&D investment	• Strengthen systematic and standardized R&D management, optimize decision-making processes and resource allocation efficiency, and enhance full lifecycle risk management and cross-functional collaboration • Increase investment in AI-assisted drug discovery (AIDD) and integrate AI across the R&D value chain to improve efficiency in key development stages and shorten development timelines • Further enhance collaboration across the global R&D network while strengthening resource integration and partnerships in international markets

Risk / Opportunity	Risk / Opportunity Description	Time Horizon	Financial Impact	Response Measures
		Risk		
Underperformance in commercialization of innovative products	May affect product portfolio performance and market layout, potentially weakening the expected returns on future R&D investments	Short-, medium-, and long-term	Decrease in operating revenue Increase in R&D investment	• Enhance transparency in external disclosures by regularly communicating project progress and R&D outcomes through financial reports, investor briefings, and other channels; • Develop a sustainable R&D strategy and risk diversification framework to address evolving healthcare needs and social responsibilities while strengthening investor confidence and public trust.
Failure to capture key technology platforms	May weaken the competitiveness of the core pipeline and result in lagging product positioning relative to competitors, potentially leading to loss of market share	Medium- and long-term	Decrease in operating revenue	• Assess market potential and commercialization prospects through market research and value analysis, and dynamically refine R&D strategy and project prioritization; • Advance the development of multi-technology innovation platforms while strengthening resource sharing and collaborative innovation to support frontier exploration and core product development.
		Opportunity		
Breakthroughs in key technologies	Develop innovative medicines with proprietary intellectual property rights, thereby increasing market share	Medium- and long-term	Increase in operating revenue	• Increase R&D investment with a focus on core technology platforms, drive breakthroughs in key technologies, and build pipelines of innovative medicines with proprietary intellectual property rights.
Production process optimization	Applying innovative technologies to improve manufacturing processes and techniques can enhance operational efficiency while reducing energy consumption and costs	Medium- and long-term	Reduction in operating costs	• Carry out targeted initiatives in critical production stages, optimize manufacturing processes, and convert proven intelligent manufacturing practices into standardized approaches for company-wide rollout, supporting scalable replication; • Strengthen collaboration with universities and research institutions to track and introduce cutting-edge technologies and continuously improve production efficiency.
Development of digital drug R&D platforms	By leveraging AI and big data technologies, drug development can be accelerated, development timelines shortened, and R&D costs reduced	Short-, medium-, and long-term	Reduction in operating costs	• Develop AI and big data platforms and attract interdisciplinary talent to support technology-driven innovation.

Global Team Deployment

Hengrui Pharma continues to enhance collaboration across its global R&D network, advancing the global integration of R&D, clinical development, regulatory affairs, and commercialization. We further strengthen resource integration and mutually beneficial partnerships in international markets, accelerating the expansion of our global innovation footprint.

Hengrui Pharma's Global Centers of Innovation Excellence

We have established 15 R&D centers across Asia, Europe, the United States and Australia, creating a globally connected R&D network that is strategically focused and functionally complementary. Through deepened collaboration with internationally renowned research institutions, universities, and industry partners, we efficiently leverage worldwide resources to enhance our R&D capabilities and global competitiveness. At the same time, we have built a sizable, specialized, and multidisciplinary R&D team. This team has developed strong competitive advantages in both innovation and execution across multiple disease areas, providing robust talent support for the Company's high-quality development.

AI Empowering R&D

We continue to focus on improving R&D efficiency and enabling breakthrough innovation by integrating AI technologies with the expertise of domain specialists. This approach is advancing the transformation of our R&D system from an efficiency-focused model toward a more innovation-driven paradigm. We consider AI-assisted drug discovery (AIDD) as a core strategic direction. Leveraging the algorithm capabilities and data-mining power of our AI platform, we accelerate key stages of drug development, including target discovery, molecular design, and candidate drug selection, which shortens development timelines and reduces trial-and-error costs. By continuously advancing technology-driven innovation, we are evolving our R&D model and building differentiated competitive advantages in the global innovative drug landscape.

Focusing on Advantageous Areas

We use innovation as a driving force and continue to drive the pharmaceutical industry toward high-quality and high-value development. We have established a multi-layered and multi-mechanism product pipeline in oncology, while also expanding across metabolic diseases, cardiovascular diseases, immunological and respiratory diseases, and neuroscience, with the goal of providing patients worldwide with broader and more precise treatment options.

Oncology and Chronic Disease

In response to the "Healthy China 2030" Outline, Hengrui Pharma continues to focus on the development of innovative medicines for major diseases. During the Reporting Period, we continued to advance the clinical translation of innovative achievements across key therapeutic areas, including oncology and chronic disease management. In the oncology field, several innovative drugs received marketing approval in 2025, bringing new treatment options and hope to patients. In terms of chronic disease management, key products targeting autoimmune, cardiovascular, and metabolic diseases received approvals or achieved important milestones, offering patients a range of innovative treatment options.

Approval of Famitinib Expands Treatment Options for Cervical Cancer Patients

During the Reporting Period, the molecular targeted anti-cancer therapy Famitinib received approval for the second-line treatment of cervical cancer. Famitinib is the first tyrosine kinase inhibitor (TKI) approved globally for cervical cancer, providing a new treatment option and offering more choices for patients in later-line treatment stages.

Approval of Fosrolapitant and Palonosetron Hydrochloride for Injection Fills a Gap in Domestic Class 1 Original Antiemetic Drugs

During the Reporting Period, Fosrolapitant and Palonosetron Hydrochloride for Injection received approval for the prevention of acute and delayed nausea and vomiting ncluded by highly emetogenic chemotherapy in adults. As the world's first ultra long-acting dual-pathway antiemetic injection, the product is well suited to the clinical treatment setting for chemotherapy induced nausea and vomiting (CINV) and may help improve patient medication adherence and treatment experience. The approval also fills a gap in domestically developed Class 1 original antiemetic drugs and further strengthens the supportive care system for cancer treatment.

Innovative Drug Development

We focus on clinical needs. By working closely with medical institutions, research organizations, and industry experts, we identify disease areas with an urgent need for innovative drugs, provide patients with innovative treatment solutions of clinical value, and help improve quality of life for patients.

As of now, Hengrui Pharma has received approval for 24 Class 1 innovative drugs and five Class 2 new drugs in China,continuously improving the accessibility and affordability of innovative therapies. Meanwhile, over 100 self-developed innovative products are undergoing clinical development, with more than 400 clinical trials being conducted both domestically and internationally.

Hengrui Pharma also addresses the needs of patients with rare diseases and continues to deepen our efforts in the commercialization of rare disease drugs. As of the end of the Reporting Period, we have eight commercialized products covering rare disease or orphan drug indications, involving 10 rare diseases or orphan diseases as defined domestically and internationally. Additionally, we have more than 10 pipeline products in research and development targeting 11 related rare disease or orphan disease areas.

Hengrui Pharma's Commercialized and Pipeline Products for Rare Diseases/Orphan Drugs

No.	Product Name	Indication
1	Camrelizumab	Glioblastoma、Hepatocellular carcinoma (U.S. Orphan Drug)
2	Hetrombopag	Chemotherapy-induced thrombocytopenia (U.S. Orphan Drug)
3	Apatinib	Osteosarcoma (including chordoma)
4	Zemetostat	Peripheral T-cell lymphoma、Follicular lymphoma (European Rare Disease)
5	Ivarmacitinib	Graft-versus-host disease (GVHD)
6	Trastuzumab Rezetecan	Gastric cancer or gastroesophageal junction adenocarcinoma (U.S. Orphan Drug)
7	Famitinib	Familial adenomatous polyposis-associated abdominal desmoid tumors
8	Thiotepa	Conditioning prior to allogeneic hematopoietic stem cell transplantation (allo-HSCT) in pediatric patients with severe beta-thalassemia under 18 years of age
9	SHR-1918	Homozygous familial hypercholesterolemia (HoFH)
10	HRS-5965	Paroxysmal nocturnal hemoglobinuria (PNH)
11	HRS-9813	Idiopathic pulmonary fibrosis (IPF)
12	HRS-1893	Cardiomyopathy (obstructive hypertrophic cardiomyopathy)
13	Gallium [68Ga] SSTR radiotracer	Diagnosis of advanced gastroenteropancreatic neuroendocrine tumors
14	Lutetium [177Lu] oxodotreotide injection	Treatment of advanced gastroenteropancreatic neuroendocrine tumors
15	SHR-2173	Membranous nephropathy (European Rare Disease)
16	SHR-1139	Pyoderma gangrenosum (European Rare Disease)
17	SHR-1703	Eosinophilic granulomatosis with polyangiitis (European Rare Disease)
18	HRS-3738	Multiple myeloma (European Rare Disease)
19	SHR-9539	Multiple myeloma (European Rare Disease)
20	Multiple drugs	Rare mutations in colorectal cancer
21	Multiple drugs	Salivary gland cancer

3.1.3 Impact, Risk, and Opportunity Management

Hengrui Pharma embeds risk and opportunity management across the entire lifecycle of product innovation and R&D, making it a core component of the risk management framework. We systematically evaluate the likelihood and potential impact of risks and opportunities. Based on this assessment, we develop response strategies aligned with market trends and corporate goals to ensure steady progress in innovation.

Given the high-risk, long-cycle nature of innovative drug development, we have implemented quality control standards that cover the entire R&D process and customized risk mitigation plans for each stage. Through rigorous assessment and cost-benefit analysis, we optimize R&D pathways to safeguard patient safety. For priority R&D products, we have established cross-functional product management teams (GPTs) dedicated to risk identification and proactive management. Regular reviews are conducted to enhance the efficiency of risk control, reduce uncertainties in R&D, and accelerate the advancement of innovation projects.

During the Reporting Period, we actively advanced the digital transformation of risk management by building a cross-functional data-sharing platform, integrating various types of risk information, and establishing a standardized knowledge base and an intelligent decision-support system. These efforts improved the efficiency of risk response and supported the efficient advancement of innovative drug R&D.

Innovation and R&D Management Process

Intellectual Property (IP) Protection

Hengrui Pharma strictly complies with the *Patent Law of the People's Republic of China*. We have established a dedicated IP Management Center and continue to refine internal policies such as the *Management Measures of Patent Application of Hengrui Pharma* and the *Regulations on Patent Maintenance Process of Hengrui Pharma*, providing a systematic framework to ensure compliance in IP management. We have also established an IP risk management system covering risk prevention, assessment, and monitoring, and developed a prevention and control mechanism that enables timely identification, sound analysis, and effective response to potential IP-related risks.

Risk Prevention

- We have strengthened risk review mechanisms at key stages, including patent applications, cooperation agreements, and technology transfer, with a particular focus on the early and comprehensive identification and prevention of risks in cross-border collaboration.
- In the intellectual property due diligence (IPDD) process, we work with external legal counsel to eliminate potential disputes at the source.
- We conduct upfront analysis of patent validity, potential infringement risks, and the legal compliance of technology transfer to ensure that new R&D outcomes are supported by robust IP protection before entering the market, thereby minimizing subsequent legal risks.

Risk Assessment

- By incorporating the latest judicial cases and industry trends, we improve the precision of patent risk analysis and enhance our ability to assess the competitiveness of patent portfolios, competitor activities, and potential litigation threats.
- We embed risk assessment throughout every stage of each project and carry out dedicated assessments at critical milestones to ensure that each stage can respond quickly to change and avoid potential risks.

Risk Monitoring

- We continue to expand the scope of our global patent risk monitoring, comprehensively tracking patent disputes, changes in policies and regulations, and competitors' patent strategies.
- We regularly organize case analysis sessions and seminars to strengthen our sensitivity and response capabilities regarding industry developments and emerging issues.
- We maintain close relationships with leading law firms in major regions around the world to obtain first-hand updates on global case law and policy developments.

We provide targeted IP training based on employees' roles and business needs, with programs tailored to different levels and categories of personnel. We also actively organize and participate in external activities such as industry forums and policy seminars, continuously strengthening IP awareness and practical capabilities across the workforce.

Internal Training

During the Reporting Period, we organized multiple IP training sessions for employees, covering patent case studies, patent applications, patent portfolio strategies and differences in patent rules across jurisdictions. These efforts enhanced employees' ability to identify and address IP risks throughout the R&D process and provided effective IP protection and patent support for innovative drug R&D.

External Communication

We actively engaged in external IP-related communication activities with regulatory authorities, academia, and industry peers to support the strengthening of pharmaceutical patent protection and industry innovation. During the Reporting Period, we participated in pharmaceutical patent seminars, IP forums, and other events, discussing second medical use patent protection, pharmaceutical patent linkage, regulatory data protection, and patent term extension, and contributing to the improvement of the patent system.

2025

During the Reporting Period, Hengrui Pharma filed **459** new patent applications in the Greater China region and **106** new international PCT applications. The Company was granted **76** patents in the Greater China region and **209** patents overseas.

As of the end of the Reporting Period, the Company had been granted a total of **986** authorized invention patents in the Greater China region and **1,021** patents authorized overseas , including Europe, the United States, and Japan.

Ethics in R&D

Hengrui Pharma places the regulatory compliance and ethical integrity at the forefront of clinical trials and strictly adheres to the highest ethical and scientific standards. We follow the guidelines issued by the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH) and the ethical requirements set out in the *Declaration of Helsinki*, ensuring that all research activities comply with the laws and regulations of the jurisdictions in which we operate.

Animal Welfare Protection

In the preclinical research phase, we adhere to the 3R principles (Replacement, Reduction, and Refinement) to systematically implement ethical and welfare management for animal studies. We prioritize alternative technologies in vitro to reduce reliance on live animals and refine experimental designs and techniques to minimize animal use. For animal studies that are necessary, we continuously improve housing and operational procedures to alleviate animal suffering. We have established a dedicated ethics committee to oversee all stages of the process, ensuring scientific data reliability and upholding our commitment to animal welfare and research ethics.

Antibiotic Resistance

Hengrui Pharma is fully aware of the potential risks that antibiotic resistance poses to global public health and actively invests in the R&D of new antibiotics. We are committed to developing treatment options that offer better efficacy and lower resistance for clinical practice, actively addressing drug-resistant bacterial infections. The Company continues to advance the translation of R&D achievements, has developed a well-structured pipeline of antibiotics, and is moving forward with the R&D and commercialization of related products, providing innovative treatment options to help address the growing challenge of antibiotic resistance.

During the Reporting Period, Hengrui Pharma prioritized the advancement of three self-developed Class 1 novel drug projects: the cephalosporin HRS-8427, the echinocandin HRS9432, and the ultra-broad-spectrum antibacterial drug HRS-2183.

HRS-8427

HRS-8427 has entered Phase III clinical trials for complicated urinary tract infections, including acute pyelonephritis. HRS-8427 has demonstrated potent activity against carbapenem-resistant Gram-negative bacteria.

HRS9432

Phase II clinical trials of HRS9432 are progressing steadily. HRS9432 is a next-generation long-acting antifungal drug indicated for candidemia and other invasive candidiasis. These infections are prone to drug resistance and recurrence. By prolonging the dosing interval and reducing dosing frequency, HRS9432 is expected to improve treatment adherence and provide a new treatment option for patients.

HRS-2183

Phase I clinical studies of HRS-2183 are progressing smoothly. HRS-2183 focuses on severe infections caused by carbapenem-resistant bacteria, such as CRAB and CRPA. These pathogens have been listed by the World Health Organization as priority antimicrobial resistant pathogens, for which current treatment options remain limited. HRS-2183 is intended to fill the treatment gap in this area and address currently unmet clinical needs.

3.1.4 Indicators and Targets

Hengrui Pharma has implemented a systematic R&D innovation management and evaluation framework, dedicated to delivering more clinically meaningful new therapies to patients worldwide through efficient and standardized R&D processes. We conduct regular tracking and assessment of R&D project progress and key performance indicators, supported by a robust information disclosure mechanism. This ensures that both internal and external stakeholders have timely and accurate access to critical information, including project updates, financial performance, and R&D achievements.

Target		Progress in 2025
Patient-oriented approach to support Healthy China and benefit patients globally	Completed submission and acceptance of 7 new drug applications (including new indications) in 2025	Annual target achieved
Patient-oriented approach to support Healthy China and benefit patients globally	Obtained IND approvals for 17 new molecular entities in 2025	Annual target achieved
Continued investment in innovation and capacity building	Built and enhanced innovative technology platforms in line with strategic priorities and established high-performing teams	We continued to increase R&D investment, upgrade technology platform portfolio, and deeply integrate the experience of domain experts with AI algorithms and data-mining capabilities, and thereby shorten the R&D cycle and reduce trial-and-error costs

3.2 Pursuing Excellence in Quality

Hengrui Pharma regards quality as the lifeline of its development and has established a quality management system covering the full lifecycle of pharmaceuticals. Through rigorous standards, continuous process optimization, and a quality culture embraced by all employees, we are committed to safeguarding the safety and efficacy of every product.

3.2.1 Strengthening Quality Management

Hengrui Pharma continues to enhance its quality management system with *Good Manufacturing Practice for Pharmaceutical Products* at its core, strictly complying with the regulatory requirements of the jurisdictions in which we operate to ensure product quality and safety. During the Reporting Period, we continued to optimize and refine management systems such as the *Quality Manual* and implemented full lifecycle quality control for our products through management procedures including the *Biosafety Management System*, the *Guidelines for Drug Traceability*, and the *Points Management Procedure*.

Quality-Related Regulations and Management Policies Followed by Hengrui Pharma	
China	The *Medicinal Product Administration Law of the People's Republic of China*, the *Measures for the Administration of Drug Registration*, the *Measures for the Supervision and Administration of Drug Production*, the *Measures for the Administration of Post-Marketing Drug Changes (for Trial Implementation)*, the Good *Clinical Practice*, the *Good Manufacturing Practices for Pharmaceutical Products (2010 Revision)* and other applicable laws and regulations.
US	*21 CFR Part 210*、*21 CFR Part 211*
EU	EudraLex-Volume 4
Other markets	WHO GMP and relevant market laws and regulations

Quality Management System

We have established a quality management structure consisting of the Chief Quality Officer (CQO), the Quality Center, and our manufacturing sites. The Chief Quality Officer (CQO) has overall responsibility for quality management. The Quality Center coordinates quality resources across the Company and provides professional support, and each manufacturing site is responsible for implementing on-site quality management. During the Reporting Period, we further optimized this quality management structure by establishing a two-way evaluation and collaborative mechanism that combines centralized coordination at the company level with site-level autonomy. This approach enables the centralized coordination of quality resources while enhancing the flexibility of independent management at each manufacturing site.

Quality Management Framework

We establish annual quality objectives covering quality compliance, product risk control, and day-to-day operations, and directly link achievement of these objectives to the performance of employees in relevant roles. During the Reporting Period, we focused on setting quality objectives in key areas including data governance, digitalization and automation, quality culture initiatives, and operational excellence. To enhance management effectiveness and ensure fairness, we quantified quality assessment indicators and implemented a point-based evaluation approach, enabling performance to be compared across the same management system.

As of the end of the Reporting Period, all quality objectives were successfully achieved.

Product Testing Capacity

Hengrui Pharma has established a dedicated quality testing laboratory with comprehensive in-house testing capabilities and standardized quality control procedures. During the Reporting Period, Jiangsu Original Drug Research and Development Co., Ltd., a holding subsidiary of Hengrui Pharma, obtained CNAS certification.

We implement product testing and quality control across the full product lifecycle to safeguard the safety and efficacy of our medicines. Before launch, we conduct comprehensive product testing for potential quality and safety risks, ensure 100% product testing coverage, and assess safety through rigorous non-clinical and clinical studies. We also apply standardized procedures for the sampling, storage, and testing of raw and auxiliary materials, packaging materials, intermediates, and final products, and issue testing reports to confirm compliance with required standards. After approval, we continue to monitor product safety and efficacy in accordance with approved standards and pharmacopoeia requirements, continuously safeguarding product quality and safety.

Quality Audits

Hengrui Pharma has advanced the development of its quality audit system and established quality audit plans covering major departments, subsidiaries, affiliates, and suppliers to ensure that all business activities strictly comply with applicable laws, regulations, and industry standards. As of the end of the Reporting Period, all the Company's production lines had passed GMP certification.

During the Reporting Period, Hengrui Pharma underwent a total of 128 quality audits of various types, including 62 inspections conducted by regulatory authorities such as the National Medical Products Administration (NMPA) and the U.S. Food and Drug Administration (FDA), as well as 66 customer quality audits. We also organized more than 8 internal quality reviews and promptly implemented corrective and preventive actions in response to issues identified during the audit process, ensuring that product quality consistently met high standards.

3.2.2 Promoting Quality Culture

Hengrui Pharma regards product quality and safety as the lifeline of the Company and is committed to continuously strengthening employees' professional competence and quality awareness through a systematic and continuous training mechanism.

Based on the results of our annual quality risk assessment, we develop training plans and require all employees, including full-time, part-time, and contract workers, to complete annual quality training. We provide multidimensional quality training for all employees involved in the production, packaging, storage, distribution, testing, and release of active pharmaceutical ingredients and finished dosage forms. Training covers pharmaceutical GMP requirements, job responsibilities, basic microbiology and hygiene, process knowledge, operating standards, and EHS management. Training frequency is dynamically adjusted based on employee assessment results and the occurrence of deviations.

To further embed a culture of quality, we drive the effective top-down communication and implementation of quality principles through management reviews, quality-focused meetings, "Quality Month" activities, and team morning briefings.

During the Reporting Period

we conducted a total of **343** quality training sessions, achieving **100**% coverage of all employees.

"Innovation, Excellence, Practice, and Accumulation" Quality Culture Activities

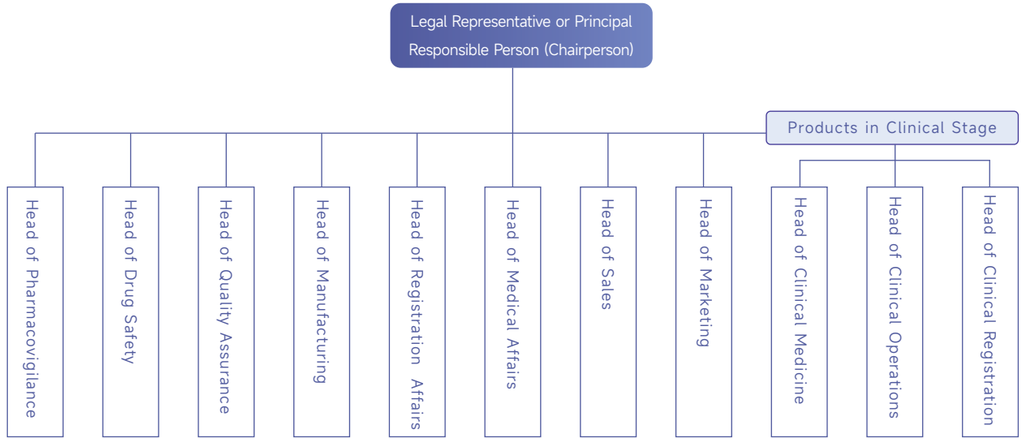
During the Reporting Period, we carried out quality culture activities under the theme of "Innovation, Excellence, Practice, and Accumulation." Focusing on four dimensions, innovation-driven development, the pursuit of excellence, company-wide practice, and cultural accumulation, we organized a range of activities, including knowledge competitions, case sharing, and practical improvement initiatives, helping make quality awareness an integral part of every employee's daily behavior. We also organized the "Quality Star Avenue" training program. Through our internal learning platform, the program adopted an innovative model centered on "star-building, interaction, and incentives," effectively encouraging employee learning and knowledge sharing.

During the Reporting Period, Hengrui Pharma received multiple industry quality awards in recognition of its outstanding quality management system and continued commitment to innovation.

Presenting Organization	Award	Project Name
China Quality Association for Pharmaceuticals	• First-Class Achievement in the 2025 Pharmaceutical Industry Quality Management QC Group Activities	Quanxiao QC Group
China Quality Association for Pharmaceuticals	• Best Presentation Award in the 2025 Pharmaceutical Industry Quality Management Group Activities	Hengjing QC Group
China Quality Association for Pharmaceuticals	• Outstanding Achievement in the 2025 Pharmaceutical Industry Quality Management QC Group Activities	Hengjing QC Group
Jiangsu Quality Association for Pharmaceuticals	• First-Class Achievement in the 2025 Jiangsu Pharmaceutical Industry Quality Management (QC) Group Presentation and Exchange Activities	Hengjing QC Group Ruisi QC Group Chuying QC Group Zhiyuan QC Group Quanxiao QC Group

3.2.3 Ensuring Drug Safety

Hengrui Pharma fully recognizes the importance of drug safety in R&D innovation and product quality assurance and has established a comprehensive pharmacovigilance system. We have set up a dedicated drug safety department to manage safety across the full drug lifecycle and established a company-level Drug Safety Committee to ensure that major or urgent drug safety events can be addressed promptly and effectively.



Organizational Structure of the Hengrui Pharma Drug Safety Committee

Hengrui Pharma has established a safety management system covering the full lifecycle of pharmaceuticals. We implement safety management throughout the entire process from drug development to post-marketing, minimizing adverse drug reactions to the greatest extent possible and continuously safeguarding product quality and safety.

Pre-Marketing Safety Management

- We conduct preclinical safety testing, develop risk control plans for all products under development, and mitigate significant potential risks identified in preclinical studies and drugs within the same therapeutic class.
- During clinical trials, a dedicated safety management plan is developed for each study. All serious adverse events are handled, assessed, and reported in strict accordance with GCP requirements. We regularly summarize and analyze product safety data, conduct signal monitoring, and update the product safety profile.

Safety Management in Marketing Applications

- Only products that undergo rigorous testing and safety evaluations are approved for marketing.
- Based on preclinical data and Phase I to III clinical trial data, we establish risk assessment models and set alert thresholds for potential adverse reactions. Through sufficient monitoring and evaluation, we identify risk characteristics and develop corresponding control measures, ensuring that products undergo rigorous safety evaluation before marketing.
- We submit complete safety data to regulatory authorities, ensuring that product labeling fully covers important safety information and clearly state precautions and restrictions for special populations.

Post-Marketing Safety Management

We use Argus, a globally leading drug safety database, to promptly assess and report individual case safety reports. We also conduct regular periodic drug safety evaluations to identify potential safety risks, study the mechanisms and causes of risks, determine risk levels, and adopt effective measures to manage and control drug risks.

Product Tracing and Recall Mechanism

Hengrui Pharma is committed to building an end-to-end pharmaceutical quality and safety assurance system. Through rigorous product release testing, we prevent products with quality defects or other safety risks from entering the market, while utilizing a drug traceability platform to achieve full-process traceability for marketed products. We have established a comprehensive product recall mechanism and formulated the *Product Recall Procedures*, which clearly defines recall trigger conditions, recall procedures, and the handling of recalled products. We conduct simulated recalls for finished dosage forms once every two years and for active pharmaceutical ingredients once every three years. Through steps including planning, execution feedback, effectiveness evaluation, and confirmation by the authorized quality person, we continuously verify the responsiveness of the recall system.

Since its market entry, Hengrui Pharma has not experienced any product recall due to quality issues or safety risks.

Scenarios where product recall may be triggered

- When the information collected by the Company indicates that a batch of products or a product may endanger patient safety or pose potential risks in this regard.
- When drug quality issues or adverse event information collected and recorded by the Company's adverse event monitoring system suggest that a drug may cause health risks.
- When distributors, healthcare institutions, or individual patients and that the products they distribute, use, or take may have safety hazards.
- When internal self-inspections or audits identify product defects or other safety-related risks.

3.2.4 Enhancing Customer Service

Hengrui Pharma always places customer experience at the forefront. Supported by a well-established customer management mechanism, we regularly conduct customer satisfaction surveys and implement refined closed-loop management of customer feedback and complaints, continuously improving the service experience and deepening our connection with customers.

Responsible Marketing

Hengrui Pharma regards integrity and compliance as core principles of its marketing activities. We have established and publicly disclosed the *Responsible Marketing Policy of Jiangsu Hengrui Pharmaceuticals Co., Ltd.* to ensure that all sales and marketing activities comply with applicable laws and regulations, social norms, and ethical standards. This policy applies to all employees, including full-time employees, part-time employees, and outsourced personnel, and encourages business partners to follow the same standards. During the Reporting Period, we revised the *Regulations on Marketing* in accordance with national regulations and guiding standards, making it a foundational management policy for our marketing system.

Hengrui Pharma fully recognizes that the communication of pharmaceutical information has a direct bearing on patient safety and medical decision-making. We consistently embed the principles of responsible marketing throughout the entire process of pharmaceutical information communication and professional academic exchange. We are committed to communicating product information in a scientific, accurate, and transparent manner, strictly regulating our interactions with healthcare professionals, and contributing to the development of a clean, healthy, and well-ordered industry environment.

Product Labeling Management

- We have implemented a closed-loop labeling management system that spans the entire process—from R&D and regulatory registration, through design review, printing, and manufacturing, to post-marketing changes to ensure that labeling information is truthful, accurate, and complete, and to prevent any false or misleading statements.
- We actively advance the development of the drug traceability system and adopt a "one product, one code" approach to enable full traceability of product distribution.

Management of Interactions with Healthcare Professionals

- We implement multi-level review and version control of academic promotional materials by the Medical Affairs Department and the Compliance Department to ensure that all content remains strictly within the scope of approved indications, and we regularly review the compliance of related activities.
- We have formulated and implemented dedicated policies such as the *Compliance Guidelines for Academic Activities* and the *Compliance Guidelines for Medical Research Projects*, clearly defining standards for activity organization and expenses, and strictly prohibiting promotion under the pretext of research, improper transfer of benefits, bribery, inappropriate inducement, and any interference with rational clinical medication use.

Key Measures for Responsible Marketing Management

Responsible Marketing Review

We regularly conduct responsible marketing audits covering business divisions, product lines, and support functions. We continue to strengthen our responsible marketing oversight mechanism. The Audit Center coordinates with relevant functional departments to carry out multidimensional and routine supervision through monthly inspections, compliance reviews of the sales system, special audits, and complaint investigations. We have established a responsible marketing audit task force to promptly drive corrective actions for identified issues, ensure effective closed-loop management, and support the compliant and steady operation of our marketing activities.

Audit Inspections	We carry out risk-based audit inspections and require different functional departments to oversee marketing activities before, during, and after implementation. We also require timely rectification of issues identified through audits to eliminate potential compliance risks.
Special Audits	Based on data analysis and market feedback, special audits are conducted on key concerns and priority projects. A dedicated response mechanism has been established to ensure that all sales and marketing activities are conducted in a lawful and compliant manner.
Complaint/ Whistleblowing Audits	We have established accessible complaint and whistleblower channels. Investigations and audits are promptly initiated in response to reports received, and any violations of rules or disciplinary misconduct are strictly handled.

Types of Responsible Marketing Audits

Responsible Marketing Training

We regularly update our compliance and responsible marketing training plans and require all employees to complete the relevant training. Through a range of formats, including in-person instruction, online learning, mentoring, and themed workshops, combined with case discussions and scenario-based simulations, we strengthen the interactivity and practical value of responsible marketing training. We also actively explore and introduce intelligent tools such as AI-based assessment and coaching to enhance training effectiveness through technology. During the Reporting Period, the responsible marketing training covered 100% of employees, with a total of 796,800 training hours.

Training to Strengthen Responsible Marketing Awareness

- All employees are required to participate in and pass compliance examinations, which are conducted at least once each year.
- We provide communication and training on laws, regulations, and internal policies related to responsible marketing, clearly requiring employees to strictly uphold the principle of integrity in all marketing activities, avoid exaggerated or false promotion, refrain from using illegal means such as commercial bribery in sales activities, avoid misrepresenting products, services, or prices, refrain from making false or misleading statements about competitors' products and services, and protect the Company's trade secrets and customer privacy.

Specialized Responsible Marketing Training for the Marketing System

- All employees in the marketing system are required to participate in and pass relevant assessments.
- During the Reporting Period, we conducted multiple specialized responsible marketing training sessions on topics including the interpretation of marketing conduct standards, guidelines for compliant academic activities, explanations of the compliance credit system, special sessions on strengthening compliant language, guidance on preventing medical insurance fraud, fundamentals of compliance in the pharmaceutical industry with typical case studies, and employees' compliance obligations. In 2025, 486 sales compliance training sessions were conducted within the marketing system, reaching a cumulative total of 31,496 participant attendances.

Types of Responsible Marketing Training

Hengrui Pharma Conducts Responsible Marketing Training for All Employees and the Marketing System

During the Reporting Period, Hengrui Pharma delivered training on the *Regulations on Marketing (2025 Edition)* and conducted compliance assessments for all employees, including those in marketing and functional departments, through a combination of online and in-person formats. The training defined encouraged behaviors, prohibited behaviors, and non-compliant behaviors across three dimensions: internal codes of conduct, standards for interactions with HCPs, GOs, and HCOs, and rules governing external project implementation and collaboration. A total of 10,637 employees participated in the training, and the annual compliance examination pass rate reached 99%.

Improving Customer Satisfaction

Hengrui Pharma consistently embeds the patient-oriented philosophy throughout the entire service journey. By building a systematic customer feedback mechanism and continuously enhancing the service experience, we strengthen the professional capabilities of our service teams while advancing the intelligent and standardized upgrading of service processes. This helps ensure that every interaction reflects a service experience that is professional, caring, and reliable, and continuously deepens customer trust.

We have established a comprehensive customer service management system for receiving and handling internal and external inquiries and complaints related to products and services through multiple communication channels, including the 400 hotline and an adverse reaction complaint email address.

During the Reporting Period, we upgraded the 400 hotline by adding automated answering and voicemail functions to ensure that important calls are not missed at any time. We also strengthened professional training for customer service personnel on product knowledge and adverse reaction reporting procedures, improving the quality of our response.

For complaint handling, we have established a standardized closed-loop process. Upon receiving a complaint, we record the relevant information in detail and carefully verify and confirm all key details. We coordinate with departments such as production and quality control to conduct traceability investigations and identify the root cause of the issue. We then develop targeted corrective actions and provide timely and transparent updates to the complainant on progress. Through refined end-to-end management, we continuously improve service quality and product safety assurance. During the Reporting Period, we did not record any major customer complaints.

Customer satisfaction is a core indicator of service quality and customer experience. To continuously improve service standards, we conduct an annual satisfaction survey and identify areas for service enhancement through systematic analysis of key dimensions, including product portfolio, product quality, product pricing, promotional services, service attitude, sales policies, and delivery timeliness. During the Reporting Period, the overall customer satisfaction rate reached 97%.

Consumer Privacy and Security

Hengrui Pharma strictly complies with the laws, regulations, and normative requirements applicable in the jurisdictions where we operate, including the *Personal Information Protection Law of the People's Republic of China*, the *General Data Protection Regulation (GDPR) of the EU*, and the *Health Insurance Portability and Accountability Act (HIPAA Act) of America*. We have also established privacy and security protection policies such as the *Management System of Trade Secret Carriers (For Trial Implementation)*, the *Personal Data Privacy Protection Policy*, and the *Regulations on Marketing (2025 Edition)*.

We clearly define the infringement of personal information as a compliance red line and strictly prohibit the unlawful collection, use, or disclosure of patients' sensitive information. We strictly follow the principles of data minimization and informed consent in data collection and, through technical and management measures such as publishing privacy terms on our official website and hotline channels, deploying endpoint security platforms, and strengthening access controls, have systematically built a security protection framework covering the full data lifecycle to ensure the security and compliance of personal information processing.

3.3 Practicing Responsible Procurement

Hengrui Pharma is committed to building an efficient, transparent, and responsible supply chain. While ensuring stable supply, we actively integrate sustainable development principles into supplier management and work with our partners to build an efficient, low-carbon, and responsible green supply chain.

3.3.1 Comprehensive Supplier Management

Hengrui Pharma strictly complies with the laws and regulations applicable in its regions of operation. We have incorporated relevant regulations, including the *Medicinal Product Administration Law of the People's Republic of China,* the *Measures for the Administration of Drug Registration,* the *Measures for the Supervision and Administration of Drug Production,* and the *Good Manufacturing Practices for Pharmaceutical Products,* into our supplier management system, and we continue to improve related internal management systems. During the Reporting Period, we formulated the *GMP Service Supplier Admission Management System* and optimized and improved policies such as the *Performance Management System for Clinical Research Service Suppliers* and the *Performance Management System for R&D Customized Material Suppliers,* further enhancing supply chain resilience and quality.

As of the end of the Reporting Period, Hengrui Pharma had a total of 8,700 suppliers. A breakdown by region is shown in the table below.

Distribution	Quantity
East China	5,356
South China	689
Central China	405
North China	1,261
Northwest China	112
Southwest China	670
Northeast China	158
Hong Kong, Macao and Taiwan	8
Overseas	41
Total[14]	8,700

By deploying the Supplier Relationship Management (SRM) system, we have built a digital procurement management platform covering the full procurement lifecycle, including supplier management, sourcing, contracts, orders, delivery, and financial coordination. We use data to optimize procurement decisions and operational efficiency, fostering a transparent, stable, and efficient supply chain management model.

[14]This year, we updated the methodology and statistical criteria for collecting supplier data. Therefore, the total number of suppliers and the number of suppliers by region fluctuated compared with previous years, including qualified suppliers in the Company's SRM system.

Supplier Evaluation and Approval

We have established and implemented supplier management policies tailored to different business scenarios, including the *GMP Material Supplier Approval Management System,* the *Non-GMP Material Supplier Approval Management System,* the *Customized R&D Material Supplier Approval Management System, the Clinical Service Supplier Approval Management System,* and the *Integrated Service Supplier Approval Management System.* These policies standardize the admission principles and criteria for different types of suppliers and continuously improve the efficiency of supplier management.

We systematically identify environmental and social risks across the supply chain through multiple approaches and assess supplier qualifications and capabilities based on ESG-related factors such as innovation and R&D capabilities, technical qualifications, product quality, occupational health and safety, manufacturing safety. and environmental management. Suppliers with serious issues are not admitted, ensuring from the outset that supplier quality and management capabilities meet the Company's requirements.

Integrity Procurement

Hengrui Pharma adheres to a procurement philosophy of openness and transparency and continues to promote greater transparency and accountability in its commercial procurement activities. At the supplier admission stage, we require suppliers to sign the *Commitment Letter for Compliant Operations* and the *Integrity Cooperation Agreement* to strictly control anti-corruption risks across the supply chain. We incorporate integrity clauses into all supplier contracts. If any act of bribery or solicitation is identified, the procurement agreement will be terminated. We also continue to communicate integrity requirements through compliance training and on-site briefings, helping ensure a transparent and fair procurement environment.

No violations of integrity principles were reported within the procurement system during the Reporting Period.

Supplier Assessment and Evaluation

Hengrui Pharma is committed to building a scientific and efficient supplier management system. Through performance evaluation, tiered management, and dynamic risk control, we safeguard the stability, compliance, and resilience of the supply chain.

We have established a multidimensional performance evaluation system covering quality, price, supply, and service. Based on the evaluation results, we classify suppliers into different tiers and apply the results to supplier admission matching, project bidding, and audit support. During the Reporting Period, we improved the supplier directories and classification mechanisms for multiple categories, including clinical, fixed assets, and engineering suppliers. Suppliers with substandard performance or compliance risks were placed on black-gray lists for focused monitoring. We also conducted meetings and training sessions with several key suppliers to drive corrective action and closed-loop management.

Supplier Audit

Hengrui Pharma regards supplier risk management as a core safeguard for supply chain security. In response to potential risks across different stages of the supply chain, we conduct three types of supplier audits based on business stage and risk level: access audits, regular audits, and cause-based audits. These audits ensure full coverage of all major business areas and key material suppliers every three years. To effectively manage ESG risks in the supply chain, we incorporate ESG-related dimensions such as business ethics, production quality, safety, and environmental protection into supplier audits. For issues identified during supplier audits, we apply differentiated management based on their severity. If a serious non-conformity is identified, we will directly terminate cooperation with the supplier or revoke its admission qualification. For general non-conformities, suppliers are required to complete corrective actions within a specified time limit, and the corresponding business department will continue to follow up on and assess the progress and results of rectification until final review is completed.

3.3.2 Implementing Supply Chain Safeguards

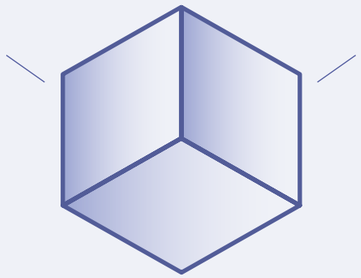
Hengrui Pharma places great importance on supply chain security and stability. Through a quality risk prevention and control mechanism, we conduct rigorous supplier audits and risk assessments, continuously strengthen supply chain resilience, and help safeguard patients' healthcare needs.

Supplier Quality Management

To achieve full-lifecycle supply chain management, Hengrui Pharma has established a management system covering key stages such as supplier admission, process evaluation, and quality review, ensuring supply chain stability and reliable product quality. Based on the impact of materials on product quality, material attributes and risk profiles, we classify suppliers and materials separately into three risk levels and apply differentiated management to enhance supply chain efficiency and resilience.

Access Audit

- Covers all suppliers of critical materials (including Tier 1, Tier 2, Tier 3, and raw material suppliers).
- Suppliers are required to complete a quality audit questionnaire, submit qualification documents, participate in sample testing and pilot production, and undergo a quality audit to ensure their quality management systems meet the Company's operational requirements.



Regular Audit

- Conducted every three years, covering all critical material suppliers (including Tier 1, Tier 2, Tier 3, and raw material suppliers).
- Regular audits cover quality systems, qualifications, and delivery quality to ensure ongoing compliance with regulatory and production standards.
- Suppliers that fail to meet standards are subject to downgrade, freeze, or disqualification based on the severity of the issues identified.

Cause-Based Audit

- Based on complaints related to suppliers and performance evaluation results, selected suppliers undergo cause-based audits, with enhanced communication on key issues to drive quality improvement.

Types of Supplier Quality Audits

Quality Audits of Tier-2 Suppliers

Based on the risk levels of suppliers and materials, as well as quality risk assessments, Hengrui Pharma developed its 2025 supplier audit plan and carried out supplier quality audits accordingly. During the Reporting Period, through multiple approaches including on-site audits and quality audit questionnaires, we completed quality audits for all Tier-2 suppliers and continued to identify supplier issues, provide targeted support, and drive corrective improvements.

Hengrui Pharma has established a systematic mechanism for supplier quality training and capability enhancement. Supplier training is conducted primarily through in-person sessions, supplemented by online training, with a focus on key areas such as strengthening quality management systems, improving process control to enhance the control of foreign matters and microorganisms during production. Based on the risk levels of suppliers and materials, we dynamically adjust training frequency to ensure that training remains targeted and effective.

Based on compliance issues identified through supplier quality audits, we developed annual quality training plans for all high-risk suppliers. For non-compliant suppliers, we conduct three training sessions annually to help them address identified issues and strengthen their management capabilities. During the Reporting Period, we delivered quality training and supplier enablement through multiple formats, including online and in-person training, on-site communication, and written notices, covering more than 700 suppliers in total and continuously supporting the improvement of overall supply chain quality.

Supplier Quality Improvement Training

During a quality audit, an issue involving foreign matter in cleanroom environmental monitoring culture media was identified at a supplier site. We conducted on-site discussions and training with the supplier and guided it in improving environmental control and personnel management in the filling process. After corrective actions were completed, the supplier's quality management system was strengthened, product quality consistently met our standards, and the supplier was reinstated to the qualified supplier list.

Supply Chain Stability

We place great importance on building a sustainable supply chain and continuously work to optimize and maintain its stability. We actively carry out risk identification, mitigation, and emergency response actions to form contingency plans and mitigation control systems to further ensure the efficient operation of the supply chain. Through scientific management measures and timely response mechanisms, we continuously enhance supply chain resilience and flexibility.

Multi-Site Coordinated Production Model

For key products and large-scale production lines, we implement a coordinated manufacturing approach between primary and back-up production sites. In response to market changes and resource allocation needs, we optimize product allocation across manufacturing sites in Lianyungang, Chengdu, Shanghai, Xiamen, Jinan, and Tianjin, reducing single-source supply risks and ensuring supply chain continuity.

Optimizing the Capacity Portfolio Structure

We have developed a three-year capacity plan covering marketed products, new products, and pipeline products under development. Through multidisciplinary process evaluations of product implementation strategies, we optimize product allocation across manufacturing sites. We have also established an in-transit order tracking mechanism and information tracking system for key projects to ensure stable supply chain transportation.

Conducting Cross-Functional Risk Assessments

We break down the full supply chain into demand, procurement, supplier, logistics, and external environment segments to carry out systematic risk identification and mitigation. We comprehensively review material supply risk factors, analyze sole-source and imported materials, and establish a risk material list and exception database to help procurement personnel respond quickly to business issues.

Advancing Dual Supplier Backup Arrangements

We comprehensively review material supply risk factors, with particular attention to risk materials such as government-controlled items, long lead-time materials, sole-source suppliers, and imported materials. We actively conduct sourcing for high-quality suppliers, advance dual supplier backup arrangements, and implement multi-supplier models to ensure that each material has more than two qualified suppliers, effectively diversifying supply risks.

During the Reporting Period, we carried out a dedicated initiative to reduce the number of sole-source suppliers. We introduced at least one new qualified supplier for 33 key materials to replace existing sole-source arrangements, actively advancing supply chain diversification.

04

Growth as the Path, Nurturing a Thriving Talent Ecosystem

Hengrui Pharma regards talents as the most valuable asset and core engine of development. Adhering to the philosophy of "people-centeredness and contributor-first", the Company has systematically built a full-cycle human resource management system covering talent attraction, development, incentive and care around its innovation and globalization strategies. Meanwhile, the Company is committed to creating a diverse, inclusive, safe and healthy working environment for employees, broadening their career growth paths, and laying a solid talent foundation for the sustainable development of the Company while achieving mutual growth between employees and the Company.

Our Actions

- Practicing Diversified Employment
- Empowering Talent Growth
- Safeguarding Employee Wellbeing
- Building a Strong Safety Line

4.1 Practicing Diversified Employment

The Company strictly complies with the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China* and other relevant laws and regulations, and continuously improves its employment management system. We have built a standardized system covering the whole process of recruitment, employment, probation management and job fit, effectively preserving the legitimate rights and interests of all employees. Meanwhile, the Company deeply practices the employment philosophy of diversity, equality and inclusion, strives to build a diversified talent team with reasonable structure, excellent quality and vitality, providing solid talent support for international development and core business breakthroughs, and highlighting the "people- centeredness" core orientation in ESG management.

Main Employer Awards Received by Hengrui Pharma in 2025:

China Outstanding Employer Certification 2025

Top Employers Institute

Aon (Mercer) 2025 China Best ESG Employer

Aon

sHero 2025 sHero Excellence Award for Inclusive Workplace

sHero

51job 2025 College Students' Favorite Employer Brand

51job

Liepin Extraordinary Employer of the Year

Liepin

Zhaopin 2025 China Annual Best Employer Employers with the Most Spirit of New Quality Productive Forces

Zhaopin Ltd.

Global Human Resources Think Tank 2025 Dynamic Employer of the Year

Global Human Resources Think Tank

Global Human Resources Think Tank 2025 Global Annual Pilot Employer

Global Human Resources Think Tank

Moka Best Practice in HR Digitalization 2025

Moka

Kenexa Star Leap Award 2025 Best Practice Award for Digital Transformation Pioneer

Kenexa

"King's Boat" Favorite Talent Employer

Boss Zhipin

CIWEI Most Influential Youth-Friendly Employer Brand

CIWEI

4.1.1 Compliance Employment

Compliance is the core bottom line of employee recruitment and workforce management, and also an important measure for the Company to fulfill social responsibilities in the social dimension of ESG and prevent employment risks. The Company strictly complies with the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China* and other laws and regulations, formulates internal systems such as the *Recruitment and Hiring Management Measures and* the *Employee Handbook,* integrates compliance requirements into the whole process of employment and workforce, improves the employment management system, and ensures that every employment act is legal, standardized and transparent. We firmly prohibit illegal employment practices such as child labor, forced labor and restriction of personal freedom, ensures reasonable working hours, strictly adhere to compliance standards in employment, and oppose all forms of discrimination and harassment.

In case of violations such as child labor or forced labor, the Company will investigate the incident in strict accordance with internal management regulations, impose relevant punishment on responsible personnel, and transfer to local authorities if necessary, so as to mitigate and remedy the impact of relevant incidents in a timely manner and effectively protect the legitimate rights and interests of employees.

In 2025, to improve the quality and efficiency of talent acquisition and further strengthen the compliance and standardized management of the recruitment and employment process, we updated the *Recruitment and Hiring Management Measures.* This measure has systematically restructured the entire recruitment chain, realizing refined end-to-end control from recruitment planning to onboarding. It has updated the interview process and procedural requirements, clearly upgraded the assessment and background check mechanisms, and fully applied AI resume screening and AI video interviews in campus recruitment. These enhancements ensure the standardization, consistency and efficiency of the recruitment process, laying a solid institutional foundation for compliant employment and labor management.

4.1.2 Talent Introduction

Hengrui Pharma regards high-quality talent introduction as a core strategic link driving continuous innovation and development, adhering to the rigorous, standardized and transparent recruitment principles. In strict accordance with the *Recruitment and Hiring Management Measures*, the Company clarifies the performance standards and evaluation criteria for interviewers at all levels. Adhering to the objective, fair and honest selection principles, the Company firmly opposes fraud and favoritism to ensure that talents meet the long-term requirements of the Company's high-quality development.

The Company closely follows the trend of innovative development and global layout in the pharmaceutical industry, and carries out talent inventory and organizational review. Focusing on core areas such as R&D, globalization, manufacturing and quality, it sorts out the current status of talent pipeline. Through campus recruitment, social recruitment, internal referral, overseas talent introduction, "Living Water" program and other channels, we accurately attract outstanding talents. Meanwhile, we improve and deepen the training program for fresh graduates, continuously consolidate the reserve of talent pool and the foundation of talent pipeline, and promote the alignment of the talent reserve with our development strategy.

In the 2025 campus recruitment, Hengrui Pharma further promoted the upgrading of its talent strategy, focusing on management trainee positions and actively introducing high-quality, high-potential graduates from top universities domestic and abroad. On the one hand, the Company increased the introduction of talents from key domestic universities and recruited a group of outstanding talents from renowned institutions of higher education. On the other hand, it specially set up overseas recruitment sessions and went to world-famous universities such as Yale University, Harvard University and Johns Hopkins University to recruit international talents. Through this recruitment, the Company achieved a significant improvement in both the quantity and quality of talent introduction, injected strong impetus into the high-quality development of the enterprise, and further consolidated the strategic foundation in talent and sustainable development.

Annual Campus Recruitment

During the Reporting Period

we provided **700** job positions for the 2025 graduates, of which **7**% held doctoral degrees and **51**% held master's degrees. Compared with 2024, the proportion of doctoral degrees increased by **1**% and the proportion of master's degrees increased by **8**%, indicating a continuous optimization of the talent team's quality.

"Welcome Camp Program" for New Graduates

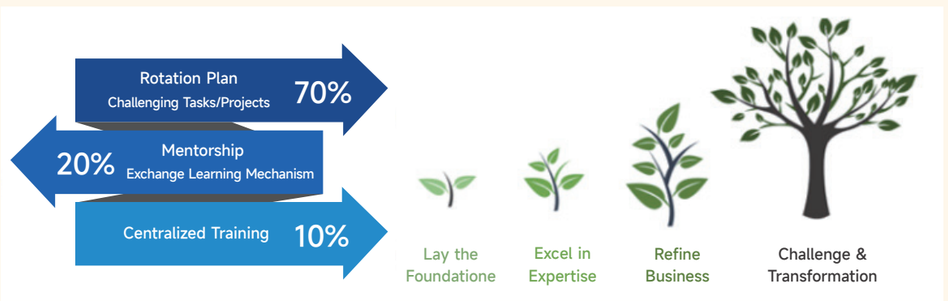
To help newly recruited fresh graduates integrate into the Company quickly and achieve a smooth transition from campus to workplace, the Company launched the "Welcome Camp" program in 2025. This camp covered four major systems: R&D, production, marketing and functions. Through sessions such as corporate culture lectures, sharing by system executives, role transition training and face-to-face communication with senior colleagues, it systematically helped them adapt to the working environment. According to the post-training survey, the overall satisfaction of the participants was 95.59%, and the recognition of the effectiveness in helping with work reached 93.17%, effectively achieving the goals of empowering new employees and accelerating their integration.

"Stellar Program" for Management Trainee

To consolidate the foundation of the talent pipeline, the Company has built the "Stellar Program" for outstanding fresh graduates, constructing a tiered and synchronized development training model. Since the 2023 cohort, the program has expanded its recruitment scale year by year and gradually improved its training plan. The overall training plan is designed based on the principle of 70 (rotation/challenging project experience) - 20 (mentorship, etc.) - 10 (course training). With the core principles of "systematic design for precise empowerment, professional operation to ensure effectiveness, and strategic alignment to inherit culture", combined with the growth maturity and training objectives of each cohort of management trainees, it customizes differentiated curriculum training paths for them, realizing two-way empowerment of cultural inheritance and ability training.

At the same time, a mentor group consisting of growth mentors, post coaches and HR partners is arranged to provide comprehensive guidance from the perspectives of career development guidance, corporate culture integration, professional ability improvement and daily care. Through rotation and challenging project experience, management trainees are enabled to embark on a fast track of career development and ability improvement.

The Company's leaders such as the Chairman and President attach great importance to the management trainee program and regularly listen to reports. HR of each business system organizes forums and exchanges between business leaders and management trainees. The Company's talent development department regularly reports the progress of the management trainee program to the Chairman, President and other leaders, and selects outstanding management trainee representatives to have face-to-face forums and exchanges with the Chairman and President in separate sessions.



4.1.3 Equality and Diversity

Hengrui Pharma is committed to abiding by the Ten Principles of the United Nations Global Compact, respecting and Preserving human rights, strictly complying with compliant employment standards, and opposing all forms of discrimination and harassment. The Company strictly adheres to the *Law of the People's Republic of China on the Protection of Women's Rights and Interests*, the *Law of the People's Republic of China on the Protection of Disabled Persons* and other relevant laws and regulations, integrating the concept of equality, inclusion and diversified employment into all aspects of human resource management, earnestly fulfilling social responsibilities, and safeguarding the legitimate rights and interests of employees from all groups.

Upholding the principles of fairness and equality, the Company explicitly prohibits discrimination against employees or candidates based on non-business-related factors such as race, gender, age, religion, disability, or sexual orientation. It advocates and ensures that all personnel enjoy equal rights and fair treatment in recruitment, employment, salary, training, promotion, and compensation. Meanwhile, the Company firmly believes that diversity, equity and inclusion are the core drivers of innovation, improved decision-making quality, and sustainable development. It continuously optimizes the employee performance management system to ensure its strong alignment with the Company's strategic objectives, facilitating the coordinated development of employee and organizational diversity.

To further foster a diverse and inclusive workplace, the Company continues to improve its governance structure. Authorized by the Board of Directors, the Strategic Committee is fully responsible for the formulation, management, supervision, and implementation of the diversity and inclusion strategy. During the Reporting Period, the Company revised the *Hengrui Pharma Employee Diversity Policy*, further clarifying and setting diversity development goals. We have integrated the promotion and proportion of female employees, as well as the cultivation of cross-cultural talents, into the performance evaluation of senior management personnel, monitored progress in real time through a digital dashboard, conducted dynamic adjustments quarterly, and regularly evaluated the performance and progress of relevant key indicators to steadily advance the diversity and inclusiveness of our workforce.

We have set quantitative targets in recruitment:

- By 2030, raise the proportion of female employees to 45% and continuously support the career development of female employees through women's leadership programs, etc.
- Ensure that interviews for director-level and above positions include at least one female candidate or a candidate with a diverse background.

Diversity Development Goals

Proactively increase the proportion of women in management and promote the long-term goal of gender equality in management positions.

Strive to achieve pay equity between men and women by continuously monitoring four indicators: average gender pay gap, median gender pay gap, average bonus gap, and median bonus gap.

Progress in 2025 Diversity Goals

The proportion of female employees among the total workforce reached 45.6%, an increase of 0.7% from the previous year; the proportion of ethnic minority employees rose to 4%.

Provided 25 fair employment positions for persons with disabilities in 2025.

Foreign employees accounted for 0.43% of the workforce, and employees with overseas education backgrounds accounted for 2.6%, gradually building a more international talent team.

The proportion of employees with prior work experience at foreign enterprises before joining is 14.7%,reflecting our ability to attract outstanding-talent with diverse professional.

We are committed to enhancing employees' awareness of diversity and inclusion by offering annual diversity training through an online learning platform. All employees are required to complete the training and assessment on the *Hengrui Pharma Employee Diversity Policy*. The Company regularly tracks the training completion rate and assessment pass rate to ensure that employees fully understand the principles and policies related to diversity and inclusion.

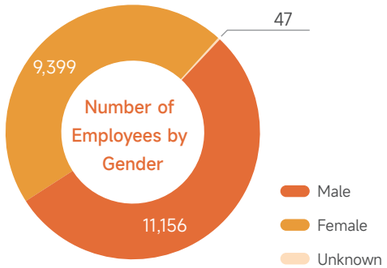
Over the years, we have integrated the concept of diversity, equity and inclusion into all dimensions of human resource management, actively learned from industry best practices, continuously optimized relevant policies, and carried out company-wide promotion and training, making a commitment to society and all employees to build a diverse, inclusive and equal work ecosystem. In 2025, a total of 13,800 employees participated in diversity training, with a cumulative learning time of 6,900 hours.

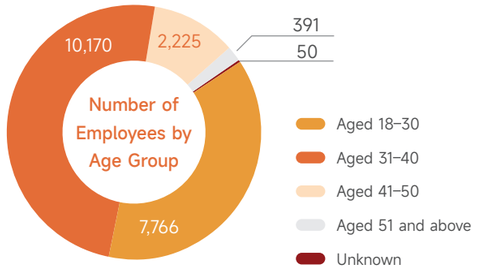
Meanwhile, we provide diversified inclusive facilities for employees in need, such as accessible facilities, breastfeeding, and specialized health checkups for female employees. We also maintain regular communication and interaction with local disabled persons' federations and human resources and social security authorities to support the equal employment rights of persons with disabilities, aiming to build a more integrated workplace where every employee can work healthily and with peace of mind. As of the end of the Reporting Period, the employment status of Hengrui Pharma's employees is as follows:

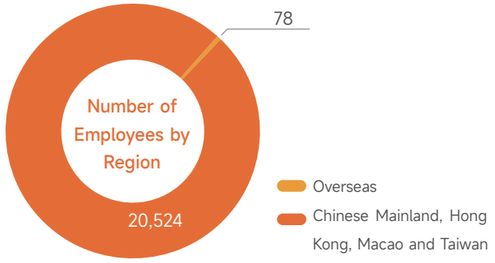
Indicator	Unit	2025
Total Number of Employees[15]	/	20,602
Number of Informal Employees	/	507
Number of Female Employees	/	9,399
Percentage of Female Employees	%	46
Number of Newly Hired Employees	/	4,072
Number of Female Employees in New Hires	/	1,873
Ethnic Minority Employees	/	817
Percentage of Ethnic Minority Employees	%	4
Percentage of Female in the Board	%	18
Number of Executive Management	/	7
Number of Female in Executive Management	/	2
Percentage of Female in Executive Management	%	29
Average Percentage of Women in Executive Management over the Past Three Years	%	23
Number of Managers (Manager level and above)	/	2,365
Number of Female Managers (Manager level and above)	/	829
Percentage of Female Managers (Manager level and above)	%	35
Average Years Employed for Female Employees	Year	5.1
Average Years Employed for Male Employees	Year	6.6

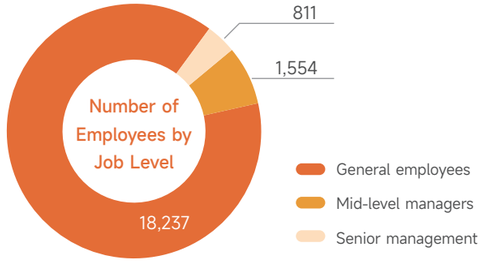
Hengrui Pharma's Employment Status in 2025

[15]The total number of employees disclosed in this report does not include the Informal employees listed in this table.









Number of Employees by Gender, Age, Region and Job Level[16]

Employee Turnover Rate	Unit	2025
Total annual turnover rate	%	8.31
Male employees	%	7.58
Female employees	%	9.22
Employees aged 18-30	%	12.37
Employees aged 31-40	%	6.53
Employees aged 41-50	%	3.28
Employees aged 51 and above	%	3.84
Employees in Chinese Mainland, Hong Kong, Macao and Taiwan	%	8.34
Overseas employees	%	1.28

Employee Turnover Rate by Gender, Age Group and Region

[16]In compliance with the legal requirements of the EU's General Data Protection Regulation (GDPR) and the U.S. Age Discrimination in Employment Act, 47 employees did not provide gender information, and 50 employees did not provide age information.

4.2 Empowering Talent Growth

The Company has always regarded talent growth as the core support for enterprise development. Focusing on the development needs of employees throughout their career lifecycle, it improves the salary incentive system, builds diversified development paths, optimizes the full-staff training mechanism, systematically carries out various talent development work, and creates a talent ecosystem with "strong incentives, broad development space, and solid growth support". It helps employees and the Company grow synergistically, providing solid talent guarantee for the implementation of the Company's strategy.

4.2.1 Remuneration and Incentives

The Company adheres to the salary incentive philosophy of "fairness and justice, value orientation, incentive and empowerment", and builds a salary incentive system composed of fixed income and variable performance for all employees. It closely combines employee performance, work-role value and enterprise development, balancing incentive and security. In 2025, the Company focused on optimizing the pain points of performance management and upgrading the incentive mechanism, effectively implementing the requirements of various performance management systems, fully provoking employees' work enthusiasm and initiative, helping retain core talents and improve capabilities, and promoting the salary incentive system to resonate with the Company's strategic development.

Salary and Incentives	Core Content
Differentiated salary and performance system	Strictly follow the principle of equal pay for equal work for men and women. The salary and performance system consists of fixed income and variable performance. Fixed income guarantees employees' basic rights and interests and is set based on work-role value. Variable performance is linked to personal performance, team contributions and the Company's overall operating results. For different systems such as R&D, production, marketing and functions, differentiated performance appraisal indicators and variable salary calculation models are designed to reflect "more pay for more work and better pay for better performance".
Diversified long-term incentive mechanism	The employee stock ownership plan is continuously implemented in a standardized manner. The new plan in 2025 covers 1,274 core personnel and high-potential talents. The eligibility for stock ownership is closely linked to annual performance and core talent training programs, which further strengthens the accuracy and strategic synergy of incentives, effectively enhances the stability and cohesion of the core team, and injects lasting motivation for the Company's sustainable development. The long-term service award serves as a supplement to recognize employees who have made long-term contributions to the Company's development, strengthening employees' sense of belonging and loyalty.

Salary Incentive Mechanism

Performance Management

To continuously improve organizational efficiency and accurately incentive value contribution, the Company has systematically upgraded its performance management system. Adhering to the principles of "strategic undertaking, differential empowerment and precise incentive", it strives to address the challenges of homogeneous indicators, difficult process tracking and unfocused incentives in traditional performance management, and builds a differentiated goal and assessment mechanism. We implement performance appraisals and feedback mechanism for all employees, aiming to strengthen result application, activate individual potential, and thus drive the efficient achievement of business goals and continuous evolution of organizational capabilities.

Performance System Improvement	A targeted indicator system is designed based on business attributes (R&D, production, marketing, etc.) and position sequences (management, professional, operational roles), aligning all employees' work with the Company's corporate strategy and accurately reflecting the value contribution of each position.
Performance Process Tracking	Through a full-process digital performance management system, we achieve online and standardized goal setting, process tracking and evaluation feedback, and strengthen the monthly dynamic tracking of key systems such as production and quality.
Performance Appraisals and Feedback	We fully advance the application of the 360° interactive feedback evaluation (democratic assessment) system, which covers the annual evaluation of management and is integrated into the promotion assessment process for all management personnel. Multiple sources of feedback are consolidated to provide an objective basis for talent identification and development. Meanwhile, we intensify the regular and structured performance interview mechanism, defining a four-step process of "Review Goals - Analyze Gaps - Formulate Plans - Provide Resource Support". Special training on interview skills is also delivered for newly promoted managers to improve the quality of performance interviews.
Performance Appeal Protection	We have established a performance appeal mechanism featuring "standardized transparency, unobstructed channels, efficient handling and timely feedback", clarifying the allocation of the burden of proof and anti-retaliation protection policies. We ensure that all appeals are responded to within one week and feedback is provided within one month, with no retaliation complaints recorded in 2025.
Performance Result Application	Performance evaluation results are systematically applied to salary incentives, job promotion, bonus distribution and Individual Development Plans (IDP), forming a performance-oriented closed loop of value evaluation and rewards, and continuously stimulating organizational vitality and individual potential.

Performance Management Process of Hengrui Pharma in 2025

4.2.2 Employee Development

Hengrui Pharma regards the continuous growth of employees as the core engine driving enterprise innovation. Focusing on the growth needs of employees throughout their career, it has built a talent development mechanism with "precise planning, clear paths and abundant resources" through forward-looking talent inventory and digital management, diversified university-enterprise cooperation ecology and systematic academic support system. Through a systematic talent development system covering career planning, ability improvement and strategic empowerment, we are committed to comprehensively empowering employees at different stages and in different sequences to achieve professional advancement and value breakthrough, realizing the symbiotic growth of individuals and organizations.

Individual Development Plan (IDP)

The Company attaches great importance to the forward-looking and scientific nature of talent development. In 2025, based on the results of systematic talent inventory, we fully promoted the implementation of the Individual Development Plan (IDP). During the Reporting Period, we have completed the formulation of IDPs for 100% of core personnel and all successor pipeline personnel, and encouraged more employees to participate. To support this strategic work, the Company officially launched the talent inventory and succession information system in November 2025, realizing the full-process digital closed-loop management of IDPs from formulation, quarterly review to term-end evaluation. The system can automatically push pending tasks and provide intelligent IDP generation support for high-potential talents, marking that the Company's talent development management has entered a new stage of data-driven and precise empowerment.

University-Enterprise Collaborative Talent Cultivation

The Company regards university-enterprise cooperation as a key link in its talent strategy and innovation ecosystem. In 2025, we continued to deepen multi-level and multi-form cooperation with key domestic universities and scientific research institutions, systematically built a talent co-development system covering undergraduate, master's and doctoral stages, carried out various characteristic talent training projects, and achieved remarkable results.

Internship and Practice Bases

The Company has established internship and practice bases in cooperation with 50 key domestic universities, including Sun Yat-sen University, Sichuan University, Zhejiang University, Fudan University, Huazhong University of Science and Technology, Ocean University of China, China Pharmaceutical University, Xi'an Jiaotong University, Lanzhou University, Shenyang Pharmaceutical University, Anhui Medical University, and Nanjing Tech University. It provides students with real enterprise environments and project practice opportunities, effectively improving students' application capabilities and career adaptability, realizing a seamless connection from theory to practice, and transporting reserve talents with practical capabilities for the industry and the Company.

Professional Master's Joint Training Program

The Company carries out professional master's joint training programs with Ocean University of China and China Pharmaceutical University, orienting the training of more than 15 master's students every year. Adopting the school-enterprise dual tutor system and joint research model, students can significantly improve their comprehensive professional capabilities and work position competence in the process of solving actual industrial problems, realizing the precise connection between university-enterprise talent training and the Company's needs.

Undergraduate Customized Training Program

The Company cooperates with Anhui Medical University, Guangdong Pharmaceutical University, and Jiangxi University of Traditional Chinese Medicine to offer courses and carry out customized talent training at the undergraduate stage, with a training scale of more than 200 people every year. Through the combination of curriculum co-construction, enterprise tutor teaching and practical teaching, it focuses on developing outstanding reserve talents meeting the development needs of the industry and the Company in advance, laying a solid foundation for talent reserve.

On-the-Job Further Education System

In accordance with the *Interim Measures for Employee Education Management of Jiangsu Hengrui Pharmaceuticals Co., Ltd.,* the Company has built a sound support mechanism for employees' on-the-job academic and non-academic further education for all employees (including full-time, part-time and temporary employees). In 2025, we continued to provide systematic on-the-job master's course learning opportunities for eligible employees, covering three core business systems of R&D, production and sales through the 2025 Postgraduate Certificate Program for Students with Equivalent Academic Qualifications (Hengrui Pharma Targeted Training Class) of China Pharmaceutical University. Meanwhile, the talent selection for the second phase of the Xi'an Jiaotong-Liverpool University Doctoral Joint Training Program was launched in 2025, covering the doctoral academic further education needs of outstanding master's degree employees in the R&D system. The on-the-job further education system aims to help core personnel in the R&D and technical systems achieve synchronized advancement of professional academic qualifications and capabilities.

The Company not only guarantees employees' learning rights through systems, but also provides substantial support in resources, encouraging employees to deeply integrate their personal academic growth with career development, actively creating an organizational atmosphere advocating learning and pursuing excellence, and providing continuous motivation for employees' lifelong learning and enterprise knowledge update.

4.2.3 Employee Training

Hengrui Pharma regards the systematic improvement of employees' capabilities as the core engine driving organizational evolution and strategic implementation. We are committed to building an online-offline integrated, full-staff and full-cycle learning ecosystem. In 2025, focusing on three pillars: strengthening the compliance bottom line, deepening general and professional capabilities, and forging leadership pipeline, we have comprehensively upgraded the training system through mechanism innovation, digital delivery and practical transformation, aiming to empower employees' growth and provide sustainable talent support for the Company's innovative development, organizational evolution and strategic support.

Compliance Training

- We fully upgraded the online immersive training program "New Employees' Must-Knows in the First Month", achieving 100% coverage of new employees. The curriculum deeply integrates codes of conduct, industry regulations and typical cases.
- We regularly organize compliance knowledge enhancement learning and assessments for all employees to continuously consolidate the cultural atmosphere of "everyone abides by rules and everything is compliant", laying a solid foundation for the Company's steady operation.

General Skills Training

- We continue to operate brand projects such as "Voice of the Frontline – Live Sharing by Business Experts".
- Training is conducted through flexible formats including micro-courses and workshops, focusing on practical themes such as effective communication, cross-departmental collaboration, advanced application of office software and structured problem-solving. Follow-up surveys show that participating employees have achieved significant improvements in self-efficacy and team collaboration smoothness.

Professional Skills Training

- We deepen the "Chief Learning Officer (CLO)" mechanism. Responsible persons of 25 core business units accurately diagnose competency gaps based on job competency models, and lead the development of customized learning programs and internal trainer systems closely related to business needs. The clinical R&D system launched 15 customized courses, with the highest number of participants in a single course reaching 1,478; the production and quality system developed and launched over 70 professional micro-courses, effectively fostering a culture of in-depth learning and quality awareness.
- Through the "Science Lecture Hall" platform, we invite business experts to share cutting-edge topics such as "Validation and Automation Transformation Under Pharma 4.0".
- We promote the "Boundless Micro-Power" digital micro-course to precisely empower frontline positions, mobilizing nearly 10,000 participants throughout the year, realizing the transformation from standardized "supply" to business-oriented "precision empowerment".

The Company implements a "tiered, precise and scenario-based" leadership development system for managers at all levels and ordinary employees. Meanwhile, combining the model of "in-depth forging through key projects" and "extensive nourishment through online systems", we provide learning resources covering themes such as self-management, team management and leadership thinking through the Ruixue Platform (for all employees) and LinkedIn Platform (for targeted groups), systematically improving the leadership effectiveness of managers at different levels and laying a solid foundation for the Company's talent leadership pipeline.

Training Object	Training Content	2025 Achievements
Ordinary employees	• Open online leadership training courses; outstanding ordinary employees can participate in special leadership improvement programs such as the "Ruiying Plan" to accelerate career growth.	• Provide equal career development support for all employees, creating an organizational atmosphere of equal growth and pursuit of excellence.
Newly promoted managers	• Launch the "Newly Promoted Managers Boot Camp", with courses such as "Role Cognition and Leadership Essentials" and "Performance Coaching", supplemented by a multi-party collaborative coaching model.	• Cover 66 newly promoted directors and 249 newly promoted managers, accelerating their transformation into qualified managers.
High-potential talents	• Introduce high-end courses such as "4-D Excellence Team Leadership", design a full-link learning model of standard-selection-training-application for high-potential talents; • Adopt the "action learning" model to carry out six-month practical research around 11 real strategic topics of the Company.	• Cover 234 high-potential managers and 144 high-potential directors; the overall project evaluation score reached 4.86 out of 5; directly output a number of business-influential solutions.
Core executives	• Hold the "2025 Hengrui Leadership Summit", inviting external enterprise executives and field experts to discuss innovation, digitalization, globalization and leadership; • Introduce excellent executive coaches from external institutions to carry out the "one-on-one executive management coaching" program; • Cooperate with Fudan Business School to carry out training on organizational management capability improvement.	• Infuse cutting-edge insights and strategic vision into the core management team; systematically improve the leadership effectiveness and organizational management capabilities of the core team through precise empowerment and specialized training on organizational management.

Leadership Training Conducted by Hengrui Pharma in 2025

Training on Organizational Management Capability Improvement for Executives in Cooperation with Fudan University

In July 2025, we carried out training on organizational management capability improvement in cooperation with Fudan Business School. Nearly 70 executives and core management personnel of the Company participated in the meeting, enhancing their understanding of organizational management theories and applications.

During the Reporting Period

Hengrui Pharma's various general ability, professional ability and leadership training systems have covered all employees including formal employees, part-time employees and outsourced employees, with an employee coverage rate of **100**%. The total training duration amounted to **1,520,640** hours, with an average of **73.81** training hours per employee. Meanwhile, by promoting the normalization of platform learning, we organized **1,740** online learning and assessment sessions throughout the year, with a total learning time of **173,233** hours, covering **21,106** person-times.

Average Training Hours per Employee	Unit	2025
Female employees	Hours	71.91
Male employees	Hours	75.72
Management	Hours	217.28
General employees	Hours	55.20

Average Training Hours per Employee by Gender and Employee Category

Percentage of Trained Employees	Unit	2025
Female employees	%	47.14
Male employees	%	52.86
Management	%	21.66
General employees	%	78.34

Percentage of Trained Employees by Gender and Employee Category

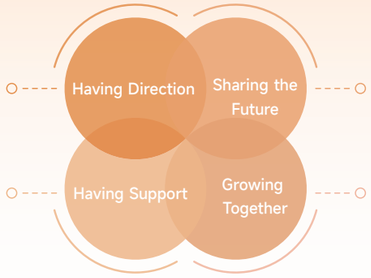
4.2.4 Employee Value Proposition (EVP)

To further gather talent consensus, enhance organizational attractiveness and employee experience, Hengrui Pharma officially launched the Employee Value Proposition (EVP) system — "Shining Together". Centering on the Company's development strategy and employees' growth needs, it systematically sorts out the development opportunities, working environment and value returns provided by the enterprise for employees, and clarifies the common goals and development vision between the enterprise and employees.

With the core philosophy of "Having Direction, Sharing the Future, Having Support, Growing Together", EVP comprehensively elaborates the development environment created by the Company for employees from the dimensions of career development, innovation platform, organizational support and growth opportunities:

Relying on the Company's clear innovation and globalization strategy, provide employees with a clear development direction and a broad career stage.

Provide employees with sufficient authorization and development support through a professional management team and an open and collaborative organizational atmosphere.



Encourage employees to deeply participate in innovative drug R&D and global layout, and jointly promote the development of the enterprise and the industry.

Build diversified career development paths to promote the mutual promotion of employees' personal growth and the long-term development of the enterprise.

Through the release and implementation of EVP, the Company further strengthens the construction of talent attraction and employee development systems, continuously builds an open, inclusive and innovative talent development ecosystem, and helps the long-term sustainable development of the enterprise.

4.3 Safeguarding Employee Wellbeing

Hengrui Pharma firmly believes that employees' sense of happiness and belonging is the source of organizational health and vitality. We are committed to building a comprehensive, multi-level and warm employee care system. By optimizing communication channels, improving welfare protection, enriching cultural life and focusing on mental health, we comprehensively support employees' work-life balance and continuously improve their workplace experience and organizational identity.

4.3.1 Employee Communication

Hengrui Pharma strictly complies with the *Labor Law of the People's Republic of China,* the *Regulations on Labor Security Supervision,* the *Constitution of All-China Federation of Trade Unions,* the *Trade Union Law of the People's Republic of China,* the *Special Provisions on Labor Protection for Female Employees* and other laws and regulations, putting the protection of employees' legitimate rights and interests and the construction of harmonious labor relations in the first place. We have established a communication and rights protection system composed of Party-mass trade unions, workers' congresses, diversified appeal channels and professional mediation mechanisms, ensuring that every employee's voice is heard and their demands are handled fairly and timely.

Hengrui Pharma continuously improves the Party-mass trade union system and consolidates the foundation for diversified employee communication and appeals. To further improve the fairness, professionalism and efficiency of appeal handling, the Company further implements the "People's Mediation Committee" system, driven by both the organizational system and the professional mediation mechanism, to ensure smooth communication and professional disposal, and is committed to maintaining a harmonious and stable labor relationship.

Party-Mass Trade Union

A group-wide Party-mass Trade Union has been established to safeguard the representative rights and interests of various groups including workers, technical personnel, managers and female employees. It serves as a communication bridge between the Company and employees, promptly collecting employee demands and conveying the Company's development philosophy.

Mediation Committee

Composed of trade union representatives, legal advisors and external experts, it independently handles complex disputes and cross-departmental conflicts, ensuring that employees' demands are objectively, fairly and timely responded to and resolved.

Employee Communication and Rights Protection System

In 2025, taking the *Employee Feedback and Complaint Management System of Hengrui Pharma* as the core, combined with the *Performance Management Measures for Non-Marketing Systems(Trial)* and the revised requirements of the *Labor Law of the People's Republic of China* and internal management practices, the Company systematically optimized the policies, channels, mechanisms and processes related to employee appeals, further clarifying the scope of appeal acceptance, confidentiality principles, processing time limits and rights protection requirements, and building an appeal management system with "standardized transparency, smooth channels, efficient processing and timely feedback", continuously safeguarding employees' legitimate rights and interests.

In terms of policy updates, the Company focused on two cores: the distribution of burden of proof and the anti-retaliation protection mechanism, strengthening compliance and the protection of employees' rights and interests.

Policy Optimization Direction	Specific Implementation Content	Implementation Effect
Distribution of burden of proof	Follow the principle of "who claims, who proves" combined with "supplementary proof by management", clarify the requirements for proof materials of both employees and management, and the party who fails to provide effective proof shall bear corresponding responsibilities.	Ensure the fairness and rigor of appeal handling.
Anti-retaliation protection mechanism	Explicitly prohibit retaliation against appealing employees in assessments, promotions and salary adjustments, and incorporate anti-retaliation commitments into managers' code of conduct. The Human Resources Department conducts a 6-month follow-up monitoring on the subsequent career development of appealing employees.	No retaliation complaints occurred in 2025, effectively safeguarding the legitimate rights and interests of appealing employees.

To ensure that all employees can easily access and use relevant communication and appeal channels, we have built a barrier-free appeal network. For different types of appeal matters, the Company clarifies differentiated handling processes to ensure accurate and efficient appeal handling.

Type of Appeals	Appeal Channels and Procedures
Personal Rights	**Appeal Procedures** Employees can report and appeal against incidents of personal rights infringement such as harassment and unequal treatment. Hengrui Pharma has established a special organization to collect information, investigate, research, resolve and mediate the reported incidents. **Appeal Channel** Internal office platform: Set up a complaint module open to all employees.
Company Services	**Appeal Procedures** Employees can put forward opinions and suggestions on the Company's logistics services. Hengrui Pharma attaches importance to employees' real needs and feedback in terms of company services and assigns special personnel to follow up and resolve them. **Appeal Channels** President's mailbox.
Performance Appeal	The *Company's Performance Management Measures for Non-Marketing Systems (Trial)* stipulates that employees can appeal against doubts related to performance evaluation results. **Appeal Procedures** If an employee has doubts about the performance result, he/she can file a written appeal and fill in the *Performance Appeal Form,* which includes: appellant's name, department, appeal matter, appeal reason, etc. The employee must first submit the appeal to the direct supervisor, who will conduct an investigation after acceptance. If the employee and the supervisor fail to reach a consensus on the investigation result, the Human Resources Department may take the lead in organizing a further investigation as a third party, and the final verification will be conducted by the performance appraisal team, and the result will be delivered back to the employee.
Attendance Appeal	According to the *Attendance Management System of Jiangsu Hengrui Pharmaceuticals Co., Ltd. (Trial),* employees are entitled to file complaints regarding irregularities in attendance records. **Appeal Procedures** The appeals raised by employees regarding abnormal attendance records will be verified and handled by the Human Resources Department. For abnormal situations that are not caused by employees, they will be regarded as normal attendance.

4.3.2 Employee Welfare

Hengrui Pharma is committed to building a diversified non-salary welfare system that fully guarantees statutory welfare rights and deeply cares for individual needs. Excellent welfare is not only the key to attracting and retaining talents, but also the core embodiment of practicing the "people-oriented" values and improving employees' sense of happiness and organizational cohesion. In 2025, on the basis of continuously consolidating statutory welfare, the Company focused on optimizing the diversity, accuracy and inclusiveness of non-salary welfare, and launched a series of rich cultural care activities, comprehensively supporting employees' work-life balance and physical and mental health.

Statutory Welfare Guarantee

The Company strictly complies with the laws and regulations of the regions where it operates globally, respects labor rights and interests, ensures that all employees enjoy statutory welfare in accordance with the law, achieves full coverage of statutory welfare and full and compliant contributions, and provides a solid statutory welfare guarantee for all employees.

Statutory Welfare

Leave Benefits

The Company strictly implements the provisions on statutory leave, providing employees with various types of leave such as statutory holidays, marriage and funeral leave, maternity leave, parental leave, paternity leave, sick leave and annual leave to support employees in balancing work and family responsibilities. Leave can be applied through online channels, with a convenient and efficient process, effectively safeguarding employees' right to rest and vacation. At present, all employees of Hengrui Pharma in all operating locations are entitled to paid parental leave, paternity leave and nursing leave in accordance with the applicable laws and regulations of the operating location.

Social Insurance and Housing Provident Fund

For employees in Chinese Mainland, the Company continues to ensure 100% full coverage and full payment of social insurance (basic endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance) and housing provident fund, without any underpayment or arrears. For overseas employees, we strictly pay local statutory welfare in full in accordance with the policies of the country and region where they are located, such as paying 401K plans for U.S. employees and Super insurance plans for Australian employees, realizing the compliant implementation of statutory welfare for global employees.

Non-Statutory Welfare Categories

In 2025, the Company focused on enriching the diversity and pertinence of non-statutory welfare, breaking through the traditional welfare model, focusing on employees' health protection, family care, daily convenience and personalized needs, realizing the transformation of welfare from "general benefit" to "precision", covering all employees (including full-time, part-time, contract workers and interns, etc.), making employees feel comprehensive and in-depth care.

Non-Statutory Welfare

Welfare Types	Core Welfare Content and Effects
Medical and Health Protection	**Commercial Medical Insurance** Continue to provide supplementary commercial medical insurance for employees and their families, covering medical expenses such as hospitalization and outpatient services. Among them, employees in Lianyungang can enjoy Zijin Commercial Insurance (including outpatient and hospitalization claims for children), and other regions provide relevant insurance adapted to the local market, effectively sharing the medical pressure of employees' families and reflecting human-centered management. **Executive Medical Welfare** Provide industry-leading welfare such as customized medical insurance, pregnancy and maternity insurance, health checkup insurance, dental and vision insurance for senior management personnel. **Annual Health Checkup** Provide regular health checkups for all employees to pay attention to their health status. **Value-Added Health Services** Added value-added health services such as professional psychological counseling, graphic consultation, dietitian and sports consultation in 2025 to accurately match employees' personalized health needs.
Subsidies and Daily Life Care	**Workplace Convenience Care** Introduced the Company's own Rui Coffee store in the canteen of Shanghai Shengdi in 2025 as an employee "vitality supply station", creating a social space for informal communication between colleagues and improving employees' immediate sense of happiness. **Canteen Upgrade and Optimization** Shanghai Hengrui has newly established an employee canteen that prioritizes food safety and balanced nutrition, with a “wish wall” and “suggestion book” to keep listening to employee needs. Canteens in all regions have set up “low-oil, low-salt” sections to cater to the healthy dining needs of employees with chronic conditions, fitness enthusiasts and other groups. **Subsidy Guarantee** Continue general living subsidies such as rental, transportation and catering, and set up enterprise service funds to support employees' career development and special life needs, effectively alleviating employees' life pressure.

Welfare Types	Core Welfare Content and Effects
Culture and Team Building	**Employee Team Building and Interest Associations** Regularly organize various team building activities to promote communication and cooperation among employees, and encourage employees to participate in interest associations to enrich their leisure time, strengthen communication and cooperation among employees, and enhance team cohesion. **Festival Care** During important festivals, hold festival activities and issue festival gifts to convey corporate warmth, deepen employees' sense of identity and belonging to the enterprise, and create a positive and harmonious team atmosphere.
Family Care	**Extension of Commercial Insurance to Families** In 2025, the commercial insurance welfare was extended to employees' children to provide more comprehensive health protection for employees' families. Among them, Lianyungang region provides universal standardized welfare, and other regions adapt to coverage according to local conditions, and realize the normalization of annual renewal, further enhancing employees' sense of corporate identity and loyalty. **Parental Support** In addition to statutory parental leave, the Company provides family care support to help employees balance work and family responsibilities and ease their family-related concerns.
Personalized Welfare	**Intern Welfare** Provide internship subsidies, mentorship mechanism and career development support. **Contract Worker Welfare** Provide commercial medical insurance and living subsidies to ensure basic living needs. **Remote Work Support** Provide equipment subsidies and home office allowances for employees who need to work remotely due to the nature of their positions. **Health Lectures** Regularly carry out employee care lectures and health information sharing in various regions to help employees improve their health management capabilities.

Featured Welfare Activities

In 2025, the Company continued the tradition of holiday care and cultural and sports activities, holding a number of welfare activities covering festival celebrations, cultural and sports competitions, female care and other dimensions, enriching employees' spare time, promoting communication and cooperation among employees, creating a positive, warm and harmonious organizational atmosphere, and further enhancing the Company's cohesion and sense of shared purpose.

"Golden Snake Brings Auspiciousness, Garden Party Celebrates the Spring Festival" Spring Festival Garden Party

On January 20, 2025, a New Year garden party was held to celebrate the upcoming Spring Festival. The event was organized by the company's Trade Union and the Youth League Committee, and took place simultaneously at the factory in Jinqiao Road, Dapu Industrial Area, the factory in Dongjin Road, Lingang Production Area and the canteen in Development Zone canteen of Hengrui Pharma. This New Year Garden Party engaged employees from all branch companies in the Lianyungang, extending festive blessings, enriching their lives ahead of the holiday, and strengthening their sense of corporate identity and team cohesion.

"Golden Snake Brings Auspiciousness, Garden Party Celebrates the Spring Festival" 2025 Spring Festival Garden Party

Lantern Festival Garden Party

Sponsored by the Company's Trade Union and co-hosted by Bank of China Lianyungang Economic and Technological Development Zone Sub-branch, a Lantern Festival garden party was held at the Development Zone canteen on February 11, 2025. With traditional Lantern Festival culture as the core, it held garden party activities to convey festival blessings. This activity covered all employees in the Development Zone, enriched employees' festival life, inherited traditional culture, promoted communication among employees, and created a warm festival atmosphere.

2025 Lantern Festival Garden Party

"Women's Elegance, Enjoying the Spring Light" Hengrui Pharma Female Employees' Fun Sports Meeting

Sponsored by the Company's Party Committee and Trade Union, An female employees' Fun Sports Meeting was held at Yueya Island on March 7, 2025. It featured distinctive competitive activities, focusing on female employee care, showing the graceful demeanor of female employees in the new era. More than 400 female employees participated in this sports meeting, demonstrating the demeanor of female employees, conveying the Company's exclusive care for female employees, and enhancing female employees' sense of belonging and happiness.

"Women's Elegance, Enjoying the Spring Light" 2025 Hengrui Pharma Female Employees' Fun Sports Meeting

"Fragrant Zongzi, Happy Dragon Boat Festival" Dragon Boat Festival Theme Series Activities

The two-day Dragon Boat Festival celebration series activities was organized by the Company's Trade Union and held at the staff cafeteria in Lianyungang. Taking an immersive garden party as the form, the event featured a wide variety of hands-on DIY activities, allowing employees to experience the traditional cultural heritage of the Dragon Boat Festival. Covering all employees in Lianyungang, this series of activities inherits traditional culture, enriches employees' festive life, facilitates communication and interaction among colleagues, and fosters a harmonious team atmosphere.

"Fragrant Zongzi, Happy Dragon Boat Festival" 2025 Dragon Boat Festival Theme Series Activities

"Moon Shines on Hengrui, Blessings Fill the Golden Autumn" Mid-Autumn Festival Garden Party

Co-sponsored by Hengrui Pharma's Trade Union, Youth League Committee and Joint Procurement Center, A Mid-Autumn Festival garden party was held simultaneously at the Administrative R&D Center, the canteen of Formulation Department II, and the canteen of Active Pharmaceutical Ingredients (API) Department III on September 26, 2025. The theme garden party centered on Mid-Autumn Festival culture conveyed festival care. Covering employees of all systems, this event brought employees an immersive Mid-Autumn Festival experience, enriched their spare time, conveyed corporate warmth, and enhanced employees' sense of festival belonging and team cohesion.

"Moon Shines on Hengrui, Blessings Fill the Golden Autumn" 2025 Mid-Autumn Festival Garden Party

4.3.3 Employee Engagement

Hengrui Pharma has always regarded employee engagement as a core indicator measuring organizational health, gathering talent strength and promoting the sustainable development of the enterprise. To build a high-engagement and high-performance excellent workplace, the Company launched an important reform on the basis of previous employee engagement surveys, changing the employee engagement survey from an internally conducted initiative to be managed and implemented by an external professional third-party agency. realizing the comprehensive improvement of the professionalism, objectivity and industry benchmarking ability of the survey. Meanwhile, through conducting surveys twice a year and accurately implementing improvement measures, we aim to continuously promote the steady improvement of employee engagement and satisfaction.

Core Overview of 2025 Employee Engagement Survey

Survey Model	Survey Frequency and Method	Two Core Dimensions	Core Results
Entrusted to external professional third-party institutions for implementation, replacing the previous internal independent survey; the scoring method was upgraded from 5-point scale to 100-point scale.	Twice a year: mid-year survey using random sampling in May and year-end survey covering all on-the-job employees in December.	Engagement includes five sub-dimensions: confidence, achievement, pride, effort and recommendation. Satisfaction includes five sub-dimensions: good direction, good work, good culture, good leadership and good return.	The mid-year survey recorded engagement at 77.8 points and satisfaction at 74.2 points. The year-end survey showed engagement at 82.1 points (an increase of 4.3 points) and satisfaction at 78.1 points (an increase of 3.9 points), reflecting an overall steady upward trend.

Based on the in-depth analysis of the survey results, to further improve employee engagement and meet employees' needs, Hengrui Pharma systematically identified areas for improvement continuously optimized and implemented a series of improvement measures.

Employee Engagement Improvement Measures

Group Projects

- Launched 10 group-level engagement improvement projects covering the whole company to solve common problems.

Organizational System

- Each business and management system formulated 114 specific improvement action plans according to its own characteristics.

Key Talent Development Initiatives

- Implemented the management trainee rotation project.
- Held the Organizational Leadership Summit and Navigator Empowerment Workshop.
- Designed and launched digital learning journeys covering marketing and non-marketing personnel.
- Introduced LinkedIn learning resources to cooperate with the launch of the learning system.
- Continuously held Science Lectures.
- Completed the integration of digital learning resources and system launch.

Key Culture and Communication Initiatives

- Designed and implemented the employee portal experience platform, establishing a real-name feedback mechanism.
- Optimized the new employee onboarding journey.
- Held activities such as Pioneer Culture Month, reading sharing sessions and Navigator Dialogues.
- Launched mission, vision and values visual materials and promoted them through multiple channels across the company.

Comprehensive Remuneration

- Optimized the salary management system and improved the service quality of commercial insurance and physical examination projects.

Change Management

- Collected feedback through employee interviews and questionnaires to ensure employees' participation in company changes, and communicated with management multiple times to ensure the smooth progress of changes.

4.4 Building a Strong Safety Line

Hengrui Pharma regards employee's health and safety as a cornerstone of sustainable development. Guided by the principle of "safety first, prevention-oriented, and comprehensive management," the Company continues to enhance its safety management system, strengthen risk control, and foster a strong safety culture, while strictly complying with applicable laws and regulations to effectively safeguard employees' health. In 2025, through institutional optimization, assessment upgrading, facility improvements, and full employee engagement, Hengrui Pharma further consolidated the foundations of health and safety management, providing robust support for stable and orderly production and operations.

4.4.1 Safety Production

We strictly comply with the *Law of the People's Republic of China on Work Safety* and other laws and regulations, and continuously improve the internal management system. In 2025, we newly issued 14 unified EHS (Environment, Health and Safety) policies at the group level, covering safety, environment, energy and supplier management, aiming to improve the standardization, normalization and internationalization of management across the group. Core internal management regulations include *Measures for the Management of Production Safety Accidents, Procedures for Hazard Identification, Risk Assessment and Risk Control, Occupational Health Management System, Contractor Health and Safety Plan, etc.,* forming a complete and systematic safety management operation mechanism.

We have established a sound safety management structure with the Work Safety Committee making overall decisions and units at all levels implementing specific measures, and strictly implementing the work safety responsibility system. In 2025, we officially incorporated the safety operation dimension into the performance indicator assessment system for senior management and core management personnel, consolidated safety responsibilities in a quantitative manner, and promoting the in-depth transformation of ESG concepts from strategy to management practice.

To further improve the effectiveness of the system operation, the Company organized EHS internal audits for all production bases, systematically evaluated the compliance and effectiveness of the system operation, identified improvement opportunities and promoted closed-loop rectification, continuously consolidating the foundation of safety management. Centering on the core goals of safe operation, the Company quantified assessment indicators and strictly promoted the implementation of targets. During the Reporting Period, no major work safety accidents occurred at Hengrui Pharma, and the number of working days lost due to work-related injuries was 359 ; the number and rate of work-related fatalities over the past three years were both 0.

2025 Work Safety Target Achievement Table

2025 Target	2025 Target Achievement	2026 Target
No major safety or environmental accidents affecting production and operation throughout the year	Achieved	Same as 2025
No serious injuries, fatalities, major fires/explosions, or major equipment failures	Achieved	
Full-year minor injury rate ≤ 5‰, occupational disease incidence rate = 0	Achieved	
100% rectification rate of major hidden dangers	Achieved	
100% participation rate of employees in work safety education and training, 100% certification rate for special operations	Achieved	

We terms of supplier EHS management, the Company maintained the frequency of conducting EHS audits on suppliers every 3 years. In 2025, it newly launched on-site EHS audits for all new suppliers, initially screening out 17 suppliers that did not meet the requirements through qualification review; the audit focused on compliance aspects such as environmental qualifications, sewage discharge permits, pollutant disposal and safety management. No major violations were found throughout the year, and suppliers were urged to rectify minor problems identified within a time limit, forming a closed-loop management, and promoting the safe, compliant and sustainable development of the supply chain.

To create a strong atmosphere of "everyone talks about safety, everything is for safety, always thinks about safety, and everywhere needs safety", we adhere to the concept of "full participation, collective advancement". In 2025, we started with mechanism construction, formulated annual emergency drill plans and safety training plans, clarifying key scenarios, training objects and assessment requirements, ensuring that the building of safety culture is organized and carried out in an orderly manner. We promote the cultivation of safety culture through various carriers such as emergency drills, safety training, safety culture and publicity activities, strengthen the safety awareness of all employees, and improve risk prevention and emergency response capabilities.

Emergency Drills

Focus on key scenarios such as fire evacuation, hazardous chemical leaks, confined space operations, special equipment accidents and radiation accidents, and carry out multi-dimensional and multi-level emergency drills in an orderly manner.

A total of 331 emergency drills were carried out during the Reporting Period, effectively improving employees' emergency response skills and collaborative capabilities.

Safety Training

Covering key areas such as occupational health protection, hazardous chemical management, special equipment operation, radiation safety, and emergency response, we conduct regular specialized training, assessments, and review sessions, while integrating new EHS policies and ESG safety assessment requirements into the training system.

In 2025, the total duration of employee health and safety training reached 191,804.85 hours, and the total duration of contractor health and safety training accumulated 2,746.33 hours. The coverage rate of health and safety training for employees and contractors reached 100%, and the certification rate for special operations personnel remained 100%.

Safety Culture Activities and Publicity

Regularly organize "Work Safety Month" activities. Strengthen the penetration of safety culture through forms such as accident case warning education, safety knowledge competitions, safety skills competitions and hidden danger investigation competitions.

We conduct daily awareness initiatives through multiple channels, deploying safety warning signs and safety culture posters in production workshops, meeting rooms, and break areas. We also disseminate safety knowledge, accident case studies, and emergency response techniques via internal office platforms. Regular safety-themed meetings and specialized lectures are organized to integrate centralized activities with routine awareness efforts. This continuous approach strengthens all employees' awareness of safety red lines and encourages their active participation in safety management and potential hazard identification.

Safety Culture Building Activities

Safety Emergency Drills

4.4.2 Occupational Health

We always give priority to employees' occupational health, strictly follow the requirements of *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and other laws and regulations, and build a full-process employee health protection system based on the *Occupational Health Management System*. The Company has obtained ISO 45001 Occupational Health and Safety Management System certification, continuously leading the improvement of occupational health management with international standards. We have effectively built a strong line of defense for employees' health and safety through systematic management measures.

Occupational Health Checkups

Organize pre-service, in-service and post-service occupational health checkups for employees exposed to occupational hazards, timely feedback results and take targeted intervention measures.

Hazard Identification and Monitoring

Fully identify occupational hazard locations and hazard factors, standardize the allocation and issuance management of labor protection supplies, improve the setting of warning signs, engage third parties to regularly carry out occupational disease hazard factor testing and inform employees of the results in writing.

Occupational Health Management Dimension

Occupational Health Files

Establish and dynamically update employees' occupational health monitoring files in accordance with the requirement of "one file per employee", ensuring traceable and closed-loop management.

Special Business Management (Nuclear Medicine)

Strictly implement national radiation safety regulations, conduct special physical examinations, pre-service assessments, regular training, personal dose monitoring and full-cycle health monitoring for radioactive workers; implement strict zoning management and physical protection for radiation workplaces, and regularly carry out radiation accident emergency drills.

In terms of the building of occupational health culture, we integrate health protection principles into daily management scenarios. Taking the opportunity of "Work Safety Month" and "Occupational Health Publicity and Education Week", we organize activities such as occupational disease prevention knowledge competitions, health lectures, demonstrations on the correct wearing of protective equipment, and selection of excellent health teams, promoting employees to actively pay attention to occupational health risks and master scientific protection approaches. We set up occupational hazard notification cards and health reminder posters in production workshops, laboratories, pantries and other areas, and disseminate occupational disease prevention cases and protection skills through internal platforms, extending occupational health awareness initiatives from periodic campaigns to sustained, integrated practices.

05

Responsibility at Heart, Warmth to Every Family

Hengrui Pharma upholds its mission to "Promote a Healthier Life for Humankind through Advancements in Science",focusing on global public health needs. We continuously advance our efforts to make medicine affordable and accessible to the patients and expand our international business footprint, striving to make high-quality treatment solutions available to a wider patient population. We also actively participate in diverse social welfare and health support initiatives, continuously broadening the social value of pharmaceutical innovation and fulfilling our corporate social responsibility through long-term actions.

Our Actions

- Focusing on Access to Health Care
- Fulfilling Social Mission

5.1 Focusing on Access to Health Care

In response to the global challenges of medicine accessibility and affordability, Hengrui Pharma promotes the construction of an access to health care strategies and optimizes product pricing strategies. By supporting medical capacity building in underdeveloped regions and deepening global health collaboration and co-development, we continuously expand the depth and breadth of access to health care, providing sustainable health support to patients in different countries and regions.

5.1.1 Improving Product Accessibility

Responsibility on Access to Health Care

Hengrui Pharma has formulated the *Access to Health Care Policy of Jiangsu Hengrui Pharmaceuticals Co., Ltd.*, which clarifies the management responsibilities for access to health care, as well as the management principles and action plans in key areas such as equitable pricing, fair competition, and medical capacity building. This provides an action framework for the implementation of the access to health care strategy and goals.

Hengrui Pharma has established a management structure on access to health care led by the Board of Directors, with clearly defined supervisory and management responsibilities for all levels in related matters. The Board serves as the highest governing body for access to health care, with its Strategy Committee responsible for overseeing policy execution and implementation. The Committee coordinates, evaluates the Company's policies and strategic plans for access to health care. It also oversees the implementation of relevant policies and plans and regularly reports to the Board of Directors. Departments including Access to Health Care Department and International Business Department are responsible for the operational implementation of policies and plans, ensuring the effective execution of key initiatives including equitable pricing, market access through medical insurance inclusion, and capacity-building in developing countries.

Decision-Making	Board of Directors	• Shoulder ultimate responsibility for issues on access to health care
Oversight	The Strategy Committee	• Oversee the implementation of access to health care initiatives and ensure that all departments promote related initiatives in accordance with relevant policies, strategies, plans and objectives • Up on the implementation of policies and progress towards objectives and regularly review the fulfilment of supervisory responsibilities on universal healthcare to ensure the effectiveness of access to health care management
Implementation	Access to Health Care Department International Business Department Business Development Department Intellectual Property Department	• Break down tasks related to access to health care strategy and planning • Enforce policies and requirements related to access to health care

Hengrui Pharma's Access to Health Care Management Structure

Expansion into Emerging Markets

Hengrui Pharma considers expanding into emerging markets and developing countriesas a vital component of its global strategy. We continuously optimize our market access strategies and local partnerships in emerging markets, leveraging innovative products and technologies to empower public health systems in these regions, striving to bring more high-quality Chinese medicines to the world. Based on a global perspective, we set emerging market expansion targets in 2024, actively integrating into the global public health process and further promoting promoting equitable access to medical resources.

Emerging Market Expansion Targets

Within the next 5 years:

Business Scope: Expand global market business coverage to **10** countries or regions, including **6** emerging market Overseas countries.

Products: Submit **15** new overseas product registrations and obtain approval for **10**.

In 2025, we further expanded our international business cooperation channels and models, achieving significant progress in overseas licensing of innovative drugs, localized production partnerships, and medical collaboration. We reached an agreement with Glenmark Specialty S.A. for the licensing of the Trastuzumab Rezetecan project, further expanding our global business to multiple countries in the Middle East, South America, and the Asia-Pacific region, achieving our emerging market expansion targets as scheduled. Currently, Hengrui Pharma's products have reached developing countries across the Middle East, Central Asia, Central and Eastern Europe, and South America, as well as underdeveloped countries such as Bangladesh, Kenya, Tanzania, Zimbabwe, Botswana, and Laos.

As of the end of the Reporting Period:

Company products have entered over **50** countries.

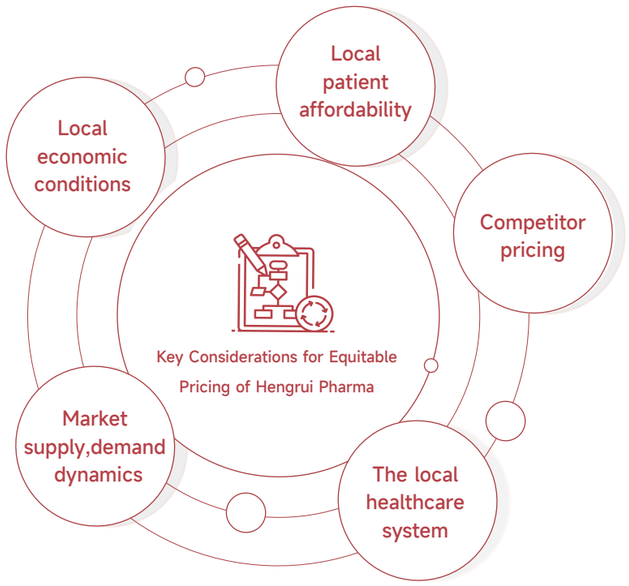
We obtained approximately **20** product registrations—including injectables, oral formulations, and inhalational anesthetics in overseas regions.

We are actively pursuing product registrations in over **50** countries.

Equitable Pricing

Hengrui Pharma focuses on the health and well-being of patients in different regions, integrating the principles of fairness and accessibility into its global drug pricing system to actively respond to the practical needs of markets at different development levels. In our product pricing process, we fully consider differences in local economic development levels, healthcare reimbursement system, and patient affordability, contributing to a more equitable global health ecosystem through tiered pricing and optimized access strategies.

We have defined the product pricing strategies and principles for both domestic and international markets in the *Access to Health Care Policy of Jiangsu Hengrui Pharmaceuticals Co., Ltd.*. Based on this, we continuously improve the inter-country product pricing mechanism, exploring differentiated approaches that align with local socio-economic levels and healthcare system characteristics, demonstrating our long-term commitment to promoting access to health care.



For the domestic market, Hengrui Pharma continuously implements product price controls and strongly supports national healthcare reimbursement policies. We actively participate in medical insurance negotiations, striving to broaden patients' medication options and reduce their medication costs and economic burden through scientific, compliant price management and policy coordination. We strictly abide by regulatory requirements, ensuring the transparency and fairness of domestic product pricing across different provinces and cities, and contributing to the reform and upgrade of the healthcare security system.

In 2025, a total of 20 products of the Company were included in the new National Reimbursement Drug List (NRDL) (effective from January 1, 2026), with 10 new drugs being included for the first time. Additionally, two drugs, Adebrelimab for Injection (AiRuiLi®) and Irinotecan Hydrochloride Liposome Injection (YueYouLi®), were newly added to the special drug lists of inclusive commercial insurance programs across the country, benefiting approximately 600 patients and effectively reducing their economic burden by about RMB 9.66 million, contributing to improving access to innovative medicines.

As of the end of the Reporting Period:

A total of **21** Class 1 innovative drugs have been included in the National Reimbursement Drug List (NRDL).

During our international and emerging market expansion, we systematically consider differences in the economic development stages, social structures, and healthcare system development levels of various countries and regions. We evaluate the accessibility and affordability of medical resources, and based on this, construct targeted market access approaches and product pricing frameworks, striving to achieve a balance between commercial sustainability and public health needs.

In the initial stage of each overseas project, the Company conducts comprehensive market and product information research. Relying on medical industry research reports, professional pharmaceutical databases, and continuous communication and in-depth insight with local partners, we systematically analyze product pricing levels, competitive landscapes, healthcare security systems, and resident income levels in emerging markets and developing countries. The results of these analyses are incorporated into the pricing decision-making process, forming differentiated and affordable inter-country pricing strategies.

In 2025, the Company further expanded the coverage of its paclitaxel for injection (albumin-bound) products in emerging markets, planning to launch in Saudi Arabia in 2026, with estimated market prices 50% lower than in the U.S. market. As of the end of the Reporting Period, equitable pricing strategies were implemented for no less than 10 products in countries such as Vietnam, Pakistan, and Bolivia.

5.1.2 Contributing to Global Health

As a significant participant in the global pharmaceutical industry value chain, Hengrui Pharma deeply recognizes its responsibility to promote global health and improve public healthcare systems. We focus on healthcare capacity building in emerging markets and developing countries, integrating key aspects such as knowledge sharing, supply chain support, and pharmacovigilance management into our overseas market expansion. We promote the universal application and implementation of innovative achievements globally, joining hands with multiple parties to and work with relevant stakeholders to address public health challenges.

Hengrui Pharma respects and supports the consensus formed by the international community in the field of public health. It endorses the provisions of the Doha Declaration on the TRIPS Agreement and Public Health, which allow for compulsory licensing of relevant medicines to protect public health, and strictly complies with the *Patent Law of the People's Republic of China*, which permits the issuance of compulsory licenses for pharmaceutical patents under emergency conditions to maintain public interest and ensure public health.

Improving the Pharmaceutical Supply Chain

A stable and efficient public pharmaceutical supply chain is a crucial foundation for enhancing the resilience of the healthcare system and ensuring patient medication safety. During overseas business operations, Hengrui Pharma pays attention to the challenges faced by emerging markets and developing countries in building public pharmaceutical supply chains. Through quality empowerment, experience sharing, and collaborative cooperation, we support the continuous improvement of the operational effectiveness of local public pharmaceutical supply chains.

Addressing the challenges of transportation efficiency and quality assurance for drugs in emerging markets and underdeveloped regions, Hengrui Pharma integrates its logistics management experience and quality control requirements into its support for overseas partners. We assist overseas partners in evaluating and continuously improving drug transportation routes and organization approaches, enhancing drug transportation efficiency by optimizing loading plans and transportation processes. We also collaborate with partners to introduce temperature monitoring and recording mechanisms during transportation, continuously monitoring and managing temperature conditions throughout the drug transport process, supporting them in better safeguarding drug quality and safety in complex logistics environments.

Furthermore, through continuous communication and professional support, we assist overseas partners in strengthening their capabilities in managing transportation quality and improving operational efficiency. Relevant practices helped establish long-term operational mechanisms in some countries, providing valuable experience for local public drug supply chains in terms of quality assurance, transportation cycles, collaboration efficiency, and risk control, supporting the public healthcare system to achieve more efficient and stable pharmaceutical supply operations.

Enhancing Pharmacovigilance Capacity

Ensuring patient medication safety represents the fundamental responsibility for practicing access to health care and achieving stable development. We place high importance on the pharmacovigilance management level of our overseas partners, especially those in developing and underdeveloped countries and regions, and support the continuous improvement of their pharmacovigilance capabilities through a pharmacovigilance support system covering the entire drug lifecycle.

As of the end of the Reporting Period, we have signed pharmacovigilance agreements with relevant partners in a total of 34 countries, including the United States, the United Kingdom, Germany, Austria, Pakistan, Azerbaijan, Kazakhstan, and Thailand.

Pre-Marketing

- **Supporting Partners in Building Pharmacovigilance Systems**

  By signing pharmacovigilance agreements with local partners or incorporating standard pharmacovigilance clauses into commercial agreements, we clarify the pharmacovigilance responsibilities and division of labor with our partners and establish communication mechanisms between the pharmacovigilance teams of both parties. We also help partners interpret their regional pharmacovigilance regulatory requirements, identify capability gaps through questionnaires, and assist in improving partners' pharmacovigilance management processes.

- **Supporting Partners in Meeting Pharmacovigilance Compliance Requirements**

  During the registration phase, we assist partners in preparing and submitting pharmacovigilance documents that comply with local regulations, supporting them in meeting relevant regulatory requirements.

Post-Marketing

- **Supporting Partners in Responding to Pharmacovigilance Regulatory Inquiries**

  After product launch, we assist partners in preparing re-registration support documents, support them in answering safety inquiries from internal, external, and regulatory authorities, and assist in formulating and implementing corresponding risk assessment and mitigation measures.

- **Supporting Continuous Drug Safety Evaluation and Testing**

  Collaborating with partner pharmacovigilance teams, we continuously engage in activities to identify, evaluate, understand, and prevent adverse reactions or any other drug-related problems after product launch. This includes, but is not limited to, collecting and exchanging product safety information and conducting safety risk assessments to ensure the rationality and safety of medication use for the product locally.

Building a "Health Silk Road"

Actively responding to the "Belt and Road" initiative and development strategy, Hengrui Pharma focuses on deepening cooperation in areas related to people's livelihoods. Leveraging its innovation advantages and practical experience, the Company fully empowers public health and medical capacity building in developing countries and emerging markets along the route through thematic medical exchanges and seminars, specialized training, and technical support, transforming the vision of a "Health Silk Road" into sustainable practices that benefit people's health.

In 2025, Hengrui Pharma organized and participated in medical exchange and training activities in countries along the "Belt and Road", such as Thailand, Pakistan, Indonesia, and Uzbekistan, focusing on cutting-edge medical developments, product applications, and smart healthcare, effectively enhancing the professional practice and application capabilities of local healthcare workers.

"Healthy China, Advancing Together in Healthcare" 2025 IDF Chinese-International Expert Seminar Held in Bangkok, Thailand

In April 2025, during the International Diabetes Federation (IDF) World Diabetes Congress, Hengrui Pharma held the "Healthy China, Medical Journey Together" 2025 IDF China-International Expert Seminar in Bangkok, Thailand. The event brought together experts and scholars in endocrinology and metabolic diseases from China, Europe, and the Asia-Pacific region for in-depth exchanges on the latest advances in the diagnosis and treatment of diabetes and cardio-renal-metabolic syndrome globally, updates in international clinical guidelines, and comprehensive management strategies.

The seminar focused on thematic sharing and academic exchanges on research progress in diabetes and related metabolic diseases, updates in international diagnosis and treatment guidelines, and clinical practical experience. Experts in endocrinology from China and multiple countries exchanged views on disease management approaches and treatment progress. By participating in and supporting such international academic exchange activities, Hengrui Pharma is committed to building a cross-regional medical dialogue platform, promoting experience sharing and academic communication among medical professionals from different countries and regions.

Hengrui Pharma Empowers Pakistani Healthcare Workers to Enhance Clinical Drug Application Capabilities

In March 2025, Hengrui Pharma organized a specialized training on Ethiodized Poppyseed Oil Injection for clinicians in Pakistan, covering the drug's mechanism of action, Evidence Chain in Evidence-Based Medicine (EBM), and key clinical practice points. Hengrui Pharma's expert team systematically introduced the pharmacological characteristics, adverse reactions, and standardized operation requirements of Ethiodized Poppyseed Oil Injection. In the context of interventional therapy for liver cancer, they shared its application methods in transarterial chemoembolization, including methods for emulsification with chemotherapeutic agents and clinical experience in combined use with distal embolic agents. This training was highly recognized by local experts, effectively promoting the standardization, safety, and precision of interventional diagnosis and treatment in Pakistan.

Hengrui Pharma Supports Indonesian Healthcare Workers in Enhancing Medication Safety Capabilities

In July 2025, Hengrui Pharma and its Indonesian partner held a thematic exchange on the clinical application of Bupivacaine Liposome in perioperative pain management. Hengrui Pharma's expert team, combined with Chinese perioperative pain management practices, introduced the development of pain management principles and multimodal analgesia strategies. Focusing on Bupivacaine Liposome, an ultra-long-acting local anesthetic, they systematically explained its mechanism of action, key considerations for applicaition and safety considerations. This session effectively conveyed standardized experience in using Bupivacaine Liposome, helping local medical workers in Indonesia improve the competency in administering perioperative analgesia regimens and in ensuring safe medication use.

Hengrui Pharma Supports the "Belt and Road" Surgical Demonstration Exchange Program

In October 2025, the "Belt and Road" Surgical Demonstration and Exchange Program, jointly supported by Hengrui Pharma, was successfully concluded in Uzbekistan. A team of 8 experts from the Fourth Affiliated Hospital of Zhejiang University visited Uzbekistan, successfully completed three milestone surgeries at the Affiliated Hospital of Samarkand State Medical University, and signed a strategic cooperation memorandum with the university, charting a course for future long-term cooperation.

Hengrui Pharma Supports UAE Medical Operations Management Exchange Program

In May 2025, the UAE Medical Operations Management Program, jointly supported by Hengrui Pharma, was successfully held in the UAE. As the first medical management special exchange program carried out in a Gulf country along the "Belt and Road", the event brought together medical department directors and hospital management experts from core hospitals across China. They conducted in-depth visits to institutions directly operated by top US medical systems (Cleveland Clinic, Mayo Clinic), such as Cleveland Clinic Abu Dhabi (CCAD) and Sheikh Shakhbout Medical City (SSMC), learning international medical management experience and linking top US hospital management models with Chinese practical needs.

Hengrui Pharma Supports the 2025 Hospital Management Asia (HMA) Program

In May 2025, the 2025 Hospital Management Asia (HMA) and Smart Hospital Construction Exchange Program, jointly supported by Hengrui Pharma, was successfully held in Singapore. The 6-day program covered 16 hospital management experts from core hospitals across China.

With the theme "Smart Hospital Construction", the exchange program involved in-depth study of Singapore's advanced experience and international cutting-edge trends in information system development, hospital management, and one-stop service models through summit forums, hospital visits, and thematic dialogues. It also comprehensively showcased the advanced experience of Chinese hospital management.

Hengrui Pharma Assists a Partner in an Emerging Market with Local Production of an Innovative Biological Product

In 2025, Hengrui Pharma assisted a partner in an emerging market in exploring the technology transfer for the local production of Camrelizumab to achieve localized drug manufacturing, enhancing local drug accessibility and supply chain resilience. Hengrui Pharma established a technology transfer working group, sharing R&D and production technical data for Camrelizumab with the partner and assisting in formulating technology transfer strategies and research plans. Through online meetings and offline training, we provided targeted production knowledge training and technical guidance to the partner's production and quality teams. Simultaneously, Hengrui Pharma established a rapid-response communication mechanism, providing timely feedback and assistance for practical problems encountered by the client during research, production, and registration application.

Contributing to Healthy China

As an innovative pharmaceutical enterprise rooted in China, Hengrui Pharma focuses on the "Healthy China" strategy. Based on its innovative drug R&D and professional capability accumulation, the Company actively participates in key actions such as national healthcare system reform, optimization of medical resource allocation, and improvement of disease prevention and treatment systems, promoting the development of the national medical service system towards greater equity, accessibility, and high quality.

During the Reporting Period, Hengrui Pharma actively built and expanded industry exchange platforms, holding a total of 10 high-quality meetings on health policies and multi-tiered medical security systems, covering key topics such as basic-level drug linkage, rare disease security, and scientific drug list management.

Hengrui Pharma Holds Seminar Series on Medical Insurance Payment and Rational Drug Use

During the Reporting Period, Hengrui Pharma, in collaboration with the Hospital Medical Insurance Professional Committee of the Chinese Hospital Association, held two seminar series focusing on "Medical Insurance Payment and Rational Drug Use" under the context of medical insurance payment method reform and related policy practices. The seminars were held in Changsha, Hunan, and Nanjing, Jiangsu, respectively, targeting local hospital pharmacy, clinical, and medical insurance management personnel, as well as representatives from medical insurance administration departments. Experts from pharmacy, clinical, and medical insurance management fields were invited to share practical experiences in medical insurance payment approach reform from different perspectives and discuss the opportunities and challenges of rational clinical use of innovative drugs.

By building a multi-party exchange platform, the seminars provided opportunities for policy interpretation and experience exchange for medical insurance-related practitioners in medical institutions, supporting the understanding and practice of rational drug use principles within the healthcare system under the context of medical insurance payment reform.

Hengrui Pharma and the Chinese Pancreatic Association Reached a Strategic Cooperation to Help Promote the High-quality Development of Pancreatic Disease Prevention and Treatment

In February 2025, Hengrui Pharma and the Chinese Pancreatic Association signed a strategic cooperation agreement in Beijing, establishing a long-term cooperation mechanism around technological innovation and capacity building in the field of pancreatic disease prevention and treatment. This cooperation aims to respond to national policies related to scientific and technological independent innovation and health, focusing on pancreatic diseases as a key clinical area, promoting research collaboration and achievement transformation. Hengrui Pharma and the Association will cooperate in areas such as clinical research, academic exchange, talent development, and science popularization, supporting the implementation of pancreatic disease-related research projects.

By building platforms for academic exchange and achievement promotion, they will promote the standardized application of research results in clinical practice. Simultaneously, the cooperation will also explore promotion and training mechanisms for basic-level medical institutions, combining the needs of grassroots medical capacity building, to promote the dissemination of advanced diagnosis and treatment concepts and technologies.

5.2 Fulfilling Social Mission

While pursuing its own stable and long-term development, Hengrui Pharma never forgets its responsibility and mission to give back to society. Adhering to the "patient-oriented" philosophy of social responsibility, the Company actively engages in public welfare initiatives, continuously promoting access to medical resources and comprehensive public science education on health through practical actions such as patient care, charitable donations, and community medical support, thereby improving social and public well-being.

5.2.1 Patient Care

Centering on patient health needs, Hengrui Pharma continuously advances initiatives including building health care brands, promoting health education, and providing targeted support for chronic disease management. We are committed to providing patients with comprehensive health management solutions, enhancing patients' awareness of health knowledge and self-management capabilities while offering more comprehensive care and assistance.

Hengrui Pharma's Public Welfare Science Popularization Campaign Has Been Launched in 11 Provinces and Cities Nationwide

In recent years, to support the "Healthy China" strategy, Hengrui Pharma, together with the Hengrui Charity Foundation, China Family Newspaper, and the Chinese Hospital Association, launched the "Promoting Health Across China, Doctors in Action" popularization campaign. Since its launch in April 2024, the campaign has covered 11 provinces and cities nationwide, including health science popularization activities on weight management, chronic disease prevention and control, and cancer prevention. By integrating professional resources and research advantages, Hengrui Pharma provides authoritative knowledge and professional support for these activities. As of September 2025, the campaign has cumulatively attracted the participation of over 3,000 patients and more than 4,500 healthcare workers, effectively improving public health literacy and contributing to the construction of a healthy China.

Hengrui Pharma Partners with Nanjing Audit University to Launch Public Welfare Project, Building a Digital and Intelligent Physical and Mental Support System for Patients with Severe Chronic Diseases

In 2025, Hengrui Pharma and Nanjing Audit University jointly held the "Forum on Building a Digital-Driven Physical and Mental Support System for Patients with Severe Chronic Diseases and Multidisciplinary Integration", officially launching the "Public Mental Health Education Project". This project focuses on the physical and mental health management of patients with chronic diseases, constructing a multi-stakeholder collaboration mechanism involving families, schools, communities, and hospitals. It is committed to promoting the integration of disciplines such as medicine, psychology, and sociology, providing comprehensive support for patients through digital intelligence technology. This project effectively enhances the cultivation and capacity building of professionals and promotes innovation and development in the field of public health through various initiatives such as psychological hotlines, academic forums, and health popularization lectures, contributing to the realization of the "Healthy China" strategy.

Hengrui Pharma Signs Cooperation Agreement with Hong Kong Chinese Cancer Foundation

In 2025, Hengrui Pharma signed a cooperation agreement with the Hong Kong Chinese Cancer Foundation, providing an innovative treatment option — Pyrotinib Maleate Tablets (AiRuiNi®) — to breast cancer patients in Hong Kong through the Named Patient Program (NPP). This drug is the first anti - HER1/HER2/HER4 targeted drug independently developed by Hengrui Pharma and has been approved for three indications in the breast cancer field. This cooperation aims to provide innovative treatment options for patients in Hong Kong and promote the registration and launch of more innovative drugs from Chinese Mainland in Hong Kong.

5.2.2 Medicine Donation

Relying on the power of its products, Hengrui Pharma is committed to supporting health and welfare causes through drug donations, reducing the medication burden in regions lacking medical resources. Focusing on local health needs such as disease profiles, patient numbers, and medical resource gaps, we collaborate with local medical institutions and relevant organizations to continuously promote the implementation of long-term product donation programs, contributing to the construction of a fair and balanced healthcare ecosystem.

Hengrui Pharma Donates Medicines to Yuxiakou Town

On November, 2025, Hengrui Pharma donated medicines worth RMB 100,000 to Yuxiakou Town in Changyang Tujia Autonomous County, Yichang City, Hubei Province, through the Changyang Red Cross. The donation focused on therapeutic areas urgently needed by the local population, such as diabetes, hypertension, and rheumatoid arthritis. This donation aimed to benefit long-term chronic disease patients in rural areas, especially those from families facing financial difficulties, effectively alleviating the problems of expensive medical treatment and difficult access to medication.

5.2.3 Community Support

Hengrui Pharma actively promotes community development, continuously increasing its public welfare investment in areas such as education, healthcare, special care, and disaster relief assistance. Combining various forms like volunteer services and charitable donations, the Company contributes to advancing community well-being and public health.

Hengrui Pharma Donates HKD 10 Million to Support Fire Relief Efforts in Tai Po, Hong Kong

On November 26, 2025, a serious fire broke out in Wang Fuk Court, Tai Po, Hong Kong, sparking social concern. To help the local community and people overcome this difficulty, Hengrui Pharma urgently decided to donate HKD 10 million for post-disaster emergency rescue, reconstruction work, and living support for the affected people.

Hengrui Pharma Organized Educational Excursion for Children with Special Needs

Before Children's Day in 2025, Hengrui Pharma, together with the Group's Charity Foundation, organized an educational excursion to a practice base for 30 Children with Special Needs from the Lianyungang Welfare Center. This activity provided rich learning opportunities for the children and brought them more care and warmth through the donation of books and gifts.

Hengrui Pharma Organized Blood Donation Activity

Before National Day in 2025, Hengrui Pharma organized a voluntary blood donation activity for its employees. 180 members of Communist Party of China from Hengrui Pharma and young volunteers actively participated, donating a total of 42,000 ml of blood. Through this activity, Hengrui Pharma demonstrated its love and responsibility to patients with concrete actions, bringing hope of life to those in need of treatment.

Hengrui Pharma Volunteers Visited a Veteran of the War of Resistance

At the beginning of winter in 2025, 20 volunteers from the Communist Party of China from Hengrui Pharma visited Grandma Jin, a veteran of the War of Resistance, in Hanli Village, Chaoyang Town, bringing her winter warmth and companionship. This action conveyed Hengrui Pharma's sense of social responsibility and the social value of respecting and caring for the elderly.

Hengrui Pharma Charity Action on International Volunteer Day

On International Volunteer Day, December 5, 2025, Volunteers from Hengrui Pharma actively responded to an initiative to fulfill the micro-wishes of 400 children from the Lianyungang Social Welfare Institute and Heilin Primary School. By understanding the children's needs, the volunteers brought them warmth and love in winter, helping them realize their wishes and contributing to building a more harmonious and warm society.

List of Major Applicable Laws and Regulations

Chapter	Hengrui Pharma's Internal Policies and Regulations	Compliance with Laws and Regulations
Compliance as a Priority	Articles of Association Management System of Information Disclosure Matters Internal Reporting System for Material Information Investor Relations Management System Measures for Compliance Management of Jiangsu Hengrui Pharmaceuticals Co., Ltd. Notice on Further Clarifying the Company's Compliance Management Responsibilities Guidelines for Compliance in Academic Activities Guidelines for Compliance Management in Medical Projects Notice on Reiterating Compliance Red Line Behaviors Compliance Management Implementation Measures (2025 Edition) Disciplinary Mechanism for Non-Marketing Systems (Trial) Notice on Implementing Tiered and Classified Decision-Making Management Measures for the Expert Database of Jiangsu Hengrui Pharmaceuticals Co., Ltd. Expense Authority Matrix (2025) High-Frequency Issues and Standard Operating Guidelines Anti-Bribery and Anti-Corruption Policy of Jiangsu Hengrui Pharmaceuticals Co., Ltd. Code of Conduct for Clinical Research Employees Compliance Management Guidelines for Clinical Research Meetings	Company Law of the People's Republic of China Securities Law of the People's Republic of China Guidelines on the Bylaws of Listed Companies Transitional Arrangements for the Implementation of Supporting Rules under the New Company Law Rules Governing the Listing of Stocks on Shanghai Stock Exchange Guidelines No. 3 of the Shanghai Stock Exchange on the Application of Self-Regulation Rules for Listed Companies—Industry Information Disclosure Regulatory Guidelines for Listed Companies No. 3—Distribution of Cash Dividends of Listed Companies Shanghai Stock Exchange Guidelines for Self-Regulation of Listed Companies No. 14 –Sustainability Reporting (Trial) Regulations on Promoting and Regulating Cross-Border Data Flows Regulations on Network Data Security Management Cybersecurity Law of the People's Republic of China Measures for the Certification of Personal Information Export Accounting Law of the People's Republic of China Opinions on Further Enhancing Comprehensive Punishment and Prevention of Financial Fraud in the Capital Market Responses to Questions Regarding the Handling of Financial Fraud Criminal Cases Amendment (XII) to the Criminal Law of the People's Republic of China Notice on Key Tasks in Rectifying Unethical Conduct in medical services, and the Purchasing and Sale of Medical Products in 2025 Compliance Guidelines for Pharmaceutical Enterprises on Prevention of Commercial Bribery Risks Management Measures for Pharmaceutical Representatives (Draft for Consultation) Anti-monopoly Guidelines in the Field of Pharmaceuticals Guidelines for the Review of Horizontal Concentrations Provisions on Prohibiting Monopoly Agreements Anti-Money Laundering Law of the People's Republic of China Anti-Unfair Competition Law of the People's Republic of China
Low-Carbon as the Core	Environmental Management Policy of Jiangsu Hngerui Pharmaceuticals Co., Ltd. Environmental Health and Safety Training Program Emergency Response Plan for Environmental Incidents Preventive Measures and Emergency Response Plan for Hazardous Waste Accidents Supplier EHS Audit Management Procedures	Environmental Protection Law of the People's Republic of China Regulation on the Administration of Permitting of Pollutant Discharges Measures for the Environmental Emergency Response Management Energy Conservation Law of the People's Republic of China Water Law of the People's Republic of China Atmospheric Pollution Prevention and Control Law of the People's Republic of China

Chapter	Hengrui Pharma's Internal Policies and Regulations	Compliance with Laws and Regulations
Low-Carbon as the Core	EHS, Energy and Carbon Management and Other Service Suppliers Admission Management Policy Hengrui Pharma 2021-2025 EHS Plan Disciplinary Mechanism for Non-Marketing Systems (Trial) Resource and Energy Management Procedures Air Emission Management Procedures Air Emission Management Regulations Environmental Operation Guidelines Wastewater Discharge Management Procedures Wastewater Discharge Management Regulations Solid Waste Management Regulations Precious Metal Catalyst Management Policy Waste Management Procedures Management Regulations on Administrative R&D Building Fueling and Maintenance Management Process	Water 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 Environment Pollution Caused by Solid Wastes Standard for pollution control on hazardous waste storage Forest Law of the People's Republic of China Environmental Impact Assessment Law of the People's Republic of China
Innovation as the Wing	Quality Manual Guidelines for Drug Traceability Standards for Marketing Behavior GMP Service Supplier Admission Management System Performance Management System for Clinical Research Service Suppliers Performance Management System for R&D Customized Material Suppliers Management System for the Admission of Comprehensive Service Suppliers Commitment Letter for Compliant Operations Management Measures of Patent Application of Hengrui Pharma Regulations on Patent Maintenance Process of Hengrui Pharma Biosafety Management System Product Recall Procedures Responsible Marketing Policy of Jiangsu Hengrui Pharmaceuticals Co., Ltd. Regulations on Marketing (2025 Edition). Management System for Commercial Secret Carriers (Trial) Personal Data Privacy Protection Policy Management System for the Admission of GMP Material Suppliers Management System for the Admission of Non-GMP Material Suppliers Management System for the Admission of R&D Custom Material Suppliers	Patent Law of the People's Republic of China Good Manufacturing Practice (GMP) for Drugs Medicinal Product Administration Law of the People's Republic of China Measures for the Administration of Drug Registration Measures for the Supervision and Administration of Drug Production Measures for the Administration of Post-Marketing Drug Changes (for Trial Implementation) Good Clinical Practice Good Manufacturing Practices for Pharmaceutical Products (2010 Revision) 21 CFR Part 210 (the US) 21 CFR Part 211 (the US) EudraLex-Volume 4 (the EU) Declaration of Helsinki Personal Information Protection Law of the People's Republic of China General Data Protection Regulation (GDPR) of the European Union Health Insurance Portability and Accountability Act (HIPAA Act) of America

Chapter	Hengrui Pharma's Internal Policies and Regulations	Compliance with Laws and Regulations
Growth as the Path	Recruitment and Hiring Management Measures Employee Handbook Hengrui Pharma Employee Diversity Policy Performance Management Measures for Non-Marketing Systems (Trial) Attendance Management System of Jiangsu Hengrui Pharmaceuticals Co., Ltd. (Trial) Measures for the Management of Production Safety Accidents Procedures for Hazard Identification, Risk Assessment, and Risk Control Occupational Health Management System Contractor Health and Safety Plan Interim Measures for Employee Education Management of Jiangsu Hengrui Pharmaceuticals Co., Ltd. Employee Feedback and Complaint Management System of Hengrui Pharma	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Law of the People's Republic of China on Safeguarding the Rights and Interests of Women Law of the People's Republic of China on the Protection of Disabled Persons Regulations on Labor Security Supervision Trade Union Law of the People's Republic of China Constitution of the All-China Federation of Trade Unions Special Provisions on Labor Protection for Female Employees Law of the People's Republic of China on Work Safety Law of the People's Republic of China on the Prevention and Control of Occupational Diseases U.S. Age Discrimination in Employment Act
Responsibility at Heart	Access to Health Care Policy of Jiangsu Hengrui Pharmaceuticals Co.,Ltd.	TRIPS and the Doha Declaration on Public Health Patent Law of the People's Republic of China

Index of Shanghai Stock Exchange Guidelines

Dimension	Number	Issue	Corresponding Chapter
Environment	1	Addressing Climate Change	2.5 Addressing Climate Change
	2	Pollutant Emissions	2.3.1 Waste Gas Emissions Management 2.3.2 Wastewater Discharge Management 2.3.3 Solid Waste Management
	3	Waste Treatment	2.3.3 Solid Waste Management
	4	Ecosystem and Biodiversity Conservation	2.6 Biodiversity Conservation
	5	Environmental Compliance Management	2.1.1 Environmental Management System 2.1.2 Environmental Review and Audit
	6	Energy Utilization	2.2.1 Energy Management
	7	Water Resource Utilization	2.2.2 Water Resource Management
	8	Circular Economy	2.2.3 Production Resource Management
Society	9	Rural Revitalization	5.2.3 Community Support
	10	Social Contribution	5.2.1 Patient Care 5.2.2 Medicine Donation 5.2.3 Community Support
	11	Innovation-Driven	3.1 Innovation-Driven Development
	12	Technology Ethics	3.1 Innovation-Driven Development
	13	Supply Chain Security	3.3.1 Comprehensive Supplier Management 3.3.2 Implementing Supply Chain Assurance
	14	Equal Treatment of Small and Medium Enterprises	Not Involved As of the end of the Reporting Period, the balance of the Company's accounts payable (including notes payable) did not exceed RMB 30 billion,accounting for less than 50% of its total assets. Furthermore, there is no information recorded in the National Enterprise Credit Information Publicity System indicating any overdue payments to small and medium-sized
	15	Product and Service Safety and Quality	3.2.1 Strengthening Quality Management 3.2.2 Promoting Quality Culture 3.2.3 Ensuring Drug Safety
	16	Data Security and Customer Privacy Protection	3.2.4 Enhancing Customer Service
	17	Employees	4.2.1 Remuneration and Incentives 4.3.2 Employee Welfare 4.2.2 Employee Development 4.3.3 Employee Engagement 4.2.3 Employee Training 4.4.1 Safety Production 4.3.1 Employee Communication 4.4.2 Occupational Health
Governance Related to Sustainable Development	18	Due Diligence	3.3.1 Comprehensive Supplier Management 2.1.2 Environmental Review and Audit
	19	Stakeholder Communication	1.1.3 Stakeholder Engagement
	20	Anti-Commercial Bribery and Anti-Corruption	1.2.1 Business Ethics 1.2.3 Anti-corruption
	21	Anti-Unfair Competition	1.2.1 Business Ethics 1.2.3 Anti-corruption

Index of the Environmental, Social and Governance Reporting Code of the Stock Exchange of Hong Kong Limited

Part C: "comply or explain" provisions

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs			Corresponding Chapter
Environmental			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	2.1 Environmental Compliance Management
	A1.1	The types of emissions and respective emissions data.	2.3.1 Waste Gas Emissions Management 2.3.2 Wastewater Discharge Management 2.3.3 Solid Waste Management
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2.3.3 Solid Waste Management
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2.3.3 Solid Waste Management
	A1.5	Description of emission target(s) set and steps taken to achieve them.	2.1.3 Environmental Targets 2.3.1 Waste Gas Emissions Management 2.3.2 Wastewater Discharge Management 2.3.3 Solid Waste Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	2.3.3 Solid Waste Management
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	2.2.1 Energy Management
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	2.2.1 Energy Management
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	2.2.2 Water Resource Management
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	2.1.3 Environmental Targets
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	2.2.2 Water Resource Management
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	2.2.3 Production Resource Management

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs			Corresponding Chapter
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	2.3.1 Waste Gas Emissions Management 2.3.2 Wastewater Discharge Management 2.3.3 Solid Waste Management
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	2.3.1 Waste Gas Emissions Management 2.3.2 Wastewater Discharge Management 2.3.3 Solid Waste Management
Social			
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.	4.1 Practicing Diversified Employment 4.3 Safeguarding Employee Wellbeing
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	4.1.3 Equality and Diversity
	B1.2	Employee turnover rate by gender, age group and geographical region.	4.1.3 Equality and Diversity
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and Preserving employees from occupational hazards.	4.4 Building a Strong Safety Line
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	4.4.1 Safety Production
	B2.2	Lost days due to work injury.	4.4.1 Safety Production
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.4.2 Occupational Health
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	4.2 Empowering Talent Growth
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	4.2.3 Employee Training
	B3.2	The average training hours completed per employee by gender and employee category.	4.2.3 Employee Training
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	4.1.1 Compliance Employment
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	4.1.1 Compliance Employment
	B4.2	Description of steps taken to eliminate such practices when discovered.	4.1.1 Compliance Employment

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs			Corresponding Chapter
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	3.3.1 Comprehensive Supplier Management
	B5.1	Number of suppliers by geographical region.	3.3.1 Comprehensive Supplier Management
B5: Supply Chain Management	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	3.3.1 Comprehensive Supplier Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.3.1 Comprehensive Supplier Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3.3.1 Comprehensive Supplier Management
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.	3.2.1 Strengthening Quality Management 3.2.4 Enhancing Customer Service
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	3.3.3 Ensuring Drug Safety
	B6.2	Number of products and service related complaints received and how they are dealt with.	3.2.4 Enhancing Customer Service
	B6.3	Description of practices relating to observing and Preserving intellectual property rights.	3.1.3 Impact, Risk, and Opportunity Management
	B6.4	Description of quality assurance process and recall procedures.	3.2.1 Strengthening Quality Management 3.3.3 Ensuring Drug Safety
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	3.2.4 Enhancing Customer Service
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.	1.2.1 Business Ethics 1.2.3 Anti-corruption
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	1.2.3 Anti-corruption
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.2.1 Business Ethics 1.2.3 Anti-corruption
	B7.3	Description of anti-corruption training provided to directors and staff.	1.2.1 Business Ethics
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	5.2.3 Community Support
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	5.2.3 Community Support
	B8.2	Resources contributed (e.g. money or time) to the focus area.	5.2.3 Community Support

Part D: Climate-related Disclosures

Climate-Related Disclosure Requirements		Corresponding Chapter
(I) Governance	1. An issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
	(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	3.3.1. Governance
	(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	3.3.1. Governance
	(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;	3.3.1. Governance
	(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 19 to 22), including whether and how related performance metrics are included in remuneration policies (see paragraph 17); and	3.3.1. Governance
	(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	3.3.1. Governance
	(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.	3.3.1. Governance
(II) Strategy	Climate-related risks and opportunities 2. 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;	2.5.2 Strategy
	(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;	2.5.2 Strategy
	(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	2.5.2 Strategy
	(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.	2.5.2 Strategy

Climate-Related Disclosure Requirements		Corresponding Chapter
(II) Strategy	Business model and value chain 3. 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	2.5.2 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).	2.5.2 Strategy
	Strategy and decision-making 4. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	
	(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	2.5.2 Strategy
	(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	2.5.2 Strategy
	(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	The Company currently adopts energy saving and carbon reduction as its core strategy to address climate change, and intends to develop a climate transition plan aligned with its business development roadmap in the future.
	(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 19 to 22; and	2.2.1 Energy Management
	(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 4(a).	2.2.1 Energy Management 2.5.2 Strategy
	5. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 4(a).	2.5.2 Strategy
	Financial position, financial performance and cash flows Current financial effect 6. An issuer shall disclose qualitative and quantitative information about:	
	(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the Reporting Period; and	2.5.2 Strategy
	(b) the climate-related risks and opportunities identified in paragraph 6(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.	2.5.2 Strategy
	Financial position, financial performance and cash flows Anticipated financial effect 7. The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	
	(i) its investment and disposal plans; and	2.5.2 Strategy
	(ii) its planned sources of funding to implement its strategy; and	2.5.2 Strategy
	(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.	2.5.2 Strategy
	Climate resilience 8. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose: (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	
	(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	2.5.2 Strategy
	(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	2.5.2 Strategy
	(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	2.5.2 Strategy
	(b) how and when the climate-related scenario analysis was carried out, including:	
	(i) (i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7)) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	2.5.4 Indicators and Targets
	(ii) the key assumptions the issuer made in the analysis; and	2.5.2 Strategy
	(iii) the Reporting Period in which the climate-related scenario analysis was carried out.	2.5.2 Strategy

Climate-Related Disclosure Requirements		Corresponding Chapter
(III) Risk Management	9. An issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
	(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	2.5.2 Strategy
	(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	2.5.2 Strategy
	(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);	2.5.2 Strategy
	(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	2.5.2 Strategy 2.5.3 Risk Management
	(v) how the issuer monitors climate-related risks; and	2.5.3 Risk Management
	(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	2.5.3 Risk Management
	(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	2.5.3 Risk Management
	(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.	2.5.3 Risk Management
(IV) Metrics and Targets	Greenhouse gas emissions 10. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the Reporting Period, expressed as metric tons of CO2 equivalent, classified as:	2.5.4 Indicators and Targets
	(a) Scope 1 greenhouse gas emissions;	2.5.4 Indicators and Targets
	(b) Scope 2 greenhouse gas emissions; and	2.5.4 Indicators and Targets
	(c) Scope 3 greenhouse gas emissions.	2.5.4 Indicators and Targets
	11. An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	
	(b) disclose the approach it uses to measure its greenhouse gas emissions including:	
	(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	2.5.4 Indicators and Targets
	(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	2.5.4 Indicators and Targets
	(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the Reporting Period and the reasons for those changes;	2.5.4 Indicators and Targets
	(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 10(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	2.5.4 Indicators and Targets
	(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 10(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).	2.5.4 Indicators and Targets
	Climate-related transition risks 12. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Based on climate scenario analysis, climate change is not expected to have a material financial impact on the Company's operations or asset values during the current period or the foreseeable future. Accordingly, no specific disclosures are provided in this Reporting Period.
	Climate-related physical risks 13. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	
	Climate-related opportunities 14. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	
	Capital deployment 15. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	
	Internal carbon prices 16. An issuer shall disclose:	
	(a) an explanation of whether and how the issuer is applying a carbon price in decision making (for example, investment decisions, transfer pricing, and scenario analysis); and	The Company has not yet implemented an internal carbon pricing mechanism. It will continue to monitor relevant policy developments and industry practices, and evaluate the feasibility of introducing such a mechanism when appropriate.
	(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;	
	Remuneration 17. 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 1(a)(iv).	2.5.1 Governance

Climate-Related Disclosure Requirements		Corresponding Chapter
(IV) Metrics and Targets	Industry-based metrics 18. 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.	Following careful assessment, the relevant industry indicators are currently of limited applicability to the Company. Accordingly, no specific disclosures are provided in this Reporting Period.
	Climate-related targets 19. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
	(a) the metric used to set the target;	2.5.4 Indicators and Targets
	(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	2.1.3 Environmental Targets
	(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);	2.1.3 Environmental Targets
	(d) the period over which the target applies;	2.1.3 Environmental Targets
	(e) the base period from which progress is measured;	2.1.3 Environmental Targets
	(f) milestones or interim targets (if any);	2.1.3 Environmental Targets
	(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	2.1.3 Environmental Targets
	(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	The Company's climate-related targets are primarily established based on its production structure, operational characteristics, and future capacity plans. At present, relevant international agreements have not been incorporated into the target-setting process.
	20. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
	(a) whether the target and the methodology for setting the target has been validated by a third party;	The Company's climate-related targets have not undergone third-party verification.
	(b) the issuer's processes for reviewing the target;	2.5.1 Governance
	(c) the metrics used to monitor progress towards reaching the target; and	2.5.1 Governance
	(d) any revisions to the target and an explanation for those revisions.	There were no revisions to the targets during this Reporting Period.
	21. 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.	2.1.3 Environmental Targets
	22. For each greenhouse gas emissions target disclosed in accordance with paragraphs 19 to 21, an issuer shall disclose:	
	(a) which greenhouse gases are covered by the target;	2.1.3 Environmental Targets
	(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	2.1.3 Environmental Targets
	(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;	2.1.3 Environmental Targets
	(d) whether the target was derived using a sectoral decarbonisation approach; and	The Company has incorporated industry decarbonization approaches and practices into the process of formulating its climate objectives.
	(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
	(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	At present, the Company has not incorporated the use of carbon credits as a factor in setting or achieving its climate targets.
	(ii) which third-party scheme(s) will verify or certify the carbon credits;	
	(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
	(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
	Applicability of cross-industry metrics and industry-based metrics 23. In preparing disclosures to meet the requirements in paragraphs 3 to 8 and 19 to 20, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 10 to 17) and (ii) industry-based metrics (see paragraph 18).	Following careful assessment, the relevant cross-industry and industry-specific indicators are currently of limited applicability to the Company. Accordingly, no specific disclosures are provided in this Reporting Period.

GRI Index

Disclosure Item	Disclosure Title	Corresponding Chapter
Universal Standards		
GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021		
The organization and its reporting practices		
2-1	Organizational details	About Hengrui Pharma
2-2	Entities included in the organization's sustainability reporting	About this Report
2-3	Reporting Period, frequency and contact point	About this Report
2-4	Restatements of information	No information restatement occurred during this Reporting Period
2-5	External assurance	No external verification was conducted during the Reporting Period
Activities and workers		
2-6	Activities, value chain and other business relationships	3.3.1 Comprehensive Supplier Management
2-7	Employees	4.1.3 Equality and Diversity
2-8	Workers who are not employees	4.1.1 Compliance Employment
Governance		
2-9	Governance structure and composition	1.1.1 Corporate Governance
2-10	Nomination and selection of the highest governance body	1.1.1 Corporate Governance
2-11	Chair of the highest governance body	1.1.1 Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	1.1.1 Corporate Governance
2-13	Delegation of responsibility for managing impacts	1.1.1 Corporate Governance
2-14	Role of the highest governance body in sustainability reporting	1.1.2 ESG Governance
2-15	Conflicts of interest	1.2.1 Business Ethics
2-16	Communication of critical concerns	1.1.3 Stakeholder Engagement
2-17	Collective knowledge of the highest governance body	1.1.1 Corporate Governance
2-18	Evaluation of the performance of the highest governance body	1.1.2 ESG Governance
2-19	Remuneration policies	4.2.1 Remuneration and Incentives
2-20	Process to determine remuneration	4.2.1 Remuneration and Incentives
2-21	Annual total compensation ratio	Not disclosed due to confidentiality restrictions
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	1.1.2 ESG Governance
2-23	Policy commitments	Refer to each chapter for details
2-24	Embedding policy commitments	Refer to each chapter for details
2-25	Processes to remediate negative impacts	1.2.1 Business Ethics 4.1.1 Compliance Employment
2-26	Mechanisms for seeking advice and raising concerns	1.1.3 Stakeholder Engagement
2-27	Compliance with laws and regulations	List of Major Applicable Laws and Regulations
2-28	Membership associations	Refer to each chapter for details
Stakeholder engagement		
2-29	Approach to stakeholder engagement	1.1.3 Stakeholder Engagement
2-30	Collective bargaining agreements	4.3.1 Employee Communication
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	1.1.4 Double Materiality Assessment
3-2	List of material topics	1.1.4 Double Materiality Assessment
3-3	Management of material topics	1.1.4 Double Materiality Assessment
Topic Standards		
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	ESG Performance Highlights
201-2	Financial implications and other risks and opportunities due to climate change	2.5.2 Strategy
201-3	Defined benefit plan obligations and other retirement plans	4.3.2 Employee Welfare
201-4	Financial assistance received from government	Not disclosed due to confidentiality restrictions

Disclosure Item	Disclosure Title	Corresponding Chapter
GRI 202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Not disclosed due to confidentiality restrictions
202-2	Proportion of senior management hired from the local community	Not disclosed due to confidentiality restrictions
GRI 203: Indirect Economic Impact 2016		
203-1	Infrastructure investments and services supported	5.1.2 Contributing to Global Health 5.2.2 Medicine Donation 5.2.3 Community Support
203-2	Significant indirect economic impacts	Information not available
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	Not disclosed due to confidentiality restrictions
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	1.2.3 Anti-corruption
205-2	Communication and training about anti-corruption policies and procedures	1.2.1 Business Ethics 1.2.3 Anti-corruption
205-3	Confirmed incidents of corruption and actions taken	1.2.3 Anti-corruption
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not Involved
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	2.2.3 Production Resource Management
301-2	Recycled input materials used	2.2.3 Production Resource Management
301-3	Reclaimed products and their packaging materials	2.2.3 Production Resource Management
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	2.2.1 Energy Management
302-2	Energy consumption outside of the organization	2.2.1 Energy Management
302-3	Energy intensity	2.2.1 Energy Management
302-4	Reduction of energy consumption	2.2.1 Energy Management
302-5	Reductions in energy requirements of products and services	2.2.1 Energy Management
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared Resource	2.2.2 Water Resource Management 2.3.2 Wastewater Discharge Management
303-2	Management of water discharge-related impacts	2.2.2 Water Resource Management 2.3.2 Wastewater Discharge Management
303-3	Water withdrawal	2.2.2 Water Resource Management
303-4	Water discharge	2.3.2 Wastewater Discharge Management
303-5	Water consumption	2.2.2 Water Resource Management
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not Involved
304-2	Significant impacts of activities, products and services on biodiversity	Not Involved
304-3	Habitats protected or restored	Not Involved
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not Involved
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	2.5.4 Metrics and Targets
305-2	Energy indirect (Scope 2) GHG emissions	2.5.4 Metrics and Targets
305-3	Other indirect (Scope 3) GHG emissions	2.5.4 Metrics and Targets
305-4	GHG emissions intensity	2.5.4 Metrics and Targets
305-5	Reduction of GHG emissions	2.2.1 Energy Management
305-6	Emissions of ozone-depleting substances (ODS)	None
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	2.3.1 Waste Gas Emissions Management
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	2.3.3 Solid Waste Management
306-2	Actions taken to prevent waste generation	2.3.3 Solid Waste Management

Disclosure Item	Disclosure Title	Corresponding Chapter
306-3	Composition of waste generated	2.3.3 Solid Waste Management
306-4	Recovery operations used to divert waste from disposal	2.3.3 Solid Waste Management
306-5	Disposal operations	2.3.3 Solid Waste Management
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	2.1.2 Environmental Review and Audit 3.3.1 Comprehensive Supplier Management
308-2	Negative environmental impacts in the supply chain and actions taken	2.1.2 Environmental Review and Audit 3.3.1 Comprehensive Supplier Management
GGRI 401: Employment 2016		
401-1	New employee hires and employee Turnover	4.1.3 Equality and Diversity
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.3.2 Employee Welfare
401-3	Parental leave	4.3.2 Employee Welfare
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	Not Involved
GRI 403: Occupational Health and safety 2018		
403-1	Occupational health and safety management system	4.4.1 Safety Production
403-2	Hazard identification, risk assessment, and incident investigation	4.4.2 Occupational Health
403-3	Guidance for Disclosure	4.4.2 Occupational Health
403-4	Worker participation, consultation, and communication on occupational health and safety	4.4.2 Occupational Health
403-5	Worker training on occupational health and safety	4.4.1 Safety Production
403-6	Promotion of worker health	4.4.2 Occupational Health
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4.2 Occupational Health
403-8	Workers covered by an occupational health and safety management system	4.4.2 Occupational Health

Disclosure Item	Disclosure Title	Corresponding Chapter
403-9	Work-related injuries	4.4.1 Safety Production
403-10	Work-related ill health	4.4.2 Occupational Health
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	4.2.3 Employee Training
404-2	Programs for upgrading employee skills and transition assistance programs	4.2.2 Employee Development 4.2.3 Employee Training
404-3	Percentage of employees receiving regular performance and career development reviews	4.2.1 Remuneration and Incentives
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	4.1.3 Equality and Diversity
405-2	Ratio of basic salary and remuneration of women to men	Not disclosed due to confidentiality restrictions
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	4.1.3 Equality and Diversity
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.3.1 Employee Communication
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	4.1.1 Compliance Employment
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.1.1 Compliance Employment
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	Not Involved
GRI 411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	Not Involved

Disclosure Item	Disclosure Title	Corresponding Chapter
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	5.2.2 Medicine Donation 5.2.3 Community Support
413-2	Operations with significant actual and potential negative impacts on local communities	Not Involved
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	3.3.1 Comprehensive Supplier Management 3.3.2 Implementing Supply Chain Safeguards
414-2	Negative social impacts in the supply chain and actions taken	3.3.1 Comprehensive Supplier Management 3.3.2 Implementing Supply Chain Safeguards
GRI 415: Public Policy 2016		
415-1	Political contributions	Not applicable
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	3.2.3 Ensuring Drug Safety
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not Involved
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	3.2.4 Enhancing Customer Service
417-2	Incidents of non-compliance concerning product and service information and labeling	Not Involved
417-3	Incidents of non-compliance concerning marketing communications	Not Involved
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not Involved