凱萊英医药集团
Asymchem Labs.

# 2025

# 環境、社會及管治報告

## Environmental, Social and Governance Report



www.asymchem.com

www.asymchem.com.cn

股票代號 StockCode:002821.SZ/6821.HK

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# Explanation of Report Formulation

This report represents the fifth *Environmental, Social and Governance* ("**ESG**") *Report* of Asymchem Laboratories (Tianjin) Co., Ltd. Its purpose is to disclose to all stakeholders the concepts, management methods, efforts and achievements of the Company's sustainable development in its operations.

## ❖ Reporting Scope

The scope of this report covers Asymchem Laboratories (Tianjin) Co., Ltd. and its subsidiaries ("**Asymchem**", the "**Group**", the "**Company**" or "**we**") and is consistent with the scope of the consolidated financial statements of Asymchem (002821.SZ & 6821.HK).

## ❖ Reporting Period

The reporting period of this document aligns with the Annual Report, covering the timeframe from 1 January 2025 to 31 December 2025. Any textual information that falls outside this period will be explicitly noted in the relevant sections.

## ❖ Formulation Basis

This report is prepared in accordance with the "*Environmental, Social and Governance Reporting Guide*" (version effective from 31 December 2025) (the "**ESG Guide**") published by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**" or "**HKSE**"), as well as the *Self-Regulatory Guidelines No. 17 for Companies Listed on the Shenzhen Stock Exchange – Sustainability Report (for Trial Implementation)* (the "**Sustainability Report Guidelines**") and the *Self-regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation of Companies Listed on the Main Board* (revised on 2025) (the "**Standardized Operation Guidelines of Main Board Listed Companies**") issued by the Shenzhen Stock Exchange ("**SZSE**").

## ❖ Reporting Principles

This report follows the reporting principles of the *ESG Guide* of the HKSE, and the *Sustainability Report Guidelines* and the *Standardized Operation Guidelines of Main Board Listed Companies* of the SZSE, including:

- Sustainability Context/Materiality

The Company identifies material issues related to operations that are of concern to various stakeholders as the focus of this report. While reporting on material issues, this report also focuses on the characteristics of the Company's industry and business. For details of the analysis process and results of the issue materiality, please refer to the "**Identification and Management of Material Issues**" section of this report. At the same time, this report highlights environmental, social and governance issues that may have a significant impact on investors and other parties concerned.

- Accuracy

This report makes every effort to ensure that the information is as accurate as possible. In the case of quantitative information, the measurement has been described in terms of the data source, the basis of calculation and the assumptions made to ensure that the margin of error in the calculation is not misleading to the users of the information. Quantitative and annotated information is available in the "**ESG Data Tables and Notes**" section of this

report. The Board commits that there are no deceptive records, misleading or major omissions in the content of this report.

- Balance

The contents of this report reflect objective and true facts and provide unbiased disclosure of both positive and negative information concerning the Company. The Company found no negative events that should have been disclosed but have not been disclosed during the Reporting Period.

- Clarity

This report is published in Chinese and English. This report contains information such as tables, model diagrams and a glossary of professional terms as a supplement to the text in this report for ease of understanding of the text by stakeholders. To ensure faster access to information for stakeholders, this report provides a table of contents and a benchmarking index for ESG criteria.

- Quantification

This report discloses key quantitative disclosures and historical information where possible. For details, please refer to the section headed "**ESG Data Tables and Notes**" section of this report.

- Comparability/Consistency

This report maintains consistent statistics and disclosure methods for the same quantitative disclosure in different reporting periods. In the event of any changes in data collection, measurement, and calculation methods, retrospective adjustments will be made to relevant data, and the adjustment and reasons will be explained in the Notes to the report, so as to enable stakeholders to conduct meaningful analyses and assess the development trend of the Company's ESG data level.

- Completeness

The scope of disclosure in this report is consistent with that of the Company's consolidated financial statements.

- Timeliness

This report is an annual report covering the period from 1 January 2025 to 31 December 2025. The Company endeavours to publish the report as soon as possible after the end of the reporting year to provide timely information and reference for stakeholders to make decisions.

- Verifiability

The cases and data as mentioned in this report are sourced from the original records or financial reports of the Company's actual operation. The source of disclosed data and the calculation process are traceable and can be used to support external authentication inspections. For details, please refer to the "**Appendix 4: Third Party Attestation Statement**" section of this report.

## ❖ Statement of Forward-Looking Information

The report includes forward-looking statements regarding future plans and other matters, accompanied by corresponding cautionary statements. These do not constitute

substantive commitments by the Company to investors. Investors and relevant parties should maintain a sufficient awareness of the associated risks and understand the distinctions between plans, forecasts, and commitments.

## ❖ About the Data

The data and cases as mentioned in this report are sourced from the original records or financial reports of the Company's actual operation. The financial information in the report is mainly denominated in RMB. If there is any inconsistency, please refer to the text description for details. Where the financial information is inconsistent with the Annual Report of the Company, the Annual Report shall prevail.

## ❖ Reliability Commitment

Asymchem commits that there are no deceptive records, misleading statements, or major omissions in the content of this report. The Board of Directors of the Company is answerable to the authenticity, accuracy, and completeness of its content. Based on the principle of "balance", this report discloses the positive and negative information of the Company in an unbiased manner, and there are no negative events that should have been disclosed but have not been disclosed, or that have been penalized by the competent authorities or have had a significant impact due to violations of relevant laws or regulations.

## ❖ Reporting language

This report is compiled in simplified Chinese. In case of any ambiguity, the original simplified Chinese shall prevail.

## ❖ Contact Information

Add.: No. 71, 7th Avenue, Tianjin Economic-Technological Development Area ("**TEDA**"), the People's Republic of China

Tel.: +86 10 6617 0640 (ext. 8020)

E-mail: ir@asymchem.com.cn

# Chairperson's Statement

Dear shareholders and Stakeholders:

Since the United Nations Global Enterprise Organization first proposed the ESG (Environmental, Social and Governance) concept in 2004, this new business paradigm has developed rapidly around the world, which has promoted the value judgment and restructuring of competitive advantages within our pharmaceutical CDMO industry. Nowadays, a ternary synergy of positive interaction has been formed between regulators, market and society, providing strong support for the transformation of the industry and the development of the times. Especially in the global ESG investment market, the shift from policy guidance to specific practices has made the ESG of the pharmaceutical CDMO industry no longer limited to financial statements, but has become one of the key levers of core competitiveness.

In the past year, we have weathered both challenges and achievements along a demanding journey, but we have always maintained our original aspirations, made firm progress, and moved forward together. By adhering to the sustainable development path of "**continuous innovation, consistent standards and steadfast execution**" to support our Company and the pharmaceutical CDMO industry as a whole. ESG development. On behalf of the Board of Directors, committees and all employees of Asymchem, I hereby extend my sincerest gratitude to every investor, stakeholders and the public who support us.

In 2025, our overall ESG practice level in many fields, including climate change, has been significantly improved. We have been awarded A in MSCI ESG rating, Wind's ESG rating was improved to AA; the Company's S&P global CSA score was increased to 70 points. In 2025, the Company was successfully included in the S&P Sustainability Yearbook (China Edition) in 2025 and were recognised as an S&P Global Industry Mover. In 2026, the Company was included in the S&P Sustainability Yearbook (Global Edition) and recognized as an S&P Global Industry Leader. Our SynTao Green Finance rating is A, and CDP climate change rating is B. Our factory has been awarded the EcoVadis annual silver medal; the scientific carbon target has been awarded an international recognised SBTi certification; China Sino-Securities Index ESG rating is AAA. In addition, we have also been awarded various honors such as the "Excellent ESG Award", demonstrating our efforts and achievements.

**ESG is not merely about the implementation and promotion of system, it needs to be deeply integrated into the corporate culture and foster consensus across the industry chain. Asymchem has the responsibility to be an enabler of innovative drugs in China and even the world, and at the same time strive to be a leader in green development, to promote the development of the Company and the industry (sustainability) as a whole.**

In terms of "**continuous innovation**", we further analyzed the development of green chemistry issues under the new ESG standards, emphasizing the core goal of pollution prevention. We are firmly believe that a sound governance mechanism is the basis for promoting green chemistry, while the Company's development strategy, the identification and management of material impacts, and risk and opportunities, as well as metrics and targets, together constitute the four key elements of green chemistry. These are closely linked to the financial importance and impacts of the Company. We actively apply a series of technologies such as continuous reaction technology, biological enzyme catalysis and biosynthesis technology, green liquid-phase peptide synthesis technology, and mature high-throughput screening, in order to optimize the production process and promote the

practice of green chemistry. It has provided a clear benchmark for ESG disclosure among domestic pharmaceutical companies. With technology-driven as its core strategy, Asymchem has integrated ESG concepts into its core business and operations.

In terms of "**consistent standards**", we continue to promote production improvements in our daily operations, demonstrating our achievements in the fields of green chemistry and chemical technology. We have achieved efficiency improvement, cost reduction and quality improvement through green chemistry, forming a complete green closed loop from R&D to production, infusing with the wisdom and standards of sustainable development. ESG management will further promote the reduction of our production costs and the green premium of our products, as well as increase customer recognition and brand value.

In terms of "**steadfast execution**", as a participant and leader of the pharmaceutical CDMO industry, we actively take the lead in participating in the ESG practice seminar of the pharmaceutical CDMO industry, constructing a new vision for the sustainable development of the industry from multiple perspectives of technology, policy, investment, and society. We have carried out a number of public welfare activities to give back the society and support the broader community and industry. At the same time, we have made significant progress in responding to climate change and have been recognized by international institutions.

The guiding principles proposed by Asymchem at its inception **"technology-driven, staying vigilant, be cautious, accumulating strength for future success",** are highly consistent with the today's ESG philosophy. In the future, we will continue to apply continuous reaction technology, biocatalysis and smart production to provide customers with low-carbon, low-environmental load green solutions, working together to safeguard human health and a harmonious future for our planet. Looking forward to the future, we will uphold the concept of "green pharmacy, innovation-oriented", continue to improve the development of our ESG system, strive to create maximum value for shareholders, and strive to become a trusted partner of the global healthcare industry.

Asymchem Laboratories (Tianjin) Co., Ltd.

Chairman, Executive Director and Chief Executive Officer

Dr. Hao Hong

# 1. About Asymchem

## ❖ Company Profile

Asymchem is a globally leading, technology-driven pharmaceutical contract development and manufacturing organization ("**CDMO**"), providing comprehensive one-stop services. We offer full lifecycle chemistry, manufacturing and control services to over 1,300 clients worldwide, delivering efficient and high-quality R&D and production services that accelerate the clinical research and commercialization of innovative drugs. As one of the top-ranked CDMO companies for APIs of innovative drugs globally and the largest commercialized chemical drug CDMO company in China, Asymchem has achieved dual listings on both the "A" and "H" main Board markets.

The Company has established R&D and production bases in multiple countries and regions, including Tianjin, Jilin, Liaoning, Shanghai, and Jiangsu in China, as well as Boston in the United States and Sandwich in the United Kingdom. Our operations span various business areas, such as chemical small molecule drugs, oligonucleotides and peptides, biological drugs, preparations, and export of technologies synthetic biology. As of the end of the reporting period, the Company has more than 10,000 employees worldwide, with R&D personnel accounting for more than 49%. The Company has established strong and enduring cooperation with global pharmaceutical giants such as Pfizer, Merck, AbbVie, Eli Lilly, Bristol-Myers Squibb, and AstraZeneca, and have gradually established an integrated service ecosystem for innovative drugs.

**Company Overview**

| | |
|---|---|
| **Company Name** | Asymchem Laboratories (Tianjin) Co., Ltd. |
| **Stock Code** | 002821.SZ & 06821.HK |
| **Address of Headquarters** | No. 71, 7th Avenue, TEDA Tianjin, the People's Republic of China |
| **Company Size** | • Multiple R&D and production bases and 3 overseas commercial & technical support centers<br>• Staffed with 10,617 employees[1] |




[1] The number of employees includes full-time contract employees, excluding employees in other forms of employment (interns, employees with disabilities, and rehired employees after retirement).

## ❖ Main Business

Asymchem has established itself as a reliable and preferred partner in the global pharmaceutical industry, leveraging over 26 years of deep industry insights, efficient R&D and production capabilities, exceptional service quality, and a strong industry reputation. Building on our extensive experience, technological expertise, and customer resources in the small molecule CDMO sector, we actively explore and expand into emerging business areas such as chemical macromolecules CDMO, drug products, clinical contract research organization ("**CRO**"), biological macromolecules CDMO, export of technologies, and synthetic biology. These efforts have yielded remarkable results, solidifying the Company's position as a professional, comprehensive, one-stop platform for innovative drug customization services.

**Company Business Layout**

| | | |
|---|---|---|
| **Small Molecule CDMO Service** | Small Molecule Drugs | • We provide comprehensive outsourcing services for small molecule drugs throughout their entire lifecycle. Our primary focus lies in sectors characterized by high product quality standards, substantial production volumes, and stringent regulatory requirements. The drugs we serve cover multiple major therapeutic areas, including antiviral, infectious, oncological, cardiovascular, neurological, and diabetic conditions, as well as rare disease treatments. |
| **Emerging Services** | Chemical Macromolecule | • Our chemical macromolecule business segment includes peptides, oligonucleotides, toxin linkers, etc., providing one-stop chemical component production and control ("**CMC**") solutions from pre-clinical to new drug marketing authorization application ("**NDA**") application and commercial production. |
| | Preparation | • We offer one-stop drug product services, encompassing polymorph screening, pre-formulation studies, formulation and process development, analytical method development and validation, Investigational New Drug ("**IND**") and NDA registration batches, Phase I to III clinical trials, as well as Current Good Manufacturing Practice ("**cGMP**") compliant production services and stability studies. By continuously strengthening and advancing platforms such as solid dispersion technology and nanocrystal technology, our services cover a wide range of dosage forms, conventional tablets and capsules, extended-release and controlled-release tablets, granules, sterile solutions, sterile lyophilized powders, eye drops, oral peptides, small nucleic acid gels, nasal sprays, liposomes, nanoparticles, lipid nanoparticles ("**LNP**") and oral-sustained-release formulations. |

| | | |
|---|---|---|
| | Clinical CRO | • The Company leverages its technology and academic leadership in the innovative model of customized academic research and development ("**CARO**") to provide global partners with full-process, high-quality new drug research and development services. The business scope covers the one-stop whole process from new drug IND to NDA, including from Pre-IND consultation, registration affairs, clinical monitoring, clinical research project management, data management and statistical programming, third-party audit, pharmacovigilance to the overall closed-loop solution for post-market research. |
| | Biological Macromolecule | • Our services include providing CDMO services for antibodies and recombinant protein drugs, antibody-drug conjugates. To meet the rapidly growing demands of domestic and international customers, an integrated one-stop drug conjugate R&D and production service platform has been established to provide clients around the world with one-stop CDMO solutions such as various new conjugate drugs, antibodies and recombinant protein drugs. |
| | Export of Technologies | • Our continuous reaction technology export business can provide full-process customized services such as "chemical process research and development - process package design - continuous reaction pilot test -application service (first process demonstration, etc.) -continuous reaction system and equipment design and manufacturing -assistance in the installation and commissioning of production equipment". We are committed to providing one-stop continuous solutions that can be applied to the field of fine chemicals, helping traditional industries - such as pharmaceuticals, pesticides, materials, and additives - improve quality and efficiency while promoting the safe, green, healthy and efficient development of the industry. |
| | Synthetic Biology | • We have established a mature one-stop synthetic biology service capability starting from molecular biology. We have possessed two technological platforms of enzyme engineering and cell engineering, enabling the discovery, evolution, screening, immobilization, production, substrate production, biocatalysis and its application in chemical processes of enzymes. The synthetic biotechnology platform has formed a complete technology system, and has successfully realized high value-added bio-based small molecules such |

| | | |
|---|---|---|
| | | as salidroside, resveratrol, sclareol and bakuchiol, as well as functional peptides and proteins including the semaglutide main chain, lactoferrin and ADC conjugation enzymes. A number of key indicators such as output, production intensity and purity of related products have reached the world's leading level. |

## ❖ Annual Honors and Social Recognition

**Honors and Social Recognition Received by the Company in 2025[2]**

| Aspect | Description |
|---|---|
| **ESG** | • In May, the Company was awarded the title of "Industry Mover" by virtue of its outstanding performance in the S&P Global Corporate Sustainability Assessment ("**S&P CSA**") and was successfully selected into the *Sustainability Yearbook (China Version) 2025*. In October, the Company's S&P CSA score increased to 70, which is among the highest in the industry. It was successfully selected into the S&P Sustainability Yearbook (Global Edition) in 2026 and was awarded as "Industry Leader" by S&P.<br>• Aymchem Life Science, a subsidiary of the Company, was awarded the EcoVadis Silver Medal certification in 2025, and Asymchem Pharmaceuticals, another subsidiary, received the EcoVadis Bronze Medal certification in 2025, and Asymchem Pharmaceuticals, another subsidiary, received the EcoVadis Silver Medal certification in 2025<br>• The Company's Carbon Disclosure Project ("**CDP**") Climate Change Questionnaire was rated as B grade<br>• The Company's China Sino- Securities Index ESG rating was rated as AAA<br>• The Company's SynTao Green Finance 2025 ESG Rating was rated as A<br>• The Company's WIND ESG was rated as AA, and its comprehensive score ranks among the top ten in the pharmaceutical industry<br>• Milestone progress was made in the setting of the Company's Scientific Carbon Target ("**SBT**")**.** Among them, Asymchem has submitted a target setting commitment to the Scientific Carbon Target Initiative ("**SBTi**") in October 2025; Jilin Asymchem and Asymchem Pharmaceuticals passed the target verification in April 2025 and May 2025, respectively.<br>• Shenzhen Value Online Information Technology Co., Ltd. awarded the Company the honor of the Second E-Dong ESG+8 "Value 100"<br>• The Company received the Outstanding Social Contribution Award by TEDA Committee of the Communist Party of China and TEDA Administrative Commission<br>• The E-medicine manager awarded the company the title of TOP20 ESG Competitiveness of China's Pharmaceutical Listed Companies in 2005<br>• The Company obtained the title of Top 20 ESG Competitiveness of China's Listed Pharmaceutical Enterprises in 2024 by Healthcare Executive magazine (mid-cap stocks)<br>• Luanlu Financial Association awarded the Company the 6th |

[2] Honors and social recognition received by Asymchem Laboratories and all of its subsidiaries are collectively denoted by "Company".

| Aspect | Description |
|---|---|
| | Annual Sustainability Information Disclosure Award of China's Listed Company Luanlu Financial Association<br>• Carbonstop awarded the Company the honor of "Excellent Carbon Disclosure Partner"<br>• China Times awarded the Company the 2025 China ESG Dandelion Typical Case Award at the Fifth China Awards for Healthcare Industry Development and Rehabilitation Services Conference<br>• The Hong Kong Quality Assurance Agency awarded the Company a Gold Seal for the Pilot Program on Sustainability-related Financial Information Disclosure<br>• RoadShow China, a cross-border roadshow platform for listed companies, awarded the Company the "Excellence ESG Award" in the 9th China Excellence IR Selection |
| **Operating** | • Convention on Pharmaceutical Ingredients China ("**CPHI China**") awarded the Company the Leading Enterprise of Pharma Internationalization Awards<br>• China Council for International Investment Promotion awarded the Company the honor of "Top 100 Leading Enterprises in Service Outsourcing"<br>• JRJ.com awarded the Company the 2024 "Golden Intelligence Award" Outstanding Pharmaceutical and Biological Industry Excellence Award<br>• The organizer of the 26th Hi & Fi Asia-China awarded the Company the Food Ingredient Excellence Award<br>• The Health Communication Index Academy's Health China Communication Conference recognized the Company as one of the Top 100 Pharmaceutical Brand Influence Cases based on its competitiveness, corporate image and communication effectiveness indicators |
| **Clients** | • Nuvation Bio awarded the Company "Best Partner in the Taletrectinib Project"<br>• PharmCube awarded the Company the honor of "Industry Leading CDMO Company in the Ten-Year Glory List of Innovative Drugs in China" |
| **Employment** | • BOSS Zhipin awarded the Company as "Best Employer in Tianjin"<br>• Liepin North China awarded the Company the "Human Resources Outstanding Contribution Award" |
| **Public welfare and charity** | • The Tianjin Binhai New Area Disabled Federation and the Tianjin Development Zone Charity Association awarded the Company the honor of Caring Enterprise for Supporting Persons with Disabilities<br>• The Tianjin Economic-Technological Development Area Charity Association awarded the Certificate of Appreciation to thank the Company for its generous donation in the "Hope of Heart" project<br>• Tianjin Binhai New Area Xiangyu Autism Rehabilitation Center awarded the Company the honorary certificate of "Implementing the Caring Action Implementation Plan and Promoting the All-round Development of the Autistic Group -The 18th Autism Day |

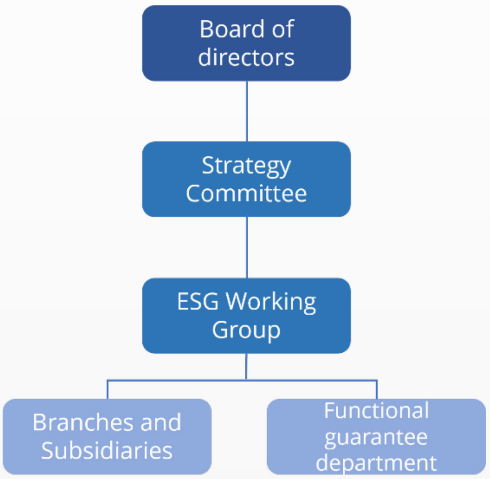
| Aspect | Description |
| --- | --- |
| | Public Welfare Advocacy Activity" |
| **Capital market** | • Ranked No. 1 in the 2025 EXTEL Best IR Team in China mainland (Best IR Team), and No. 2 in the Best IR Program and Best Company Board selections<br>• China Securities Journal awarded the Company the Golden Bull Award for Listed Companies "Golden Information Disclosure Award " |

# 2. Governance for Sustainable Development

## ❖ Governance for Sustainable Development

With a steadfast commitment to our mission of "being the partner of choice to global pharmaceutical companies of all sizes providing R&D and manufacture solutions throughout the full lifecycle of innovative drug development", Asymchem has adhered to our operational philosophy of "International Standards, Chinese Advantages, Technology-Driven, and Eco-Friendly" for many years. Leveraging our continuous innovation and development of several internationally leading patented technologies, we have been dedicated to serving the realm of innovative and breakthrough medicines, helping our clients' product launches to market. These endeavors have contributed to enhancing the quality of life for patients, relieving their suffering.

To further integrate ESG into the Company's corporate operations and management, the Company has established a top-down ESG governance framework to harmonize our ESG strategies across the organization and ensure the efficient implementation of ESG management practices, thus fostering our sustainable development. During the Reporting Period, the Company revised the Rules of the *Strategy Committee under the Board of Directors* to clarify the ESG management responsibilities of the Strategy Committee in order to strengthen the management of ESG-related risks and opportunities of the Company. The Company's ESG governance mechanism is verified by an independent third party to ensure its accuracy.




**Corporate ESG Governance Structure and Responsibilities of the Company**

| | |
|---|---|
| **Board of Directors** | As the supreme decision-making body of ESG management, the Board of Directors is responsible for the Company's ESG supervision and management. |
| **Strategy Committee** | As the management body of ESG efforts, it is responsible for evaluating the important issues of ESG management of the Company and overseeing the implementation of ESG management, and plays its part in the following tasks:<br>• To conduct research and make relevant recommendations on the Company's ESG development strategy, vision and target setting; review major ESG trends, related risks, and opportunities, and accordingly assess the adequacy and effectiveness of the Company's ESG framework; identify and prioritize the Company's |

| | |
|---|---|
| | significant ESG risk issues, and provide recommendations to the Board of Directors;<br>• To propose opinions and suggestions on the Company's sustainable development and the formulation and implementation of the ESG management work plan;<br>• To monitor and review the implementation and improvement of the sustainable development and the management of ESG, ensure that the management and decision-making mechanisms of relevant issues meet the requirements of relevant laws and regulations, and improve the performance of relevant issues;<br>• To review the Company's annual ESG report and submit it to the Board of Directors for consideration. |
| **ESG Working Group** | • It consists of the heads of the Company's departments and subsidiaries, assisting the Strategy Committee in promoting and implementing ESG efforts;<br>• At the ESG report level, the relevant ESG ratings of concern to the capital market are compiled and authored by the investor relations function. |

## ❖ Sustainable Development Actions and Influence

As a leading enterprise in the CDMO industry, Asymchem adheres to the concept of sustainable development, actively responds to the United Nations Sustainable Development Goals ("**SDGs**"), and continuously advances ESG management and practices, contributing to the realization of sustainable development goals and the construction of a greener, healthier future.

In accordance with the *United Nations' Guide for Corporate Action to Support SDGs*, the Company identifies and integrates sustainable development goals related to its business activities into its core business strategy, based on its actual conditions, and reports the annual key actions taken in response to these SDGs in its ESG report.

**Process for Identifying and Integrating the SDGs**




**Main Actions in Response to SDGs in 2025**

| SDGs | Main Actions in 2025 |
|---|---|
|   | • We cared for employees in need, conducted measures such as hospitalization and normalized condolences, donation assistance, and assistance for serious illnesses, so as to solve the worries of employees.<br>• We carried out charity work in the fields of healthcare, rural revitalization, and support children's medical assistance, assistance for the disabled, and rural construction and design. |
|   | • Through R&D and innovation, we help pharmaceutical customers bring to market quickly, so as to alleviate the suffering of patients and improve people's quality of life.<br>• Our Environmental Health and Safety ("**EHS**") management system ensured the establishment of a healthy and safe workplace environment for our employees. |
|   | • We established a hierarchical and classified training system, relying on the online and offline linkage of the Asymchem Learning Center to achieve full training coverage. We also supported employees to participate in vocational skills certification and academic qualification upgrade.<br>• We actively expanded school-enterprise cooperation and integration of industry and school and research, and systematically broadened the path of talent cultivation and reserve through the establishment of "Asymchem Class" and the co-construction of post-doctoral workstations. |

| SDGs | Main Actions in 2025 |
|---|---|
|  | • Through the *Board Diversity Policy*[3] and set up the diversity targets of the Board of Directors as efforts to build a diversified Board of Directors.<br>• Through the *Diversity, Equity and Inclusion Policy*, committed to building a diverse and inclusive work environment, encouraging talent of all genders to join and providing equal development opportunities. |
|  | • Through the *Environmental Management Policy*, committed to reducing water resource consumption and minimizing the discharge of pollutants in wastewater during production processes.<br>• Reduced water resource consumption with better water consumption efficiency by means of water resource recycling and more equipment maintenance.<br>• Strictly complied with relevant laws and regulations, standards, and norms to strengthen the management of wastewater to meet the discharge standards. |
|  | • Improved the efficiency and steam supply of incinerators and waste heat boilers to bring down raw coal consumption.<br>• Installed and used solar streetlamps in the factory.<br>• Implemented energy-saving equipment upgrades, advanced the construction of photovoltaic power generation systems, and purchased and utilized green electricity. |
|  | • Provided a dual-channel development path for management and technology, and supported the career development of employees through school-enterprise cooperation, performance and incentive mechanisms, and assists in the realization of self-worth. |
|  | • Maintained active exploration of cutting-edge technologies, continuously improved innovation capabilities, solved new and complex process difficulties and technical challenges faced by customers through efficient technological innovation operations, and accelerated the transformation of projects from small laboratory trials to commercial production.<br>• Deepened the application of digitization and intelligence, significantly improved the accuracy and response speed in process development, production execution and quality control, improved production efficiency, and ensured the reliability of project delivery. |
|  | • We established a comprehensive external publicity and information protection mechanism to standardize and improve the processes of the Company's marketing for the Company's compliant and responsible marketing.<br>• Adhering to the development concept of "Green for the Future", we have long been committed to the development and |

[3] Relevant policy documents can be viewed through the ESG column of the Company's official website https://www.asymchem.com.cn/ . Same as below.

| SDGs | Main Actions in 2025 |
|---|---|
| | application of environment-friendly and low-carbon new green chemical technologies to reduce emissions of three wastes for safer largescale enlarged production. |
|  | • Conducted climate scenario analysis and systematically assessed climate-related risks and opportunities.<br>• Promote scientific carbon target setting and implement carbon reduction actions.<br>• Continue to improve the governance mechanism for climate issues, vigorously research and develop green pharmaceutical technology, improve the efficiency of resource use, and reduce greenhouse gas emissions.<br>• Promoted Science-Based Target setting and implemented decarbonization actions.<br>• We continued to improve our climate management mechanism and worked on R&D of green pharmaceutical technologies to reduce greenhouse gas emissions with better resource utilization rates. |
|  | • We revised policies such as the *Anti-Corruption and Anti-bribery Policy* and the *Whistleblowing Policy* to prevent and detect corruption and bribery for better integrity management.<br>• We formulated the *Supplier Code of Conduct* and *Supplier ESG Management Policy*, and signed the *Supplier Integrity Agreement* with all project suppliers to ramp up the management of suppliers' business ethics. |

# 3. Identification and Management of Material Issues

## ❖ Identification of Material Issues

In accordance with the requirements for "materiality analysis of issues" outlined in the SZSE's *Sustainability Reporting Guidelines*, the "materiality" principle in the HKSE's *ESG Guidelines* and the management requirements for material issues in the Global Sustainability Standards Board's ("**GSSB**") *GRI Sustainability Reporting Standards*, Asymchem conducts annual review, reflection, and adjustment of the material issues from the previous year, and conducts survey and research on material issues every two years.

During the Reporting Period, the Company invited external experts to participate in the preliminary identification and screening of issues. From the dual perspectives of impact materiality and financial materiality, the Company assigned scores to the factors for assessing impact materiality and financial materiality, analyzing the dual materiality of each issue to the Company. Ultimately, the Company internally reported and confirmed the results of the materiality analysis and disclosed the methodology, process, and outcomes of the materiality analysis in this report.

**2025 Dual Materiality Analysis Process for Issues**

| Process | Details |
|---|---|
| **Step 1** Background identification and understanding | • Understand the Company's internal activities and business relationships, as well as the external objective environment;<br>• Identify and understand key affected stakeholders: including government and regulatory authorities, clients, partners, suppliers, employees, communities and the general public. |
| **Step 2** Preliminary identification of issues | • Conduct preliminary identification and screening of ESG issues relevant to the Company by benchmarking against standards, policy analysis, and peer comparisons, and provide initial definitions for the identified issues;<br>• Identify the impacts, risks, and opportunities related to the issues, and compile them into the Company's issue list. |
| **Step 3** Materiality assessment of issues | • From the dual perspectives of impact materiality (i.e., impact on stakeholders) and financial materiality (i.e., impact on business operations), assign scores to impact materiality assessment factors (likelihood of impact, scale of impact, scope of impact, and irremediability of impact) and financial materiality assessment factors (likelihood of impact and degree of financial impact) (on a scale of 0-5);<br>• Use half (50%) of the maximum score for materiality assessment as the threshold to determine whether an issue is "material", assess the impact materiality and financial materiality of each issue, and determine the priority ranking of issues. |
| **Step 4** Issue confirmation and review | • Consolidate the assessment results of impact materiality and financial materiality to develop a dual-materiality issue matrix (on a scale of 0-10);<br>• Present the materiality analysis findings internally for review, with final confirmation by the Board of Directors; |

| | |
|---|---|
| | • Disclose the analysis of the materiality and relevant details of each issue in accordance with the requirements of the stock exchange. |

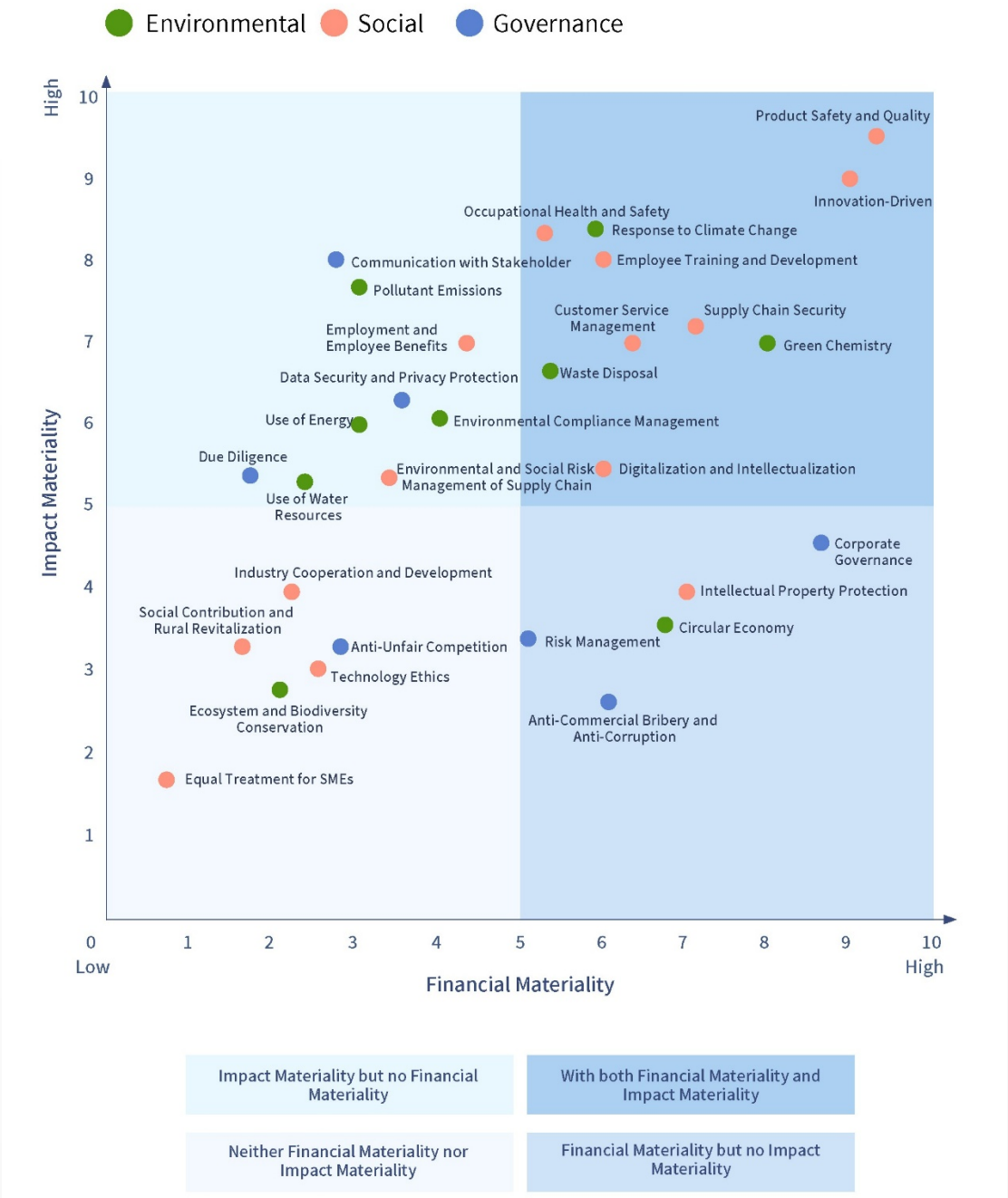
During the Reporting Period, the Company initially identified and screened 30 issues. Among them, there were 9 issues in the environmental dimension (E), 14 issues in the social dimension (S) and 7 issues in the governance dimension (G).

After analyzing the 30 issues, the Company has 10 issues of double importance, including "Green chemistry", "Waste disposal", "Employee training and development", "Occupational health and safety", "Innovation-driven growth", "Product safety & quality", "Client service management", "Digitalization and intelligent", "Tackling climate change", and "Supply chain security". A total of 5 issues is of financial materiality only, 9 issues are of impact materiality only and 6 issues are neither of financial materiality nor impact materiality.

The Company will disclose the relevant contents of the above issues in this report in accordance with the relevant requirements of the exchange, including: (1) disclosure of issues of financial materiality in accordance with the "Four Elements + Specific Issue Requirements"[4]; (2) disclosure of issues of impact materiality in accordance with the "Specific Issue Requirements". In addition, for issues that are neither of financial materiality nor impact materiality, the Company has also made relevant disclosures in accordance with its actual management situation.

In addition, for the identified issues of financial materiality, the relevant impacts, risks and opportunities of the identification and assessment are detailed in the corresponding sections of the issues of this report.

[4] In sections 4 to 9 of this report, sections corresponding to financial materiality are marked with an asterisk "*" at the end of their titles.




**Dual-materiality Issue Matrix in 2025**

## ❖ Material Issues Management

In the course of its business development, Asymchem has consistently placed paramount importance on the identification and management of material issues. Through comprehensive analysis of both external environments and internal operations, the Company has identified a series of issue-related risks and opportunities that significantly impact the Company's development. Having assessed the implications of these risks and opportunities, the Company has systematically integrated them into its decision-making processes to ensure thorough consideration in all material business decisions.

Currently, the Company has completed preliminary evaluations of these factors' financial impacts across current and anticipated time horizons (short, medium, and long term)[5], resulting in strategic-level adjustments and the formulation of specific management strategies of the Company (detailed in respective sections of this report). Through the implementation of these strategies, the Company believes and expects that, under the uncertainty of future changes in the external environment, Asymchem will continue to uphold the concept of sustainable development, and promote its own high-quality development while contributing to the sustainable development of society.

[5] The Company defines the "time frame" as follows: short-term refers to within one year after the end of the Company's ESG reporting period, that is, within 2026; mid-term refers to one year to five years after the end of the Company's ESG reporting period, that is, from 2027 to 2031; and long-term refers to the year from 2027 to 2031 after the end of the Company's ESG reporting period. Refers to more than 5 years after the end of the company's ESG reporting period, that is, 2032 and above. Such "time frame" is used to assess and manage the materiality of the Company's overall ESG issues. Regarding the issue of "Responding to Climate Change", taking into account the long-term nature and particularity of climate issues, the "time frame" for the Company's analysis of climate-related risks and opportunities is defined separately. For details, please refer to the "Tackling Climate Change" section of this report.

## ❖ Communication with Stakeholders

Asymchem is committed to building long-term, trust-based relationships with its stakeholders. Through a structured communication mechanism, the Company gains in-depth understanding of stakeholders' opinions and expectations, maintains two-way interactions, and actively responds to their concerns and aspirations. Aligning with its business strategies and benchmarking against global standards, Asymchem has identified key stakeholders, encompassing governmental bodies, regulatory agencies, shareholders, investors, clients, partners, suppliers, employees, communities, and the general public. Tailored management approaches and targeted communications have been initiated to address their concerns effectively, aligning with their expectations and aspirations.

**Stakeholders' Communication Methods and Issues of Concern**

| Key Stakeholders | Representatives of Stakeholders | Issues of Concern | Communication Methods and Channels |
|---|---|---|---|
| **Government and regulatory authorities** | • The National Health Commission, the State Medical Products Administration, the China Securities Regulatory Commission, and local government departments of overseas operations, etc. | • Product safety and quality<br>• Anti-commercial bribery and anti-corruption<br>• Occupational health and safety<br>• Environmental compliance management | • Policy consultation and briefing<br>• Industrial policy exchange meeting<br>• Daily policy implementation<br>• Whole- process product quality<br>• Subject to regular official audits<br>• Anti-commercial bribery and anti-corruption management<br>• Application of green chemistry technology<br>• Safe production management |
| **Shareholders and investors** | • Investors, financial institutions and credit rating agencies that engage in equity and investments within companies | • Product safety and quality<br>• Innovation-driven<br>• Corporate governance<br>• Risk management<br>• Investors rights protection<br>• Tackling climate change | • Shareholders meeting<br>• Regular result conference<br>• Special meeting communication between securities dealers and capital market, online interactive group meetings and roadshows<br>• "Investor Relations" column on the Company's |

| Key Stakeholders | Representatives of Stakeholders | Issues of Concern | Communication Methods and Channels |
|---|---|---|---|
| | | | official website, investor email communications, and news updates on the Company's social media accounts<br>• Regular reporting and timely information disclosure mechanism<br>• Risk management systems<br>• Early warning system for major risks<br>• Whole-process product quality control<br>• Innovation platforms<br>• Green operation<br>• Identification of and response to climate change risks and opportunities |
| **Clients** | • Pharmaceutical enterprises, R&D enterprises, sponsors, etc. | • Product safety and quality<br>• Innovation-driven<br>• Energy utilization<br>• Tackling climate change<br>• Intellectual property protection<br>• Customer service management<br>• Green chemistry | • Customer service quality assurance<br>• Customer satisfaction survey<br>• Customer visit reception<br>• Whole-process product quality control<br>• Application of green chemistry technology<br>• Anti-infringement search and patent navigation |
| **Partners** | • Industry | • Innovation- | • Industrial events, |

| Key Stakeholders | Representatives of Stakeholders | Issues of Concern | Communication Methods and Channels |
|---|---|---|---|
| | associations, research institutions, universities, etc. | driven<br>• Intellectual property protection<br>• Industry cooperation and development<br>• Staff training and development | including exhibitions, seminars, etc.<br>• Anti-infringement search and patent navigation |
| **Suppliers** | • Raw material suppliers, equipment suppliers and service suppliers | • Supply chain security<br>• Supply chain environmental and social risk management<br>• Industry cooperation and development<br>• Tackling climate change<br>• Occupational Health and Safety | • Regular meetings, such as annual supplier meeting, business review meeting<br>• Supplier portal<br>• Supplier assessment and audit<br>• Supplier training<br>• Supplier quality control<br>• Incentive for quality improvement<br>• Building stable supplier relationship<br>• Supplier environmental and social responsibility management<br>• Regular on-site or remote audits |
| **Employees** | • All employees of Asymchem, including junior employees, junior management, middle management and senior management | • Employment and employee rights<br>• Employee training and development<br>• Occupational health and safety<br>• Product | • Diversified employee benefits<br>• Employee communication platform (including: DingTalk and email)<br>• Offline forum<br>• Employee representative |

| Key Stakeholders | Representatives of Stakeholders | Issues of Concern | Communication Methods and Channels |
|---|---|---|---|
| | | safety and quality | meetings congress<br>• Employee training system<br>• Safety production training<br>• Occupational health protection |
| **Community and public** | • Community residents, non-profit organizations, social groups, media, etc. around the place of operation | • Social contribution and rural revitalization<br>• Tackling climate change<br>• Energy utilization<br>• Water resource utilization<br>• Circular economy<br>• Pollutant discharge<br>• Waste disposal<br>• Industry cooperation and development | • Public welfare activities<br>• "Three Wastes" disposal mechanism<br>• Green operation<br>• Identifying of and tackling climate change risks and opportunities<br>• Cooperate with the media to provide information or arrange project interviews |

## ❖ Due Diligence

Asymchem upholds the concept of sustainable development and fully integrates ESG management into the Company's management strategy. In order to ensure the effective operation of the ESG management system and prevent or mitigate negative impacts or risks related to ESG in the Company's own operations and the upstream and downstream of the value chain , the Company has established systematic due diligence Investigation process by focusing on the four major steps of "governance construction — risk identification — response execution — monitoring and disclosure" to realize systematic identification and continuous improvement of negative ESG impacts or risks. For details of relevant management measures and results, please refer to the corresponding chapters of each issue of this report.

**Due Diligence Management Process**

| Due Diligence Steps | Management Measures (Partial) |
|---|---|
| **Step 1**<br>Establish ESG governance and decision-making mechanisms | • Sustainable development governance<br>• Risk performance management |
| **Step 2**<br>Identify and assess ESG-related negative impacts or risks | • Identification and management of materiality issues<br>• Risk management process<br>• Product quality risk identification<br>• Supply chain security assessment<br>• Supplier ESG risk assessment<br>• Climate scenario analysis<br>• Environmental risk assessment<br>• Water resources risk assessment<br>• Biodiversity risk assessment process<br>• Human rights risk identification<br>• Occupational health and safety risk assessment |
| **Step 3**<br>Take responsive and remedial measures | • Operational risk project management and control<br>• Product quality and safety control system<br>• Supply chain diversification and emergency management<br>• Signing of supplier ESG agreements and capacity building<br>• Climate Change Adaptation and Emission Reduction Measures<br>• Pollutant discharge monitoring and control<br>• Water recycling and conservation management<br>• Biodiversity Conservation and Restoration Action<br>• Human rights remedies<br>• Occupational Health and Safety Protection and Emergency |
| **Step 4**<br>Monitor the effectiveness of measures and disclose information | • Stakeholder communication<br>• Information disclosure<br>• Internal audit and rectification follow-up<br>• Environmental and safety performance monitoring<br>• ESG target execution tracking |

# 4. Move forward with Stability to achieve Long-term Success, Pursue Innovation through Pragmatism

## ❖ Corporate Governance*

### Governance

Asymchem has implemented a robust corporate governance framework consisting of the Shareholders Meeting and the Board of Directors, complemented by specialized committees such as the Audit Committee, the Remuneration and Examination Committee, the Nomination Committee and the Strategy Committee under the purview of the Board of Directors. This framework delineates a corporate governance mechanism with clear authority, responsibilities and well-established operational protocols, empowering the Board of Directors, the Board of Supervisors, and the independent Directors to effectively improve corporate governance practices.

**"Shareholders Meetings and Board Meetings" and Their Terms of Reference**

| Two Sessions | Composition | Responsibilities |
|---|---|---|
| **Shareholders meeting** | All shareholders | The shareholders meeting, as the Company's authoritative organization, shall, in accordance with law, exercise the following terms of reference:<br>• To exercise the authority to determine the Company's business objectives and investment plans in accordance with law;<br>• To elect and replace Directors who are not employee representatives, and to decide on matters relating to the remuneration of such Directors and Supervisors; and<br>• To consider and approve the reports of the Board of Directors. |
| **Board of directors** | It shall be composed of 9 directors, including 1 chairman, 8 shareholders elected directors, among the which, 3 independent non-executive directors and 1 employee representative director; among them, 4 are female directors. | The Board of Directors is a standing organization for the Company's business decision-making and is accountable to and reports its work to the shareholders' meeting, and shall, in accordance with law, exercise the following terms of reference:<br>• To convene the shareholders meeting and report its performance at the meeting;<br>• To implement resolutions of the shareholders meeting; and<br>• To decide on the operation plans and investment schemes of the Company etc. |

The Company strictly complies with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Rules and Procedures for the Board*

*Meetings of Listed Companies* and other laws and regulations and relevant requirements. We have established comprehensive governance systems, including the *Articles of Association*, *Rules of Procedure for the Board of Directors*, *Rules of Procedure for General Meetings*, and *Working System for Independent Non-Executive Directors*. During the Reporting Period, in accordance with the implementation of the *new Company Law of the People's Republic of China* and the update of governance documents such as the *Shenzhen Stock Exchange Stock Listing Rules* and the *Securities Listing Rules of the Stock Exchange* of Hong Kong Limited, the Company has carried out systematic amendment and improvement to more than 30 systems, including the *Administrative Measures for Information Disclosure*, the *Investor Relationship Management System* and the *Accountability System for Material Misstatements in Annual Report Information Disclosure System*. These efforts clarified the rights and obligations, the boundaries and operational boundaries of the various corporate governance bodies, ensured the compliant performance of their respective duties in decision-making, supervision and execution, and effectively safeguarded the legitimate rights and interests of shareholders, the listed companies, employees and other stakeholders.

In accordance with the *Articles of Association*, the *Rules of the Nomination Committee of the Board of Directors* and other relevant systems, the Nomination Committee of the Company evaluates the qualifications, selection procedures and term of office of the members of the Board of Directors in accordance with the relevant laws and regulations and in the light of the realities of the Company. The Committee's resolutions are submitted to the Board of Directors for approval, followed by final deliberation and adoption at the shareholders' general meeting before formal implementation. Board meetings require the attendance of a majority of Directors to constitute a quorum. Directors serve three-year terms, are elected or replaced by the shareholders' general meeting, and may be re-elected upon expiration of their terms, among the which, the consecutive term of office of independent non-executive directors shall not exceed 6 years. The employee representative directors shall be elected or replaced at the employee representative meeting. During the Reporting Period, the Company completed the re-election of the Board of Directors, forming the fifth session of the Board of Directors, and has abolished the Board of Supervisors.

## Strategy

During the Reporting Period, the results of the analysis of the Company's impact, risks and opportunities on corporate governance issues are as follows:

**Results of Analysis of Impacts, Risks and Opportunities Related to the Issue of "Corporate Governance"**

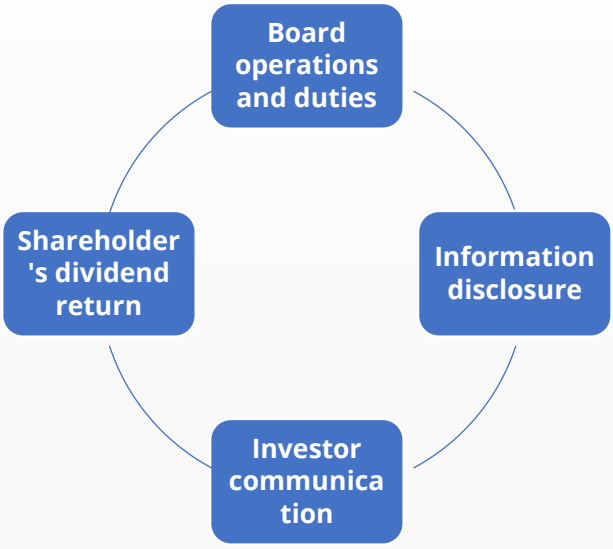
| Impact Analysis | | |
|---|---|---|
| **Key Types of Impact** | **Scope of Influence** | **Impact Description** |
| Potential + negative impact | The business' own operations | Poor corporate governance may lead to errors in decision-making, damage the overall value of the Company, and affect the interests of shareholders and investors. At the same time, governance issues may arouse regulatory concerns, affect the healthy development of the industry, and have a negative impact on social economic stability and public trust. The Company has established a sound corporate governance structure and decision-making |

| | | |
|---|---|---|
| | | mechanism to avoid negative impacts on stakeholders such as shareholders and investors. |

| Risk and Opportunity Analysis | | | |
|---|---|---|---|
| **Key Types of Risk/Opportunity** | **Time Frame** | **Key Potential Financial Impact** | **Risk and Opportunity Description** |
| Risk | Short-term/ medium-term/long-term | Rising operating costs | Inadequate corporate governance may lead to issues such as inefficient decision-making, inadequate internal control and non-compliant conduct of the Company, which in turn may expose the Company to risks such as reduced profitability, disruptions to capital flow, and legal disputes. |

The Company has implemented a number of corporate governance strategies across areas including board operations and performance of duties, information disclosure, investor communication and shareholder dividend returns, thereby effectively enhancing its corporate governance standards.

**Corporate Governance Strategy**




## Impact, risk and opportunity management

### Board operations and duties

The Board of Directors is accountable to the general meeting and serves as the leading body for corporate governance and strategic decision-making. Through a series of normalized measures such as enhancing the participation of the Board of Directors in ESG management, promoting the diversification of members, enhancing professional capabilities, standardizing the management of related (connected) transactions, and strengthening performance reviews, the Company ensures scientific decision-making and effective supervision, and continues to improve governance standards.

| | |
|---|---|
| **ESG Management** | • The Board of Directors maintains ongoing oversight of sustainability-related opportunities and risks, driving |

| | |
|---|---|
| **engagement** | continuous improvement in ESG performance of the Company. During the Reporting Period, the Board of Directors reviewed the internal control system and reviewed or updated the *Tax Policy* , the *Whistleblowing Policy* and the *Anti-Corruption and Anti-Bribery Policy*.<br>• The Strategy Committee is mainly responsible for the Company's key ESG management issues and supervises the progress of the implementation of related strategies. During the Reporting Period, the Strategy Committee discussed and optimized the Group's ESG-related strategies and policies, and reviewed and approved the *Supply Chain Code of Conduct*, the *Environmental Management Policy* and the *Values and Code of Conduct*.<br>The Audit Committee listens to the work report of the Audit Department, identifies ESG opportunities and risks in daily operations, and conducts special audits for new business and high-risk business guidance to ensure effective management and control of related risks. |
| **Diversification** | The Company has formulated the *Board Diversity Policy*, clarifying that the composition of the Board of Directors must take into account multiple factors such as gender, nationality, ethnicity, age, cultural and educational background, professional experience, skills, knowledge and years of service. |
| **Professionalism** | The Company places strong emphasis on the professionalism of the board of directors and continues to optimize the membership structure. As of the end of the Reporting Period, the Board of Directors has senior experts in the fields of financial management and accounting, and its members include a certified public accountant ("**CPA**") with a doctoral degree in accounting. His/her profound academic accumulation and rich practical experience provides solid support to the Company's financial governance and strategic planning. |
| **Training Empowerment** | The Company has established a systematic and normalized director training mechanism. The training content covers areas such as corporate governance, risk compliance, climate change, internal control, anti-corruption, and medical CDMO industry information. We continue to enhance the professional capabilities required by Directors to perform their duties through a combination of internal and external training. |
| **Related (Connected) Transaction Management** | • The Company has formulated the *Related (Connected) Transaction Management and Decision-Making System* to standardize connected (connected) transactions, safeguard the legitimate rights and interests of the Company's shareholders, and ensure that connected (connected) transactions comply with the principles of honesty, equality, voluntariness, fair value, consideration, openness, fairness and impartiality.<br>• Related (connected) transactions shall be submitted to the corresponding decision-making body for consideration in accordance with the approval authority. During the |

| | |
|---|---|
| | consideration process, both the related directors and the related shareholders shall abstain from voting in accordance with the law; for major connected (connected) transactions, they shall be considered at a special meeting of independent directors. When necessary, the Company will engage a professional intermediary to conduct an assessment and audit, or engage an independent financial adviser to express opinions.<br>During the Reporting Period, the Company had no major connected (connected) transactions, and all connected (connected) transaction decision-making procedures were in compliance with regulations and the pricing was fair, and there was no circumstance that harmed the interests of the Company and its shareholders. |
| **Performance Review** | • The Board of Directors conducts a comprehensive self-assessment every year in accordance with the supervision requirements of A+H, and forms a summary report covering strategy implementation and performance, and enhances transparency through quantitative indicators.<br>• The Remuneration Appraisal Committee refers to the *Governance Guidelines for Listed Companies* and conducts an independent assessment of the performance of board members and their governance performance annually to ensure the effectiveness of the Board of Directors' governance.<br>Independent directors conduct performance reviews in accordance with individual evaluations, and regularly disclose independent directors' work reports to give full play to the role of independent directors and safeguard the overall interests of the Company and the legitimate rights and interests of all shareholders, especially minority shareholders. |

## Information disclosure

The Company utilizes *China Securities Journal*, *Securities Times*, the CNINFO website (www.cninfo.com.cn), and HKEXnews as its official information disclosure media. The Chairperson assumes the primary responsibility for information disclosure, with the secretary function of the Board of Directors responsible for disclosure work. The Company discloses all information that may materially affect the decisions of shareholders and other stakeholders in a timely and accurate manner to protect shareholders' right to know and continuously improve the fairness and timeliness of its information disclosures. Benefiting from the continuous improvement in the quality of information disclosure, the Company's A-share information disclosure rating for the year 2024-2025 has been upgraded to A level during the review of the information disclosure rating of the Shenzhen Stock Exchange.

As of 31 December 2025, the Company has disclosed a total of 420 announcement documents and other reporting information for its A+H shares. Among them, the Company disclosed 187 announcement documents on the SZSE, while 233 announcements and other reporting information uploaded on the HKSE.

## Investor communication

In terms of investor rights protection, the Company has formulated the *Investor*

*Relationship Management System* and regularly reviews the two-way communication policy to sustain its effectiveness. During the Reporting Period, the Company's proactive investor engagement approach has attracted increased attention from global funds, while expanding its coverage by both domestic and foreign sell-side brokers to over 60 institutions.

The Company has shaped effective communication channels with investors to carry out effective investor relations management, including regular reports, the Company's website, investor conferences, roadshows and healthcare summits, earnings calls, on-site visits, and research tours.

**Major Investor Communication Channels and Initiatives**

| | |
|---|---|
| **General Meeting** | • The Directors (or appropriate proxies) will meet with shareholders and answer their inquiries through the annual general meeting and other general meetings. |
| **Investor Reception** | • Earnings call and on-site interviews and survey tours for investors are specially held.<br>• Occasional customized survey activities for various investment institutions and investors are held from time to time. |
| **Online Communication** | • An "Investor Relations" feature on the Company's official website has been devoted to helping the public obtain up-to-date information on the Company's business operations and development, financial information, as well as other information on the Company's governance practices and shareholders, investors, and stakeholders.<br>• We enhanced institutional investors' understanding of the Company's business and operations through investor phone calls, emails, and online and offline face-to-face meetings.<br>• The Company has established official WeChat public accounts, including the public account, video account and HR account of the Group, to comprehensively showcase and reflect the Company's development updates. This enables investors and stakeholders to access the Company's information from multiple dimensions and perspectives.<br>• Considering the small and medium-sized shareholders and individual shareholders, we worked to cover the needs of investors in an all-round manner and enhance the Company's recognition and image in the capital market by offering online interactive group meetings and non-deal roadshows through platforms such as ZhiTong Finance, Roadshowing.com and Roadshowchina.cn on a quarterly basis. |
| **External Events** | • We actively participated in brokerage strategy conferences, investor group or one-on-one communication meetings, annual/quarterly/monthly and customized roadshows, and global healthcare investment summits. |

As of 31 December 2025, the Company has actively carried out and participated in various

communication activities such as investor conferences, non-deal roadshows, and industry summits through a diversified combination of online and offline channels, and has held more than 470 conferences. There are more than 370 one-on-one meetings and more than 100 group meetings. During the period, more than 40 seller institutions took the initiative to organize investor group meetings for the Company. Relevant activities covered multiple markets in Hong Kong, China and overseas, and attracted more than 1,300 participants.

### Shareholders' dividend return

Taking into account the overall financial condition of the Company and the promising development prospects, as well as fully considering the reasonable demands and investment returns of investors, during the Reporting Period, according to the *Notice on Further Implementation of Matters Concerning Cash Dividends of Listed Companies*, *No. 3 of the Guidelines for the Supervision of Listed Companies - Listed Company Cash Dividends* and *Articles of Association* and other relevant requirements, the Company has completed the 2024 profit distribution, a total of RMB395 million in cash dividends was distributed to all shareholders; at the same time, after the due considerations of the Board of Directors, the 2025 profit distribution plan was approved: based on the total share capital entitled to profit distribution on the record date when the plan is implemented in future, a cash dividend of RMB13 (inclusive of tax) per 10 shares will be distributed to all shareholders. No bonus shares will be issued, and no capitalization of capital reserves will be made. The Company's remaining undistributed profits will be retained for distribution in future years.

## Metrics and targets

The Company deeply recognizes that the introduction of directors with diverse backgrounds and different genders will help enhancing the comprehensiveness of strategic decision-making and the risk identification capability, thereby enabling sustainable development. To this end, the Company has set corporate governance and management goals and actively promoted their implementation. During the Reporting Period, the Company has achieved relevant management targets. At the same time, the members of the four special committees under the fifth session of the Board of Directors of the Company have achieved gender diversity, which has further promoted the inclusive and balanced development of the corporate governance structure.

**Corporate Governance Management Targets**

| Target | Progress |
|---|---|
| • the Proportion of female directors is not less than 25% | • Achieved<br>• As of the end of 2025, the proportion of female directors of the Company is 44.44% |
| • the Nomination Committee of the Board of Directors convenes at least once a year | • Achieved<br>• In 2025, the Company conducted a board diversity review |
| • Board attendance rate is not less than 75% | • Achieved<br>• 100% attendance rate of the Company's Board of Directors in 2025 |

# ❖ Risk Management*

## Governance

Asymchem has established a top-down risk management structure and developed internal control policies and procedures such as the *Risk Management System*. These policies clearly define the objectives of risk management, organizational structure, the roles and responsibilities of the three lines of defense, goals, response strategies, and measures. This ensures continuous monitoring of risk management practices and gradual improvement of risk management capabilities through ongoing refinement. During the Reporting Period, the Company further improved the *Internal Control Management System* and the *Budget Management System* and other specific operational specifications to consolidate the basis for the implementation of the system.

**Risk Management Framework**

| Position | Core responsibilities |
|---|---|
| **Risk monitoring Board of Directors and the Audit Committee** | • The Board of Directors is fully responsible for evaluating and determining the nature and extent of risks that the Company needs to bear in order to achieve its strategic objectives, and establishing and maintaining an effective and appropriate risk management and internal control system;<br>• The Board of Directors authorizes its Audit Committee to supervise and review the Company's overall operational risks and financial reports, risk and internal control system operations from time to time. |
| **the Third line of defense audit Department** | • Independent audits of the effectiveness of risk management and internal control systems are conducted on a regular basis and directly reported to the Audit Committee. |
| **Second line of defense senior management** | • Formulate and update risk management policies and targets;<br>• Conduct company-level risk assessment, systematically identify, rank, measure and classify major risks that may have an impact on the Company's operations;<br>• Formulate action plans to mitigate potential risks, and supervise the implementation and compliance of relevant risk management policies, procedures and measures by business departments;<br>• Report to the Audit Committee on major risk issues and the operation of the risk management system. |
| **First line of defense Businesses and functional departments** | • Implement the Company's risk management policies and procedures;<br>• Identify, evaluate, report and deal with specific risks in their business activities in real time. |

## Strategy

During the Reporting Period, the results of the analysis of the impact, risks and opportunities of the Company on risk management issues are as follows:

**Results of Analysis of Impacts, Risks and Opportunities Related to the Issue of "Risk Management"**

| Impact Analysis | | | |
|---|---|---|---|
| **Key Types of Impact** | **Scope of Influence** | **Impact Description** | |
| Potential + negative impact | The business' own operation | Inadequate risk management of the Company may lead to potential risks not being effectively addressed, thereby affecting the interests of shareholders and investors, damaging social trust and economic stability, and may even exacerbate market uncertainty and affect the healthy development of the industry and society. The Company has established a risk management system to avoid negative impacts on stakeholders such as shareholders and investors. | |
| **Risk and Opportunity Analysis** | | | |
| **Key Types of Risk/Opportunity** | **Time Frame** | **Key Potential Financial Impact** | **Risk and Opportunity Description** |
| Risk | Long term | Rising operating costs | Inadequate risk management may lead to market volatility, product quality issues and supply chain interruption, increasing the risks of contract breaches and legal proceedings, which in turn affects the Company's financial stability, leads to economic losses and increases in costs, and damages investor returns and the Company's long-term profitability. |

The Company has established a comprehensive risk management strategy, and has established a tracking and supervision mechanism for major (important) risks to ensure that the risk management objectives are achieved. For high-risk businesses, the Company conducts project risk management, promotes the combination of risk management and professional management, and strives to normalize risk management.



Based on the risk list formed by the risk management process, the Company has formulated and implemented systematic project control measures for the identified key types of risk. During the Reporting Period, the Company's specific risk identification results and control status are as follows:

**Key Risk Identification Results and Control Status (Partial)**

| Types of Risk | Risk Exposure Assessment[6] | Risk Description | Control Measures |
|---|---|---|---|
| **Procurement risk** | Likelihood: High<br>Impact level: Low | Non-compliance in the procurement process, ineffective audits, disconnects between systems and oversight of supplier access may lead to the risk of capital loss, fraud and low operating efficiency. | • To specify the workflow and approval authority of key business processes, such as requisition and approval, bidding and price comparison, procurement acceptance, procurement payment and supplier management, etc., of the procurement program.<br>• To step up control over procurement approval, tendering and price comparison to ensure the control of procurement risks.<br>• To enhance the functionality of the Enterprise Resource Planning ("**ERP**") system to ensure seamless integration and mutual checks between procurement operations, inventory management, and financial processes, thereby reducing internal control risks in procurement activities.<br>• To establish a strict supplier review and evaluation |

[6] The risk rating of this table is based on the following criteria:
1. Likelihood: According to the probability of occurrence in the next year, it is divided into high (>70%), medium (30%-70%), and low (<30%);
2. Impact level: Determination based on a comprehensive assessment of the deficiency identification criteria (quantitative) in the Company's annual *Internal Control Audit Report*, together with the subsequent reputation impact (qualitative) on the Company. Where:
(1) Impact level (low): general defect (low), potential misstatement of total profit<total profit*3%;
(1) Impact level (medium): important defect (medium), total profit*3%≤total profit potential misstatement<total profit*5%;
(3) Impact level (high): major defect (high), potential misstatement of total profit ≥ total profit*5%.

| Types of Risk | Risk Exposure Assessment[6] | Risk Description | Control Measures |
|---|---|---|---|
| | | | process, ensuring rigorous verification before granting access; disqualify non-compliant suppliers, and extend the payment period for compliant suppliers as appropriate to optimize cooperation. |
| **Compliance and business ethics RISK** | Likelihood: Low<br>Impact level: High | Behaviors such as infringement of intellectual property rights, breach of agreement, corruption, bribery and unfair competition may result in legal sanctions, significant financial losses, regulatory penalties and severe reputational damage. | • To conduct special audits such as intellectual property rights protection and annual agreement implementation, and build a long-term inspection mechanism that combines self-inspection and random inspection to promote the continuous improvement of internal control standards.<br>• To carry out measures such as normalized anti-corruption training to systematically improve the compliance awareness and risk prevention capabilities of all employees.<br>• To formulate policies and codes of conduct related to business ethics to manage the business conduct of the Company/factory and employees, prevent behaviors such as embezzlement, corruption, and bribery, and maintain fair competition in market operations and business environments. |
| **Budget and expense risk** | Likelihood: Medium<br>Impact level: Medium | Inaccurate budgeting, execution overruns or invalid approvals may lead to waste of resources, | • Through measures such as reducing abnormal amounts and optimizing the review process to enhance the monitoring of budget preparation, adjustment and execution to ensure the rational allocation and efficiency of |

| Types of Risk | Risk Exposure Assessment[6] | Risk Description | Control Measures |
|---|---|---|---|
| | | loss of cost control and risks of fraud. | resources, and to prevent risks of overspending, waste and fraud.<br>• To conduct budget management special audits to provide specific advice and support for the optimization of budget management and control. |
| **Asset security risk** | Likelihood: Low<br>Impact level: High | Inventory damage, loss of intangible assets or idle assets may cause direct economic losses and reduced operating efficiency. | • To implement risk mitigation strategies through measures such as regular and ad-hoc inventory checks, safety stock and inventory cycle management, asset access control, information technology ("**IT**") monitoring and alerts, asset recycling, specialized management of intangible assets, cross-departmental evaluation for asset disposal, and multi-level approval processes, ensuring comprehensive and strict management of the Company's assets. |
| **Construction project management risk** | Likelihood: Low<br>Impact level: Medium | Defects in construction quality and miscalculation of engineering quantities may lead to safety incidents, cost overruns and delays in construction schedules. | • To supervise and inspect construction sites, verifying construction and equipment installation quality and project volume calculations, and issue inspection reports or special audit reports based on the findings. |
| **Artificial Intelligence ("AI") Risk (Emerging risk)** | Likelihood: Low<br>Impact level: High | If the use of AI is not approved, the input of sensitive data is out of | • To establish an audit mechanism for the use of the AI system, and clarify the authority and procedures for the use of applications, departmental |

| Types of Risk | Risk Exposure Assessment[6] | Risk Description | Control Measures |
|---|---|---|---|
| | | control, the content generated is not verified, and the security control is not in place, it may cause the risk of data leakage fines, intellectual property disputes, supervision penalties, and significant reputation loss. | review, and approval by the information security management team.<br>• To implement the management and control strategy for sensitive data input, strictly restrict the application of AI large language models to sensitive information such as customer information and internal research and development databased on the results of data classification and grading.<br>• To reserve manual participation and allow manual intervention. The legal advices, technical solutions, or analysis conclusions generated by AI are manually reviewed and verified offline. It is strictly forbidden to directly adopt unverified AI output content.<br>• To incorporate AI security into all staff's cyber security awareness training, covering AI fraud identification, tool usage specifications, etc. |

## Impact, risk and opportunity management

### Risk management process

The Company has established a closed-loop risk management process covering the entire chain of "identification - assessment - monitoring – management and control". In this process, the Company uses a structured risk checklist as its core management tool to systematically conduct risk management through the comprehensive use of quantitative and qualitative analysis, routine and special audits, and a combination of ex-ante and ex-post diversified methods. In terms of risk disclosure, the Company regularly reports to the Audit Committee through quarterly audit reports, and provides real-time reports on major risks discovered during special or routine audits.

**Risk Management Process**

| | |
|---|---|
| Risk Identification | • Implement internal special audits, covering key areas such as intellectual property rights protection, budget execution, and |

| | |
|---|---|
| | supplier compliance.<br>• Conduct annual assistance audits to systematically identify operational, financial and compliance risks.<br>• Introduce external third-party institutions to independently conduct internal control audits to supplement the identification of potential risk points. |
| **Risk Assessment and Ranking** | • Take the business module as a unit and apply the risk matrix method.<br>• Comprehensively use quantitative indicators (such as budget reduction amounts, the proportion of problems) and qualitative research and judgment (such as on-site interviews, document reviews) for analysis.<br>• The risk is sorted from the two dimensions of the possibility of occurrence and the degree of impact, and whether it is within the acceptable range of the Company is determined according to the preset threshold.<br>• Form a structured risk list, integrate the risk of misstatement, existing control measures and responsible departments, as the basis for risk decision-making. |
| **Risk Monitoring** | • Establish a mechanism combining "regular audit plan + temporary SPECIAL audit".<br>• Extend the scope of the audit from a single process audit to a systematic evaluation of the effectiveness of internal control.<br>• Advance the extension of post-audit verification to in-process supervision, and embed risk early warning in the business process. |
| **Risk Management and Control** | • Formulate and implement targeted control measures based on the risk checklist and assessment results.<br>• Implement special management actions for major risks to promote risk reduction or elimination.<br>• Continue to track the improvement of rectification to ensure the effective implementation of control measures. |

### Audit of risk management system

The Company has established the *Internal Audit System* to guide the audit department in reviewing and evaluating the existing risk management system through regular or ad-hoc audits and monitoring. The system also identifies new risks associated with emerging businesses, helping the Company continuously improve its risk management capabilities and fully leverage the role of the third line of defense in risk management.

The audit department conducts risk-oriented audits based on business cycles, systematically reviewing, assessing, and providing recommendations for addressing risks in the Company's risk management system. In addition, the audit department submits quarterly internal audit reports to the Audit Committee, including risk assessment results and corresponding recommendations.

### Risk performance management

In order to further enhance employees' focus on risk management, the Company has integrated risk management into the performance management system for middle and senior management. This includes indicators such as safety incidents, environmental complaints, occupational health incidents, intellectual property leaks, significant audit

findings, customer complaints, and quality issues. These indicators are regarded as one-vote veto items, directly impacting employees' performance evaluations.

### Risk culture cultivation

In cultivating our risk culture, the Company consistently conducts risk awareness training programs for all employees. These include training on major safety production risks, risk management knowledge, and sharing of risk management experiences, to strengthen employees' awareness and commitment to risk management. Additionally, targeted risk management training is provided for Directors, Supervisors, and senior management to enhance their professional risk management capabilities.

Furthermore, the Company has also established an early warning system for major risks and an emergency response mechanism for unexpected events. It has defined risk warning standards, developed emergency plans for potential major risks or incidents, outlined the roles and responsibilities of personnel, and standardized response procedures to ensure timely and appropriate handling of emergencies.

## Metrics and targets

The Company has formulated risk management objectives to control risks with a tolerable range aligned with its overall objectives, ensuring the authenticity and reliability of information communication and the legality and compliance of operational activities, and continuously enhancing operating efficiency and benefits, while effectively preventing significant losses that may arise from disaster events or human error. During the Reporting Period, the Company has achieved relevant risk management objectives.

**Risk Management Targets**

| Target | Progress |
|---|---|
| • Conduct a comprehensive risk self-assessment once a year, among which, for new business areas, the Company needs to conduct risk identification, assessment and response in a timely manner; for key risk areas and major risks, the Company needs to conduct a special audit every year | • Achieved<br>• In 2025, the Company conducted a comprehensive risk self-assessment |

## ❖ Anti-Commercial Bribery and Anti-Corruption*

### Governance

Asymchem has established an anti-commercial bribery and anti-corruption governance structure composed of the Board of Directors, the Audit Committee and the audit department, clarifying the division of responsibilities of each department in anti-commercial bribery and anti-corruption. Through continuous improvement of governance capabilities and operational management levels, the Company ensures compliance and transparency.

The Company attaches great importance to the professionalism of its management team and is committed to building a high-quality professional management team. As of the end of the Reporting Period, the audit department consists of 6 members, of whom 1 holds the international Certified Internal Auditor ("**CIA**") certificate, and 4 have more than 15 years of experience in internal auditing.

**Anti-Commercial Bribery and Anti-Corruption Governance Framework**

<table>
<tr>
<td rowspan="3">
</td>
<td>• The Board of Directors urges the management to establish a company-wide anti-fraud cultural environment and supervise the implementation of anti-corruption and anti-bribery policies.</td>
</tr>
<tr>
<td>• The Audit Committee is responsible for ensuring the effectiveness of anti-corruption and anti-bribery policies and management systems.</td>
</tr>
<tr>
<td>• The audit department is responsible for specific tasks such as business ethics audit, whistleblowing reception, investigation and handling, and reports the audit results and whistleblowing situation to the Audit Committee. The audit department reports to the Audit Committee at least once a quarter on the internal audit work, including anti-bribery and anti-corruption work.</td>
</tr>
</table>

## Strategy

During the Reporting Period, the Company's impact, risks and opportunities on anti-commercial bribery and anti-corruption issues are analyzed as follows:

**Results of Analysis on the Impact, Risks and Opportunities of the "Anti-Commercial Bribery and Anti-Corruption" Issue**

| Impact Analysis | | |
|---|---|---|
| **Key Type of Impact** | **Scope of Influence** | **Impact Description** |
| Potential + negative impact | Upstream of the value chain/business' own operations /downstream of the value chain | Unethical behaviors such as commercial bribery and corruption may undermine the trust and cooperation between the Company and its suppliers, customers and government agencies, leading to instability in the supply chain, difficulties in fulfilling contracts, and trust issues between the government and the public, and affecting the overall healthy development of the industry. The Company has established anti-commercial bribery and anti-corruption mechanisms to avoid negative impacts on stakeholders such as suppliers, customers, government and regulators, and the general public. |

| Risk and Opportunity Analysis | | | |
|---|---|---|---|
| **Key Type of Risk/Opportunity** | **Time Frame** | **Key Potential Financial Impact** | **Risk and Opportunity Description** |
| Risk | Short-term/medium-term /long-term | Rising operating costs | Unethical behaviors such as commercial bribery and corruption may lead to abnormal operations, trigger external regulatory examination, compliance risks and legal proceedings, cause the Company to face high fines, compensation and legal fees, increase operating costs, and further weaken the Company's financial performance and market competitiveness. |

In order to effectively prevent corruption and corruption, the Company has established a comprehensive business ethics risk management strategy, starting with system construction and policy improvement, internal personnel management, supply chain partner management, whistleblowing mechanisms and protective measures, and continued to strengthen management and supervision to promote the Company's business ethics building.

## Impact, risk and opportunity management

### System construction and policy improvement

The Company adopts a zero-tolerance approach to corruption and strictly abides by the

*Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Bribery Prevention Ordinance* of the Hong Kong Special Administrative Region Special Administrative Region and relevant anti-corruption provisions under the laws and regulations of the places in which it operates overseas. The Company has also established policies and systems such as the *Anti-Corruption and Anti-Bribery Policy*, the *Supply Chain Code of Conduct* and the *Supplier ESG Management Policy*, comprehensively regulating both internal management and external business conduct of the Company, thereby providing institutional safeguards for its sustainable development.

During the Reporting Period, the Company revised and announced the *Anti-Corruption and Anti-Bribery Policy* and the *Whisteblowing Policy* to further clarify the management structure, division of responsibilities, training and communication mechanisms, supplier management, standards for dealings with local and foreign government officials, and whistleblowing acceptance and handling procedures, etc., promote the continuous improvement of the anti-corruption and anti-bribery management system.

### Internal personnel management

The Company comprehensively strengthens its internal personnel management by focusing on daily oversight, key risk controls, and integrity culture building, driving continuous improvement in employees' compliance awareness and ethical conduct. This approach lays a solid foundation for the Company's sustainable development.

**Internal Anti-Commercial Bribery and Anti-Corruption Measures and Achievements**

| Measures | Description |
|---|---|
| **Daily management** | • Strictly regulate employee conduct to avoid improper interactions with clients and suppliers, ensuring transparent and fair business dealings.<br>• Implement strict management of gifts received by employees from clients or suppliers. The audit department is responsible for the collection, registration, consolidation, and reporting of such gifts, which are uniformly surrendered to the Company for disposal, eliminating any factors that may influence impartial decision-making.<br>• All employees and individuals acting on behalf of the Company are strictly prohibited from engaging in bribery or improper benefit transfers in any form, regardless of whether the Company stands to benefit. |
| **Key positions control** | • Identify and supervise high-risk positions (e.g., senior management, procurement staff, financial personnel) to strengthen internal monitoring mechanisms.<br>• Conduct exit audits for these key personnel prior to their departure through collaboration between human resources and audit department, comprehensively reviewing their job performance to ensure compliance with the Company's anti-corruption and anti-bribery policies. |
| **Fostering a culture of integrity** | • Conduct business ethics training and anti-corruption training for key positions and all employees at least once a year to enhance employees' compliance awareness and integrity and self-discipline standards. During the Reporting Period, the Company focused on training on business ethics for newly recruited senior management and employees in sensitive |

| Measures | Description |
|---|---|
| | positions.<br>• Require both senior management and general employees to sign the *Integrity Commitment Letter* and *Integrity Agreement*, which are included in the personal performance appraisal system and empowered with one-vote veto power for violations. |

### Management of supply chain partner

The Company continues to strengthen the integrity and compliance management of the supply chain, strictly assessing the performance of suppliers in terms of governance, transparency and ethical compliance, and focuses on the formulation and implementation of its anti-corruption and anti-bribery policies. At the same time, the Company has signed the *Supplier Integrity Agreement* with all suppliers to clarify the integrity requirements, and conduct random checks on the implementation status regularly to ensure the effective delivery of compliance policies. During the Reporting Period, the Company conducted supplier audits and annual agreement examinations to effectively control the qualifications and performance risks of partners. At the same time, the Company strictly enforces a policy requiring the handover of gifts received from suppliers, with dedicated collection and supervision initiatives carried out during the Dragon Boat Festival and the Mid-Autumn Festival.

### Whistleblowing mechanism and protective measures

The Company consistently maintains an open, trusting, and respectful corporate culture, committed to fostering a clean and compliant working environment. The Company has formulated the *Whistleblowing Policy*, which clarifies whistleblower protection mechanisms and specifies critical measures including reporting requirements, scope of reports, investigation procedures, and whistleblower safeguards.

In order to facilitate employees and stakeholders in raising concerns or reporting misconduct, the Company has implemented multiple dedicated reporting channels, including dedicated Office Automation ("**OA**") system module, whistleblowing email, and whistleblowing hotline, etc. These channels accept both real-name and anonymous suggestions and reports from employees, third-parties and other stakeholders.

**Whistleblower Channels**

| | |
|---|---|
| **Tel.** | +86 022 6625 2888 |
| **Email** | asymchemaudit@asymchem.com.cn |

The Company attaches utmost importance to whistleblower protection and ensures that no whistleblower shall suffer discrimination, unfair treatment, or any form of retaliation. For any violations involving disclosure of whistleblower identities or retaliatory actions against whistleblowers, the Company will implement severe disciplinary measures, including dismissal, termination of labor contracts, and even refer to judicial authorities for legal action when warranted. Asymchem is committed to maximizing protection for whistleblowers and actively encourages employees and stakeholders to participate in compliance oversight of the Company. Together, we uphold an ethical business environment with integrity and transparency.

## Metrics and targets

The Company strictly abides by relevant laws and regulations, and business ethics standards. We have established a sound and effective mechanism to prevent and detect bribery and corruption, and sets clear anti-commercial bribery and anti-corruption management goals. During the Reporting Period, the Company has achieved its anti-commercial bribery and anti-corruption management objectives.

**Anti-Commercial Bribery and Anti-Corruption Management Targets**

| Target | Progress |
|---|---|
| • Prohibit all forms of bribery and corruption, and adopt a zero-tolerance policy for unethical business behaviors | • Achieved<br>• In 2025, the Company recorded no whistleblowing reports or personnel disciplinary actions. Furthermore, there were no incidents of non-compliance involving corruption, bribery, fraud, money laundering, or extortion, nor any violations of conflict-of-interest regulations. The total amount of fines relating to corruption and bribery was RMB 0, and the number of concluded legal cases was zero |
| • Conduct business ethics training covering all employees at least once a year | • Achieved<br>• In 2025, the Company carried out business ethics training covering all employees |
| • Conduct business ethics audits covering relevant business processes at least once every three years | • In progress<br>• Plan to complete the business ethics audit in 2026 |

## ❖ Data Security and Privacy Protection

Asymchem has established a comprehensive data security management structure, which is directly managed by the vice president of IT, under which an information security team is responsible for the establishment and maintenance of network security, data security and related systems. The vice president of IT regularly reports to the Company's co-CEO ("**Co-CEO**") on the progress of the work and receives the supervision and guidance of the Strategy Committee. The Company's Co-CEO has extensive experience in the field of information security, has successfully promoted the implementation and optimization of multiple information security projects, and has profound professional capabilities in data protection, risk assessment and security compliance. Under the guidance of his/her strategy, the Company's information security governance level has continued to improve, providing a strong guarantee for the security of corporate data assets.

The Company has established and implemented a series of specifications such as the *Asymchem Information Security Management System*, committed to continuously improving the information security system, ensuring the integrity and security of data, embedding privacy protection requirements into the Company's comprehensive risk management system, and establishing sound security monitoring and threat response mechanism to effectively prevent and tackle information security risks. At the same time, on the basis of the existing management system, the Company further strengthened the safety management and control of the application of AI technology. During the Reporting Period, the Company formulated and promulgated the *Notice on Strengthening the Security Management of the AI System* to clarify the management responsibilities of each department, strictly restrict the application of the AI large language model to sensitive information such as customer data and internal research and development data, and stipulate the application procedures and the relevant confidentiality requirements for the requirements of the use of AI system use requirements, ensuring cybersecurity and data privacy throughout the utilization and development process of AI.

Focusing on key dimensions such as information security risk control, daily information security management, information security awareness promotion and accountability, the Company has implemented a series of information security management measures and procedures to comprehensively defend against security threats and ensure the stability and security of the Company's operations.

During the Reporting Period, there were no data security incidents in the Company, and no leakage of customer privacy or the privacy of subjects occurred.

### Information security risk control

The Company is committed to comprehensively strengthening information security risk management and control, ensuring the protection of confidentiality, integrity and availability of information assets through systematic measures, and ensuring business continuity and system reliability.

| | |
|---|---|
| **Security Breach Management** | • The Company conducts semi-annual penetration testing and vulnerability scanning on key infrastructure such as databases, intermediary software and operating systems, to proactively identify and repair security vulnerabilities in the system. During the reporting period, the Company did not identify high-risk and medium-risk vulnerabilities in the vulnerability scans of important business systems; the identified low-risk |

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|---|---|
| | information vulnerabilities did not cause security incidents, nor did they affect customers or employees. The relevant issues have been remediated in accordance with the process and incorporated into ongoing monitoring. |
| **Safety Capability Verification** | • The Company organizes annual red team–blue team exercises to comprehensively assess the effectiveness of security defense systems in the dimensions of networks, applications and terminals. During the Reporting Period, the Company invited third-party professional organizations to assist in the implementation of the drill, clarify the responsibilities of the red team (the attacker) and the blue team (the defender), standardize the attack methods and execution procedures, and identify weak links based on the offensive and defensive exercise report to formulate remedial measures to continuously to strengthen security lines and optimize the overall security posture. |
| **Business Continuity Management and Disaster Recovery** | • The Company has established comprehensive business continuity management procedures, and systematically conducts business impact analysis based on the *Information Security Procedures Documents*, the *Emergency and Business Continuity Management* and other systems, to clarify key metrics such as key business processes, the longest tolerable time and recovery time objectives, as well as formulate business continuity strategic plans and disaster recovery plans accordingly.<br>• The above-mentioned plans are subject to at least one comprehensive review and effectiveness validation each year. During the Reporting Period, the Company implemented a systematic business continuity and disaster recovery emergency drill: In response to the scenario where the OA system was invaded by a virus causing data damage, the information management department and the planning department were organized to carry out server and application system recovery drills; by simulating real-life failures, the Company comprehensively tests the rapid recovery capability of its information systems under crisis conditions.<br>• During the Reporting Period, all exercise cases of the Company were successfully completed as planned, and the test results of recovery time and data integrity were in line with the expected goals, which verified the business continuity and the effectiveness of the disaster recovery mechanism. |
| **Information Security Incident Reporting and Handling Process** | • The *Information Security Management System* clarifies the standardized procedures for reporting, handling and recovery of different types of information security incidents. During the daily operations, employees can submit service requests through the "IT Repair Form" if they encounter problems related to the use of information systems or information security. According to the severity of the incident, the information management department will deal with it in a timely manner or escalate it level by level with reference to the |

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|---|---|
| | emergency response procedures to ensure that the problem is resolved efficiently and traceable throughout the process. |

### Daily information security management

The Company has comprehensively strengthened its information security protection system through multi-dimensional security measures, covering multiple key areas such as network security and monitoring, mobile device and terminal security, and data protection.

| | |
|---|---|
| **Network Security and Surveillance** | • Cooperate with third-party providers to monitor network security 24 hours a day, and respond to security threats in real time.<br>• Optimize network architecture, implement partition management based on functional modules to enhance the overall network security.<br>• A heterogeneous firewall is deployed between the office network and the business network, the security signature database is regularly updated, and cross-network access is strictly restricted to implement granular control over communication ports.<br>• Establish an operational technology network, adopt a whitelist mode, and only allow access to necessary applications such as Network Time Protocol ("**NTP**") and enterprise-level backup software NetBackup.<br>• Maintain cybersecurity insurance to enhance corporate risk management capabilities and enhance the confidence of customers and partners. |
| **Mobile Device and Terminal Security** | • Deploy mobile device management ("**MDM**") software to centrally manage mobile devices and ensure device safety.<br>• Implement a network access control mechanism to restrict unauthorized devices from accessing the Company's network; each factory further adopts port-level network access control technology to complete identity verification through digital certificates, effectively preventing illegal access and identity forgery and other risks.<br>• Incorporate all compliant devices into the management scope of Endpoint Detection and Response ("**EDR**") to strengthen local system and data security protection.<br>• Enable anti-ransomware protection and cloud backup functionality for the Company's official website to enhance the host security resilience and data recoverability. |
| **Data Protection** | • Deploy a file abnormal behavior monitoring mechanism to identify and deal with potential data security risks in a timely manner.<br>• Introduce the watermarking function on the computer screen to improve the traceability of data usage and dissemination.<br>• Construct a dual-computer redundant core transfer machine architecture to solve the single-point failure problem of a single-core switch and ensure the high availability, stability and business continuity of the network backbone link.<br>• The data protection function is added to the laboratory compliance client, and unauthorized data tampering or deletion is prohibited through technical means.<br>• Restrict office network access to the AI large-language model of the public network to reduce the risk of leakage of sensitive |

| | |
|---|---|
| | information and intellectual property rights. |

### Information security awareness promotion and implementation of responsibility

The Company systematically builds a security awareness promotion and responsibility implementation mechanism covering all employees, key positions and third-party partners, promotes the transformation of information security from system requirements to behavioral awareness, and comprehensively builds the foundation of corporate security culture.

| | |
|---|---|
| **Training for All Employees** | • Quarterly online and offline cybersecurity awareness training is conducted. During the Reporting Period, the Company comprehensively updated the training content based on the new security risks brought about by the widespread application of AI technology. The new modules include AI tool usage specifications and typical cases, new AI fraud method identification and prevention techniques, and biometric information data security specifications and cases, etc.<br>• Monthly information security infographic training is provided to all employees through DingTalk announcements to disseminate information security knowledge. During the Reporting Period, the Company added WiFi security usage specifications, identification of OA phishing attacks, and analysis of typical cases based on the latest network security situation. |
| **New Employee Training** | • Weekly information security training (both offline and online) is offered to new employees, covering password management, secure printer usage, phishing prevention, etc., to help new employees quickly establish information security awareness. |
| **Employee Performance Appraisal** | • The performance appraisal of information management-related employees includes information security performance requirements, and the appraisal dimensions cover the number of information security incidents, the degree of impact and the duration.<br>• The Company clarifies the information security responsibilities of all employees, adopts a zero-tolerance policy for violations of the *Information Security Management System*, and gives corresponding disciplinary sanctions based on the severity of the circumstances, including but not limited to warnings, notifications of criticism, performance deduction, and job adjustments, and up to and including termination of the employment contract. |
| **Supplier Information Security Management Requirements** | • Suppliers are required to comply with data protection regulations and implement information security measures to prevent data leakage and other information security incidents. |

The Company has established a normalized internal audit mechanism to regularly review the information security management system, including compliance with privacy protection policies, to identify control deficiencies in a timely manner and promote rectification. In 2025, the Company has conducted two internal audits of the Group's information security management system. In order to further strengthen information

security management, the Company regularly engages third-party organizations to audit and certify the information security management system, to ensure the effectiveness of the information security management system. These efforts also promote the comprehensive integration of information security requirements into business processes, facilitating the standardized implementation of data security and privacy protection practices.

During the Reporting Period, the Company successfully passed the supervision and audit of the Company's ISO 27001 Information Security Management System by the China Quality Certification Center. The certification covers the Group's information infrastructure. The audit results show that the Company's policies and control measures related to data security and privacy protection are operating effectively. At the same time, the Company has launched the information security level protection evaluation in 2025, and the relevant work is progressing in an orderly manner as of the end of the Reporting Period.

## ❖ Anti-unfair Competition

Asymchem strictly complies with the *Anti-Unfair Competition Law of the People's Republic of China*, the *Prevention of Bribery Ordinance* (Cap. 201) of the Hong Kong Special Administrative Region and relevant anti-monopoly and anti-unfair competition provisions under the laws and regulations in the places in which it operates overseas. Prevent and stop the improper measures adopted in market competition, such as illegal related (connected) transactions or violations of conflict of interest, infringement of intellectual property rights, false or misleading advertising, and abuse of dominant market position, in order to safeguard a fair and competitive market environment.

The Company has improved its internal management system, and explicitly prohibits illegal related (connected) transactions, violations of conflict of interest behaviors, false advertising or misleading consumers. The Company implements pre- and in-process supervision and management procedures, preempts risk management, and the audit department is responsible for ex-post special audits, conducts special inspections and confirmations on the anti-unfair competition procedures, evaluates their completeness and effectiveness, and prompts and supervises them, and prompt and urge the continuous improvement and refinement of the anti-unfair competition procedures.

During the Reporting Period, the Company did not have any lawsuits or major administrative penalties due to unfair competition.

### Supplier fair competition management

The Company attaches great importance to the supervision of unfair competition behaviors of suppliers, and ensures fair competition and transparency in the supply chain through full-process compliance management. During the supplier admission stage, the Company's audit department conducts strict qualification audits on newly introduced suppliers, focusing on whether they possess special qualifications (such as the transportation of hazardous chemicals, pressure vessel production licenses, etc.), and reviews their related (connected) relationships with existing approved suppliers to proactively prevent unfair competition, such as bid-rigging and collusion. In addition, the Company strictly implements the procedures of bidding monitoring and price comparison review to ensure the compliance and fairness of the bidding procedures. During the Reporting Period, the audit department participated in the supervision of total 12 biddings conducted by the Company's headquarters and subsidiaries, effectively preventing the occurrence of unfair competition.

In order to continue to optimize the fair competition between suppliers, the Company regularly analyzes the distribution of orders from suppliers and the relationship between supply and demand in the market. Through the signing of annual agreements, optimizing the order allocation strategy and the continuous development of new suppliers, we will continue to optimize the fair competition between suppliers.

### Culture promotion and whistleblowing mechanism

The Company regularly conducts anti-unfair competition-related training and communication activities, and analyzes typical cases to enhance employees' awareness of compliance and business capabilities. Through annual business ethics training, signing of integrity and self-discipline agreements and incorporating compliance performance into performance appraisal, the Company continues to raise staff awareness of ethical conduct, ensuring that anti-unfair competition requirements run through all aspects of the Company's operations.

The Company has established the whistleblowing policy to provide special channels to receive real-name or anonymous reports from employees and stakeholders, and strictly protect the information of whistleblowers. In the event of breach, the Company will take severe measures including warning, dismissal and even referral to the judicial authorities.

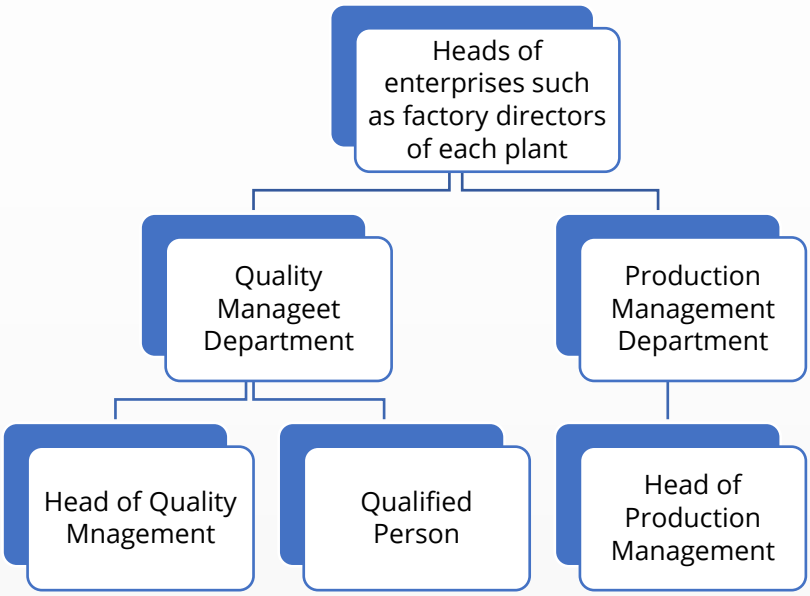
# 5. Work Together for a Win-win Situation and Win a New Chapter

## ❖ Product Safety and Quality*

### Governance

Asymchem has adequate and fully qualified management and operation personnel, clarifies the main responsible persons at all levels in the pharmaceutical production activities, and is fully responsible for the management of the pharmaceutical production activities under the framework of the Good Manufacturing Practices ("**GMP**"). In order to ensure the achievement of quality targets and strict compliance with GMP, the heads of enterprises such as the factory directors of each plant provide the necessary resources, reasonable planning, organization and coordination to ensure that the quality management department can perform its duties independently.

**Product Safety and Quality Management Framework**




| Position | Core Responsibilities |
|---|---|
| **Head of Quality Management** | • Ensure that the raw and auxiliary materials, packaging materials, intermediate products, products to be packaged and finished products meet the requirements and quality standards approved upon registration. |
| **Qualified Person** | • Participate in the establishment of the Company's quality system, internal self-inspection, external quality audit, verification, adverse drug reaction reports, product recalls and other quality management activities. |
| **Head of Production Management** | • Ensure that the products are produced and stored in accordance with the approved manufacturing procedures to ensure product quality. |

The Company strictly abides by the latest requirements of the World Health Organization's *Norms and Standards of Pharmaceuticals*, laws and regulations such as the *Drug Administration Law of the People's Republic of China*, and *Good Manufacturing Practice for Pharmaceutical Products*, as well as the industry mainstream GMP and the International

Conference on Harmonization ("**ICH**") of Technical Requirements for Registration of Pharmaceuticals for Human Use and other guidelines, to formulate management systems such as the *Quality Management Policy* and *Quality Manual*, and maintain continuous tracking of industry regulations. When cGMP regulations are updated, the Company conducts a gap analysis between the Company's internal procedures and cGMP regulations as necessary to identify whether the current procedures or methods need to be updated or improved, and implement corresponding updates or improvements based on the results of the gap analysis.

During the reporting period, the Company focused the *Nitrosamine Impurities in Human Drugs-Response from the European Medicines Regulatory Network* issued by the European Medicines Agency ("**EMA**") and the *Alternative Tools：Assessing Drug Manufacturing Facilities Identified in Pending Applications* issued by the U.S. Food and Drug Administration ("**FDA**"), as well as the *Pharmaceutical Manufacturing Practices (Revised in 2010)* and *Supplements to Pharmaceutical Excipients and Pharmaceutical Packaging Materials (No. 1 of 2025)* issued by the National Medical Products Administration of China ("**NMPA**") Announcement and other latest guidelines to carry out special studies and formulate corresponding procedures to upgrade plans to ensure that the quality management system always meets the latest requirements of global regulatory agencies.

## Strategy

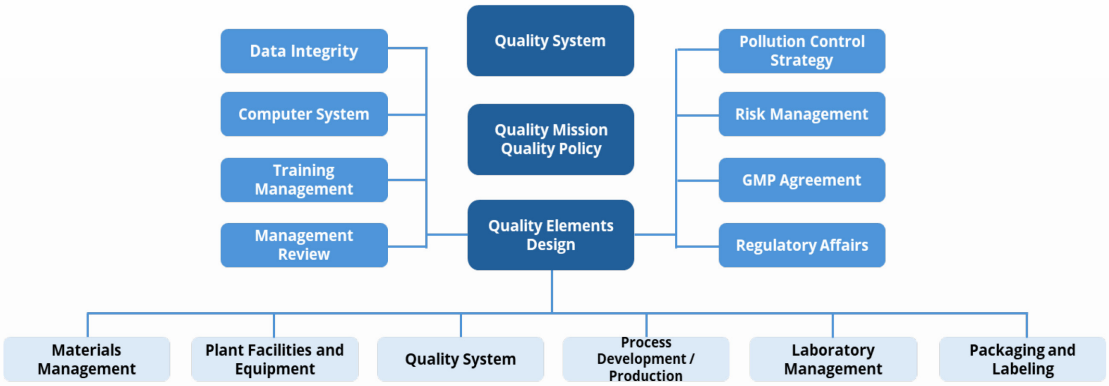
During the reporting period, the results of the analysis of the impact, risks and opportunities of the Company on product safety and quality issues are as follows:

**Results of Analysis of Impact, Risks and Opportunities Related to the Topic of "Product Safety and Quality"**

| Impact Analysis | | | |
|---|---|---|---|
| **Main Impact Type** | **Scope of Influence** | **Impact Description** | |
| Actual + positive impact | Upstream of the value chain/Company's own operations/ downstream of the value chain | Product quality and safety are the cornerstones of a Company's fulfillment of its social responsibilities. As a trusted partner of global pharmaceutical companies, the Company has established an excellent quality management system, by strictly ensuring the safety and effectiveness of products, and assisting partners in promoting drug production efficiently, so that high-quality drugs will ultimately benefit patients, which is an important contribution for protecting public health and improving social medical welfare. | |
| **Risk and Opportunity Analysis** | | | |
| **Main Risk/Opportunity Type** | **Time Range** | **Main Potential Financial Impact** | **Risk and Opportunity Description** |
| Risk | Short-term/medium-term/long-term | Decline in operating income | Imperfect product safety and quality management may lead to the production of unsafe or substandard products, trigger legal disputes and liability for compensation, and increase the Company's financial risks. In addition, |

| | | | |
|---|---|---|---|
| | | | inferior products may cause loss of customers, damage brand reputation, and further affect the Company's sales revenue and market share. |

The Company has established a GMP-based quality system management model, which covers key processes such as pollution control strategy, risk management, regulatory affairs, GMP protocol management, data integrity management, computer system management, training management, and management review, and runs through material management, equipment and plant management, quality system, process development/production, laboratory management, packaging and labeling management, etc., to fully guarantee the high-quality standards of APIs and production of drugs.




**Quality System Management Model**

## Impact, risk and opportunity management

The Company always puts quality, safety and risk management at the core, and builds cGMP-compliant production plants in accordance with the requirements of the international quality system. Through quality risk management throughout the product life cycle, the Company systematically identifies, evaluates, controls, communicates and reviews risks related to product safety and quality in materials, plants, facilities, equipment, environment, personnel health and other business activities to ensure the products always meet the intended use and quality standards.

### Product quality inspection

The company has formulated systems such as *Sampling and Testing of Raw Materials and Products*, *Sampling and Testing Procedures for Preparation Raw Materials, Packaging Materials and Products*, *Material Release* and *Product Release*, etc., to establish and improve the internal inspection mechanism to conduct full-item quality inspections on raw materials, intermediates and finished products. All products must be fully tested before release and meet the approved quality standards, and be reviewed and approved by the quality control ("**QC**") and quality assurance ("**QA**") teams before leaving the factory. If quality problems are found during inspection or follow-up stage, the Company will immediately initiate an investigation and take corresponding measures in accordance with established procedures.

All the products produced by the Company do not involve the chemical components in the list of restricted substances and substances of very high concern ("**SVHC"**) in the *Regulations on the Registration, Evaluation, Licensing and Restriction of Chemicals* ("**REACH Regulations**") of the European Union. For the introduction of special compounds, the

Company has established a strict control mechanism to comprehensively evaluate potential risks and adopt effective measures to prevent or mitigate related risks to ensure that the production process and final products fully comply with relevant regulations and quality requirements.

In the specific implementation process, the company establishes various risk assessment documents, such as establishing risk assessment documents for genotoxic cytotoxic impurities (such as nitrosamine impurities) based on industry trends and concern focus, and adopting corresponding control measures. At the same time, the Company translates risk control requirements into clear quality standards, sets quality limits including various potential impurities for all raw materials, packaging materials and final products, and develops and verifies corresponding analysis methods.

The Company also conducts deep cleaning before using the equipment to quantitatively detect potential residual compounds. Only when the results meet the scientifically set limit standards can it be put into production. The Company strictly controls the quality of raw materials and intermediates in the production process, and performs release inspections on the quality of the final products to practicably ensure product quality and safety.

### Comprehensive prevention and control of quality risks

The Company conducts an annual product quality review of all commercialized products by variety, including key process control and product key test results, batches that do not meet quality standards, investigation of major deviations and their results, stability test results, and quality-related returns, complaints and recalls. Through systematic review, the Company timely identifies unfavorable trends and potential quality problems, and formulates corresponding corrective and preventive measures, including optimizing or redesigning technical solutions when necessary.

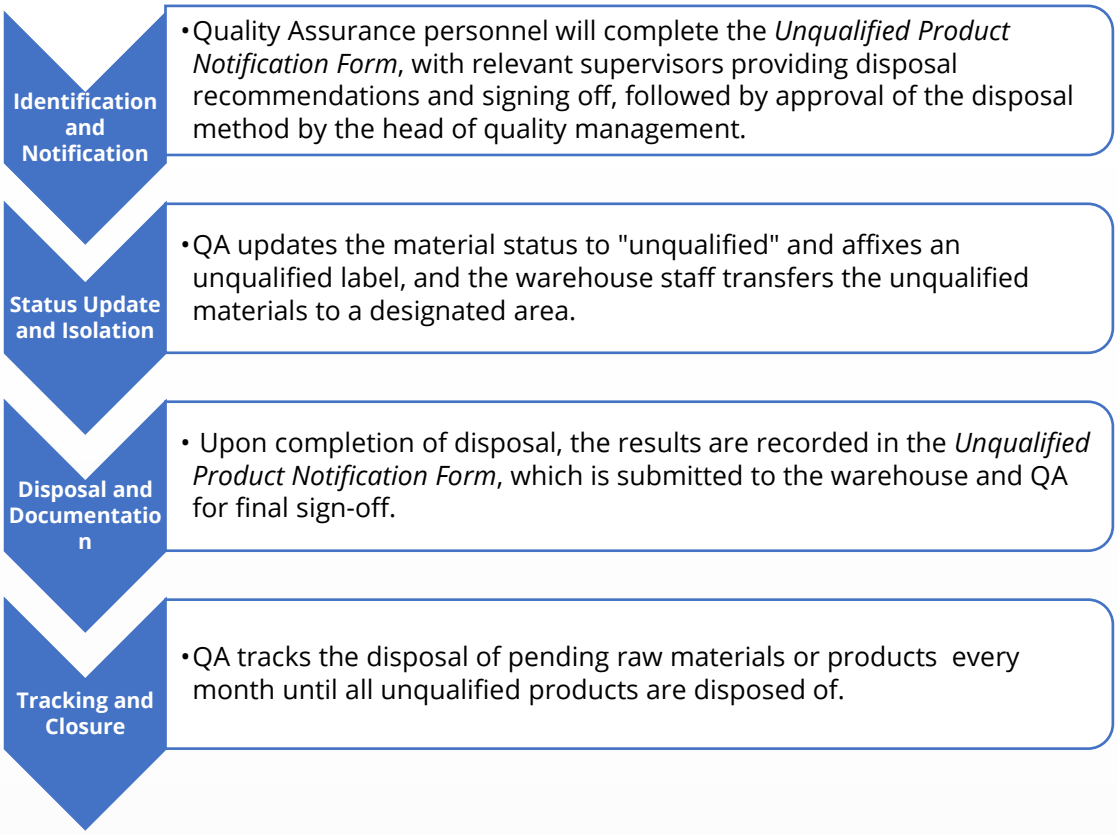
In terms of daily preventive management, the Company strengthens thematic inspections in areas such as production, analysis, and warehouses, records and rectifies problems in a timely manner, and eliminates potential risks; establishes a change control process. Newly purchased or modified instruments must submit a *Change Control Form* and affixed with a label after installation, and perform maintenance and calibration as planned to ensure that the instrument is in the best condition; at the same time, through systematic inspection and early problem detection, potential problems can be resolved before failure, enhancing the stability and reliability of equipment.

At the same time, in response to potential major operational disruption risks, the Company has established a business continuity management mechanism, formulated and exercised a business continuity plan ("**BCP**"), and implemented a diversified supplier strategy to reduce the risk of supply chain reliance and ensure that under abnormal circumstances, product quality and stable supply can still be guaranteed.

### Handling of unqualified products

The Company formulates handling procedures for unqualified products, from identification and notification, to tracking and closure, to ensure effective management of unqualified products, minimizing its impact on product quality, customer satisfaction and operational efficiency, and at the same time by analyzing the root cause and take corrective measures to prevent similar problems from recurring.

**Process for Handling Unqualified Products**




The Company has formulated the *Product Recall/Withdrawal* system to clarify the requirements for the initiation of the recall, the method of notification, product evaluation, handling and corrective measures. After receiving the product defect information, the relevant department will conduct an assessment and report to the relevant authorities. The Company conducts mock recalls once a year to ensure the rationality and effectiveness of the recall procedures. As of the end of the reporting period, the Company had no product recalls.

### Quality management system audit

The Company conducts regular internal audits of the quality management system, including monthly internal audits of the plant and an annual cross-audit between the plants. A report shall be submitted after the audit, and the relevant responsible departments shall complete rectification within the prescribed time limit to prevent recurrence of the problem. During the reporting period, all factories completed internal audits and cross-audits as required.

### Quality culture building

The Company conducts cGMP awareness training for all GMP production-related personnel at least once a year, and provides general courses on quality for all employees. In addition, the Company holds monthly cross-departmental quality communication meetings to focus on the analysis and improvement of recent quality events, and continue to promote the optimization of the quality system.

The Company requires suppliers to establish and continue to maintain an effective quality management system to ensure that the products and services they provide meet the Company's requirements, industry standards and customer expectations. At the same

time, the Company regularly organizes quality management training for suppliers, shares best practices in quality control, and continuously improves quality awareness and capabilities of employees.

### Clinical trial quality management

As a subsidiary of the Group, Asymchem Clinical (Clin-nov) is committed to "providing full-process, high-quality new drug research and development services, and meeting the requirements of customers and clinical trial quality management practices ("**GCP**") and other applicable laws and regulations" as its quality policy to provide professional clinical research services for partners. During the reporting period, Asymchem Clinical (Clin-nov) successfully passed the recertification of the ISO 9001 quality management system.

Under the guidance of the quality policy, Asymchem Clinical (Clin-nov) has established clinical development and registration applications covering drugs, biological products, cell and gene therapy products, clinical research project management, monitoring and auditing, data management and statistical analysis, quality management system of pharmacovigilance services, etc., and the system requirements have been continuously revised and updated in a planned manner in 2025, so as to fulfill the continuously increasing requirements of regulations and practice.

Asymchem Clinical (Clin-nov) continues to deepen its cooperation with international clinical research organizations and expand its business areas. Through continuous improvement and strict implementation of the quality system, a complete system protection and quality assurance were provided for the delivery of customer projects. The project services delivered during the reporting period passed the customer's acceptance inspections, and there were no issues that affected passing of inspection during the official review.

## Metrics and targets

Asymchem always puts quality and safety in the first place, formulates quality policy and quality goals, and establishes annual quality key performance indicators. In order to achieve our goals, we regularly conduct internal production supervision and inspections, and also compliance inspections based on the progress of R&D and verification projects. In addition, the Company regularly tracks its achievement, conducts in-depth analysis, and implements necessary improvement measures accordingly to ensure continuous compliance with the established quality policy and goals. During the reporting period, the Company's project targets have been successfully achieved.

| | |
|---|---|
| **Quality Policy** | Develop and produce high-quality standard APIs and pharmaceutical products for human use in compliance with the regulatory requirements of EU, US, Japan and PRC in accordance with cGMP and ICH guidelines. |
| **Quality Goal** | The Company is committed to consistently producing products that exceed customer expectations in terms of quality, craftsmanship, service and value through the active participation of employees, customers and suppliers, with a view to continuous improvement. |

**Product Safety and Quality Management Targets**

| Target | Progress |
|---|---|
| • Official inspections, including license inspections, GMP compliance inspections, and drug registration | • Achieved<br>• Official inspections, including licensing inspections, GMP |

| Target | Progress |
|---|---|
| verifications, all passed one-off inspections, and the government's random inspection pass rate reached 100%. | compliance inspections and drug registration inspections, all pass at one time, and the passing rate of random government inspections is maintained at 100%. |

The Company's product quality management system covers the R&D and production of small molecules, chemical macromolecules, preparations, biological macromolecules, clinical CRO and synthetic biology, encompassing the entire lifecycle of research and development of products, technology transfer, production of clinical stage products, and production of commercialization stage products. During the reporting period, 100% of the Company's production-based subsidiaries and Asymchem Clinical (Clin-nov), a non-production based subsidiary, obtained more than one product quality related certifications, including GMP and ISO 9001 quality management system certifications.

| | GMP Certification | | | | | | |
|---|---|---|---|---|---|---|---|
| | NMPA | FDA | TGA | PMDA | Health Canada | ANVISA | MFDS |
| **Asymchem** | √ | √ | | √ | √ | | |
| **Asymchem Life Sciences** | √ | √ | | √ | √ | | |
| **Asymchem Pharmaceuticals** | √ | √ | | √ | | | √ |
| **Tianjin Asymchem Biotech** | √ | | | | | | |
| **Fuxin Asymchem** | | √ | | | | | |
| **Jilin Kelein** | √ | √ | √ | √ | | √ | √ |
| | ISO 9001 Quality Management System Certification | | | | | | |
| **Asymchem Clinical (Clin-nov)** | √ | | | | | | |

The Company continues to receive audits from the United States FDA, the Pharmaceuticals and Medical Devices Administration of Japan ("**PMDA**"), the Australian Therapeutic Goods Administration ("**TGA**"), the Korean Food and Drug Safety Agency ("**MFDS**"), Health Canada ("**HC**"), Brazil's National Health Administration ("**ANVISA**") and China's NMPA and other regulatory agencies. During the reporting period, the Company accepted and passed more than 20 pre-approval reviews and routine GMP official audits, covering small molecule APIs, macromolecular APIs, preparation products, etc. In addition, during the reporting period, the Company accepted more than 240 quality audits from customers, with a passing rate of 100%.

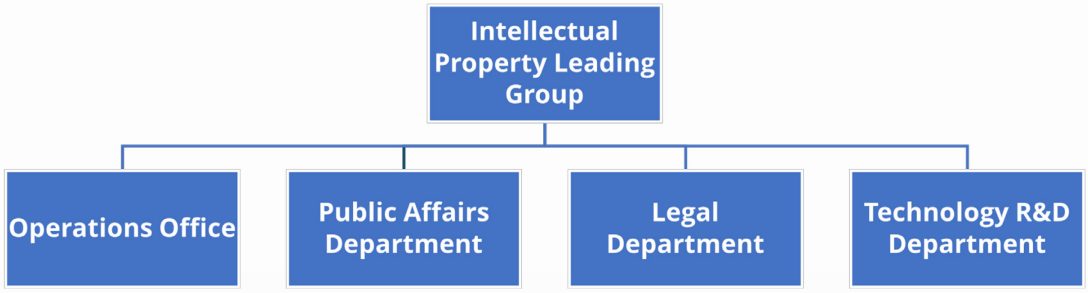
During the reporting period, the Company was not punished by any relevant authorities for violating laws and regulations related to product quality.

## ❖ Intellectual Property Protection*

### Governance

Asymchem has built a sound intellectual property (IP) governance structure and established a sound internal system to ensure the standardization and effectiveness of management. The Company has established an Intellectual property Leading Group, which is composed of the Operations Office, Public Affairs Department, Legal Department and Technology R&D Department. It is responsible for coordinating related affairs and strengthening the communication and collaboration between the IP intellectual property managers and the Company's technical staff, managers and leaders of various departments. Intellectual property management runs through the links of R&D, production, service and sales, and has become an important integral part of operational management of enterprises.

**Intellectual Property Governance Structure**




| Top-level Coordinating Agency/Department | Core Responsibilities |
|---|---|
| **Intellectual Property Leading Group** | • Coordinate the management of the Company's intellectual property<br>• Promote cross-departmental business contacts and information communication<br>• Ensure that the management of intellectual property is integrated into the entire enterprise process |
| **Operations Office** | • Collect patent information, communicate and issue patent instructions<br>• Accounting for patent bonuses and issuing bonus announcements |
| **Public Affairs Department** | • Patent life cycle management<br>• Trademark registration and maintenance |
| **Legal Department** | • Review of intellectual property contract terms<br>• Legal protection of foreign cooperation<br>• Intellectual property litigation and dispute resolution |
| **Technology R&D Department** | • Intellectual property identification in the R&D Process<br>• Support for transforming technical achievement into patent |

The Company strictly abides by the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China* and other laws and regulations, and formulated the *Patent, Software Copyright and Article Publication Management System* to clarify patent applications, software copyright registration, standardized management of the process of publication of academic articles to ensure the legal and compliant use and protection of intellectual property. At the same

time, the Company has formulated such systems as the *Group Customer Management and Communication Management System*, *Computer Use Management System*, and *Good Document Management Practice* to prevent infringement of external intellectual property from multiple dimensions such as customer information management, computer security and document management.

## Strategy

During the reporting period, the results of the analysis of the impact, risks and opportunities of the Company on the protection of intellectual property are as follows:

**Result of Analysis of Impacts, Risks and Opportunities Related to the Topic of "Intellectual Property Protection"**

| Impact Analysis | | | |
|---|---|---|---|
| **Main Impact Type** | **Scope of Influence** | **Impact Description** | |
| Potential + negative impact | The Company's own operations/downstream of the value chain | If the Company improperly manages the protection of customers' intellectual property, it may lead to the leakage or infringement of customers' intellectual property, which may lead to economic losses of customers, as well as related legal disputes and reputational damage. The Company has established a sound intellectual property management system to avoid negative impacts on customers' intellectual property. | |
| **Risk and Opportunity Analysis** | | | |
| **Main Risk/Opportunity Type** | **Time Range** | **Main Potential Financial Impact** | **Risk and Opportunity Description** |
| Risk | Short-term/medium-term/long-term | Decline in operating income | The protection of customers' intellectual property and the maintenance of their own intellectual property are of the utmost importance to CDMO industrial enterprises. Inadequate protection of intellectual property may expose the Company to infringement risks, affecting brand reputation and customer trust. In addition, failure to effectively respond to the protection needs of transnational intellectual property may limit the Company's expansion in the international market and increase compliance risks. |

In order to ensure rapid response and efficient processing in the process of patent application, examination and maintenance, the Company systematically promotes intellectual property application, infringement prevention, contract management, capacity building, and special auditing, and has formed intellectual property standardized management strategies including the creation, application, protection, protection, rewards, assessments, strategy formulation and implementation of intellectual property, to meet the intellectual property needs of enterprises in rapid development.

**Intellectual Property Management Strategy**




## Impact, risk and opportunity management

The Company is committed to ensuring the safety and competitiveness of its own intellectual property through systematic system construction and full-process control, while respecting the legitimate rights and interests of others, and continuously improving the management system and reducing potential risks by adopting a number of intellectual property management measures, to strengthen the awareness all employees to protect intellectual property .

### Intellectual Property Right Application

The Company continues to improve its patent layout to protect its intellectual property. The R&D department puts forward the patent application requirements, which are collected by the operation office and submitted to the chairman of the board and the chief technology officer ("**CTO**") for approval. After the patent instruction is formed, the R&D department and the Public Utilities Department coordinate the drafting and application of patents.

### Infringement prevention

The Company has established a sound management mechanism for intellectual property, and continues to respect and protect the intellectual property of others. Focusing on its core technological achievements, the company conducts anti-infringement searches and patent navigation, proactively identifying risks that may infringe third-party patent rights, and adopting measures such as design evasion to effectively reduce the risk of infringement.

### Contract management

The Company has established a sound contract management mechanism and continuously strengthened the review and management of intellectual property clauses in business contracts to effectively protect the Company's intangible assets and actually protect the intellectual property and interests of customers. The intellectual property clauses in all business contracts must comply with the Company's intellectual property protection policy. If the proposed contract contains clauses that are inconsistent with the Company's intellectual property policy, the Company clearly stipulates that the relevant departments shall perform strict reporting and approval procedures.

### Capacity building

The Company is well aware of the importance of protecting customers' intellectual

property and regards it as its core value and code of conduct. The customers' intellectual property is protected by both the laws of the country where they are located and the Company's agreement. In order to fulfill this responsibility, the Company continues to strengthen its internal intellectual property management capabilities as the cornerstone of compliance operations. During the reporting period, the Company organized 4 sessions of intellectual property training for employees, covering key topics such as patent application procedures and strategies, review opinions, infringement risk identification and retrieval skills, "Confidentiality Agreement" and protection of trade secrets, effectively enhanced the professionalism and practical ability of employees in the management of intellectual property.

### Special audit

The Company attaches great importance to the protection of intellectual property information, and organizes at least one special audit covering the Group and its subsidiaries every year. During the reporting period, the company conducted a comprehensive audit on the protection and management of intellectual property at the group level, involving 18 core departments including R&D, analysis, and quality assurance.

## Metrics and targets

The Company sets goals for intellectual property management and continues to improve the level of intellectual property management.

**Intellectual Property Management Targets**

| Target | Progress |
|---|---|
| • According to the patent instructions of the R&D department and the drafting tasks of the patent person in charge, ensure that the annual patent applications account for more than 90% of the planned applications | • Achieved<br>• In 2025, the Company's patent applications accounted for 100% of the planned applications |

As of the end of the reporting period, the company has obtained a total of 577 domestic and foreign patents, including 440 domestic patents and 137 foreign patents. According to technical statistics, the company has 205 patents in the field of synthetic biology and 210 patents in the field of continuous reaction technology. In addition, the Company has registered a total of 70 domestic and foreign trademarks, covering ten major categories including drug research and development services. The company has published a total of 51 articles in top industry journals such as *Nature* and *Science*, and has registered a total of 46 computer software copyrights.

The Company has made significant achievements in the management of intellectual property, and has received a number of external recognitions, including the National Intellectual property Demonstration Enterprise, the Tianjin High-value Intellectual property Creation Pilot, the Tianjin Intellectual Property Industry Operation Center, and the Tianjin Economic and Technological Development Zone Commercial Secret Protection Liaison Enterprise etc.

During the reporting period, the Company did not have any violations of laws or regulations related to intellectual property, nor was it involved in intellectual property disputes or litigation.

## ❖ Customer Service Management*

### Governance

The heads of the Marketing Department and Project Coordination Management Office coordinate Asymchem's customer service management, who also are responsible for the supervision and continuous improvement of the system. The Company has set up a research team and a management team with experienced sales and management backbones. As an independent supervisory body, the Audit Department regularly reviews the effectiveness of the implementation of the customer communication management system. Through weekly, monthly and quarterly reporting mechanisms, the Company ensures that the service dynamics are synchronized internally in a timely manner.

**Customer Service Management Governance Structure**

| Position | Core Responsibilities |
|---|---|
| **Market department project coordination management office** | • Coordinate the management of customer service, and be responsible for supervision and continuous improvement of the system. |
| **Research team** | • Focus on improving customer service capabilities, and be responsible for reviewing customer needs and cooperation projects. |
| **Management team** | • Undertake daily operational responsibilities, including service information collection, discipline management and process execution. |
| **Audit department** | • As an independent supervisory body, it regularly reviews the effectiveness of the implementation of the customer communication management system, identifies management loopholes and makes recommendations for improvement, supervises the closed-loop rectification, and reports major risks to the senior management to effectively ensure the continuous optimization of the customer service management system. |

The Company strictly abides by the laws and regulations, industry standards and norms of China and the countries and regions where its customers are located, and signs various compliance agreements requested by customers in accordance with the regulations. In the early stage of business partnership, the Company will enter into a confidentiality agreement ("**CDA**") and a master service agreement ("**MSA**") with customers to clarify the confidentiality obligations and delivery requirements during the collaboration to ensure that all business activities are conducted in a lawful and compliant manner, providing a solid foundation for delivering high-quality customer services.

In order to standardize service practices, the Company has formulated various systems, including the *Compilation of Customer Management and Communication Management Systems of the Group*, *Customer Complaints*, and *Non-quality Complaints Management Requirements*, which establish management mechanisms at all stages of projects to continuously optimize the customer service processes. In addition, the Company has formulated a quantitative assessment indicator related to customer service quality and customer satisfaction for management and employees to continuously improve customer service quality.

## Strategy

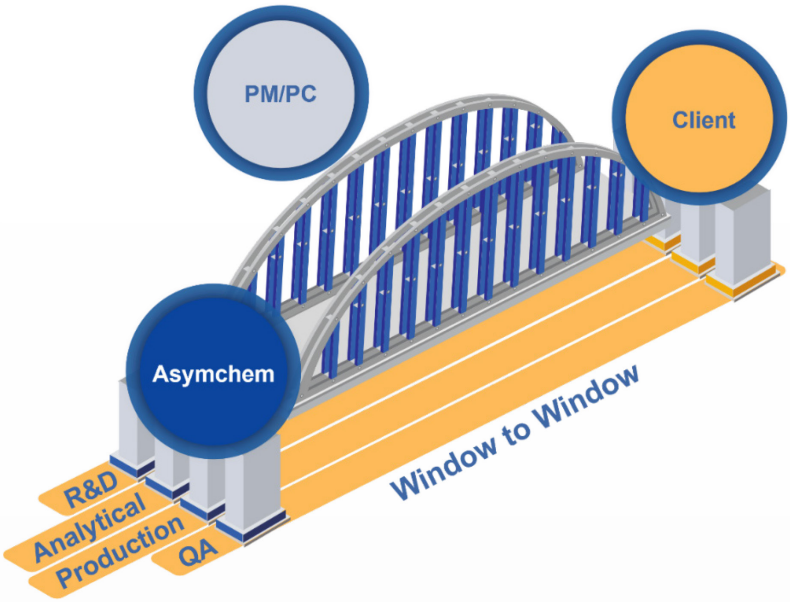
The results of the analysis of the impact, risks and opportunities of the Company on customer service management issues during the Reporting Period are as follows:

**Results of Analysis of Impacts, Risks and Opportunities Related to "Customer Service Management" Issues**

| Impact Analysis | | | |
|---|---|---|---|
| **Main Impact** | **Scope of Impact** | **Impact Description** | |
| Actual + positive impact | Downstream of the value chain | Through high-quality customer service management, the Company responds to and meets customer needs in a timely manner, assists customers in the research and development and production of drugs, facilitates the transformation of innovative achievements, and improves the health of patients, which in turn has a positive impact on the overall health of society. | |
| **Risk and Opportunity Analysis** | | | |
| **Main Risk/Opportunity** | **Time Range** | **Main Potential Financial Impact** | **Risk and Opportunity Description** |
| Opportunity | Short-term/medium-term/long-term | Increase in operating income | By continuously optimizing customer service management, the Company is able to enhance customer satisfaction and loyalty, strengthen its market competitiveness, thereby attracting more customers, increasing sales revenue, and improving financial performance and long-term profitability. |

The Company has established a "customer-centric" business orientation, and is driven by technology to provide high-efficiency and high-quality R&D and production services to meet the diverse needs of customers. With its excellent delivery capabilities and full-process support, the Company has formed in-depth embedded partnerships with both international pharmaceutical giants and emerging pharmaceutical companies, and has become a long-term strategic partner of numerous multinational pharmaceutical companies, steadily establishing a "trustworthy and dependent CDMO partner" position in the industry.

Through a window to window communication model, the Company leverages its technical project managers ("**PM**") and project coordinators ("**PC**") as bridges to accurately connect its own R&D, analysis, production, and quality assurance and other whole process capabilities with the needs of customers' projects, thereby achieving a closed-loop collaboration that is efficient, transparent and traceable.




## Impact, risk and opportunity management

### Customer communication mechanism for the whole process of the project

In order to fully and timely understand the needs of customers, the Company has established corresponding customer communication management requirements and mechanisms in the three phases of project kick-off, project implementation and project completion to maintain timely, full and efficient communication with customers to ensure that the products and services provided meets customers' needs.

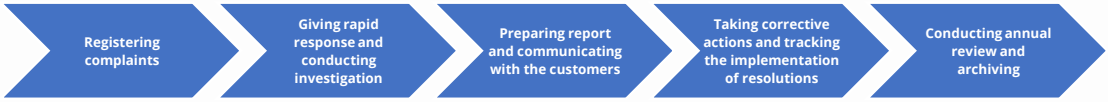
**Project Full-process Customer Communication Mechanism**

| Project Early Warning /Kick-off Stage | Project Implementation Stage | Project Post-completion | Exception Management |
|---|---|---|---|
| • A kick-off meeting will be held within one week after receiving the project/warning. to identify the needs of customers, project objectives, scope of work, milestones, and acceptance criteria. The Company will prepare meeting minutes and take follow-up actions. Depending on project needs, the Company will establish a customer communication group to ensure that both teams and their respective point of contact have equal access to information and clearly defined responsibilities. | • A comprehensive plan covering processes, analysis, production, documentation, and other areas will be developed. The Company will adjust the frequency of weekly reports as required and submit the same to customers. The Company will also convene communication meetings to discuss key issues and risks and organize special meetings for critical milestones, prepare meeting minutes, and take follow-up actions. Any deviations, changes, or other issues will be handled in accordance with GMP, relevant regulations, and quality assurance agreements. The Company will facilitate project delivery and product launch, and schedule project review meetings as required. | • After the completion of delivery of contract documents and products, the Company will notify customers to conduct inspection and acceptance and ensure all matters are fully resolved. In order to improve service quality, and explore opportunities for long-term collaboration, the Company will conduct customer satisfaction surveys and discuss feedback internally and adopt resolutions. | • The Company will launch the internal delay warning mechanism accordingly to the requirement of project delivery on schedule.<br>• The Company will provide timely manner response to customer complaints during project implementation. |

### Customer complaint handling

With the established customer complaint handling mechanism, the Company accepts customer complaints, and the QA department is responsible for the registration, classification, coordination, investigation and handling of customer quality-related complaints, as well as the establishment of corresponding corrective and preventive measures for root causes to improve product quality on an ongoing basis. The Company conducts self-inspection on all quality and non-quality complaints from customer in accordance with the corresponding management mechanism to ensure that 100% of the complaints are handled in a timely and effective manner. Communication with customers ensures mutual understanding, and relevant measures will be taken to control and eliminate the negative impact of customer complaints. During the Reporting Period, the Company did not experience any major complaints.

**Process and Measures for Handling Customer Quality Complaints**




**Processes and Measures for Handling Customer Non-Quality Complaints**




### Audit and supervision mechanism

The Company has established an audit and supervision mechanism for customer visit reception. Based on the customer visit reception process and the specific clauses of customer visit notices approved and issued, random checks are carried out on all aspects of customer visit reception. Any identified issues are promptly addressed to standardize customer visit reception behavior and improve the quality of service.

### Employee assessment and training

In order to improve our quality of customer service, the Company conducts at least one specific customer communication training and assessment for qualified employees every year. Simulated customer communication meetings are arranged for those who pass the assessment and their customer communication capabilities will be determined by assessment team. The audit department supervises the use and effectiveness of the grading results on an irregular basis.

During the Reporting Period, the Company organized a training program focused on developing customer communication skills. Two sessions were held throughout the year, covering employees who have direct interaction with customers, such as R&D, analysis, and project management. The training content includes *Basic Principles of Project Management*, *Principles of Customer Communication in Different Contexts*, *Communication with Different Types of Customers*, *Case Analysis of Customer Communication* and *Business Etiquette in the Workplace*, and was delivered through a combination of theoretical instruction and practical assessments.

During the Reporting Period, through systematic training, the proportion of employees qualified to participate in customer communication training projects increased from 72%

to more than 96%, which effectively meets the professional participation needs of customer meetings. Relevant measures not only improved the quality of customer service, but also laid a solid foundation for employee career development.

### Marketing management

The Company follows the principle of integrity in the marketing process and adheres to laws and regulations such as the *Advertising Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China* and establishes a comprehensive external publicity information guarantee mechanism, and regularly updates and reviews all external publicity materials to ensure the authenticity, accuracy and timeliness of the information, and eliminate any false propaganda or misleading information. Publicity content involving technology is subject to multiple reviews by various technical departments to ensure the accuracy and professionalism of technical information. Through a transparent communication mechanism, the Company clearly demonstrates the features and advantages of its services to customers, and ensures that customers can make informed decisions based on objective and truthful information.

**External Publicity Information Guarantee Mechanism**

| Guarantee Mechanism | Description |
|---|---|
| **Professional team management and operation** | • Establish a professional team to manage external publicity information to ensure that the public information is accurate, detailed and disclosable. |
| **Cross-departmental/ partner review mechanism** | • For the Company's own external publicity information, relevant departments take the lead and collaborate with the heads of various business units to verify the relevant information to further ensure the authenticity and accuracy of the information.<br>• For relevant information related to partners, the partners are responsible for information review and approval. |
| **Implement a tiered review and proofreading system** | • All external information is reviewed by the Company's senior executives, who review the accuracy, safety, and effectiveness of the information from different perspectives. Significant public information is reported to the highest level of the Company for review and approval. |

Additionally, the Company has formulated policies such as the *Guidelines for Product Commercialization in Overseas Markets*, the *Guidelines for Product Commercialization in the Chinese Market*, the *Responsibilities for GMP in CDMO Collaborations with Customers*, and the *Management Requirements for Business Development in Domestic Market* to standardize and improve various processes of the Company's marketing work, ensuring that the Company conducts its marketing activities in a compliant and responsible manner.

**Responsible Marketing Management Measures**

| Measures | Description |
|---|---|
| **Transparent communication with customers** | • Open and transparent dissemination of the Company's values, goals, and commitments in all types of publicity materials provided to customers. |
| **Publicity on sustainable** | • Dedicated showcase of the Company's green technologies in all types of publicity materials provided to customers, highlighting the |

| Measures | Description |
|---|---|
| **products and services** | sustainability of products and services to meet customers' concerns and needs for environmental protection and social responsibility. |
| **Responsible for marketing training for employees** | • Regular thematic training on the Company's marketing-related systems for all marketing-related employees at least once a year. New employees are required to complete training and assessments before becoming regular employees, and refresher training is conducted annually.<br>• Regular information release training for employees on a department-by-department basis at least once a year to supervise the implementation of information release-related systems. |

## Metrics and targets

The Company has established self-assessment system for key account satisfaction and conducts self-assessment on the satisfaction of key account every six months focusing on raw material management, quality management, project delivery and other aspects to identify opportunities for improvement and make timely corrections to ensure continuous improvement of service quality.

In addition, the Company conducts satisfaction surveys for all major domestic and overseas businesses on a project basis. These surveys cover overall project satisfaction, professional technical capabilities, product quality, delivery timeliness, document compliance, project support and customer service experience and other aspects. The Company regularly compiles customer feedback, addresses the issues raised by customers and takes follow-up actions to ensure that these problems are be solved in a timely manner.

During the reporting period, the Company did not have any violations of laws and regulations related to customer service.

**Customer Service Management Targets**

| Target | Progress |
|---|---|
| • Customer satisfaction survey score of 4.5 or higher (out of 5) | • Achieved<br>• In 2025, the Company's customer satisfaction survey score reached approximately 4.9 |

## ❖ Supply Chain Security*

### Governance

In order to systematically control supply chain risks, Asymchem has established a Supply Chain Security Committee to coordinate supply chain security management. The Company has formulated the *Supplier Management System* and other related systems to specify the contents of the supplier admission, evaluation and exit mechanism, and realize the full life cycle management of suppliers.

**Supply Chain Security Committee**

| | |
|---|---|
| **Composition and professional competence** | • It is composed of professionals from different departments, covering procurement, quality control, EHS, legal affairs, and compliance. All members possess professional skills in supply chain risk assessment, compliance audit and crisis response and other fields to ensure accurate identification and effective management of supplier risks. |
| **Terms of reference** | • Responsible for formulating and updating supply chain security policies, supervising supplier compliance, and taking corrective measures when necessary. It is also responsible for organizing training and communication related to supply chain security. |
| **Assessment method** | • The Company regularly evaluates the performance of the committee and incorporates the ESG performance of suppliers into its performance evaluation to ensure continuous improvement of governance effectiveness. |

### Strategy

The results of the analysis of the impacts, risks, and opportunities related to supply chain security during the Reporting Period are as follows:

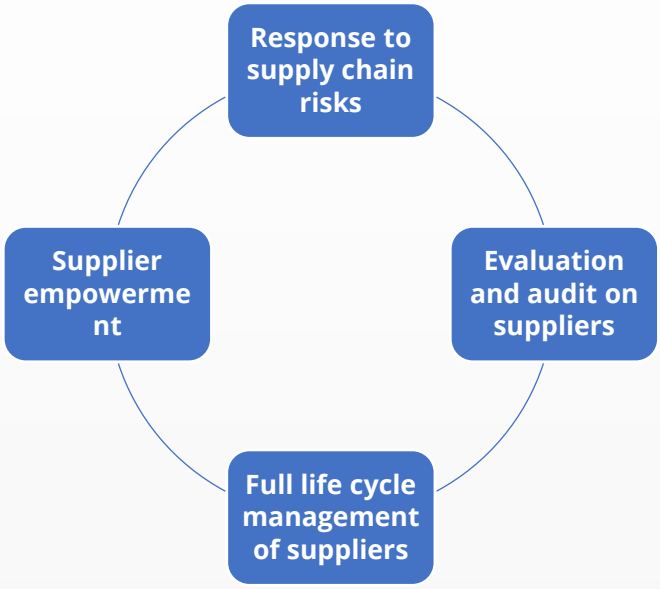
**Results of Analysis of Impacts, Risks and Opportunities Related to the "Supply Chain Security" issue**

| Impact analysis | | | |
|---|---|---|---|
| **Main Impact** | **Scope of Impact** | **Impact Description** | |
| Potential + negative impact | Upstream of the value chain/the Company's own operations/ downstream of the value chain | Improper management of supply chain may lead to interruption of the supply of raw materials or quality issues, which may affect the progress and quality of pharmaceutical production, resulting in financial loss and reputational damage to customers and threat to the health of patients, which in turn affects the overall safety and well-being of society. The Company has established a sound supply chain management system to avoid negative impacts on stakeholders such as patients and pharmaceutical customers. | |
| **Risk and Opportunity Analysis** | | | |
| **Main risk/Opp** | **Time Range** | **Main Potential Financial** | **Risk and Opportunity Description** |

| ortunity | | Impact | |
|---|---|---|---|
| Risk | Short-term/medium-term /long-term | Rising operating costs | Inadequate supply chain management may lead to shortages of raw materials, supplier quality issues or transportation interruptions, affecting the progress and quality of pharmaceutical production, increasing the Company's operating costs, reducing R&D efficiency, and in turn harming the Company's financial performance and competitiveness, and increasing financial risks. |

The Company has established a set of comprehensive supply chain security management strategies, covering multiple aspects such as supplier quality management, inspection and auditing, risk response and empowerment to comprehensive assess, select, and monitor suppliers and to promote their continuous improvement, in order to ensure the stability of the supply chain.

**Supply Chain Security Management Strategy**




## Impact, risk and opportunity management

The Company's suppliers are divided into two categories: product suppliers and service suppliers. The purchased products mainly include chemicals (such as APIs, raw materials, and auxiliary materials), non-chemicals (such as laboratory consumables and production spare parts), large engineering equipment and administrative and office supplies. The purchased services mainly include testing and calibration services, human resources services and consulting services.

For suppliers under the quality control system, the Company divides them into class 1, 2, 3 and 4 based on the type of materials/commissioned services they provide, the type of end products, and the type of projects, and implements hierarchical management. For other suppliers, the Company takes corresponding management measures based on actual conditions.

## Response to supply chain risks

The Company identifies the types of supply chain security risks and pinpoints potential risk factors that may lead to disruption in business continuity, providing a basis for formulating targeted risk response strategies.

**Types of Supply Chain Security Risks**

| | |
|---|---|
| **Compliance Risk** | • Suppliers may fail to comply with relevant laws and regulations, posing legal or reputational risks to the Company. |
| **Reliability Risk** | • The unstable financial situation, poor management or insufficient production capacity of suppliers may cause delays in delivery or product quality issues. |
| **Geopolitical Risk** | • When it comes to cross-border supply chains, operations may be affected by international trade policies, sanctions or geopolitical conflicts. |
| **Business Continuity Risk** | • Natural disasters, epidemics or other emergencies may disrupt the supply chain and affect the normal operations of enterprises. |

The Company has established a comprehensive processes for identifying, assessing and managing supply chain risks, and has implemented a variety of risk mitigation measures to ensure that it can respond to potential supply chain risks in a timely and effective manner.

**Processes for Risk Identification, Assessment and Management**

| | |
|---|---|
| **Identification** | • Through questionnaire surveys, on-site audits, third-party assessments and communication with suppliers, the potential risks that may exist in the supply chain are fully identified. |
| **Assessment** | • Carry out qualitative analysis on the identified risks, evaluate their impact on the Company's operations and reputation, and determine priorities for action based on the severity, frequency and tolerance. |
| **Management** | • Develop and implement a systematic risk management plan, including risk mitigation measures and emergency response mechanisms, to reduce the impact of risks.<br>• Establish a continuous monitoring mechanism to regularly track and evaluate the effectiveness of risk management measures to ensure that risks are effectively controlled and strategies are adjusted in a timely manner. |

The Company adopts various measures to address supply chain security risks, and ensures the stability and security of the supply chain by formulating emergency contingency plans and other measures. At the same time, the Company strengthens cooperation and communication with suppliers to enhance the risk resilience of the whole supply chain, thereby ensuring the quality of products and services, delivery timeliness and customer satisfaction.

**Risk Response Measures**

| | |
|---|---|
| **Contingency Plan** | • Develop contingency response plans to address unforeseen events in the supply chain, such as natural disasters, supplier bankruptcies. |

| | |
|---|---|
| **Risk-sharing Mechanism** | • Share risks with suppliers and logistics partners, and clearly define the responsibilities and obligations of all parties in the event of a risk through contractual terms. |
| **Supplier Diversification Strategy** | • Implement a supplier diversification strategy to avoid over-reliance on any single supplier and reduce the risk of supply chain disruption. |
| **Logistics Network Construction** | • Optimize logistics network of enterprises, improve logistics efficiency and response speed to ensure the smooth operation of the supply chain. |
| **Capacity Resource Guarantee** | • Enter into long-term cooperation agreements with airlines, shipping companies, and fleets to ensure the stability of the transportation channels. |
| **Inventory Management** | • Optimize inventory management, including setting up inventory buffers and safety stock levels to overcome fluctuations in demand and supply uncertainty. |
| **Information Security Management** | • Strengthen information security management, protect sensitive data in the supply chain, and prevent data leakage. |

### Supplier whole life cycle management

Based on the "Supplier Management System", the Company has established a whole life cycle management mechanism covering access assessment, process monitoring, performance evaluation and dynamic withdrawal. By incorporating the requirements of Quality Control System ("**QMS**") into all key stages, the Company ensures that suppliers consistently meet quality, compliance, and business continuity requirements.

**Supplier Whole Life Cycle Management Measures**

| Management | Measures |
|---|---|
| **New supplier access** | • **Qualification declaration:** Potential suppliers need to submit certificate qualifications, industrial and commercial information, safety information, credit history and ESG related information. Suppliers within the scope of quality control also need to fill in questionnaires and declaration documents, and provide quality certificates for materials within the scope of national control.<br>• **Material supply:** Supplier level shall be determined based on the type of projects and raw materials, and suppliers shall provide samples for testing and verification if necessary.<br>• **Audit and evaluation:** The Company shall conduct a document or on-site audits, and conduct comprehensive evaluations from the aspects of market share, industry reputation, operating status, and supply capacity. After approval, the suppliers will be included in the qualified supplier pool. |
| **Qualified Supplier Management** | • **Hierarchical classification:** Suppliers are divided into strategic suppliers, annual contract suppliers, and general approved suppliers based on the depth of collaboration, and a *Qualified Supplier List* is established. At the same time, sub-suppliers are managed in accordance with the *Supplier Control* guidelines to improve the standardization and process of procurement.<br>• **Annual evaluation:** An annual performance evaluation shall be |

| Management | Measures |
|---|---|
| | conducted on suppliers within the scope of quality control, covering indicators such as supply quality, batch stability, delivery timeliness, and service response and an "Annual Supplier Evaluation Form" shall be formed. Quality review shall be conducted on commercialized project suppliers every 1 to 2 years. Suppliers who are unqualified shall submit the *Deviance Investigation Report* and lay down corrective and preventive measures. Suppliers with excellent performance shall be granted incentives such as purchasing preference. |
| **Supplier downgrading or withdrawal** | • **Downgrade or withdrawal:** A supplier will be considered for downgrade or disqualified under the following circumstances: failure to rectify audited critical defects within specific periods, causing a quality incident, serious breach of contract, supply suspension, bankruptcy, etc.<br>• **Reappointment:** If a disqualified supplier is reappointed as required, it shall undergo access process as a new supplier, with particular emphasis on verifying the rectification of past issues. |

### Inspection and audit on supplier

The Company conducts supplier audits on a regular basis, comprehensively adopts on-site audits, document reviews and third-party assessments strictly in compliance with international standards such as ISO 9001 quality management system, ISO 14001 environmental management system, ISO 45001 occupational health and safety management system, and local laws and regulations on labor and environmental protection and other relevant laws and regulations, to ensure that suppliers consistently to meet quality, compliance and risk management requirements. For suppliers included in the scope of quality control, the Company conducts quality assessments at least once a year, and conducts on-site or remote audits at the predetermined frequency based on the supplier's tier. For suppliers with annual purchases amount exceeding a certain threshold or handling high-risk materials, the Procurement Department will take the lead and work with EHS and other relevant departments to conduct regular on-site audits and comprehensive assessments to ensure that they continue to meet quality and risk management requirements.

**Supplier Audit Requirements**

| | |
|---|---|
| **Direct Suppliers** | • Conduct performance evaluation once a year;<br>• Conduct on-site audit every three years, and the audit team shall consist at least one personnel at the level of EHS manager or above, or trained and qualified supplier auditors. |
| **Indirect Suppliers** | • Conduct performance evaluation at least once every two years;<br>• If the materials supplied by the supplier may cause a safety incident or a major safety risk to the Asymchem's plant, an on-site audit shall be carried out. |

The Company has formulated the *Supplier EHS Management Procedures*, which specifies the management processes covering suppliers' environment, health, safety, labor, business ethics and information security practices. The Company assesses and dynamically manages the EHS and social responsibility performance of suppliers and service providers with scientific approaches, thereby continuously improving the level of supply chain

management.

During the Reporting Period, the Company had a total of 5,112 suppliers, including 1,542 direct suppliers and 3,570 indirect suppliers. Quality assessments were conducted for 3,143 suppliers. For suppliers of high-risk or critical materials, the Company conducted a total of 19 specialized EHS audits, and commissioned an independent third-party audit firm to conduct a specialized QA compliance assessment on one supplier to further strengthen supply chain risk management and control.

### Supplier Empowerment

The Company conducts quality management training for all suppliers within the scope of quality control every year, and organizes technical communication meetings from time to time to address technical problems in the implementation of customized projects, provides professional guidance and technical support, and assists suppliers in improving their quality management capabilities, thereby improving product quality stability and delivery reliability.

During the Reporting Period, the Company organized two online training sessions on the topic of "Product and Service Quality Management", covering all key suppliers. In addition, a total of four offline customized training sessions were conducted for new suppliers and high-risk suppliers that need improvement identified in quality assessments to further enhance their overall quality standard and compliance.

In addition, the Company implements a pre-audit counseling mechanism for suppliers to assist them in identifying and rectifying potential problems in advance. After the completion of the audit, the Company requires the supplier to formulate and implement a continuous improvement plan to resolve identified issues and take preventive measures. Through regular performance evaluations, the Company continues to track the effectiveness of counseling initiatives. These empowerment initiatives have effectively supported numerous suppliers to successfully pass audits of international regulatory agencies such as the FDA, which has significantly improved the overall quality and reliability of the supply chain.

## Metrics and targets

The Company has established supply chain security management targets to ensure the stability, compliance and sustainability of the supply chain, improve overall operational efficiency, and reduce potential risks. During the Reporting Period, the Company has achieved various supply chain security management targets.

**Supply Chain Security Management Targets**

| Target | Progress |
|---|---|
| • Achieve a product and service quality pass rate of 98% or above. Quality management system is audited regularly to ensure that the quality of products and services in the supply chain meets or exceeds industry standards and customer needs. | • Achieved<br>• In 2025, the quality pass rate of the Company's products and services reached 99% |
| • Organize safety and quality management training to ensure 100% participation of key suppliers, | • Achieved<br>• In 2025, 100% of the Company's key suppliers participated in the training |

| Target | Progress |
| --- | --- |
| and enhance suppliers' awareness and ability in safety and quality management | sessions |

## ❖ Supply Chain Environmental and Social Risk Management

As the highest decision-making body for ESG management of the Company, the Board of Directors of Asymchem is responsible for overseeing the overall implementation of ESG management in the supply chain. Executive management is responsible for the overall implementation of the supplier's ESG plan to ensure that the responsibilities are clearly assigned and tasks are carried out effectively.

The Company has formulated systems such as the *Supply Chain Code of Conduct* and *ESG Management Policy for Suppliers*, which outline minimum standards for suppliers in aspects including environment, health and safety, labor rights, business ethics, and information security. All new suppliers are required to sign relevant agreements before entering into cooperation. Any existing supplier that fails to meet the minimum ESG requirements within the specific timeframe is not allowed to sign or renew contracts with the Company.

As of the end of the Reporting Period, the Company has achieved 100% adoption of *Supplier Code* and *Supplier Integrity Agreement* among its main suppliers, comprehensively covering ESG aspects such as quality, delivery, environmental protection, human rights and compliance. By integrating ESG requirements into the entire procurement process, Asymchem effectively encourages more upstream partners to practice the concept of sustainable development and jointly build a stable, green and responsible supply chain.

### Supplier ESG risk assessment

The Company comprehensively identifies and assesses country-specific risks, industry-specific risks and commodity-specific risks related to suppliers to ensure that the risks are controllable and minimize the impact on the Company. The Company selects category 1 and category 2 suppliers that may have an impact on business continuity or pose ESG risks every year, and conduct on-site or remote audits on a quarterly or semi-annual basis.

At the same time, the Company formulated the *Supplier Questionnaire*, which covers ESG issues such as labor human rights, business ethics, and the environment, and requires main suppliers of category 1, category 2, and category 3 to complete the questionnaire. As of the end of the Reporting Period, 100% of the suppliers of category 1, category 2, and category 3 have completed *Supplier Questionnaire* and the number off those suppliers accounted for 17.33% of the total number of suppliers. According to the risk assessment, no major risks or violations of labor human rights, business ethics and environmental management were found.

### Sustainable Supply Chain Audits

The Company conducts audits and verifications of suppliers' compliance with the Company's anti-corruption and anti-bribery policies and the ESG policies. In order to improve environmental performance, the Company conducts environmental performance assessments for key suppliers at least once a year, covering quantitative indicators such as toxic substance emissions; for high-risk suppliers, the audit frequency is increased to once every six months to strengthen supervision and management. In 2025, the Company conducted audits on 56 suppliers in total, covering ESG-related aspects such as labor and human rights, business ethics, and environmental management. No major risks or material violations have been found.

The Audit Department conducts regular business ethics audits across the entire Group, including spot checks on the signing of the *Integrity and Self-discipline Agreement* by key

management and senior management, as well as the signing of the *Supplier Integrity Agreement* by suppliers who entered into first cooperation with the Company and the suppliers who entered into the annual procurement agreement with the Company.

### Sustainable Supply Chain Capacity Building

The Company conducts annual ESG training for all suppliers with whom it has an ongoing partnership, covering topics such as employee rights, environmental protection and sustainable development, business ethics and integrity management, risk management and continuous improvement. As of the end of the Reporting Period, the training has covered all project suppliers. For any violations identified, the Company takes corresponding corrective measures, including but not limited to warnings, requests for improvements by suppliers, and termination of contracts. At the same time, the Company provides suppliers with best-in-class ESG benchmarks, supervising and assisting them in the continuous improvement in their management system to improve social responsibility and environmental performance. During the Reporting Period, a total of 1,509 suppliers participated in the capacity building programs.

In order to strengthen the supplier's environmental management capabilities, the Company formulated the *Supplier EHS Management Procedures*, which clearly stipulates that suppliers that comply with ISO 14001, ISO 45001 and other standards or other regulatory requirements should be selected to assess their capabilities for the disposal of three wastes and promote environmentally friendly products and services by suppliers. In the implementation of projects, the Company enhances suppliers' management capabilities by guiding them in the treatment of wastewater, waste gas, and solid waste, and promotes the reduction of hazardous substances in their operations.

At the same time, the Company strengthens its internal ESG capabilities by providing special training to procurement personnel, which specifies their role and responsibilities in supplier ESG management and focuses on strengthening their capabilities to identify ESG risks of ESG, carry out due diligence and perform compliance audit, thereby ensuring that ESG requirements are effectively integrated into the procurement process and daily management.

The Company has established long-term management targets for environmental and social risks in its supply chain, with the aim of improving suppliers' performance in environmental, health, safety, labor, business ethics, and information security. During the Reporting Period, all set targets have been achieved.

**Supply Chain Environmental and Social Risk Management Targets**

| Aspects | Targets | Progress |
|---|---|---|
| **Environmental protection** | • 100 % of suppliers' emissions meet the minimum requirements under local environmental regulations | • Achieved<br>• 100% of major suppliers' emissions meet the minimum requirements under local environmental protection regulations |
| **Human rights and labor Standard** | • 100% of suppliers comply with the human rights and labor requirements under the Company's *Supply Chain Code of Conduct* | • Achieved<br>• 100% of major suppliers comply with the human rights and labor requirements under the |

| Aspects | Targets | Progress |
|---|---|---|
| | | Company's *Supply Chain Code of Conduct* |
| **Business ethics** | • 100% of suppliers completed anti-corruption training, and no confirmed business ethics violations occurred during the Reporting Period | • Achieved<br>• 100% of major suppliers have completed anti-corruption training, and no confirmed business ethics violations occurred during the Reporting Period |
| **Information security and data protection** | • 100% of suppliers comply with applicable data protection regulations and conduct regular information security audits as required | • Achieved<br>• 100% of major suppliers comply with applicable data protection regulations and conduct regular information security audits as required |

## ❖ Equal Treatment for SMEs

Asymchem attaches great importance to the support of SMEs and has formed a cross-functional governance team comprised of key departments such as procurement, legal affairs and finance. The team is responsible for formulating and implementing small and medium enterprises ("**SME**") procurement policies to ensure that they enjoy same rights and opportunities in cooperation.

The Company strictly abides by the *Law of the People's Republic of China on the Promotion of Small and Medium-sized Enterprises* and the *Regulations on the Protection of Payments to Small and Medium-sized Enterprises* and other laws and regulations, and make payment to SMEs in a timely manner to prevent the risk of default. At the same time, the procurement policy is regularly reviewed and updated to ensure its fairness and adaptability.

In order to enhance the professional competence of the team, the Company regularly organizes trainings covering the *Law of the People's Republic of China on the Promotion of Small and Medium-sized Enterprises* and relevant policy requirements. In addition, the Company has established a transparent information communication channel to allow SMEs to keep abreast of the Company's procurement policies and procedures.

**Equal Treatment of SMEs Management Measures**

| Measures | Description |
|---|---|
| **Enhancing payment transparency** | • All payables are paid on time; in case of overdue payments, the Company will proactively inform the relevant SMEs of the specific amount and the reasons for the delay. |
| **Set reasonable payment terms** | • On the basis of taking into account the interests of both parties, set a fair and reasonable payment terms to avoid unnecessary financial pressure on SMEs. |
| **Strengthen communication and coordination** | • Ensure that both parties have a common understanding of the contract terms and payment conditions through thorough communication. In the event of a payment delay due to special circumstances such as force majeure, the Company will promptly inform the other party of the reason and estimated payment time to minimize the impact as much as possible. |
| **Improve the supervision mechanism** | • Conduct regular internal audits to check whether there are unfair behaviors in the procurement and payment process and strictly deal with any violations of the principle of equal treatment and maintain a fair cooperation environment. |
| **Promote continuous improvement** | • Based on audit findings and supplier feedback, we will continue to optimize procurement policies and procedures, and strengthen the training provided to procurement staff and other relevant personnel to enhance their awareness of the protection of the rights and interests of SMEs and compliance with laws and regulations to ensure the effective implementation of policies. |

The Company has established management targets for equal treatment of SMEs, and supports the growth and innovation of SMEs by providing timely payment and reasonable contract terms. During the reporting period, the Company has achieved relevant management targets.

**Equal Treatment of SME Management Targets**

| Targets | Progress |
|---|---|
| • The overdue payment rate is lower than the industry average, striving to achieve zero overdue payments, and achieve 100% on-time payment for SMEs | • Achieved<br>• In 2025, the Company has no relevant overdue payment records |
| • The dispute rate of contract terms is lower than the industry standard, striving for zero disputes, and ensuring that all contract terms are fair and transparent and free of unreasonable clauses. | • Achieved<br>• In 2025, the Company has not experienced any related disputes |

During the Reporting Period, according to the official records of the National Enterprise Credit Information Publicity System, neither Asymchem nor any of its subsidiaries had any overdue payments in the course of their cooperation with SMEs, which fully demonstrated the Company's high degree of compliance in contract fulfillment and payment and its philosophy of operating in good faith.

# 6. Technology-driven, Innovative and Intelligent manufacturing

## ❖ Innovation-driven*

### Governance

Asymchem strictly abides by the *Law of the People's Republic of China on the Progress of Science and Technology*, the *Law of the People's Republic of China on the Administration of Drugs* and, *Good Clinical Practice* and other relevant laws and regulations, and has constantly optimize its R&D platform. The company has established a number of leading and systematic R&D technology centers, which focus on cutting-edge and key technology directions, providing solid technical support for the Company's expansion in new footprint and new directions, and creating a new engine of GXP one-stop service of "GMP-GLP-GCP" in the Company.

### Strategy

The results of the analysis of the impact, risks and opportunities of the Company on innovation-driven topics during the Reporting Period, the are as follows:

**Results of Analysis of Impacts, Risks and Opportunities Related to the "Innovation Driven" Issue**

| Impact Analysis | | |
|---|---|---|
| **Main Impact** | **Scope of Influence** | **Impact Description** |
| Actual + positive impact | The Company's own operations /downstream of the value chain | Through continuous technological innovation, especially in the application of environmentally friendly enzyme engineering technology and synthetic biotechnology, the Company has promoted the green drug manufacturing and reduced the emissions of the three wastes. At the same time, the Company's technological innovation accelerates the process of drug R&D and clinical trial processes, reduces external costs and improves efficacy, thereby generating positive impacts on the economy, society, and the environment. |

| Risk and Opportunity Analysis | | | |
|---|---|---|---|
| **Main Risk/Opportunity** | **Time Range** | **Main Potential Financial Impact** | **Risk and Opportunity Description** |
| Opportunity | Short-term/medium-term/long-term | Increase in operating income | By continuing to drive innovation, especially in the application of synthetic biotechnology and clinical trial methodologies, the Company is able to expand into more business and product offerings and enhance its international competitiveness. At the same time, the government's supportive policy for new drug R&D has also brought opportunities for |

| | | | |
|---|---|---|---|
| | | | the Company to advance the drug R&D process and accelerate the Company's business market expansion. |

As a technology-driven one-stop integrated CDMO service provider, Asymchem leverages its deep technical expertise and comprehensive quality and service systems to continuously strengthen its core competitive advantage, its "D" (Development) capability, setting the differentiation advantages from traditional contract manufacturing organizations ("**CMO**"). While consolidating its position in the core small molecule CDMO sector, the Company actively expands its service scope and diversifies into emerging areas, including chemical macromolecule business, biological macromolecule CDMO business, clinical CRO services, drug production, technical output and synthetic biological solutions. By continuously extending its service chain, Asymchem is accelerating the development of a professional one-stop customized service platform to support global drug R&D and production.

## Impact, risk and opportunity management

### R&D platform construction

Leveraging its advanced R&D platform, the Company continues to deploy forward-looking and key technologies to lead industrial innovation. Each platform focuses on building a pipeline of future technologies, laying a solid foundation for business expansion and sustainable development..

**R&D Platform Construction Results (Partial)**

| | |
|---|---|
| **Peptide Spray Drying Technology Platform** | • The Company's peptide spray drying technology platform enables the production of macromolecules spray-drying, and has successfully achieved commercial scale applications, allowing certain macromolecule projects to avoid the use of energy-intensive and time-consuming freeze-drying process. In terms of freeze-drying curve design, the Company has conducted in-depth research on the changes in key parameters during the freeze-drying process and established a complete freeze-drying curve design process. This process has been applied to projects involving various material categories such as toxin linkers, peptides, nucleic acids, small molecules, etc., resolving common issues in freeze-drying such as system boiling, structural collapse, and incomplete freeze-drying. Tailored to the product structure and freeze-drying requirements of different projects, this process provides strong design and development support for the parameter verification of freeze-drying equipment and the freeze-drying solution of the production project. |
| **Continuous Crystallization Technology Platform** | • Building on the development of continuous crystallization technology for metformin, the Company's continuous crystallization technology platform focuses on the modular design of continuous crystallization equipment, dynamic control of crystal nucleation and growth, and real-time feedback and optimization of process parameters. The project has been verified by a small laboratory test, and the technology |

| | |
|---|---|
| | is progressively implemented. In the later stage, it will be connected with upstream continuous synthesis technology to realize true continuous manufacturing, solidifying the Company's leading position in the continuous manufacturing of active pharmaceutical ingredient ("**API**"). |

As a technology-driven CDMO, the Company has leveraged its industry insights to strategically position itself in the field of synthetic biology. With over a decade of technological accumulation, the Company has established a mature one-stop synthetic biological service capability starting from molecular biology to meet the diverse business needs of global partners. While expanding its business steadily, the Company continues to invest in technology upgrades and reserves. The Center of Synthetic Biology Technology ("**CSBT**") has achieved great results in its strategic layout in the fields of synthetic biology and enzyme catalysis, and has successfully built a globally competitive foundational enzyme technology platform. The Company and Fierce Biotech jointly released the white paper titled Unlocking the Potential of Biocatalysis, which covers the application of biocatalysis in green chemistry and pharmaceuticals industry, the advantages and challenges of biocatalysis, and the achievements in the construction of Asymchem's biocatalysis capabilities.

In April 2025, the Company officially published the white paper titled "Leveraging Flow Chemistry" through Fierce Biotech, which covers the industry's front-end insights, analysis of the advantages of continuous chemistry, as well as Asymchem's achievements in building capabilities in continuous reaction technology and equipment, along with classic case studies. As a disruptive and innovative technology, continuous chemistry shows irreplaceable advantages in terms of safety profile, environmental protection, eco-friendly, energy efficiency, high performance and cost-effectiveness, making it an important development direction for future chemical technology. Continuous production has been recognized by the FDA as "one of the most important tools in the modernization process of the pharmaceutical industry". In recent years, the Company has continued to promote the external transfer and application of this eco-friendly and advanced manufacturing technology and equipment, which has further drove the market demand for and recognition of continuous processes.

While advancing the R&D of innovative technologies and equipment, the Company forges close ties with global partners and upstream and downstream enterprises, and continuously explores innovative cooperation models to further expand its full product portfolio to meet diverse needs.

### R&D project management

The company has established a full-process management mechanism for R&D projects covering "market information collection - project assessment and approval -project development -marketing", forming a complete closed-loop management to ensure that all links are closely connected to improve overall efficiency and success rate of the project.

**Full Process Management of R&D Projects**

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| **Market information Collect** | • The business development department is responsible for collecting and analyzing market data, covering market demand, competitor dynamics and technology development trends. It analyzes the information to predict market trends, identify potential new business opportunities, and provide timely |

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| | feedback to the Company's management. |
| **Project approval** | • The management conducts a comprehensive assessment of the project in terms of market, technology, internal resources, risks and other aspects to ensure its feasibility and potential benefits. Based on the assessment results, the Company determines the priority of R&D projects and business cooperation model, and specifies the overall targets and expected results of the project. |
| **Project development** | • Each professional team arranges reasonable work plans and sets up clear milestones to ensure that the work at all stages is carried out in an orderly manner. Various departments cooperate with each other closely to achieve targets of each stage of laboratory R&D, kilogram scale up, pilot scale up and commercialized production in order.<br>• The management regularly monitors the progress of the project, analyzes the reasons for deviations from the plan, and takes corresponding adjustment measures to reduce project risks.<br>• Conduct weekly and monthly project reporting meetings to ensure the transparency of project progress, and to adjust the R&D direction and targets in a timely manner based on the changes in market demand. |
| **Marketing** | • When the R&D results initially reach the predetermined targets, the technical department will feed back the results to the business development department. Based on the information from the market intelligence system, the business development department formulates and implements marketing strategies to promote the commercialization application of R&D results, and ensures that the project enters the market smoothly and achieves commercial success. |

### R&D personnel training

Regarding the R&D personnel training, the Company has established a comprehensive talent training system guided by "market demand and technological innovation". As of the end of the Reporting Period, the Company has 5,243 R&D personnel, accounting for 49.38% of the total number of employees. During the Reporting Period, the Company invested RMB590 million in R&D, accounting for 8.89% of its operating revenue.

**R&D Talent Training System**

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| **Systematic Training** | • Carry out systematic R&D personnel training by adopting the four-dimensional empowerment model of "external professional training + internal skill training + on-the-job practice + mentoring" to comprehensively enhance the professional capabilities and overall quality of R&D personnel.<br>• The R&D team regularly collects and organizes training needs, formulates training plans, and organizes external professional training and further studies in accordance with the "External Training Management System". |
| **External Communication** | • Encourage employees to participate in industry forums, technology summits and seminars to strengthen external communication and keep abreast of cutting-edge technology |

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| | trends. |
| **Innovation Incentives** | • Formulate the " Management System for Patent, Software Copyright and Article Publication", grant special bonuses to patent developers and applicants to encourage technological breakthroughs and inventions.<br>• Set up quarterly project awards to grant immediate rewards to teams or individuals who have outstanding performance in independent development R&D projects and core technological breakthroughs.<br>• The "Annual Chairman's Special Contribution Award" is specially set up for special recognition of technological innovations with significant industrial influence. |

## Metrics and targets

The Company insists on driving development with innovation and dynamically optimizes management targets based on market changes. Each R&D platform continues to deepen their respective technical fields, continuously enhance their core competitiveness by improving quality and efficiency, and provide customers with a full range of services and products while ensuring stable profitability.

**Innovation Drives Management Targets**

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| **Green Technology Innovation** | • Leveraging existing technology platform, the Company invests in and introduces process optimization environmental protection technologies, such as green chemical production processes and waste reduction technologies. The Company also promotes the application of such technologies in projects approved by customers to enhance project efficiency and success rate, reduce operating costs and accelerate the delivery process. |
| **AI and Digital Transformation** | • Environmental and social responsibility management are empowered by AI and digital technology, thereby improving the per capita efficiency of production and operation and the efficiency of project delivery are improved. |

**[Case] DNA synthesis, sequencing and gene synthesis platform facilitate the new development of enzyme evolution business[7]**

Enzyme technology has shown great potential in many fields such as pharmaceuticals, scientific research, and environmental protection. The CSBT of Asymchem integrates multiple processes including gene synthesis, mutant library construction, protein expression, reaction screening and data processing, and has successfully constructed a professional and mature deoxyribonucleic acid("**DNA**") service platform, providing strong technical support for the efficient evolution and application of enzymes:

[7] For more detailed cases, please refer to the article published by Asymchem titled DNA synthesis, sequencing and gene synthesis platform facilitate the new development of enzyme evolution business (https://mp.weixin.qq.com/s/u97YVAkPv3Jok8UqRvkslg ).

- **Gene synthesis:** With the help of Asymchem DNA service platform, the target gene sequence can be synthesized quickly and accurately (in less than one week per gene) to provide high-quality gene templates for subsequent enzyme evolution.
- **Mutant library construction:** By implementing a variety of mutation strategies (such as random mutation, site-directed mutation and combinatorial mutation), the Company has constructed a high-throughput mutant library. AI technology optimizes the selection of mutation sites and significantly improves the quality and diversity of the mutant library.
- **Protein expression:** The self-developed cell-free protein synthesis system shortens the traditional enzyme evolution process from complex cultivation and purification steps to only 3 days, which greatly improves the efficiency of protein expression and accelerates the progress of the enzyme evolution project.
- **Reaction screening:** The high -throughput screening system can evaluate 5,000 reactions per day, which, combining with microfluidic technology, can further improve screening efficiency to process more than 300,000 reactions per week, significantly accelerating the discovery of mutants with excellent performance.
- **Data processing:** By analyzing large datasets using sequence-fitness machine learning models, the number of mutations to be tested has been significantly reduced (by approximately 10 times compared to traditional directed evolution). The proprietary evaluation algorithm based on private data significantly improves the accuracy of large model predictions (accuracy rate>40%), driving efficient iterations in enzyme evolution.

At present, Asymchem's enzyme evolution platform is capable to complete a round of enzyme evolution within 3 days, and achieve a 3- to 20-fold or greater improvement in performance with each round, providing strong technical support for the efficient evolution and application of enzymes. Looking forward, Asymchem will continue to focus on the field of bio-enzyme catalysis, actively explore new technologies and application areas to contribute further to the advancement of the industry.

**[Case] Asymchem's continuous nitrification reactor sets the new standard for intrinsic safety in nitrification production[8]**

The nitrification continuous reactor independently developed and designed by Asymchem, ensures the controllability of the dangers in the reaction process through new reactor design, process operation optimization and precise automatic control of materials and temperature conditions, supporting the industry to set a baseline o "intrinsic safety". Its core advantages include:

- **Extremely low liquid volume and precise control:** Asymchem utilizes high-efficiency hybrid microchannel reaction technology to reduce the liquid volume to one-ten thousandth of that of a traditional kettle. For example, under the same

[8] For a more detailed case, please refer to the article published by Asymchem titled "Asymchem's continuous nitrification reactor sets the new standard for intrinsic safety in nitrification production" (https://mp.weixin.qq.com/s/dGShQka75T0PD_BVzsYBsA ).

capacity conditions, 1.3 liters of high-performance hybrid microchannel reaction equipment can replace traditional reactor of 10,000 liters, greatly reducing the risk of safety incidents. The modular structure strictly limits the liquid volume of each functional unit. The material enters the reactor continuously at a precisely set flow rate, and the residence time is shortened to second level, thereby eliminating potential accidents at the source.

- **High-efficiency heat transfer and rapid emergency response:** The nitrification reaction is extremely sensitive to temperature, and the reaction rate increases by 2 to 4 times for every 10°C increase. Asymchem nitrification continuous reactor achieves millisecond-level removal of reaction heat through extremely high heat transfer efficiency. The response time to temperature fluctuations has been shortened from the traditional minute level to the millisecond level, and the accuracy has been increased from ±5°C to ±0.5°C, ensuring that the entire reaction window remains within a safe range at all times. In the event of an anomaly, the equipment is able drain the material or rapidly quench the reaction within a very short time.
- **High-efficiency mixing of materials to improve yield and safety:** High-efficiency mixing ensures uniform mixing of materials in a short period of time by optimizing the design of mixing equipment and technical processes, which optimize key aspects such as turbulence generation and energy transfer, thereby improving operation efficiency and safety while effectively reducing energy consumption. Asymchem integrates the high-efficiency mixing reaction technology with the nitrification continuous reactors to make the materials move forward uniformly in the radial turbulent state inside the equipment, completely avoiding back-mixing and retention in large batch reactors, and improving the reaction efficiency.

Asymchem nitrification continuous reactor has been used for continuous post-treatment applications, effectively reducing the number of on-site operators and strengthening the safety control during the post-treatment process. The equipment has been put into use in many key 100-tonne-scale projects of the Group or outside the Group, and its safety and reliability have provided strong support for the advancement of the project.

**[Case] Achievements in Asymchem's biological dual-payload ADC technology[9]**

With years of dedicated technological research, Asymchem has built a core technology system with proprietary intellectual property, becoming one of the few companies in the industry to achieve large-scale development of dual-payload ADC processes, effectively driving the innovation of next-generation ADC drugs.

**1. Single-point dual-load ADC: a double breakthrough in hydrophobicity control and purification efficiency.**

[9] For a more detailed case, please refer to the article published by Asymchem titled "Asymchem's biological dual-payload ADC technology capabilities and production capacity drive the innovation in the ADC " (https://mp.weixin.qq.com/s/qg18A2f290qnrdsi3E0xZw ).

- To address aggregation issues caused by the increased hydrophobicity of the linkers, we offer to proven solutions: molecular design optimization which introduces hydrophilicity through modifications such as polyethylene glycol ("**PEG**"), polycreatine, glycosylation or γ-cyclodextrin; or co-solvent technology, through which we use our own platform "solubilizing enhancer" to significantly improve the water solubility and coupling efficiency, ensuring the homogenization of the product.
- Overcoming the challenge of the traditional ultrafiltration ("**UF**")/diafiltration ("**DF**") efficiency drop caused by novel payload-linkers: a two-step UF/DF process, in which organic solvent buffers or "solubilizing enhancer" are used for fluid exchange, greatly improving removal rate and reducing cost ; Activated Carbon Filtration ("**ACF**") technology, which is a robust hydrophobic residual technology that adsorbs and removes various hydrophobic/hydrophilic residual payload-linkers.

**2. Dual-site, dual-load ADC: technological breakthrough in precise control and efficient analysis.**

- Flexible combinations and independent control: Supports independent adjustment of the drug-to-antibody ratio ("**DAR**") and flexible combinations of two payloads (e.g., cytotoxic drugs and immunostimulants) to maximize synergistic efficacy.
- Overcome complex analysis problems: For complex DAR distributions resulting from multi-step conjugation, we employ liquid chromatography–mass spectrometry ("**LC/MS**") as an enhanced analytical method. With high resolution and high sensitivity, this approach enables comprehensive identification and precise quantification of various dual-load ADCs, providing critical data support for process development and quality control.

From the technical perspective, the process development of dual-loaded ADC requires simultaneous breakthrough in the three core areas of conjugation strategy, purification technology and analysis method. Through constructing integrated technology platforms, Asymchem has successfully solved the problem associated with the large-scale development of complex dual-load ADCs.

## ❖ Green Chemistry*

### Governance

Asymchem actively responds to the 12 principles of green chemistry, working with customers to develop safer and more cost-effective products, designing low-risk chemical synthesis processes, and continuously improving atomic economy. While cultivating their respective fields, the technical centers of the Company are actively researching and developing green chemical technologies, creating technological innovation platforms such as National and Local Joint Engineering Laboratory for Green Pharmaceutical Technology, in order to promote the green transformation of drug R&D and production processes, and reduce the use and discharge of harmful substances, improve reaction selectivity, reduce waste generation, and assist the development of cleaner production and recycling economy.

### Strategy

The results of the analysis of the impact, risks and opportunities of the Company on green chemistry issues during the Reporting Period are as follows:

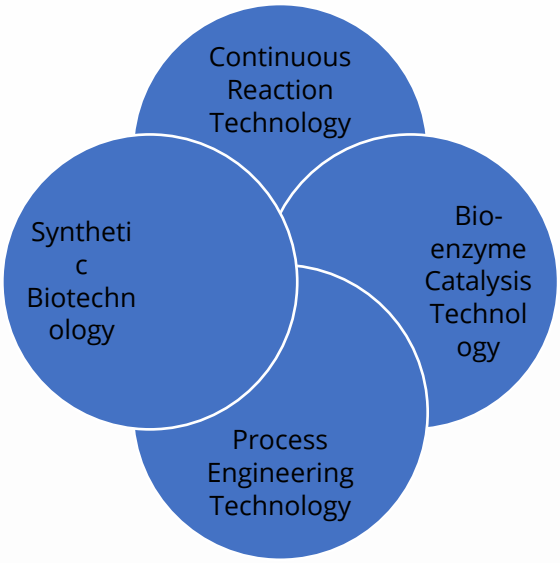
**Results of Analysis of Impacts, Risks and Opportunities on "Green Chemistry" Issues**

| Impact Analysis | | | |
|---|---|---|---|
| **Main Impact** | **Scope of Influence** | **Impact Description** | |
| Actual + positive impact | The Company's own operations /downstream of the value chain | Through the innovation and commercial application of green chemical technologies such as continuous reaction technology and bio-enzyme catalysis technology, the Company improves the resource utilization in pharmaceutical production, reduces pollutant emissions, and makes a positive contribution to environmental protection and industrial green transformation. | |
| **Risk and Opportunity Analysis** | | | |
| **Main Risk/Opportunity** | **Time Range** | **Main Potential Financial Impact** | **Risk and Opportunity Description** |
| Opportunity | Short-term/medium-term/long-term | Increase in operating income | By adopting green chemistry technologies and processes, the Company can develop and produce more environmentally friendly and more efficient pharmaceuticals products, gaining the favor of customers and consumers, and enhancing market competitiveness while improving production efficiency. |

The Company adheres to the concept of "green chemistry" and is committed to the development and application of new technologies that are environmentally friendly and low-carbon to reduce emissions of "three wastes" and improve the safety of large-scale production. By providing environmentally friendly technical services such as continuous

reaction technology, bio enzyme catalysis technology and continuous synthetic biotechnology, along with process engineering technology, the Company actively implements green chemistry strategies to assist global innovative pharmaceutical partners to enhance their sustainable competitiveness.

**Green Chemistry Strategy**




## Impact, risk and opportunity management

### Continuous reaction technology

Continuous reaction is a chemical reaction carried out continuously in a system with strict parameter control. Continuous reaction technology ensures safety and reduces pollution at the source of the process, which is a globally recognized green path for pharmaceutical R&D and production.

Asymchem is at the forefront. Upholding the concept of scaling up production, the Company takes the independent and autonomous R&D path to build a continuous reaction modular technology platform. After more than a decade of efforts, the Company has been equipped with capabilities of efficient process screening and equipment development and application. Through module combination and automation control, it truly realizes ("**End-to-End**") fully continuous green production, and becomes one of the few companies in the world that successfully applies continuous production technology to tonnage-scale pharmaceutical manufacturing. The continuous production model has been applied to a number of key intermediates and API industrialization projects for innovative drugs. Compared with the traditional batch process, the labor cost, energy consumption, floor space, and three waste emissions have all been significantly reduced.

During the Reporting Period, the Institute of Excellence for Process Engineering ("**IEPE**") completed the commercialization and production of the continuous nitrification process of hundreds-tonne-scale of pharmaceutical raw materials in the implementation of commercialization projects and internal project support, and cooperated with customers to complete process validation with the Center for Drug Evaluation ("**CDE**") of the National Medical Products Administration. The Company implemented a thousand-tonne-scale chemical continuous manufacturing project and completed pilot production for multiple highly regulated hazardous chemical processes, including continuous nitration, continuous chlorination, and continuous amination.

**Technology Service for Continuous Reaction Process Development**

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| **Feasibility assessment** | **Process development** | **Continuous process improvement and optimization** |
| **Generation of technology packages** | **Validation and scale-up** | **Technology transfer to production** |

**[Case] Asymchem's continuous reaction technology empowers green and efficient pharmaceuticals[10]**

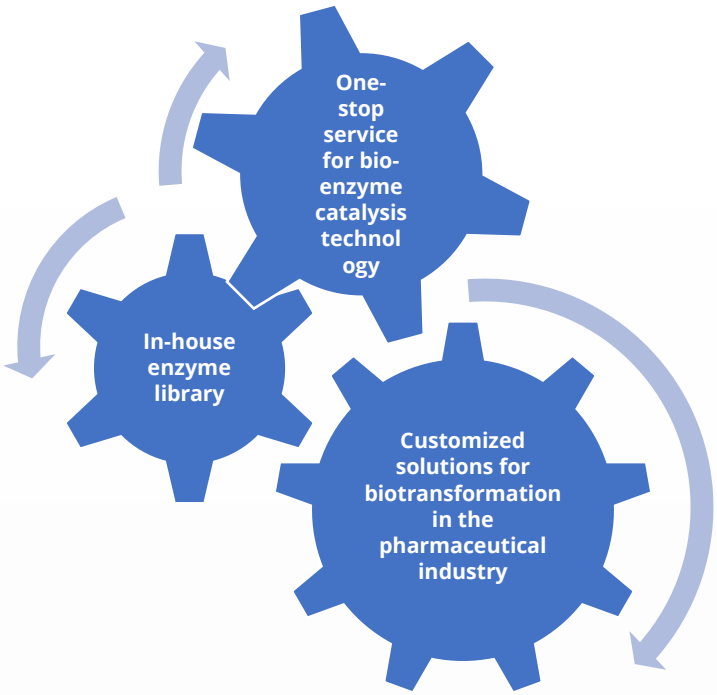
Asymchem's continuous reaction technology offers significant advantages such as intrinsic safety, high yield, three waste reductions and lower costs. In 2025, Asymchem's continuous reaction equipment officially "landed" in Europe. The core continuity technology team of the Center of Flow & Continuous Technology ("**CFCT**") and the Small Molecule Division will be stationed at the ALTD production base in Sandwich, UK, to fully assist its continuous production R&D and upgrading of production equipment and facilities, thereby further enhancing the efficiency of the drug R&D and production of the base.

### Bio-enzyme Catalysis Technology

Enzymes have many advantages, such as high efficiency, high selectivity, mild reaction conditions, degradable, fermentable, and evolvable. Bio-enzyme catalysis technology is one of the best solutions for realizing green chemistry.

Asymchem's enzyme technology platform has successfully developed from an emerging capability to a fully integrated and cross-therapeutic service engine. The Company initially focused on the field of chemical small molecules, and now the scope of services has fully covered peptides, oligonucleotides, biological drugs, antibody-conjugated drugs and the next generation of therapeutic molecules. In the field of bio-enzyme catalysis technology, the Company has established complete enzyme screening, development, evolution, immobilization, enzyme fermentation production and pilot scale-up, bio-enzyme catalysis, and green synthesis integrated bio-catalysis technology platform. Combining the four core pillars of AI technology, cell-free protein synthesis ("**CFPS**") technology, high-throughput screening technology and continuous reaction technology, the Company has successfully applied a variety of highly active and selective engineered enzymes to the commercial production of blockbuster drugs such as statins, thiazolidinediones and carbapenems to provide a greener and more environmental friendly process which will reduce the costs of customers and the risks of supply while reducing the environmental impact significantly. At the same time, the Company develops a variety of hydrogenation and oxidation catalysts for external export and internal project support, and forms independent intellectual property. In 2025, 6 new patents for catalyst inventions have been granted.

[10] For a more detailed case, please refer to the article published by Asymchem titled *Asymchem's Sandwich Site to collaboratively shapes a new paradigm for global development* (https://mp.weixin.qq.com/s/TAw9xMLLhJKWzEdxrdbHwQ ).




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| **One-stop Service for Bio-enzyme Catalysis Technology** | • A seamless service model from enzyme discovery to commercial production: providing customized enzyme technology/product development, enzyme kit design, high-throughput enzyme screening, enzyme evolution, analytical method development, immobilization, process optimization and Integrated services including fermentation production.<br>• More than one hundred technical patents cover enzyme evolution, enzyme immobilization, enzyme catalytic synthesis route, microbial cell factory, etc. Relying on existing biotransformation, protein synthesis and production capabilities. The Company is in a leading position in the research and development of biosynthetic technology by leveraging existing biotransformation, protein synthesis and production capabilities.<br>• A multi-scale complete fermentation equipment chain that owns independent bio-fermentation plants with equipment conforming to GMP standards and covers 50L to 5,000L in scale. The plant area has independent upstream and downstream production areas, and has established a complete quality and safety management system, which can simultaneously meet the production needs of multiple categories of products such as enzymes, recombinant proteins, peptides and bio-based small molecules. |
| **In-house Enzyme Library** | • Provide 20 kinds of commonly used enzyme kits and 3 kinds of immobilized enzyme kits, covering an enzyme library of more than 300,000 mutants, to help customers quickly screen for target enzymes.<br>• Using enzyme engineering technologies such as DNA recombination, rational design and directed evolution, we |

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| | can obtain new enzymes with higher activity, higher selectivity, stronger stability and longer life cycle, and continue to enrich our own enzyme library. Customizable enzyme evolution methods have been developed and appropriate post-modification techniques such as affinity purification, freeze-drying and immobilization have been applied to improve the performance of enzymes.<br>• A variety of engineered enzymes including ketoreductase, transaminase, amino acid dehydrogenase, hydrolase, ene-reductase, monooxygenase, imine reductase, ammonia-lyase, etc., have been developed and are being updated continuously.<br>• All enzymes in the enzyme library have the right of "freedom to operate" ("**FTO**") and maintain a regular inventory of these enzymes. |
| **Combining Enzyme Technology with Continuous Reaction Technology to Provide Customized Solutions for Biotransformation in the Pharmaceutical Industry** | • The combination of immobilized enzyme and continuous reaction technology can greatly increase the production capacity of the reactor while maintaining the repeated use of the enzyme for a long time.<br>• With multi-enzyme co-immobilization continuous reaction system, the excellent mixing efficiency is transformed into the improvement of mass transfer, speeding up the whole process, and can easily realize integrated processing and analysis control. |

**Advantages of enzyme catalysis technology**

- Reaction yield: Compared with the original process, the yield of the original process is greatly improved
- Precious metal catalyst: not used
- API production cost: Compared with the original manufacturing process, the cost of the original manufacturing process is greatly reduced
- Discharge of three wastes: the reaction is carried out in the aqueous phase to reduce the discharge of organic solvents

The Company's self-developed continuous reaction technology for immobilized enzymes has been successfully applied to the production of multi-tonne level products. Compared with traditional enzyme catalysis technology, the production capacity is increased by up to 1,500 times, the consumption of enzymes is reduced by about 70%, and the discharge of three wastes are greatly reduced. At the same time, the Company has made breakthroughs in the core technology of nucleic acid synthesis and successfully realized the industrial application of the "Enzyme Linked Oligonucleotide Synthesis" technology. Compared with the traditional solid-phase chemical synthesis method, the process mass intensity ("**PMI**") is greatly reduced, breaking through the technical bottleneck of the large-scale production of long-chain and high-complexity nucleic acid drugs. The maturity and huge commercial potential of this technology have been recognized by top international pharmaceutical enterprises. The Company has entered into important cooperation with the world's leading multinational corporations ("**MNC**") to jointly promote the application of this technology in innovative therapies.

**[Case] Asymchem's leap from enzyme engineering to biopharmaceutical field[11]**

The solid technical reserves established by Asymchem in the fields of bioinformatics, computational biology, genetic engineering, protein engineering, fermentation technology and quality control have laid a unique core advantage for the Company in the field of biopharmaceutical research and development. Business expansion in this area enables the Company to undertake more complex projects, including the production of therapeutic enzymes, nano-antibodies and recombinant proteins.

In a nano-antibody development project, Asymchem faced a challenge of over 70% plasmid loss rate, low expression level and high endotoxin contamination. The Company intervened through host and plasmid engineering to reduce the plasmid loss rate to below 10% and increase the amount of expression by 400%. In addition, the Company has also developed a purification process to make the endotoxin level below 0.1EU/mg, which meets the clinical application standards. In another recombinant protein project, the Company successfully increased the potency from 1.5 g/liter to 5 g/liter, and expanded the optimized process to 5,000 liters of GMP production scale, successfully assisting a phase III clinical customer project.

**[Case] Asymchem has made important research progress in the field of enzyme-catalyzed alkene epoxidation[12]**

The CSBT research team of Asymchem has realized the transformation of enzymatically catalyzed chiral epoxy compound drug intermediates from inactive to highly catalyzed through the evolution of enzymes, and completed the efficient synthesis of chiral intermediates. Chiral epoxy compounds are a class of optically active molecules containing three-membered oxygen ring structures, which can be used as key intermediates for the preparation of various drugs and natural product derivatives. Taking efinaconazole as an example, Asymchem independently completed the synthesis research of its key chiral epoxy compound intermediates and published the research results in the journal ACS Catalysis.

Efinaconazole is a new type of topical antifungal drug approved by the FDA in 2014. The existing synthetic route has problems such as low yield and the use of precious metal catalysts. The **RRIPE** enzyme evolution strategy guided by the residue-residue interaction was used by the Asymchem R&D team to modify the styrene monooxygenase, and finally obtained a mutant M13 with excellent catalytic activity, realizing the highly efficient synthesis of efinaconazole intermediate from "0" to a conversion rate and de value of >99%, and the catalytic efficiency is 1,500 times higher than that of the mutant M1 level, and completed the gram-scale reaction verification, exhibiting the huge potential of enzyme catalysis in industrial application.

[11] For more detailed cases, please refer to the article published by Asymchem: *Asymchem Enzyme Engineering Platform Helps Pharmaceutical Synthesis Enter a New Stage* (https://mp.weixin.qq.com/s/K8bKC4HN6wXGj-mlv8geiQ ).

[12] For a more detailed case, please refer to the article published by Asymchem: *Major Research Progress in Enzyme-catalyzed Alkene Epoxidation by Asymchem* (https://mp.weixin.qq.com/s/lV-8V35gjFEO97P3dIEz3Q ).

This study provides a new method for the synthesis of intermediates of efinaconazole catalyzed by styrene monooxygenase, which provides a new strategy for efficient and environmental friendly drug synthesis, as well as new ideas for the enzymatic synthesis of other chiral epoxy compound drug intermediates and the enzymatic evolution strategy of enzymatic activity from scratch.

These achievements together prove that the Company is not limited to the screening and application of known enzymes, but goes deep into the rational design of proteins, and has matured the entire chain of technologies from the creation of enzyme components to the integration of complex processes. This has built a solid and broad technological moat for the Company's continuous innovation and business expansion in the fields of new drug research and development and high-end intermediate manufacturing.

### Synthetic biotechnology

In the field of continuous synthetic biotechnology, the Company has a keen grasp of the huge potential of synthetic biology in pharmaceutical production. Relying on its accumulated biotransformation technology capabilities over the years, the Company has taken the lead in organically combining continuous reactions with synthetic biotechnology to construct a unique technological platform. The Company believes that only through the combination of continuous reactions and synthetic biological systems can the low-carbon transformation of the chemical industry be effectively promoted, and continuous immobilized enzyme technology is the best entry point for this strategy. With mature enzyme immobilization technology and advanced continuous reaction technology, the Company has successfully empowered the process upgrade and industrialization of several enzyme catalysis projects.

The in-depth integration of continuous flow technology and biosynthesis technology has significantly improved the catalytic efficiency of biological enzymes, which not only greatly shortens the reaction time and increases the space-time yield ("**STY**"), but also enables the production process to be scaled and refined in a compact device. Effectively reduce waste discharge. Modular design supports flexible adjustment of production capacity, and a mild continuous flow environment also helps maintain the stability of enzymes, reduce catalyst loss, and promote the development of green production processes.

**[Case] Asymchem's continuous synthesis technology leads the upgrading of non-natural amino acid production technology[13]**

Relying on the core advantages of high biological activity, strong targeting selectivity and low toxicity and side effects, peptide drugs have become an important direction for new drug research and development. Clinical applications cover the prevention, diagnosis and treatments of major diseases such as tumors, hepatitis, diabetes, metabolic diseases and AIDS.

The introduction of non-natural amino acids into the amino acid sequence of polypeptide drugs can give polypeptide molecules multiple advantages, including enhancing structural stability, reducing toxic and side effects, and improving

[13] For a more detailed case, please refer to the article published by Asymchem: *Continuous Synthesis Technology of Asymchem Leads Unnatural Amino Acid Production Technology Upgrade* (https://mp.weixin.qq.com/s/NXfPpzZmEyiDrr5vJ-Pa7A ).

bioavailability, and is expected to promote the development of oral preparations. Non-natural amino acids have significant value, but are limited by supply chain fluctuations and high prices. At the same time, traditional chemical batch processes have disadvantages such as lengthy reaction steps, difficult process control, large yield fluctuations, and high overall costs, making it difficult to adapt to the trend of green pharmaceuticals.

Asymchem breaks the game with technological innovation, independently builds a continuous synthesis and enzyme catalysis technology platform, and leads the industry upgrade. The platform has formed a technology matrix covering key varieties such as α -methylamino acid and N-methylamino acid, completed more than 20 kinds of commonly used non-natural amino acid 100 kilogram-level pilot tests, and stocked more than 100 mature manufacturing processes. In terms of production capacity, Asymchem has achieved a large-scale layout, with a pilot-scale production capacity of 50 kg/month and a commercial production capacity of 5 tonnes/month for a single product.

At present, Asymchem continues to develop more complex non-natural amino acid synthesis routes, focusing on breakthroughs in core processes such as chiral synthesis and biosynthesis, and realizes the optimization of production routes through technological innovation, which significantly reduces the large-scale production cost of unnatural amino acids. Drug R&D provides cost-effective supply of key raw materials.

The Company continues to explore innovative applications of synthetic biology in the field of natural raw materials. Based on self-constructed high-performance chassis strains, the Company integrates multi-omics analysis, gene editing, fermentation process optimization and separation and purification of the entire chain of technologies, and through self-developed high-efficiency engineered strains, it has successfully realized the large-scale fermentation of high value-added products such as salidroside, resveratrol and sclareol, and established the core competitive advantages of “higher production volume, higher purity, shorter cycle and less pollution”.

Relying on whole-process integrated R&D, fermentation and post-processing platform, the Company has not only greatly improved production efficiency, but also ensured a stable supply of products, providing sustainable raw material solutions for industries such as medicine, food, agriculture, health care products and cosmetics. Among them, the biosynthetic salidroside product was successfully selected into the “List of Biomanufacturing Marked Products (First Batch)” by the Ministry of Industry and Information Technology of the People's Republic of China. This technology not only provides a sustainable solution for the protection of wild rhodiola resources, but also strongly promotes the transformation and upgrading of the supply of raw materials for the big health industry, and facilitates the high-quality development of the industry. In the future, the platform will continue to optimize the performance of the chassis strains, expand the product matrix, strengthen the coordination of the industrial chain, and assist the Company in constructing a biological manufacturing system covering the entire chain of “R&D-transformation-production”.

### Process Engineering Technology

Through close cooperation with the Biosynthesis Technology Center, the Company has established a mature enzyme reaction amplification system. In the research and development stage, the Company’s continuity team conducts a comprehensive survey of various enzyme reaction processes and engineering parameters with higher amplification risks to ensure that the process is successfully scaled up at one time, reducing production

trial delays and material solvent waste.

**[Case] AI-driven cell-free protein synthesis automation technology[14]**

Based on the deep accumulation of artificial intelligence and automation technology, Asymchem has successfully launched a fully automated cell-free evolution platform that fully integrates the three core technologies of AI-driven enzyme design, CFPS and automated high-throughput screening. Although the single application of these technologies is more common, the combination of the three forms is a core engine that can greatly accelerate the development of enzymes -CFPS provides fast, high-quality data; artificial intelligence transforms these data into predictive new enzyme design insights; and automation ensures the stability, repeatability and uninterrupted throughput of the experiment.

This integrated platform has spawned a number of breakthrough results, such as increasing the enzyme activity by more than 1,000 times in one month, ensuring that it can be put into large-scale production immediately. At the same time, the platform has also successfully developed enzymes with brand-new catalytic functions, realizing previously difficult conversion reactions (including the synthesis of α-amino acids, the synthesis of chiral hydrazine compounds, etc.). At present, the Company has established a nearly seamless digital R&D process, that is, after designing the experimental plan, the automated system can execute, analyze and optimize the experiment with minimal human intervention.

## Metrics and targets

The Company has always been committed to the development of green and environmental friendly production processes through in-depth innovation in process engineering, and relying on the precise control and data empowerment of intelligent manufacturing to effectively help cooperative enterprises to reduce production costs and significantly reduce the discharges of three wastes... At the same time, the Company actively promotes sustainable development and achieves the goal of giving back to society through candid communication with all sectors of the society.

In future, the Company will deeply integrate continuous reaction, synthetic biology, and its own leading intelligent manufacturing and process engineering capabilities to build an iron triangle that supports the industry's green future. Relying on the “craftsman spirit”, the Company will continue to promote the iterative upgrade of technology, give full play to its deep accumulation and core advantages in the field of advanced green pharmaceuticals, and inject green momentum into the sustainable development of the industry.

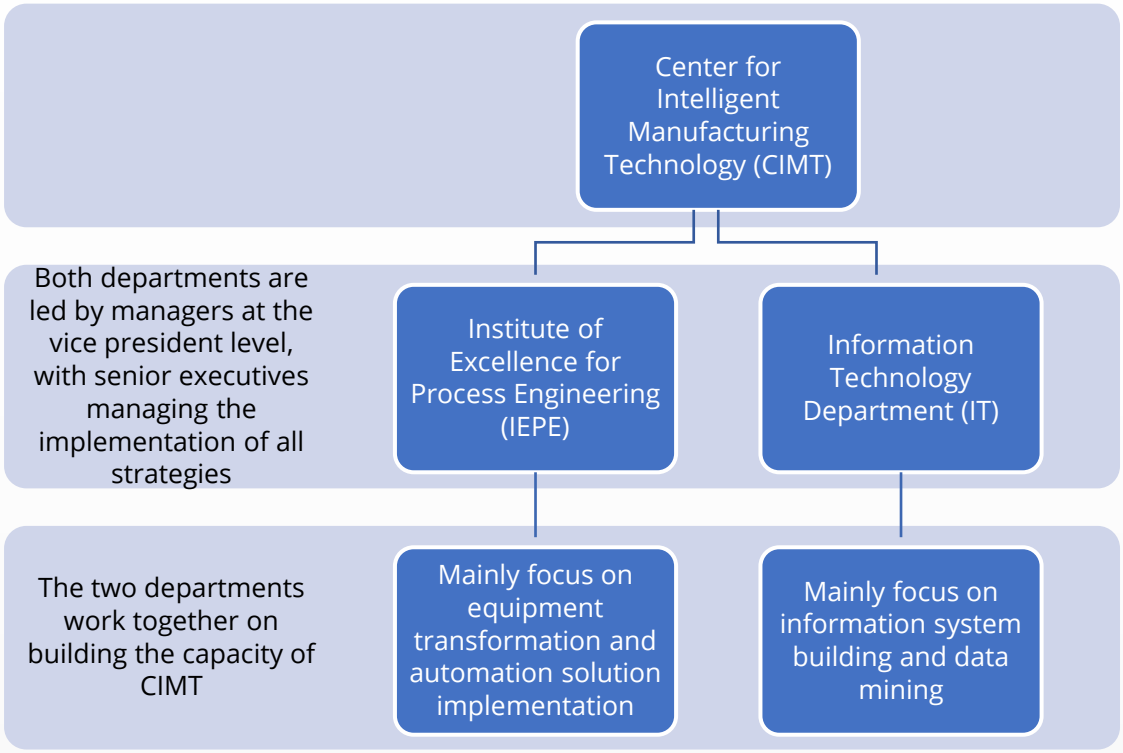
[14] For more detailed cases, please refer to the article published by Asymchem: *Asymchem Enzyme Engineering Platform Helps Pharmaceutical Synthesis Enter a New Stage* (https://mp.weixin.qq.com/s/K8bKC4HN6wXGj-mlv8geiQ ).

## ❖ Digitization and Intelligence*

### Governance

As a benchmarking enterprise for digital workshops and smart factories, Asymchem has established a Center for Intelligent Manufacturing Technology ("**CIMT**") based on more than 20 years of accumulation of innovative technology and service experience. CIMT is based on the IEPE and IT team to coordinate R&D, production, analysis, quality, commerce, procurement and supply chain functions to comprehensively promote the establishment of a smart manufacturing system.

**Organizational Structure of Center for Intelligent Manufacturing Technology**




### Strategy

During the reporting period, the results of the analysis of the impact, risks and opportunities of the Company on the topic of digitization and intelligence are as follows:

**Results of Analysis of Impacts, Risks and Opportunities Related to the Topic of "Digitization and Intelligence"**

| Impact Analysis | | |
|---|---|---|
| **Main Types of Impact** | **Scope of Impact** | **Description of Impact** |
| Actual + positive impact | The Company's own operations /downstream of the | The Company comprehensively promotes digitization and intelligence transformation, which not only effectively supports its own high-quality development, but also significantly improves the level of R&D and technical services provided to customers. At the same time, through the deep integration of intelligent processes and |

| | | |
|---|---|---|
| | value chain | digital systems, the Company continues to reduce consumption of resources and carbon emissions, and actively implements the concept of sustainable development. |

| Risk and Opportunity Analysis | | | |
|---|---|---|---|
| **Main Types of Risks/Opportunity** | **Time Range** | **Main Potential Financial Impact** | **Risk and Opportunity Description** |
| Opportunity | Medium/Long term | Decrease in operating costs and increase in operating revenue | Through deepening digitization and intelligence, the Company optimizes the R&D and production process, greatly improves operational efficiency and reduces unit costs; at the same time, accelerating project delivery capabilities to help achieve faster commercialization revenue and enhance customer retention. |

The Center for Intelligent Manufacturing Technology continues to take the construction of a company-level intelligent manufacturing technology platform as its core mission, closely focusing on the need for smart upgrades in R&D and production, and deepening technological empowerment. The center focuses on the three major sectors of intelligent manufacturing and high-end automation control research, intelligent laboratory application technology research, and digital chemical plant construction. Relying on the established pilot-scale experimental platform and AI analysis algorithm system, the center will further promote the process analysis technology ("**PAT**"), the fusion of intelligent equipment and advanced algorithms, and has significantly improved the automation, digitization and intelligence of the production process.

| | |
|---|---|
| **Deepen the Application of AI Models to Enable Precise Control of Process** | • Continue to use the pilot test platform and AI algorithm to upgrade the models of key unit operations such as temperature control, pressure control, and dripping for multiple production projects, significantly improve process control accuracy and production efficiency, and provide reliability for the stable optimization of complex processes Support. |
| **Upgrade Spectral Prediction Technology to Promote the Integration of PAT and Automation in the Whole Process** | • Develop an AI-based spectrum prediction model to greatly improve the applicability and accuracy of PAT technology. The technology has successfully supported production projects such as peptides, realizing the full-process closed-loop application from real-time spectroscopy, quality prediction to automated control, and has promoted production to the intelligent stage of "prediction-control". |
| **Improve Data Platform Construction and Strengthen Data-Driven Decision-making** | • Through the expansion of equipment data acquisition and optimization of the big data platform, the comprehensive collection and in-depth analysis of production batch data can be realized. Relevant data billboards and algorithm models provide real-time insights and decision support for production capacity optimization, process adjustment, and |

| | |
|---|---|
| | energy consumption management, and continue to improve the level of intelligence in production and operation. |
| **Launched the Application of Electronic Batch Records to Promote Paperless Management of Production** | • In 2025, the electronic production batch records were added and promoted, and pilot applications have been carried out in some factories. The system realizes real-time input of operating data, electronic review and full traceability, which effectively saves paper costs, improves data accuracy and management efficiency, and lays a foundation for the digitization of quality management. |
| **Deepen the Automation of Large-molecule Workshops, and Comprehensively Promote the Automation of Small-Molecule Workshops** | • While vigorously supporting the Company's increase in oligonucleotide and peptide business capacity the Center for Intelligent Manufacturing Technology will continue to refine the automation design based on the needs of diversified production workshops and on the basis of having reached a higher level of automation, so as to cover more operational details by advanced automation technologies, continue to improve production efficiency and quality, fully start the automation upgrade design in the small molecule plant, the new plant is designed simultaneously when the old plant is upgraded and redesigned, and the overall automated production level of the Group will be pushed up to a new level in future |

## Impact, risk and opportunity management

The Company actively responds to the development trend of digitization and intelligence, and clearly proposes the direction of accelerating the application of advanced technologies such as artificial intelligence, machine learning, and multivariable online control: improving efficiency in the research and development process, and empowering project delivery; deepening in the production process integration of automation and AI technology; promote paperless operation in office processes and improve operational efficiency. Through the collaborative integration of intelligent processes and digital systems, the Company not only greatly reduces consumption of resources and carbon emissions and assists in sustainable development, but also strengthens its full-cycle competitiveness from laboratory to commercial production in a data-driven manner.

On the R&D side, the Company deepens the application of machine learning and deep learning in cutting-edge fields such as biological enzymes and peptides, participates in innovative projects such as cell-free culture and online detection, and uses AI technologies such as neural networks, random forests, and deconvolution for empowering research and development projects. At the same time, the Electronic Lab Notebook ("**ELN"**) system and the R&D analysis and sample delivery system have been comprehensively promoted. As of the end of the reporting period, a total of more than 4,000 R&D personnel have been put into use, greatly improving the efficiency of laboratory records and reducing paper processes, saving the time cost of printing, scanning, and signing for approval and reinforcing the basis of data management.

On the production side, the Company has developed an equipment management system to realize the closed-loop management of the equipment's full life cycle. At the same time, it is advancing the construction of an electronic batch record ("**EBR**") system, which

combines ERP and material distribution systems to construct a closed-loop material management, effectively solving the problem of aligning materials between warehouse and workshop. In the future, equipment operation parameters, production process data and supply chain information will be unified on the production digital platform for systematic data management, laying a solid foundation for AI-driven equipment predictive maintenance, supply chain optimization and in-depth data exploration.

On the operating side, the Company has implemented SAP, laboratory information management system ("**LIMS**"), QMS and other systems to achieve business process integration and optimization, which not only improves operational efficiency, but also strengthens the Company's GMP compliance and performance in customer satisfaction. During the reporting period, the Company promoted multi-dimensional collaboration forms in various departments such as finance, project management, and operations office, replacing paper records and decentralizing Excel forms to achieve efficient cross-departmental collaboration. At the same time, the monthly budget platform and project budget were, enabling data flow between finance and project management.

In addition, the Company has developed a training management system, which not only meets the requirements of the GMP compliance audit system, but also pays attention to the effectiveness of training. It supports various forms of training such as videos and documents. Training plans can be generated online and integrated with question bank management, online examinations and automated marking papers and other functions. With the development of AI technology, the Company further promoted the establishment of a knowledge management system. At present, a knowledge base centered on the training system has been initially established, providing a unified platform for employee learning and experience accumulation.

The application of these advanced methods and technologies not only meets the Company's own high-quality development needs, but also helps the company provide customers with better R&D and technical services, and continues to consolidate the Company's technological leadership in the CDMO industry.

**[Case] Practice and exploration of digital intelligence construction in Asymchem Lab**

Asymchem has worked with LabVantage, the world's leading laboratory solution provider, to develop in-depth digital intelligence based on its mature LabVantage LIMS platform. This innovative measure integrates cutting-edge technologies such as Robotic Process Automation ("**RPA**"), the Internet of Things ("**IoT**"), AI, and large models, and aims to overcome complex laboratory business scenarios that are difficult to cover by traditional LIMS systems, thereby significantly improving the LIMS system's data acquisition and analysis capabilities.

- **The integrated application of RPA and LIMS system:** The integrated application of RPA and LIMS system greatly reduces the daily repetitive workload of master data administrators and system administrators. Relevant application scenarios include, but are not limited to, periodic and time-consuming repetitive tasks such as massive input of master data, data query and export among multiple systems, real-time monitoring of system stability, and annual quality review reports. Replacing manual operations through automated processes not only improves work efficiency, but also further improves the accuracy of data processing.
- **Mobile IoT solution:** By integrating the advanced Internet of Things technology

with the portability of mobile devices, LabVantage's mobile IoT solution enables laboratory personnel to access, monitor and manage laboratory equipment and experimental processes anytime and anywhere, greatly improving work efficiency and real-time data collection. This solution allows laboratory personnel to input data directly through mobile devices, view experimental results, receive alarm notifications, and execute necessary control commands in the field without being restricted to fixed computer terminals. This flexible and instant working mode not only speeds up the execution of the experimental process, but also reduces the risks of human error and data delay.

- **In-depth data exploration and intelligent processing:** After successfully obtaining richer and more detailed data through RPA or IoT solutions, LabVantage Analytics, as a powerful data statistics, analysis and processing platform, makes full use of its advantages in integrated machine learning, large model and other cutting-edge technologies to carry out deep mining and intelligent processing of massive data. This platform not only improves the speed and efficiency of data processing, but also helps users build accurate data models, conduct in-depth business analysis, and even guide the development of key business decisions.

In 2025, Asymchem further strengthened the promotion of the LabVantage LIMS system and launched the Laboratory Execution System ("**LES**") as ELN online, which will greatly reduce the workload of manual filling, printing and scanning, and construct QC experimental data and constructs a structured management platform that supports flexible retrieval from multiple dimensions such as project information. On this basis, the Company is actively promoting the docking test between the LES system and the AI automatic experiment report writing system to further improve the efficiency of the experiment and the quality of the data. At the same time, project systems such as chromatographic column management and impurity management are under development, and will be deeply integrated with Scilligence 's ELN platform to continue to consolidate the database platform for R&D and analysis laboratories.

Asymchem Lab's digital intelligence solutions provide efficient and intelligent management methods for pharmaceutical laboratories, helping enterprises to seize the opportunities among fierce competition in the pharmaceutical market and achieve sustainable development.

**[Case] Asymchem Biological Dual Load ADC: AI Empowerment and Large-scale Landing Two-wheel Drive[15]**

Through two core innovations, "AI Technology Empowerment" and "Computational Fluid Dynamics ("**CFD**") Scale-up", Asymchem Biotech breaks through the bottleneck of dual-load ADC R&D and production, leading the efficient development of the industry.

**1. AI technology empowerment: build a closed-loop R&D to increase speed and efficiency.**

[15] For a more detailed case, please refer to the article published by Asymchem: *Asymchem Biological Dual Load ADC Technical Capabilities and Capacity Scale Help Lead the Iterative Innovation of ADC* (https://mp.weixin.qq.com/s/qg18A2f290qnrdsi3E0xZw ).

- Innovative measures: Establish a closed-loop system of "AI-assisted design-experimental verification-model iteration".
- Core application: molecular design: use Alpha Fold 3 to predict the structure of the antibody and the spatial conformation of the coupling site to evaluate the feasibility of site specificity; combinatorial screening: use tools such as DrugEX v3 to predict the synergistic effect and toxicity of the load, and quickly locate the optimal dual load combination; AI is deeply applied to the optimization of coupling and purification processes, which significantly shortens the R&D cycle and increases the success rate.

**2. Driven by CFD technology: precise process amplification to ensure stable mass production.**

- Innovative measures: Introduce the CFD model to realize the standardization of parameters from the laboratory to the factory level.
- Core Achievements: Full-process simulation: complete the systematic study from mesoscopic fluid mixing to mass and heat transfer in factory-level reactors; parameter optimization: precise optimization of feed strategy, stirring rate and UF/DF mixing parameters, greatly reducing the uncertainty of amplification; Visualization guarantee: Through the visualization of mixing time distribution, it provides key data support for process amplification to ensure production efficiency and stability.

## Metrics and targets

The Company has always been committed to promoting a comprehensive and intelligent transformation of R&D, production and operations, by introducing advanced digital technologies to improve overall efficiency and strengthen data-driven decision-making capabilities. We firmly believe that intelligence is not only the key to improving internal efficiency, but also an important support for achieving sustainable development.

In the future, the Company will continue to promote technological innovation and system upgrades, give full play to its deep accumulation in the field of advanced manufacturing, and assist the industry in accelerating digitization and intelligent transformation.

## ❖ Technological Ethics

Asymchem Clinical (Clin-nov), a subsidiary of Asymchem, provides clinical research services to partners, covering preclinical studies and phase I to III clinical studies. In the Company's business context, scientific and technological ethics refers to the systematic consideration and commitment of responsibility for scientific rationality, human dignity, the rights and interests of subjects, data security and social well-being in the process of life science research and medical technology innovation. This concept runs through the entire chain of the Company's R&D and clinical services, emphasizing the protection of subjects as the core, ensuring that the application of technology always serves human health and complies with ethical and legal boundaries.

Asymchem Clinical (Clin-nov) always regards scientific and technological ethics as a prerequisite for clinical trials, actively responds to the "Declaration of Helsinki", and strictly abides by China's *Regulations on the Management of Human Genetic Resources*, *Measures for Ethical Review of Life Sciences and Medical Research Involving Humans*, *Drug Clinical Trial Quality Management Practices*, *Pharmacovigilance Quality Management Practices*, and the relevant laws and regulations of overseas locations, and the latest requirements of ICH E6 guidelines.

Asymchem Clinical (Clin-nov) have established ethics committees with collaborative research institutes to conduct ethical reviews of all clinical trials undertaken, strictly implement program management requirements and customer regulations, and ensure full implementation of the principles of fairness and non-discrimination, protection of the rights and interests of subjects, the scientific design and ethical aspects of research studies. During the reporting period, all clinical trials of the Company were in compliance with laws and regulations, and no unauthorized disclosure of information or other serious ethical violations occurred.

**Ethical Management Measures for Clinical Trials**

| Key Dimensions | Management Measures |
|---|---|
| **Informed consent and privacy protection** | • Compilation of standardized practice procedures ("**SOP**") for writing the *Informed Consent*, clarify the requirements for the whole process of writing by the writers, review by line managers/medical staff/project managers, review by sponsors, and finalization; before the subjects participate in the trial, the *Informed Consent Form* must be read and signed. Initials or codes are used in all research reports or process documents.<br>• Ensure that clinical trial participants fully understand the purpose, methods, possible risks and benefits of the study, and participate voluntarily.<br>• In clinical research, ensure that the personal information and health information of participants are properly protected. |
| **Fairness and non-discrimination** | • The selection of research participants is representative, in line with the requirements of the clinical trial protocol, follow the principle of fairness, eliminate any form of discrimination, and avoid prejudice during the research process and when the results are released. |
| **Subject rights protection** | • Ensure that the rights and interests of the subjects are fully protected, including purchasing insurance for the subjects, providing appropriate medical care and compensation during the |

| Key Dimensions | Management Measures |
|---|---|
| | study, and providing necessary follow-up support after the end of the study. |
| **Scientific and ethical design of research studies** | • To ensure the scientific nature of the research design, including providing the sponsor with appropriate research method references, ensuring the validity and reliability of the research, and avoiding unnecessary risks or burdens to participants.<br>• Follow relevant ethical principles to ensure the legitimacy and morality of the research. |

# 7. Beautiful Ecology, Low Carbon Future

## ❖ Tackling Climate Change*

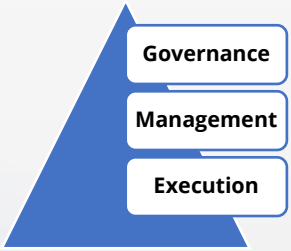
### Governance

Asymchem proactively tackles climate change and is committed to achieving "carbon peak" by 2030 and "carbon neutrality" by 2060, while maintaining a reasonable pace of growth in the Company's business development. Guided by the *United Nations Framework Convention on Climate Change* and the *Paris Climate Agreement*, the Company strictly complies with the *Energy Conservation Law of the People's Republic of China*, the *Renewable Energy Law of the People's Republic of China*, *Working Guidance for Carbon Dioxide Peak and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy*, the *Action Plan for Carbon Dioxide Peaking Before 2030*, *Measures for the Administration of National Carbon Emission Trading (Trial)*, European Union *Corporate Sustainability Reporting Directive*, *Sustainability Due Diligence Directive* laws and regulations such as science-based carbon target initiatives, policies and related regulations, establishing a governance mechanism for climate issues. By creating a three-tier governance structure comprising "Governance, Management, and Execution," the Company implements a comprehensive risk management and climate change mitigation measures, setting scientifically supported carbon reduction targets, and making sustained investments to help curb global warming.

The Board of the Company bears the ultimate management responsibility for addressing climate change The Strategy Committee is responsible for overseeing and managing climate change-related initiatives, and the Senior Vice President and their management team are responsible for implementing specific tasks. Progress on these initiatives is reported upward on a quarterly basis at all levels.

During the reporting period, to enhance the ability of the Company's directors to oversee and manage climate-related issues, the Company organized one internal training session on "Sustainability" for all directors. The training included content related to climate change, effectively helping directors understand, identify, and assess climate-related physical and transition risks. This initiative promoted the integration of climate-related metrics into the Company's core operational management and decision-making processes, enabled the formulation of more targeted development strategies, and drove continuous improvement and value creation.

**Climate Issue Governance Framework**

| Climate Issue Governance Framework | Duties |
|---|---|
|  | **Governance: The Board is responsible for the following tasks:**<br>• Identify the Company's climate-related risks and opportunities;<br>• Make decisions on the Company's climate change strategy and target setting, and approve the Company's climate change related systems;<br>• Review the Company's key performance in climate change management annually;<br>• Take notes of quarterly reports on the Company's strategy implementation, performance, and target |

| Climate Issue Governance Framework | Duties |
|---|---|
| | progress in response to climate change;<br>• Approve the disclosure of information related to the Company's response to climate change, etc. |
| | **Management: The Strategy Committee is responsible for the following tasks:**<br>• Develop and monitor climate-related risks and opportunities management procedures to ensure that the procedures are scientific, reasonable and effective, and review the Company's climate-related risks and opportunities;<br>• Study and put forward the Company's strategy to address climate change, target setting, and system recommendations;<br>• Research and propose the Company's work plan to address climate change;<br>• Review the Company's management performance and target progress in response to climate change annually, and propose the next stage of optimization and improvement;<br>• Report to the Board quarterly the Company's strategy implementation, performance, and target progress in response to climate change.<br>• Review the Company's response to climate change related information disclosure data, etc. |
| | **Execution: Led by a senior vice president, the subordinate team is responsible for the following tasks:**<br>• Identify, assess, prioritize and monitor climate-related risks and opportunities;<br>• Formulate and implement the Company's strategies and systems to deal with climate change;<br>• Implement the Company's work plan to address climate change, and coordinate with various departments of the Company to implement various specific measures;<br>• Monitor, make statistics, and analyze the Company's management performance in response to climate change on a quarterly basis, and summarize the progress of the goals;<br>• Report to the Strategy Committee quarterly on the Company's strategy implementation, performance, and target progress in response to climate change;<br>• Organize and collate the information disclosed by the Company in response to climate change. |

The Company has established incentive and disciplinary mechanisms related to climate change. The Company links environmental management targets (for details, please refer to the section headed "Environmental Compliance Management" in this report) to the performance evaluations and compensation of relevant departments and individual employees, thereby encouraging employees to actively engage in practices that enhance environmental sustainability, including greenhouse gas emissions reduction. At the same

time, the Company tracks and monitors greenhouse gas emissions from sources such as employee commuting. Through training, awareness campaigns, and policy incentives, the Company encourages employees to reduce their personal carbon footprints—for example, by prioritizing public transportation for short trips and encouraging same-sex colleagues traveling together on business trips to share accommodations—thereby further advancing low-carbon operations and the achievement of sustainable development goals.

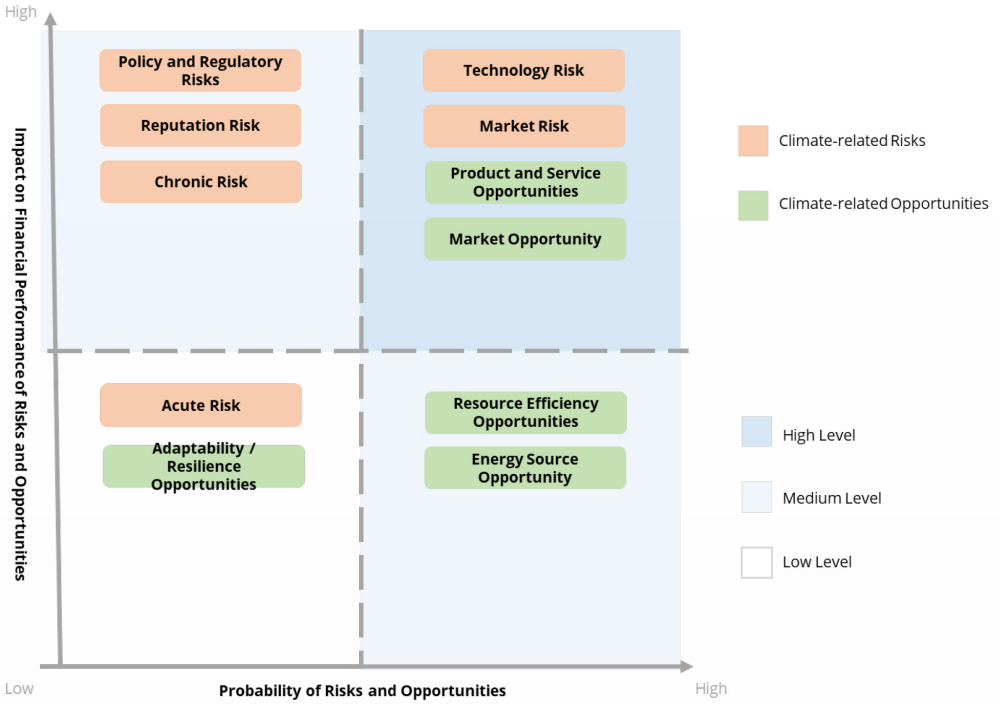
## Strategy

The Company has established processes for identifying, assessing, and managing climate-related risks and opportunities, and conducts an annual comprehensive analysis of the climate risks and opportunities facing its own operations as well as those in the upstream and downstream parts of its value chain across short, medium, and long-term time horizons. At the same time, the Company conducted an in-depth analysis of the climate risk exposures of its main operating sites and core businesses based on climate scenario analysis methods, and assessed the Company's resilience to climate change and financial impacts under different scenarios.

Based on the results of a comprehensive analysis, the Company has formulated and implemented corresponding response strategies and action plans to effectively mitigate potential physical and transition risks associated with climate change, leveraging on opportunities arising from the climate transition and continuously enhancing overall climate resilience, thereby achieving synergistic growth in environmental benefits and business value.

### Climate-related risks and opportunities analysis

During the reporting period, the Company identified climate-related risks and opportunities and analyzed their impact on the Company's business model and value chain, including the expected timeframe of such impacts and their potential financial implications. At the same time, the Company assessed the severity of these risks and opportunities based on two dimensions—the likelihood of their occurrence and the magnitude of their financial impact—to construct a climate-related risks and opportunities matrix and prioritize them, as shown in the chart below.




**Climate-related Risk and Opportunity Matrix**

**Climate-related Risks and Opportunities Analysis[16]**

| Risk/Opportunity Type | | Risk/Opportunity Specific Description | Impact on the Company's Business Model | Impact on the Value Chain | Impact Timeframe | | | Potential Financial Impact | Risk/Opportunity Level |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Short-term | Mid-term | Long-term | | |
| Physical risk | rainfall Acute risks: heat waves, extreme cold, heavy rainfall, typhoons, wildfires, etc. | In the context of climate change, frequent extreme weather may pose a real threat to the Company's production base. For example, extreme cold weather may expose the Company's northern production bases (Tianjin, Liaoning, and Jilin) to climate hazards. | The Company's business activities include physical operations such as drug research and production. Acute risks will result in the loss of the Company's fixed assets and the disruption of employees' commuting. | Acute risks may hinder the transportation of raw materials, packaging and products, resulting in reduced production capacity of the Company, delayed or interrupted order delivery, and reduced operating income. | √ | √ | √ | Operating income ▼ Indirect costs ▲ | Low |
| Physical risk | Chronic risks: | Climate change triggers long-term | The Company's business covers | Chronic risks may cause the | | | √ | Direct cost ▲ | Interme |

[16] Relevant explanations for climate-related risks and opportunities analysis:
(1) Definition and explanation of "time horizon": in the topic of "Responding to Climate Change", the short-term refers to the next 2 years; the medium-term refers to the next 3-9 years; the long-term refers to the next 10 years Above. The definition of this time frame takes into account the long-term nature and particularity of the climate issue, as well as the synergy with the company's overall business strategic planning scope.
(2) Explanation of "Potential Financial Impact": including the direct financial impact on the company that may be brought about by the occurrence of climate-related risks/opportunities, as well as the indirect financial impact resulting from the company's risk/opportunity response measures.

| Risk/Opportunity Type | | Risk/Opportunity Specific Description | Impact on the Company's Business Model | Impact on the Value Chain | Impact Timeframe | | | Potential Financial Impact | Risk/Opportunity Level |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Short-term | Mid-term | Long-term | | |
| | drought, water shortage, rise of sea level, ecological environment damage, etc. | changes in natural patterns, such as rise of sea level, which may pose a threat of erosion to the Company's coastal production bases (such as Shanghai, China, Tianjin, China, and the United Kingdom). | physical activities such as drug development and production. If chronic risks occur, the Company will need to invest additional resources for infrastructure adjustment, disaster prevention capabilities, and operational optimization, which may lead to an increase in indirect costs. | Company's upstream supply chain to face water shortages and production restrictions, rising temperature control costs, etc., which in turn will lead to an increase in the Company's direct costs. | | | | Indirect costs ▲ | diate l |
| Transformation risk | Policy and legal risks | On the international front, carbon tariff policies such as the European Union's Carbon Border Adjustment | In order to implement the latest policies and legal regulatory | The Company's upstream suppliers may pass on compliance costs, leading to higher purchase prices; | √ | √ | √ | Direct cost ▲ Indirect costs ▲ | Interme diate l |

| Risk/Opportunity Type | | Risk/Opportunity Specific Description | Impact on the Company's Business Model | Impact on the Value Chain | Impact Timeframe | | | Potential Financial Impact | Risk/Opportunity Level |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Short-term | Mid-term | Long-term | | |
| | | Mechanism ("**CBAM**") and the United States' Clean Competition Act ("**CCA**") may increase the Company's export costs.<br>On the domestic front, with China's "3060" dual carbon target and a series of policy requirements such as the launch of the national carbon emission trading market, the signal of restraint mechanisms for carbon emissions has become increasingly clear, which may increase the Company's operating costs. | requirements, the Company needs to optimize climate-related governance and management mechanisms, implement green technology innovations and energy-saving and emission-reduction measures in its own operations, which will lead to the increase in the Company's direct and indirect costs. | downstream customers' requirements for green products will also be further increased. | | | | | |
| Transfo | Technolog | Against the | If the Company | As countries and | √ | √ | √ | R&D | High |

| Risk/Opportunity Type | | Risk/Opportunity Specific Description | Impact on the Company's Business Model | Impact on the Value Chain | Impact Timeframe | | | Potential Financial Impact | Risk/Opportunity Level |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Short-term | Mid-term | Long-term | | |
| rmation risk | y risk | backdrop of growing global attention to climate change, green and low-carbon technologies are emerging as key drivers of sustainable development in the pharmaceutical industry. | fails to keep pace with technological innovation trends and actively allocate resources to the research, development, and application of cutting-edge green and low-carbon technologies, it may face the risk of declining competitiveness in the industry. r | regions around the world place increasing emphasis on climate change, green and low-carbon technologies are becoming increasingly important for the development of the pharmaceutical industry, and customers are setting ever-higher standards for green chemical technologies. | | | | expenditure ▲ Capital Expenditure ▲ | |
| Transformation risk | Market risks | As investors and customers increasingly focus on Companies' actions to address climate change, which has become a key factor affecting corporate | If the Company fails to take proactive climate action, it could lead to a decline in investor and customer confidence, | Multinational pharmaceutical companies are increasingly favoring "carbon-neutral factories" in their procurement decisions and are requiring suppliers | √ | √ | √ | Financing Channel ▼ Operating income ▼ | High |

| Risk/Opportunity Type | | Risk/Opportunity Specific Description | Impact on the Company's Business Model | Impact on the Value Chain | Impact Timeframe | | | Potential Financial Impact | Risk/Opportunity Level |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Short-term | Mid-term | Long-term | | |
| | | sustainability. | which in turn could affect its ability to raise capital and its market competitiveness, ultimately having an adverse impact on its financing channels and operating revenue. | to provide carbon reduction roadmaps certified by the Science Based Targets initiative (SBTi). Companies that fail to meet these requirements may face the risk of losing orders. | | | | | |
| Transformation risk | Reputation risk | the Company's various stakeholders on the Company's climate action continues to increase. | The Company must actively address their expectations and concerns; failure to do so could result in reputational damage and other consequences, which in turn could affect | If the Company's upstream suppliers perform poorly, their negative reputation may spread down the supply chain to the Company. Downstream customers may remove the Company from their list of approved suppliers due to | | √ | √ | Operating income ▼ | Intermediate l |

| Risk/Opportunity Type | | Risk/Opportunity Specific Description | Impact on the Company's Business Model | Impact on the Value Chain | Impact Timeframe | | | Potential Financial Impact | Risk/Opportunity Level |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Short-term | Mid-term | Long-term | | |
| | | | revenue. | reputational issues, resulting in a loss of orders. | | | | | |
| Opportunity | Resource efficiency opportunities | If the company actively promotes climate action and aims to reduce greenhouse gas emissions, it may promote the efficient use of resources such as energy, water resources, raw materials and packaging in all aspects of research and development, production, product transportation, and administrative office. | Increasing the Company's utilization of resources will reduce direct and indirect costs. | If the upstream supplier of the Company improves the efficiency of resource utilization, it may reduce the Company's procurement costs. If the Company reduces the environmental footprint of its products, it will help gain more customers and increase its operating income. | √ | √ | | Direct cost ▼ Indirect costs ▼ Operating income ▲ | Intermediate l |
| Opportunity | Energy Source Opportunities | With the strong support for renewable energy and the development of the | The Company's energy costs are likely to decrease as a result. At the | If the Company's upstream energy suppliers expand their supply of renewable energy | √ | √ | | Indirect costs ▼ Diversification of financial | Intermediate l |

| Risk/Opportunity Type | | Risk/Opportunity Specific Description | Impact on the Company's Business Model | Impact on the Value Chain | Impact Timeframe | | | Potential Financial Impact | Risk/Opportunity Level |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Short-term | Mid-term | Long-term | | |
| | | carbon trading market in the place where the Company operates, the opportunities for the Company to obtain and use renewable energy are expected to increase. | same time, if the Company actively participates in carbon market trading, it may generate additional revenue. | and promote the marketization of the renewable electricity sector, this will reduce energy costs across the entire value chain. | | | | assets ▲ | |
| Opportunity | Product and service opportunities | If the Company proactively tackles climate change, it will be able to provide more green and low-carbon products and services through green chemical technology innovation, green procurement, green logistics and green office measures. | This opportunity may increase the Company's attractiveness to investors and customers, thereby increasing financing opportunities and operating income. In addition, the Company may receive certain policy subsidies for applying | Green chemistry technology can improve efficiency and reduce costs, transforming the Company's technical barriers into commercial advantages, helping to gain more customers' favor and increase operating income. | √ | √ | √ | Financing channels ▲ Operating income ▲ | High |

| Risk/Opportunity Type | | Risk/Opportunity Specific Description | Impact on the Company's Business Model | Impact on the Value Chain | Impact Timeframe | | | Potential Financial Impact | Risk/Opportunity Level |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Short-term | Mid-term | Long-term | | |
| | | | low-carbon technologies. | | | | | | |
| Opportunity | Market opportunity | The mainstream market is placing increasingly higher demands on green and low-carbon products and services, the demand for which is growing. If the Company offers green and low-carbon products and services, it may increase its opportunities to enter relevant markets, thereby enhancing its appeal to investors and customers. | This opportunity may further increase the Company's financing opportunities and operating income. | The EU's "Green Agreement" requires the disclosure of the carbon footprint of the entire life cycle of pharmaceuticals, prompting multinational pharmaceutical companies to give priority to low-carbon suppliers. The Company's pioneering green technology platform has helped to gain more customers' favor and increase operating income. | √ | √ | √ | Financing channels ▲ Operating income ▲ | High |
| Opportunity | Resilience Opportunity | If the Company actively addresses climate change through measures | Such opportunity could reduce or prevent | Diversified procurement and emergency management | | | √ | Indirect costs ▼ Operating income ▲ | Low |

| Risk/Opportunity Type | | Risk/Opportunity Specific Description | Impact on the Company's Business Model | Impact on the Value Chain | Impact Timeframe | | | Potential Financial Impact | Risk/Opportunity Level |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Short-term | Mid-term | Long-term | | |
| | | such as resource substitution, emergency management, and diversified procurement, it will enhance the resilience of its operations and its ability to adapt to climate change. | operational losses for the Company | mechanisms can mitigate supply risks, incentivize the Company's upstream suppliers to enhance their own resilience to climate change, and build a more resilient green supply chain system. Enhancing the Company's operational resilience helps convey stable delivery expectations to customers and strengthens long-term partnerships. | | | | | |

### Analysis on climate situation

To thoroughly assess the potential impacts of climate change on the Company, gain a deeper understanding of its resilience to climate change, and ensure that its climate change response strategy can effectively address future uncertainties, during the reporting period, the Company conducted climate physical and transition risk scenario analyses using 10 core operational sites in China (Tianjin, Liaoning, Jilin, and Shanghai) and the United Kingdom as sample assets to conduct climate physical and transition risk scenario analyses, measuring the levels of climate physical and transition risks for each sample asset under different scenarios, as well as the potential financial impacts of these risks.

When conducting climate scenario analysis, the Company considers the timeframe including short-term, medium-term and long-term. This timeframe is aligned with the scope of the Company's overall business strategy and climate goals, and is intended to provide forward-looking guidance for decision-making across different time periods.

- Physical risk scenario analysis

The Company's physical risk analysis covers nine categories of physical risks, including heatwaves, extreme cold, drought, water scarcity, heavy rainfall, typhoons, wildfires, rise of sea level, and ecological degradation. The physical risk scenario analysis utilizes the Shared Socioeconomic Pathways ("**SSP**") scenarios from the United Nations Intergovernmental Panel on Climate Change ("**IPCC**"), specifically the SSP5-8.5 and SSP2-4.5 scenarios, to assess the level of physical risk exposure faced by the Company's relevant assets under high-emission and medium-emission pathways.

| Situation | IPCC SSP5-8.5 | IPCC SSP2-4.5 |
|---|---|---|
| **Temperature Rise at the End of the Century (2100)** | An increase of more than 4°C above pre-industrial levels | An increase of approximately 2.7°C compared to pre-industrial levels |
| **Situational Characteristics** | Scenario of rise in high temperature | Base scenario |
| **Context Description** | A high-emission scenario with no climate policy interventions. Under such scenario, global greenhouse gas emissions and concentrations continue to rise, and by the end of the century, the global average temperature will have risen by more than 4°C compared to pre-industrial levels. | A medium-emission scenario involving some climate policy interventions. Under such scenario, global greenhouse gas emissions remain roughly at current levels until the middle of this century, after which they decline; by the end of the century, the global average temperature is projected to rise by approximately 2.7°C compared to pre-industrial levels. |
| **Contextual Analysis Key Assumption** | It is assumed that the location of the Company's assets included in the scenario analysis remains unchanged within the time frame of the scenario analysis (ie, 2050 and before). | |
| **Analysis Time Node** | 2050 | |
| **Key Indicators** | Key climate indicators, exposure to physical risks | |

The results of the scenario analysis indicate that the sample assets of the Company face

significant risks associated with sea-level rise and extreme cold, which may result in potential losses to the Company's assets and operations. Certain assets may also be subject to risks associated with heatwaves and typhoons. Furthermore, although the risk of ecological and environmental degradation is relatively significant for the sample assets, its potential impact on the Company's assets and operations is limited. The Company will continue to monitor climate change trends over the long term, adjust relevant operations and implement measures as appropriate, and strengthen its response systems to ensure business continuity.

**Company Climate Physical Risk Exposure[17]**

| | SSP5-8.5 | SSP2-4.5 |
|---|---|---|
| High temperature heat wave | 18.05% | 0.00% |
| Extremely cold | 52.62% | 52.62% |
| Drought | 0.00% | 0.00% |
| Heavy rainfall | 0.00% | 0.00% |
| Rise of sea level | 62.91% | 62.91% |
| Water shortage | 5.33% | 5.33% |
| Typhoon | 38.94% | 38.94% |
| Wildfire | 1.08% | 1.08% |
| Ecological environment destruction | 97.48% | 97.48% |

Legend:
Impact from climate-related risks



Low impact High impact

- Analysis of Transition Risk and Opportunity Situation

The analysis of corporate transition risks focuses on policy risks centered on carbon pricing. It utilizes the "Net Zero 2050" and "Delayed Transition" scenarios from the Network for Greening the Financial System ("**NGFS**"), developed by central banks and regulatory authorities, to illustrate the risk profiles under both orderly and disorderly transition scenarios. In the NGFS scenarios, carbon prices reflect the marginal cost of emissions reductions under various climate policies. In its transition risk analysis, the Company uses Carbon Value at Risk ("**CvaR**")[18] to quantify the impact of carbon costs under different carbon price scenarios and, based on this, assigns transition risk ratings.

| Situation | NGFS 2050 Net Zero | NGFS delayed transition |
|---|---|---|
| **Temperature Rise** | An increase of no more than | An increase of 2°C above pre- |

[17] The physical risk exposure is the proportion of medium to high risk and high risk assets, calculated on the basis of the amount of assets held.

[18] Carbon Value at Risk is a climate related risk measurement indicator used to estimate the percentage of asset losses or gains caused by carbon prices in a portfolio's total asset value within a specific time window. Carbon at risk value=total cost of carbon emissions/enterprise value. Among them, the total cost of carbon emissions = self carbon emission gap * carbon price.

| Situation | NGFS 2050 Net Zero | NGFS delayed transition |
|---|---|---|
| **at the End of the Century (2100)** | 1.5°C above pre-industrial levels | industrial levels |
| **Situational Characteristics** | Orderly transition scenarios, robust transition policies | Scenario of disorderly transition |
| **Context Description** | The NGFS 2050 Net-Zero Scenario assumes that effective climate policies are implemented immediately, that the global economy undergoes an orderly transition, that net-zero emissions are achieved by 2050, and that the Paris Agreement's 1.5°C temperature limit is met by the end of the century. | The government puts off (typically until after 2030) and then abruptly introduces low-carbon transition policies, with the intensity of these policies increasing rapidly year by year until the Paris Agreement's 2°C temperature limit is ultimately achieved. |
| **Key Assumptions for Scenario Analysis** | Assuming the Company's assets included in the scenario analysis follow the emission reduction pathways set in the target, the planned emission reductions can be achieved by 2030. Furthermore, other than assets that have not yet been planned for emission reduction, the remaining assets will continue to pursue emission reduction after 2030 at their respective annual reduction rates from 2022 to 2030. | |
| **Analysis Time Node** | 2050 | |
| **Key Indicators** | CVaR | |

The results of the scenario analysis indicate that against the backdrop of delayed transition, the overall transition risk of the Company's sample assets remains relatively controllable. However, under the NGFS 2050 net-zero scenario with higher carbon prices and more stringent climate policies, some assets face significant carbon emission costs. In the future, the Company will monitor the relevant industrial transition policy requirements, continue to advance innovation in green chemical technologies, improve operational energy efficiency, and actively explore multiple new ways to reduce carbon.

**Results of the Scenario Analysis on the Company's Climate Transition Risk**

| No. | Asset name | 2050 Net-zero scenario | Delayed transition |
|---|---|---|---|
| 1 | Asymchem Laboratories (Tianjin) Co., Ltd. | 0%-1% | 0%-1% |
| 2 | Asymchem Life Science (Tianjin) Co., Ltd. | 1%-5% | 0%-1% |
| 3 | Tianjin Asymchem Pharmaceuticals Co., Ltd. | 0%-1% | 0%-1% |
| 4 | Tianjin Asymchem Biotechnology Co., Ltd. | 10%-30% | 1%-5% |
| 5 | Liaoning Asymchem Laboratories Co., Ltd. | 10%-30% | 0%-1% |
| 6 | Jilin Asymchem Laboratories Co., Ltd. | 0%-1% | 0%-1% |
| 7 | Jilin Asymchem Pharmaceuticals Co., Ltd. | 0%-1% | 0%-1% |
| 8 | Asymchem Laboratories (Jilin) Co., Ltd. | 10%-30% | 0%-1% |
| 9 | Shanghai Asymchem Biotechnology Co., Ltd. | 10%-30% | 1%-5% |
| 10 | Asymchem Limited | 1%-5% | 0%-1% |

| Legend: | |
|---|---|
| **Risk level** | **Range for CVaR** |
| Low | 0%-1% |
| Low to medium | 1%-5% |
| Medium | 5%-10% |
| Medium to high | 10%-30% |
| High | More than 30% |

Based on low-carbon and high-carbon emission climate scenarios, the Company conducts qualitative analysis of climate-related opportunities to identify potential opportunities and their impacts arising from the policy orientation, technological advancements and changes in market preferences. In the scenario of low-carbon emissions, as the global carbon pricing mechanism becomes more developed and multinational pharmaceutical companies increasingly raise their requirements for supply chain carbon footprint, the Company's green chemistry technologies and low-carbon products are expected to gain stronger market competitiveness. Demand for green CDMO services is projected to grow steadily, providing the Company with differentiated competitive advantages and potential revenue growth. In the scenario of high carbon emissions, intensified physical risks will promote the adaptability of the industry chain. By strengthening emergency management capabilities and improving energy and water use efficiency, the Company can effectively enhance operational resilience and build relative advantages in ensuring supply chain stability. In the future, the Company will continue to monitor the development trend of climate opportunities and incorporate them into strategic considerations for technology R&D, production capacity planning and market expansion.

### Analysis of Financial Impacts of Climate-Related Risks and Opportunities

Climate-related risks and opportunities have both current and expected financial impacts on the Company. Current financial impact mainly includes energy costs, carbon fulfillment expenses, R&D expenses for green technologies and depreciation and amortization resulting from adaptive investments, etc., all of which have been reflected in relevant accounts such as "cost of sales," "administrative expenses," and "R&D expenses" in the Company's annual financial reports. For details, please refer to "Asymchem 2025 Annual Report".

The expected financial impact represent the Company's forward-looking assessment based on the results of its analysis of climate-related risks and opportunities (including climate scenario analysis), mainly including the cost exposure caused by the future increase in carbon prices, the possible asset impairment and operational disruption losses arising from increased physical risks, as well as potential revenue growth and cost savings driven by innovation in green technologies and low-carbon products.

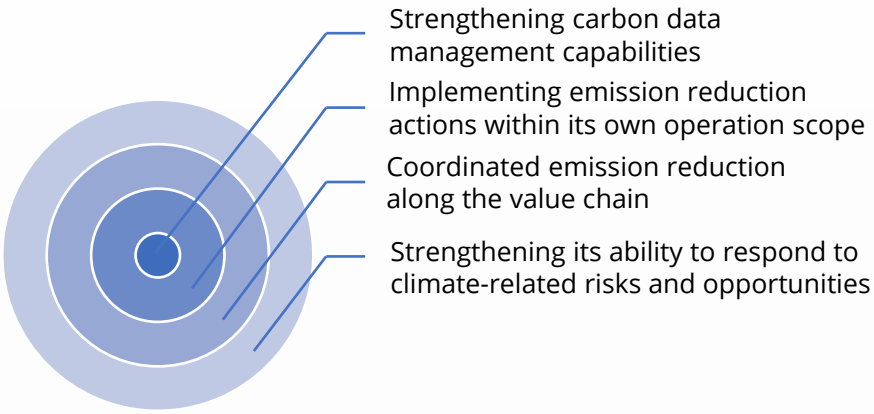
Going forward, the Company will continue to improve its methods for quantifying the financial impacts of climate-related risks and opportunities, enhance the accuracy and decision-making relevance of financial impact assessments, effectively integrate assessment results of financial impact into strategic planning, embed climate risk management into daily operations, thus providing support for the Company's steady growth.

### Climate Change Strategies

Against the backdrop of global efforts to actively address climate change, driving the green

transition has become a proactive strategic choice for pharmaceutical companies to secure opportunities and achieve high-quality development. In the face of the above climate-related risks and opportunities, the Company has formulated GHG emission reduction targets, optimized business strategies, strengthened its carbon data management capabilities, implemented emission reduction actions within its own operation scope, and cooperated with suppliers to promote coordinated emission reduction along the value chain, thereby contributing to a green, low-carbon society. Meanwhile, the Company continued to strengthen its ability to respond to climate-related risks and opportunities and improve its operational resilience.

**Climate Change Strategies**




## Impact, risk and opportunity management

### Identification of climate-related risks and opportunities

The Company has established an assessment process for climate-related risks and opportunities and integrated it into the Company-wide risk management process to develop and implement response plans and other plans. With climate change strategy as the core and GHG reduction target as the starting point, the Company implements carbon reduction actions in its own operation scope and value chain, continuously monitors climate-related risks and opportunities, evaluates and makes corresponding adjustment plans in a timely manner.

**Assessment Process for Climate-related Risks and Opportunities**

| Identification | Assessment | Response | Monitoring and Disclosure |
|---|---|---|---|
| • To understand the external and internal environments in which the Company operates, conduct climate-related scenario analysis, and identify climate-related risks and opportunities facing the Company.<br>• To consider types including the physical risk (current risk, long-term risk), transformation risk and opportunities. | • To assess the potential financial impact, extent and likelihood of occurrence of climate-related risks and opportunities in short-, medium- and long-term.<br>• To construct a matrix of climate-related risks and opportunities and prioritize risks and opportunities based on the assessment results. | • To establish an early warning system for major risks and an emergency response mechanism.<br>• To develop and implement response programs and plans for climate-related risks and opportunities.<br>• To hold regular meetings to summarize the implementation of plans. | • To establish a mechanism for regularly monitoring climate risks and opportunities.<br>• To disclose progress on climate issues to stakeholders annually through channels such as ESG reports and CDP questionnaires, ensuring transparency of information and decision-making effectiveness. |

### Strengthening carbon data management capabilities

GHG emitted by the Company in its operations mainly comes from fuel combustion, use of fire extinguishers, refrigerant filling, and purchase of electricity, heat and steam. The types of GHG emissions involved mainly include carbon dioxide ($CO_2$), methane ($CH_4$), nitrous oxide ($N_2O$) and hydrofluorocarbons (HFCs). GHG emitted by the Company in its value chain mainly comes from purchased goods and services, and capital goods.

The Company continues to strengthen its carbon data management capabilities. During the Reporting Period, 9 of the Company's manufacturing subsidiaries conducted inspections of Scope 1 and Scope 2 GHG emission, and engaged qualified third-party organization in accordance with the ISO 14064-3:2019 Greenhouse Gas Statement Validation and Verification Guidelines to perform external verification, achieving a reasonable assurance level and obtain a certificate. Furthermore, the Company has completed the Product Carbon Footprint ("**PCF**") calculation and Life Cycle Assessment ("**LCA**") for a key product, marking the Company's critical advancement in scientifically quantifying its environmental performance.

**[Case] Asymchem Conducted Product Carbon Footprint Calculation and Life Cycle Assessment to Shape the Future of Green Pharmaceutical Manufacturing with Scientific Quantification**[19]

[19] For more details, please refer to the article published by Asymchem: *Asymchem Shaped the Future*

In 2025, Asymchem completed PCF calculation and LCA for a key product, marking the Company's established capability to deeply integrate a green quantitative management system into the R&D and production value chain. During this process, the Company:

- **Enhanced the data collection system:** The Company has developed a data statistics and PCF calculation module, which enables the systematic tracking of energy consumption (such as steam and electricity) in each step, as well as raw and auxiliary material inputs, transportation, details for packaging, process flows, and production-stage waste, thereby ensuring accuracy, continuity, and traceability of data from the source.
- **Utilized an Internationally Recognized Emissions Factor Database:** The Company selected an internationally recognized and authoritative database that offers extensive coverage and credible sources for its calculations, significantly enhancing the precision and reliability of the calculation results.
- **Professional Carbon Footprint Accounting Capabilities Gained External Recognition:** With a sound database and standardized calculations, PCF and LCA for one of the Company's products has successfully obtained official verification and certification from SGS. This serves not only as an authoritative credential demonstrating the credibility of environmental data to external stakeholders, but also as a strong validation of the scientific rigor and standardization of the Company's internal carbon accounting system.

Looking ahead, the Company will continue to respond to external regulatory requirements and market expectations by proactively optimizing its operations, empowering customers to build greener supply chain, and leading the industry's transition toward a low-carbon future.

### Implementing emission reduction actions within its own operation scope

While pursuing operational excellence, the Company actively implements emission reduction actions within its own operation scope, demonstrating its commitment to environmental protection with practical actions. On the one hand, the Company actively invests in transformation of green and low-carbon energy, adopts clean supply solutions of renewable energy, obtains and uses renewable electricity through internal and purchased resources, and continues to promote the use of clean energy such as natural gas and renewable electricity. On the other hand, the Company adopts new and advanced manufacturing technologies and invests in energy-saving equipment to reduce energy consumption, thereby reducing GHG emissions within its own operations. Please refer to the section headed "Energy Utilization" in this report for details.

In addition, the Company advocates the concept of green operation throughout the Company, calling on employees to work, travel and live in a green and low-carbon manner. During the Reporting Period, green flights accounted for 46.33% of all flights taken by the Company's employees for business travel, the GHG emissions of business travel by air were 1,258.69 tonnes of carbon dioxide equivalent, resulting in a reduction of 132.39

*of Green Pharmaceutical Manufacturing with Scientific Quantification* (https://mp.weixin.qq.com/s/HqXjfzX1H2myDSF2ip6kBA ).

tonnes of carbon dioxide equivalent in GHG emissions[20].

During the Reporting Period, the Company's subsidiary, Asymchem Life Science, was included in the list of key greenhouse gas emission units subject to carbon emission trading. In accordance with the Interim Regulations on the *Administration of Carbon Emissions Trading*, Asymchem Life Science conducted GHG emission accounting, prepared GHG emission reports, and reported to the competent ecological and environmental authorities where it operates. During the Reporting Period, Asymchem Life Science passed the verification of its previous year's carbon emissions conducted by the local ecological and environmental authority and completed the settlement of its carbon emission allowances, thereby fulfilling its corporate social responsibility to reduce carbon emissions. In addition, the Company's subsidiary, Tianjin Asymchem Pharmaceuticals, was included for the first time in the list of greenhouse gas emission enterprises subject to carbon emission trading, and, in accordance with local regulations, completed its GHG emission accounting and prepared GHG emission reports during the Reporting Period.

### Cooperating with suppliers to promote coordinated emission reduction along the value chain

In addition to implementing emission reduction actions within its own operation scope, the Company has gradually extended its emission reduction actions to the value chain, cooperating with suppliers to promote coordinated emission reduction along the value chain. The Company has formulated the *Code of Conduct for Supply Chain*, which clearly states that "the Company prioritizes suppliers who are committed to environmental protection, supporting their emission reduction and energy-saving measures, and encouraging the implementation of environmental management systems". The Company has formulated the *ESG Management Policy for Supply Chain*, which requires suppliers to "take measures to reduce energy and water consumption and carbon emissions in the production process, and improve resource utilization efficiency", and incorporates these factors into important considerations when selecting suppliers to cooperate. The Company conducts audits on suppliers every year and issues questionnaires to them to investigate their actions and willingness for emission reduction. Please refer to the section headed "Supply Chain Environmental and Social Risk Management" in this report for details.

During the Reporting Period, the Company conducted a greenhouse gas inventory across its value chain and underwent external verification. The Company analyzed the composition of emissions in its value chain, categorized them based on their contribution to total emissions, developed an emission reduction plan for the supply chain, and engaged with suppliers to jointly explore emission reduction measures.

### Enhancing climate-related risk management and climate resilience

In response to both current and long-term climate-related risks, the Company has adopted a number of responses. In response to possible production interruptions caused by extreme weather, the Company has formulated the *Emergency and Business Continuity Management*, which specifies preparation, drills, and corresponding resources and

[20] Relevant data is provided by third-party service providers for employees' business travel. Among them, green flights refer to flights whose carbon emissions are lower than the median carbon emissions of other flights that depart and arrive at the same city; saved greenhouse gas emissions represent the difference between the carbon emissions of the flights and the median carbon emissions of other flights that depart and arrive at the same city.

guarantee for the emergency organization, business continuity organization, emergency response plan and business continuity plan. The Company has also formulated the *Business Continuity Emergency Plan,* which sets 5 specific business recovery plans based on the causes of business interruption, including personnel factors, equipment factors, utility factors, raw material supply factors, and IT interruption factors, and organizes corresponding exercises to test the effectiveness and suitability of the plan. The Company conducts various emergency drills and business continuity drills on an annual basis. During the Reporting Period, such drills were carried out at its relevant plant sites in Tianjin and Liaoning. In addition, the Company has set up production bases both in China and overseas to prevent the business impact that may be caused by long-term risks.

The Company implements emission reduction measures across all operational stages, including procurement, R&D, production, logistics, and office operations, in response to climate-related transition risks and opportunities. Furthermore, during the Reporting Period, the Company initiated the development and design of an internal carbon pricing management mechanism. In the future, the plan will be gradually implemented and expanded through pilot projects, and will serve as decision-making basis for investment plans, major project decisions, and process route selection.

## Metrics and targets

Based on the accounting results of GHG emissions in consecutive years and the results of climate-related scenario analysis, combined with external requirements and standards (such as SBTi Decarbonization Method in Chemical Sector) as well as internal planning, the Company has formulated climate change targets, as shown in the table below.

Regarding the Company's actions and progress in addressing climate change, the Company communicates with stakeholders through channels such as ESG reports and CDP questionnaires. During the Reporting Period, the Company obtained a B rating on the CDP Climate Change Questionnaire, which exceeded the average level in Asia and other service industries. In addition, the Company won the award of "Excellent Carbon Disclosure Partner" for its excellent carbon disclosure practices.

**GHG Reduction Targets[21]**

| Target | Progress |
|---|---|
| • Plants related to the small molecule CDMO business of Asymchem Group: Reduce the absolute GHG emissions of Scope 1 and Scope 2 by 10% by 2030, using the 2022 scenario as the base year and baseline | • In progress<br>• The Company continues to monitor its greenhouse gas emissions and progress toward its targets. To ensure data accuracy, as of the end of March 2026, GHG emissions from the Company's relevant facilities are under external verification. The Company will disclose GHG emissions data for these facilities in future annual ESG reports and CDP |

[21]Please refer to the "ESG Data Tables and Notes" section of this report for the types of GHG and the accounting methods of GHG emissions involved in the GHG reduction targets. In addition, the Company has not yet set a net zero target, nor does it plan to use carbon credits to offset GHG emissions to achieve the net zero target.

| Target | Progress |
|---|---|
| | questionnaires |
| • Jilin Asymchem Laboratories: Reduce absolute Scope 1 and Scope 2 GHG emissions by 42% by 2030, using 2022 as the base year, and reduce absolute GHG emissions from Scope 3 by 25%[22] | • In progress<br>• The Company continues to monitor its greenhouse gas emissions and progress toward its targets. To ensure data accuracy, as of the end of March 2026, GHG emissions from the Company's relevant subsidiaries are under external verification. The Company will disclose GHG emissions data for relevant subsidiaries in future annual ESG reports and CDP questionnaires |
| • Asymchem Pharmaceuticals: Reduce absolute Scope 1 and Scope 2 GHG emissions by 42% by 2030, using 2022 as the base year, and reduce absolute GHG emissions from Scope 3 by 25%[23] | • In progress<br>• The Company continues to monitor its greenhouse gas emissions and progress toward its targets. To ensure data accuracy, as of the end of March 2026, GHG emissions from the Company's relevant subsidiaries are under external verification. The Company will disclose GHG emissions data for relevant subsidiaries in future annual ESG reports and CDP questionnaires |

[22] This target is in line with the 1.5°C target pathway of the *Paris Agreement* and has been verified by SBTi.

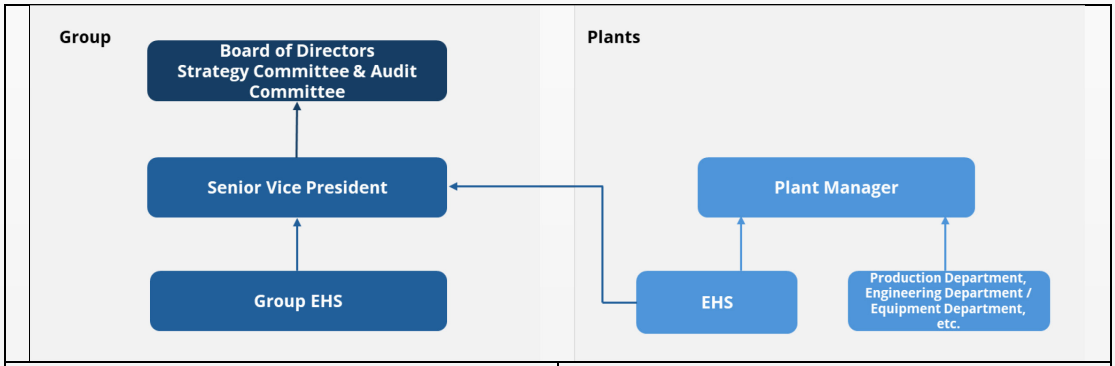
[23] This target is in line with the 1.5°C target pathway of the *Paris Agreement* and has been verified by SBTi.

## ❖ Environmental Compliance Management

Adhering to the development strategy of "international standards, China's advantages and being technology-driven, and green-oriented", Asymchem thoroughly implements the concept of green manufacturing and strictly abides by the *Environmental Protection Law of the People's Republic of China*, the *Environmental Impact Assessment Law of the People's Republic of China,* the *Environmental Protection Tax Law of the People's Republic of China* and other laws and regulations, with reference to the requirements of standards such as the ISO 14001, establishes an environmental management system which covers Asymchem Laboratories and all its subsidiaries. As of January 2026, Asymchem Laboratories and its subsidiaries, Asymchem Life Science, Asymchem Pharmaceutical, Jilin Asymchem and ALTD got certified with the ISO 14001 and obtained the corresponding certificates. The ISO 14001 Environmental Management System certification coverage rate across the Company stands at 38%[24].

The Strategy Committee and Audit Committee of the Board supervise, manage and make decisions on sustainable development matters, including environmental management. The Company has established an environmental management organizational structure. The senior vice president is responsible for coordinating the Company's environmental management work. The EHS Department has been set up at the Group and each plant site. The EHS Department have set up the Compliance Team, the Environmental Protection Team, the Process Safety Team, and the Occupational Health Team, respectively responsible for the establishment and protection of EHS systems, the inspection and technical support of environmental management within the Group, process safety assessment and chemical management, as well as the identification of toxic and hazardous substances, toxicology assessment and employee exposure risk management and other related work. Meanwhile, the production departments, engineering departments and general offices at each plant site are responsible for the operation and maintenance of environmental protection facilities, and separate collection of waste. The relevant personnel of the Company's environmental management all have an academic background in environmental protection or similar majors in China or at abroad and have professional capabilities and experience in environmental management.

**Environmental Management Organizational Structure and Responsibilities**




| **The Group:** | **Each plant site:** |
|---|---|
| • The Strategy Committee and Audit Committee of the Board are | • EHS department at each plant site is responsible for supervision, |

[24]The coverage data of the Company's ISO 14001 Environmental Management System certification includes the Company's established and stably operating manufacturing subsidiaries.

| | |
|---|---|
| responsible for the supervision, management and decision-making of environmental management matters, including the assessment of performance against environmental goals. The senior vice president is responsible for coordinating the Company's environmental management.<br>• The Group's EHS department is responsible for supervising and managing the Company's environmental management and providing technical support.<br>The senior vice president reports to the Board. The Group's EHS department reports directly to the senior vice president. | management and random inspection.<br>• The production department, engineering department/equipment department at each plant site are responsible for the operation and maintenance of environmental protection facilities, as well as the classification, collection, storage and disposal of waste.<br>EHS director at each plant site reports directly to each plant manager and also to the senior vice president. |

Guided by the principle of prevention-first in environmental management, the Company has formulated the *Environmental Protection, Occupational Health, Safety and Environmental Management System* and other system documents, and established management procedures such as the *Three Simultaneous Management Procedures for New, Renovation and Expansion Projects*, *Emergency and Business Continuity Management Procedures*, *Stakeholders Management Procedures*, and *Use and Management for Environmental Protection Monitoring Equipment*, covering key elements such as wastewater, waste gas, solid waste management, operation of environmental protection facilities, environmental monitoring and internal audit management to ensure environmental protection remaining systematic and compliant. During the Reporting Period, the Company revised the *Environmental Management Policy* and other documents, identified all critical environmental areas—including the management of pollutants and toxic/hazardous substances, water resource management, greenhouse gas management, environmental emergency management, solid waste management, and biodiversity management—and developed and implemented management measures for these key areas. During the Reporting Period, the Company was not punished by the competent authorities for violating relevant laws and regulations on environmental management, nor had any environmental emergencies occurred.

### Track the latest laws and regulations and continuously improve management

The Company has mapped out procedures such as the *Recognition Management of EHS Laws and Regulations*, in accordance with which, it regularly identifies and sorts the latest laws and regulations to formulate a gap identification list, and conducts publicity and training on the interpretation of laws and regulations to all employees in environmental protection-related positions in a timely manner. Meanwhile, based on the results of the gap analysis, the Company has formulated and implemented rectification plans, tracked the implementation of rectification, and organized reviews to ensure that the Company's operations comply with the latest laws and regulations.

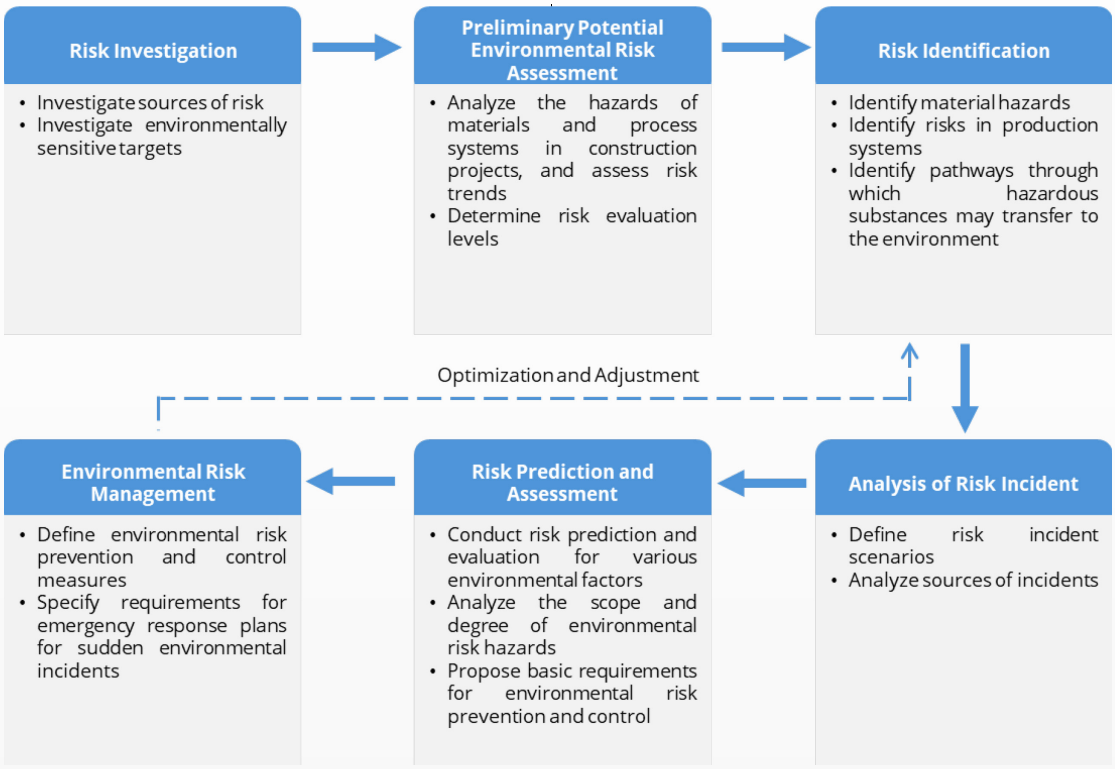
During the Reporting Period, the Company identified latest laws, regulations, and relevant provisions, such as the *Measures for the Administrative Measures for the Import and Export of Ozone Depleting Substances*, the *Regulations on Ecological and Environmental Monitoring*,

and the *National Catalogue of Hazardous Wastes (2025 Edition)*, and carried out item-by-item identification and gap analysis. It formulated rectification plans and tracked rectification progress regularly. Please refer to the section headed "Coping with Climate Change" and "Waste Disposal" in this report for details.

## Manage environmental risks[25]

The Company has developed risk source identification management procedures in accordance with the ISO 14001 Environmental Management System. An annual identification and rating of environmental risk sources is conducted, followed by hierarchical and classified management based on the likelihood of risks and the severity of potential harm. Meanwhile, the Company manages item changes by creating a list of *EHS Assessment on Item Changes* to identify, assess and analyze risk of changes in gas, wastewater, noise and solid waste.

**Environmental Risk Assessment Process**




In accordance with the *National Management Measures for Environmental Emergencies*, the Company conducts timely risk assessments and formulates contingency plans for environmental emergencies. Targeted response plans are developed for each identified risk, supported by adequate emergency response resources. To ensure the emergency response capabilities of personnel during environmental emergencies, the Company provides annual training on environmental emergency response plans to all employees and organizes emergency drills each year. The Company's EHS Department is responsible for conducting regular inspections of potential risks and hazards, establishing files for the investigation and management of such hazards, and implementing a closed-loop

[25] Such "environmental risk" refers to the degree and likelihood of harm to the environment caused by unexpected accidents (as defined in *Technical Guidance for Environmental Risk Assessment of Construction Projects (HJ 169-2018)*.

management system where identified issues are rectified immediately upon discovery.





**Photos from emergency drills**

In addition, the production of the Company's products involves the use of chemical substances and biologically active substances, which may present potential environmental risks. The Company has established a strict management and control mechanism to conduct a comprehensive assessment of environmental risks related to products and take corresponding measures to prevent or mitigate relevant risks to ensure that its production activities and products meet environmental protection requirements. For example, in order to comprehensively evaluate the potential hazards of API and antibiotics in the Company's products to environmental water bodies, the Company has formulated the *Assessment of the Impact API has on Water Bodies*, which aims to control environmental risks from the source and ensure that production activities meet environmental protection requirements. In the early stages of projects involving the production of API or antibiotics, the Company collects relevant data from the R&D stage, estimates the concentration of API or antibiotics entering water bodies, and compares them with the Predicted No-Effect Concentration ("**PNEC**"). If the ratio of predicted concentration to PNEC is ≥ 1, it is considered to be likely to cause damage to the environment or ecosystem. In this case, the wastewater generated during the production process of the project is strictly prohibited from being directly discharged into the sewage treatment station, and more stringent treatment measures, such as inactivation technology, are required to completely eliminate the environmental risks of wastewater containing API.

### Strengthen daily environmental management

In the course of daily operations, the Company regularly inspects and upgrades environmental protection facilities in a timely manner to improve the efficiency of pollutant treatment and reduce pollutant emissions. The Company has established a pollutant monitoring mechanism, formulated an annual monitoring plan, and conducted daily inspections and monitoring. Meanwhile, the Company entrusts a qualified third-party

institution to monitor the Company's pollutant discharge on a regular basis, and hires external experts to inspect, guide and train the Company's online monitoring equipment operation management and hazardous waste management to ensure the accuracy and trustworthiness of monitoring data and to ensure the normal operation of environmental protection facilities and the discharge of pollutants in compliance with the standards. Please refer to the section headed "Pollutant Emissions" in this report for more details. Moreover, the Company attaches great importance to the popularization of environmental protection knowledge, and enhances the environmental protection awareness of all employees, the professional ability of environmental protection employees, and the management ability of environmental managers through publicity and education and internal and external special training.

**Environmental Protection Publicity Education and Theme Training (Partial)**

| Type | Description |
|---|---|
| **Publicity and education** | • During the Reporting Period, the Company carried out the June 5th Environment Day activity with the theme of "Leading the Way for a Beautiful China: Embarking on a New Low-Carbon Journey with Asymchem". A series of activities such as "A New Beginning" eco-friendly handicraft contest, "Myriad Forms of Ecology" micro-video competition, and eco trivia quiz were organized, aiming to disseminate knowledge on environmental protection among employees and advocate the principles of low-carbon living and green production. |
| **Theme training** | • New employees: Conduct training on environmental protection before and after employment.<br>• Current employees: Conduct EHS training at least once a quarter, with topics such as the Company's EHS policy publicity and system document introduction. Environmental managers: Organize training sessions on "Management Capability of Environmental Managers", covering topics such as environmental laws and regulations, corporate management systems, corporate management procedures and operating guidelines, technologies related to environmental protection facilities, and environmental emergency. During the Reporting Period, the Company conducted a total of more than 140 environment-related training sessions, with environmental emergency training covering all employees. |
| **Climate ambition accelerator** | • Actively participate in the Climate Ambition Accelerator ("**CAA**") project to accelerate the process of scientific carbon target. |



**Photos of the June 5th Environment Day Series**

## The management of key environmental supervision units and the disclosure of environmental information in accordance with the law

The Company's pharmaceutical R&D and production processes involve the use of resources such as energy, water resources, raw materials and packaging, as well as the emission of water pollutants, air pollutants, greenhouse gases and the generation of waste. During the Reporting Period, Asymchem Laboratories and 9 subsidiaries were included in the key units of local environmental supervision. The Company strictly abides by the *Administrative Measures for the List of Key Environmental Supervision Units* and other relevant laws and regulations, fulfills its ecological and environmental legal obligations such as self-monitoring and information disclosure, and takes measures to prevent environmental pollution and risks.

**Status of Key Environmental Supervision Units**

| Key Environmental Supervision Unit | Category[26] | | | |
|---|---|---|---|---|
| | Water | Atmosphere | Soil | Environmental Risk |
| Asymchem Laboratories (Tianjin) Co., Ltd. | √ | | | √ |
| Asymchem Life Science (Tianjin) Co., Ltd.[27] | √ | √ | | √ |
| Tianjin Asymchem Pharmaceuticals Co., Ltd. | √ | √ | | √ |
| Tianjin Asymchem Biotechnology Co., Ltd. | √ | | | √ |
| Liaoning Asymchem Laboratories Co., Ltd. | √ | √ | √ | √ |
| Jilin Asymchem Laboratories Co., Ltd. | √ | √ | √ | √ |
| Jilin Asymchem Pharmaceutical Co., Ltd. | √ | √ | √ | √ |
| Asymchem Laboratories (Jilin) Co., Ltd. | | | √ | √ |
| Shanghai Asymchem Biotechnology Co., Ltd. | | | | √ |

During the Reporting Period, Asymchem Laboratories and 8 subsidiaries were included in the list of enterprises subject to legal environmental disclosure. The Company strictly abides by the *Administrative Measures for the Legal Disclosure of Enterprise Environmental Information* and other relevant laws and regulations, and discloses environmental

[26] In the table, "water", "atmosphere", "soil" and "environmental risk" refer to key pollutant discharge units in water environment, key pollutant discharge units in atmospheric environment, the key monitoring units for soil pollution, and key management and control unit for environmental risks, respectively.

[27] The company has two plants under the management of the eco-environmental management department in the place where it operates. The summary results of the status of the two plants conducted by their environmental supervision units are listed here.

information in a timely, true, accurate and complete manner in accordance with the law.

**Disclosure of Environmental Information in Accordance with the Law**

| Included in the List of Enterprises Subject to Legal Environmental Disclosure | Index for Environmental Information Disclosure Report |
|---|---|
| Asymchem Laboratories (Tianjin) Co., Ltd. | https://hjxxpl.sthj.tj.gov.cn:10800/#/gkwz/jcym |
| Asymchem Life Science (Tianjin) Co., Ltd.[28] | https://hjxxpl.sthj.tj.gov.cn:10800/#/gkwz/jcym |
| Tianjin Asymchem Pharmaceuticals Co., Ltd. | https://hjxxpl.sthj.tj.gov.cn:10800/#/gkwz/jcym |
| Tianjin Asymchem Biotechnology Co., Ltd. | https://hjxxpl.sthj.tj.gov.cn:10800/#/gkwz/jcym |
| Liaoning Asymchem Laboratories Co., Ltd. | https://qyxxpl.ywzh.lnsthj.cn:8802/home/index |
| Jilin Asymchem Laboratories Co., Ltd. | http://36.135.7.198:9015/index#menu_2091 |
| Jilin Asymchem Pharmaceutical Co., Ltd. | http://36.135.7.198:9015/index#menu_2091 |
| Asymchem Laboratories (Jilin) Co., Ltd. | http://36.135.7.198:9015/index#menu_2091 |

### Conduct internal and external audits of the environmental management system

The Company conducts regular internal audits on the environmental management system. It formulated the *EHS Audit Management* to conduct internal audits of the environmental management system for Asymchem Laboratories and all production-oriented subsidiaries once every six months, focusing on system operation, management system, facility management, monitoring management and environmental tax. The result of the audit is linked to the key performance indicators ("**KPI**") of the Company's management. For the problems identified in the audit, the Company formulates and implements solutions and plans in a timely manner to further improve its environmental management capabilities and report to the Company's management. During the Reporting Period, the Company conducted a total of 2 internal audits on the environmental management system, covering Asymchem Laboratories and all production-oriented subsidiaries, and no major deficiencies were found.

The Company accepts external environmental management audits on its own initiative or upon request from customers (or the "stakeholders "). During the Reporting Period, the Company engaged a third-party professional organization to conduct external audits for 4 times, including project audits on waste water, exhaust gas, solid waste, and noise management; Asymchem Laboratories and all its subsidiaries received a total of 26 environmental management audits from customers; Asymchem Laboratories and its subsidiaries, Asymchem Life Science, Asymchem Pharmaceuticals, and Jilin Asymchem, have successfully passed the ISO 14001 environmental management system certification and annual inspection. In January 2026, ALTD successfully passed the ISO 14001

[28] The Company has two plants, which are managed by the ecological and environmental management departments in their operation location. The summary results of the status of the two plants conducted by their managing environmental supervision units are shown here.

environmental management system certification.

### Establish environmental management targets and rewards and punishment mechanism

The Company has established environmental management targets covering Asymchem Laboratories and all its production-oriented subsidiaries, as shown in the table below. The Company has established a "one-vote veto" system for major events and linked it to the performance appraisal of the Company's middle and senior executives. If an event that meets the definition of "one-vote veto" occurs, the Company would be deemed as failing its overall environmental management goals, and the corresponding employees such as the main person in charge and other subsidiary management will be deducted from their performance bonuses. During the Reporting Period, the Company achieved all environmental management targets.

In addition, the company has refined its environmental management and control targets, and established a company-wide environmental management and control target performance appraisal and incentive mechanism, covering areas such as energy, water resource, quality and strength of production process and three kinds of waste discharge. A series of appraisal targets were set up for the Company and all individuals with a clear reward and punishment system. During the Reporting Period, the mechanism served the Company well by effectively motivating its employees to improve their environmental management enthusiasm and improving the Company's environmental performance.

**Environmental Management Targets**

| Target | Progress |
|---|---|
| • Zero material environmental complaints throughout the year | • Achieved<br>• In 2025, the Company has no major environmental complaints |
| • Ensure full compliance with all pollutant discharge targets | • Achieved<br>• In 2025, the Company achieved a 100% rate in the pollutant emission compliance |
| • No soil pollution incidents | • Achieved<br>• In 2025, there were no soil pollution incidents in the Company |

## ❖ Energy Utilization

Primary energy that Asymchem uses in operations includes raw coal, diesel, gasoline and natural gas, while secondary energy used involves electricity power, steam and hot water, among which electricity power is the most prevalent.

The Company has established an energy-saving working group led by the Group's senior vice president, with a "company - department - workshop" three-level management system. The person in charge of each department serves as the secondary energy administrator, coordinating the energy management of the department. Among them, the relevant department of engineering or production equipment management acts as the focal point of the Company's energy management, responsible for energy management and statistics. Each workshop manager shall serve as the third-level energy administrator to implement the energy-saving measures of the workshop.

The Company strictly abides by the *Law on Energy Conservation of the People's Republic of China* and other laws and regulations, formulates the *Energy Management System Manual*, *Energy Management System*, *Energy Management Measures and Assessment Rules* and other systems to analyze the impact of energy demand and utilization on operations and the environment, regulate the behavior in energy procurement and use, allocate full-time personnel to regularly monitor energy data , and regularly deploy energy-saving and emission-reduction measures. In addition, the Company entrusted a third-party agency to conduct energy audits and energy-saving diagnosis of the plant, conduct electrical balance tests and thermal efficiency tests to tap energy-saving potential. During the Reporting Period, two plants of Asymchem Life Science, the Company's subsidiary, passed the ISO 50001 energy management system certification and obtained corresponding certifications.

The Company sets energy utilization targets to promote energy utilization efficiency and green transformation, as shown in the table below. The Company breaks down the targets and incorporates them into various energy sources, departments and workshops, and sets energy-related performance appraisal requirements linked to bonuses to strengthen the implementation of energy management responsibilities and target achievement.

**Energy Utilization Targets**

| Target | Progress |
|---|---|
| Taking 2023 as the base year, reduce 10-15% energy consumption in small molecule production output by 2030 | • Achieved<br>• In 2025, the energy consumption in small molecules production output of the Company reduced by 16.6% compared with 2023 |
| Achieve 30-40% utilization of renewable electricity in Tianjin and Dunhua plants by 2025 | • Achieved<br>• In 2025, the proportion of renewable electricity used by Tianjin and Dunhua plants of the Company is as follows:<br>Percentage of green electricity in Tianjin plant: 64.20%<br>Percentage of green electricity in Dunhua Plant: 42.71% |

**Promote green-oriented and low-carbon transition of energy**

The Company actively engages in green-oriented and low-carbon transition of energy, obtains and uses renewable electricity through internal and purchased power, and continues to promote the use of clean energy such as natural gas and renewable electricity. During the Reporting Period, certain plants of the Company used green electricity to replace coal-fired electricity to reduce pollutant and greenhouse gas emissions. In terms of total comprehensive energy consumption, the proportion of clean energy reached 30.58%; as for total electricity consumption, the proportion of renewable electricity reached 22.19%.

### Application of energy-saving equipment and technology

The Company reduces energy consumption and improves energy efficiency using energy-saving equipment, intelligent systems, and energy-saving technological transformation.

**Energy-saving and Consumption-reducing Measures and Results (Partial)**

| Measures | Specific Content |
|---|---|
| **Use energy-saving equipment and intelligent systems** | • Variable-frequency electrical equipment and automatic control equipment are widely used.<br>• Intelligent temperature control system is adopted to realize intelligent temperature control in production workshops (air conditioners, production equipment, etc.), laboratories (air conditioners, etc.), warehouses (including finished product storage, inorganic salt storage, raw material storage, intermediate storage, etc.), dynamically optimize operating parameters, and reduce electricity consumption and cooling and heating source consumption. |
| **Carry out energy-saving technological transformation** | • Recovered and reused the waste heat of condensed water from the steam in the plant of Jilin Asymchem Pharmaceuticals, recovered heating steam condensate from are-conditioning heating, resulting in cumulative water savings of 5,000 tonnes.<br>• The recovery and transformation of liquid nitrogen and ethanol cooling capacity at the plant of Jilin Asymchem Pharmaceuticals was completed, and 3,000 tonnes of liquid nitrogen cooling capacity was recovered.<br>• Renovated the refrigeration recovery retrofit of the liquid nitrogen tower vaporizer in the plant of Asymchem Pharmaceuticals. The liquid nitrogen vaporizer is equipped with a refrigeration recovery device to replace the chiller for refrigeration, saving approximately 108 tonnes of carbon dioxide annually.<br>• The ice machine in the plant of Jilin Asymchem Pharmaceuticals has achieved a comprehensive energy-saving rate of 18% in the operation after the energy-saving transformation.<br>• The plant of Asymchem Pharmaceuticals underwent an energy-saving retrofit of its air compressor systems. The instrument air compressor and jacket air compressor system were transformed from fixed-frequency units to variable frequency units, and the gas-to-electricity ratio was reduced from 0.23 kWh/standard cubic meter before the transformation to 0.12 kWh/standard cubic meter, the electricity saving rate is 49%. This will save approximately RMB300,000 in electricity costs |

| Measures | Specific Content |
|---|---|
| | annually and approximately 51 tonnes of standard coal equivalent in comprehensive energy consumption annually.<br>• The transformation of the Nitrogen Generator in the plant of Jilin Asymchem Pharmaceuticals improves the efficiency of gas production and optimizes production capacity adaptation while saving energy and reducing emissions.<br>• The hot water heating system in the plant of Asymchem Pharmaceuticals underwent a capacity reduction retrofit, with the heat exchange unit system scaled down from 9,200 kW to 4,600 kW, saving approximately 13.25 millionkWh of electricity per year and approximately 1,628 tonnes of standard coal equivalent in total energy consumption annually.<br>• Asymchem Life Science renovated 22 laboratories, replaced fume hoods and blower units, added variable air volume control systems, air-conditioning temperature control systems, and reduced electricity consumption and cooling and heating source consumption.<br>• The roof lighting and outdoor lighting in the plant of Asymchem Life Science were replaced with solar-powered lamps. |

### Conduct publicity and training on energy conservation awareness

The Company promotes energy-saving awareness among all employees by putting up energy-saving publicity posters and participating in internal and external energy-saving training. Meanwhile, the Company actively implements the concept of green operation in daily operations, proposes requirements such as “turn off lights, computers, water dispensers and other equipment when leaving” and “maintain air-conditioning at a reasonable temperature in factories, warehouses, and office areas”, and arranges management personnel to inspect the implementation.

During the Reporting Period, the Company proactively communicated with the superiors of the energy management departments and energy conservation consulting company, and actively participated in external training activities such as the construction of the energy management system and the management of key energy consuming units. Moreover, the Company also organized external training activities on other topics such as energy management, energy metering, green power trading, energy conservation and carbon reduction to further enhance their energy management capabilities.

## ❖ Water Resource Utilization

The types of water resources used by Asymchem during operation are municipal water supply, which are mainly used in the operation of production and ancillary equipment, equipment and floor cleaning, waste gas treatment, and daily life of employees. There is no problem in accessing water resources.

The Company attaches great importance to the protection of water resources and adheres to the management concept of "high-standard treatment, pollution reduction and carbon reduction, and ecological order." The main responsibility of water resources management falls on the ESG working group. It shall supervise the establishment and operation of water resources system, resource guarantee, risk management and operation to ensure that the Company's actions strictly abide by laws, regulations and institutional requirements related to water resources management, and comply with industry standards related to water resources. The production equipment department of the Company is responsible for the implementation of various specific tasks in the utilization and management of water resources.

The Company strictly abides by the *Water Law of the People's Republic of China*, the *Provisions on the Demonstration and Management of Water Used in Construction Projects*, the *Regulations on Urban Water Supply* and other laws and regulations in the places where it operates, and has formulated the *Energy Management Measures and Assessment Rules* and other systems to conduct water resource risk assessment and regulate behaviors in water resource use, etc. The Company also arranges dedicated staff to regularly monitor its water consumption data, continuously optimize its water resources management strategies, and implements water-saving measures.

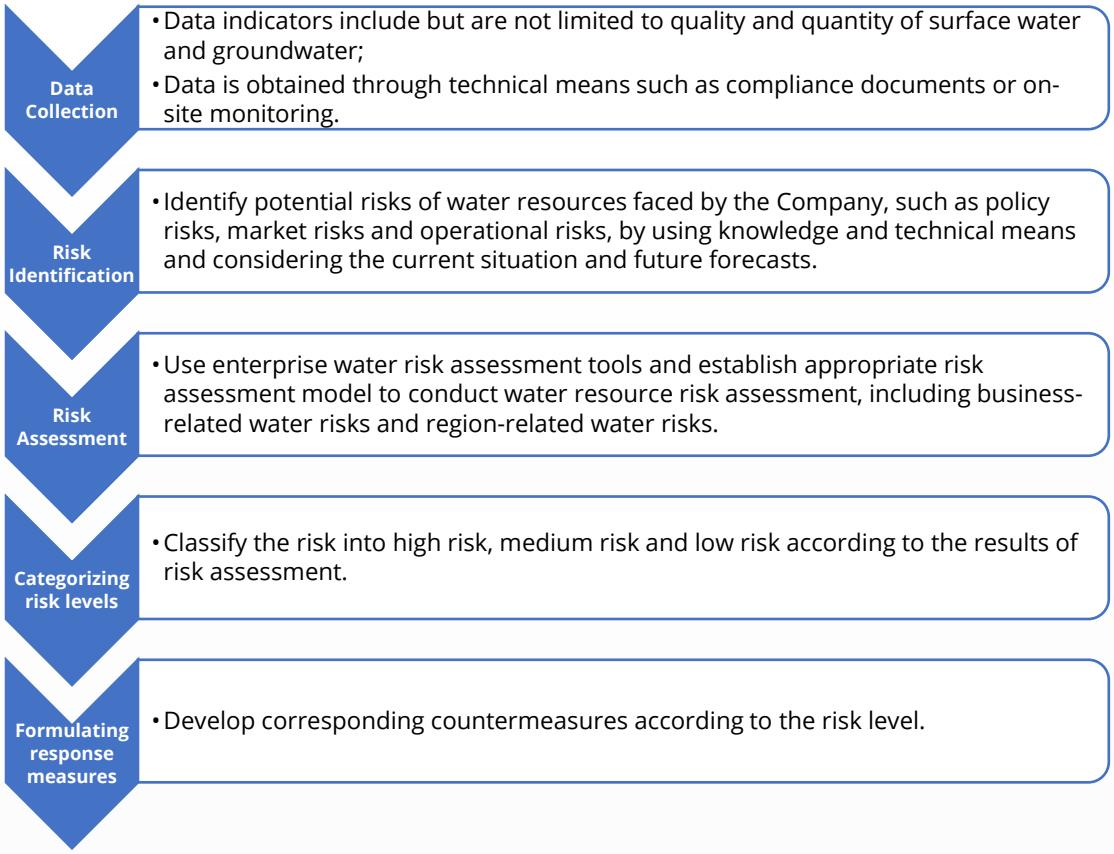
The Company sets water resources utilization targets to promote the water utilization efficiency. During the Reporting Period, the Company set a target of "100% water resource management training coverage for new employees". The Company breaks down the target and incorporates it into departments and workshops, and sets performance evaluation requirements related to water resources linked to bonuses to strengthen the implementation of water resources management and the realization of goals.

During the Reporting Period, the Company strengthened daily management and eliminated water waste. The Company also enhanced employees' awareness of water conservation through publicity and training on water conservation awareness, and actively practiced the concept of green water use in daily operations. Meanwhile, the Company improved water utilization efficiency and reduced freshwater consumption through recycling and reusing various water resources, as well as rainwater collection.

### Conduct water resource risk assessment

The Company conducted a company-wide water risk assessment in accordance with relevant laws and regulations. After the assessment, the Company's water resource risk level was "low", which is within the acceptable range. The Company will continue to maintain the status quo and implement measures to enhance water resources management.

**Water Resources Risk Assessment Process**




## Strengthen daily management of water resources

The Company has introduced a water consumption monitoring system to monitor the water consumption status of each operation stage, and publishes statistics on the daily water consumption of each plant, compares the historical water consumption data, analyzes the consumption situation, and conducts an investigation immediately if the consumption increases. The Company also conducts regular inspections and repairs on water pipes to prevent running, overflowing, dripping, and leaking to reduce water waste. In addition, the Company posts water-saving publicity signs in production workshops, offices, canteens, restrooms and other areas, and conducts water-saving training for its employees every year to enhance the water-saving awareness of all employees.

## Water recycling

The Company conserves the use of freshwater resources and improves the efficiency of water consumption through recycling, reusing, and rainwater collection.

**Water Resources Recycling Measures and Achievements (Partial)**

| Measures | Specific Content |
|---|---|
| **Recycling** | • The waste heat boiler renovation project at the plant of Jilin Asymchem Laboratories is based on the dual path of "increasing steam production capacity and reducing continuous sewage" to achieve water saving and efficiency. At the same time, the plant has implemented water reuse measures, collecting steam condensate separately and using waste heat for heating and reusing water. This saves energy and solves the problem of high temperature and odor in the wastewater collection tank. It is |

| Measures | Specific Content |
|---|---|
| | expected to save 5,000 tonnes of water per year.<br>• The clean condensate produced by the heat exchanger group in the workshop of the plant in Liaoning Asymchem is recycled for the quenching supplement of the incinerator, which is expected to save 300 tonnes of water per year. |
| **Reusing** | • The high and low temperature integrated machine in the production and operation of the plant of Asymchem Laboratories uses a circulating cooling water device. |
| **Rainwater collection** | • The "Sponge City" project in the plant of Shanghai Asymchem Biopharmaceuticals gives full play to the rainwater absorption, storage, and slow release by buildings, roads and green spaces, thereby controlling rainwater runoff and realizing a natural accumulation, natural infiltration, and natural purification of urban development. |

## ❖ Circular Economy*

### Governance

Asymchem actively implements the development concept of circular economy and establishes a circular economy governance structure, which is coordinated by the ESG working group, and specifically implemented by the Procurement Department R&D Department, Production Department, Engineering Equipment Department, EHS Department and Import and Export Department in all operations. The Company regularly monitors and evaluates the practice effectiveness of the circular economy, and incorporates relevant indicators into the departmental performance appraisal system to ensure the Company continues towards achieving a circular economy.

The Company strictly abides by the *Circular Economy Promotion Law of the People's Republic of China*, the R*egulations of the People's Republic of China on Road Transport* and other relevant laws and regulations, and has formulated the *Supplier ESG Management Policy*, *Product Storage and Distribution*, *Product Transportation Process and Monitoring of Material Storage Areas and Equipment Storage Environment,* and systematically considers the impact of raw material selection , production, sales, use, recycling, and disposal on resources and the environment. It prioritizes the selection of materials that are convenient for recycling and recyclable use, and continues to promote the recycling of resources throughout the entire process, striving to achieve a win-win situation of economic benefits and environmental protection in its operations.

### Strategy

During the Reporting Period, the results of the analysis of the impact, risks and opportunities of the Company on circular economy issues are as follows:

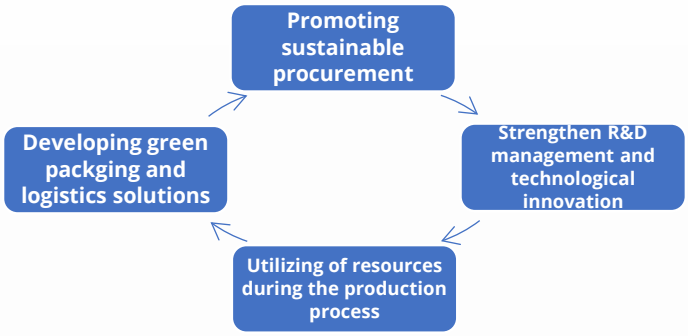
**Results of Analysis of Impacts, Risks and Opportunities related to the Issue of "Circular Economy"**

| Impact Analysis | | | |
|---|---|---|---|
| **Main Type of Impact** | **Scope of Influence** | **Impact Description** | |
| Actual + positive impact | Upstream of the value chain/business operations | The Company improves resource utilization efficiency, reduces resource consumption intensity through production technology innovation, recycling of resources such as water resources and packaging materials, and the use of digital and intelligent equipment, thereby contributing to the development of circular economy and sustainable resource management. | |
| **Risk and Opportunity Analysis** | | | |
| **Main risk/Opportunities** | **Time Range** | **Main Potential Financial Impact** | **Risk and Opportunity Description** |
| Opportunity | Medium - term/long-term | Operating costs decreased | The Company practices circular economy by leveraging production technology innovation, resource recycling and the application of digital |

| | | | |
|---|---|---|---|
| | | | and intelligent equipment to reduce production costs and improve operational efficiency, while meeting the needs of customers for green development, enhancing market competitiveness, and realizing sustainable development opportunities. |

The Company has implemented a number of strategies to promote the efficient use and recycling of resources in the key operational areas such as procurement, R&D, production and transportation, and promote the development of circular economy.

**Circular Economy Strategy**




## Impact, risk and opportunity management

The Company has built a comprehensive identification, assessment, monitoring and management process of impacts, risks and opportunities around the "circular economy". Through policy and regulation tracking, communication with customers and other stakeholders, and industry practice research, the Company identifies external influencing factors, evaluates relevant impacts, risks and opportunities from the dimensions of environment, compliance and cost, and carries out various measures to promote efficient use and recycling of resources. The Company also regularly monitors and evaluates resource saving results through data collection and other methods to ensure effective implementation of management measures.

### Promote sustainable procurement

The Company promotes sustainable procurement by continuously optimizing its supply chain management, comprehensively assessing the environmental impact of its suppliers, and requiring its suppliers to "take measures to reduce energy and water consumption and carbon emissions in their production process and improve resource utilization efficiency". Meanwhile, the Company prioritizes degradable, renewable and recyclable materials to reduce its impact on the environment. Please refer to the *Supplier ESG Management Policy*, *Supply Chain Code of Conduct* and the section headed *Supply Chain Environmental and Social Risk Management* in this report for details.

### Strengthening R&D management and technological innovation

The Company strengthens R&D management, promotes the digitalization construction of R&D links, promotes the deployment of ELN systems and LIMS, and integrates R&D analysis and sample delivery systems to improve the efficiency of R&D and reduce the resource consumption involved in R&D activities. In addition, the Company actively researches and develops green chemical technologies, and is committed to reducing the

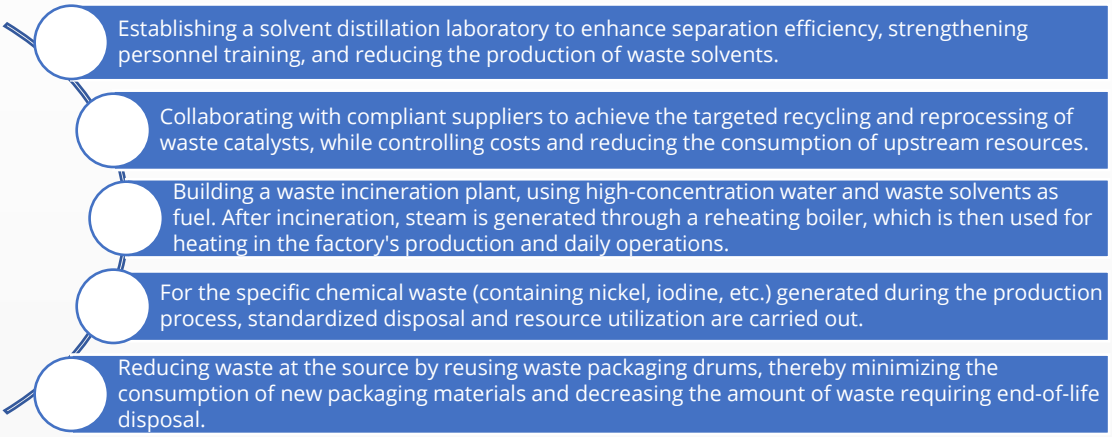
use and emission of harmful substances, improving reaction selectivity, reducing waste generation in the drug development process, and assisting the development of cleaner production and circular economy. For details, please refer to the sections headed "Digitalization and Intelligence" and "Green Chemistry" in this report.

### Comprehensive utilization of resources in the production process

The Company actively implements various measures in the process of drug production to improve the efficiency of energy and water use. For details, please refer to the sections headed "Energy Utilization" and "Water Utilization" in this report.

The raw materials used by the Company mainly include main raw material chemicals, solvents, inorganic salts, catalysts and ligands, and the packaging materials used mainly include glass, paper, wood, rubber, plastic and metal. The Company has formulated systems such as the *Management of Product Packaging Materials and Transportation Materials* to regulate the use of raw materials and packaging materials. By optimizing the production process and preventing excessive packaging, the Company has improved the use efficiency and reduced the wastage of raw materials and packaging materials. While reducing the consumption of various resources from the source, the Company has established a comprehensive waste utilization project and implemented a number of waste recycling measures to turn waste into resource, further improving the efficiency of resource use, and reducing the generation of waste.

**Waste Recycling Measures and Results (Partial)**




### Create green packaging and logistics solutions

In terms of transportation, the Company prefers to cooperate with transportation agents who formulate green and emission reduction solutions. At the same time, the Company works with partners to jointly create green packaging and logistics solutions to Improve the efficiency of resource use and reduce waste generation during transportation process by strengthening the green logistics management of transportation agents, reducing the use of consumables, using green packaging materials, optimizing packaging solutions, using green energy, optimizing the transportation structure, and digitizing the management and control of warehousing and logistics.

**Green Packaging and Logistics Measures and Achievements (Partial)**

| Measures | Specific Content |
|---|---|
| **Strengthen the** | • During the Reporting Period, the *Code of Conduct for* |

| Measures | Specific Content |
|---|---|
| **management of transportation agents** | *Transportation Agents* was newly formulated, which put forward requirements on the content of green logistics and required transportation agents to strictly abide by it. At the same time, we reviewed the green logistics performance of transportation agents through annual assessments, collection and analysis of ESG reports from key operating agents. |
| **Reduce the use of consumables/disposable products/plastic products** | • Reduce the use of consumables/disposable products and use recyclable thermometers, transfer barrels and trays instead. During the Reporting Period, the Company reduced the use of disposable thermometers by approximately 50% compared with the previous year.<br>• Reduce the use of plastic materials.<br>• Improve the level of digital operation of ourselves and our transportation agents, using electronic statements and electronic invoices to reduce the consumption of paper products. |
| **Use green packaging materials to optimize packaging solutions** | • For the packaging of temperature-control boxes, transportation agents need to use environmentally friendly and recyclable packaging materials.<br>• Use biodegradable and recyclable pallets such as wooden pallets and composite pallets (made from a mixture of recycled plastic and other renewable materials, such as rice husks, corn starch, etc.) instead of plastic pallets to increase the recycling rate of pallets. |
| **Use green energy to optimize the transportation structure** | • Require transportation agents to use green energy vehicles. For example, use electric trucks for short-haul trips, use sustainable fuel-powered trucks such as biofuels for long-haul journeys, and select trucks equipped with solar panels.<br>• Optimize the transportation structure together with transportation agents, including optimizing transportation methods (such as shifting from expressway transportation to railroad transportation and waterway transportation, optimizing route planning, and integrating outgoing goods to reduce the number of transportation vehicles and the empty driving rate, and improve transportation efficiency. During the Reporting Period, the four major transport agents reduced the number of transport vehicles by approximately 3,000 and avoided GHG emissions by approximately 142 tonnes of $CO_2$ equivalent[29].<br>• Cooperate with overseas subsidiaries to carry out centralized warehousing and transportation to reduce the frequency of scattered transportation. |

[29] The amount of avoided GHG emissions is estimated based on the reduction of transportation mileage × GHG emissions per kilometer (0.0002 tonne of $CO_2e$/km).

| Measures | Specific Content |
|---|---|
| **Digital control of warehousing logistics** | • Using the digital system to realize 100% online management and control of the entire process of warehousing and logistics, optimize warehousing supervision and turnover, reduce the retention time of goods, improve the efficiency of goods turnover, and reduce empty vehicles and labor waste meanwhile. |

## Metrics and targets

The Company is committed to promoting the practice of circular economy, formulating a series of targets and indicators, and implementing effective measures to continuously improve the efficiency of resource utilization and reduce impact on environmental. For details, please refer to the corresponding sections of this report for the Company's targets related to circular economy in procurement, R&D and production. Targets in production and transportation are as follows. During the Reporting Period, the Company has reached its target in 2025. At the same time, the Company has set and will continue to work hard to achieve the target in 2026.

**Circular Economy (Transportation Link) Targets**

| Target | Progress |
|---|---|
| • By 2025, the proportion of clean energy transport vehicles used in transportation will increase by 10 % compared with 2024<br>• By 2026, the proportion of clean energy transport vehicles used in transportation will increase by 10% compared with 2025 | • Completed: In 2025, the proportion of clean energy transport vehicles used in transportation increased by 10% compared with 2024<br>• Ongoing: The progress of the target for the year will be disclosed in the 2026 ESG Report |
| • By 2025, the waste recycling rate in warehousing and logistics will reach 90%, and the comprehensive utilization rate will reach 80%<br>• By 2026, the waste recycling rate and comprehensive utilization rate in warehousing and logistics will increase by 3% compared with 2025 | • Completed: In 2025, the waste recycling rate in warehousing and logistics reached 90%, and the comprehensive utilization rate reached 80%<br>• Ongoing: The progress of the target for the year will be disclosed in the 2026 ESG Report |
| • By 2025, the proportion of recyclable packaging materials used in transportation and packaging will increase by 30% compared with 2024<br>• By 2026, the proportion of recyclable packaging materials used in transportation and packaging will increase by 20% compared with 2025 | • Completed: In 2025, the proportion of recyclable packaging materials used in the transportation and packaging process increased by 30% compared with 2024<br>• Ongoing: The progress of the target for the year will be disclosed in the 2026 ESG Report |
| • By 2025, the paper usage rate in our own transportation management will reduce by 30% compared with 2024<br>• By 2026, the proportion of paper used | • Completed: In 2025, the proportion of paper usage rate in our own transportation management reduced by 30% in 2024 |

| Target | Progress |
| --- | --- |
| in our own transportation management will reduce by 20% compared with 2025 | • Ongoing: The progress of the target for the year will be disclosed in the 2026 ESG Report |

## ❖ Pollutant Discharge

### Wastewater management

The wastewater in the operation of Calais mainly includes production wastewater from R&D, pilot test, production and public works, as well as domestic wastewater from offices and logistics.

The company has established a comprehensive wastewater management system. The EHS department is responsible for the daily supervision of the sewage station, and the production department is responsible for the classification and collection of waste water and the normal operation of the sewage station. The company strictly abides by the *Prevention and Control of Water Pollution Law of the People's Republic of China* and other laws and regulations, as well as *DB31/373-2010 Pollutant Discharge Standard for Biopharmaceutical Industry*, *DB12/356-2018 Comprehensive Wastewater Discharge Standard* and *DB21/1627-2008 Comprehensive Wastewater Discharge Standard*, and formulates management procedures such as *Sewage Management*, *Sewage Station Operation Management*, *Water Pollution Source Online Monitoring System Operation Management*, and *API Water Pollution Assessment and Management Regulations* to clarify the treatment, discharge, monitoring of wastewater and management responsibilities of personnel, equipment inspection and maintenance requirements, etc., ensuring that wastewater discharges are up to standards.

The Company identifies and evaluates the types of waste water pollutants that may be discharged during the operation, the production link, the production volume and its environmental impact, constructs waste water treatment facilities, and entrusts design unit to formulate appropriate treatment procedures and operating procedures, with regular maintenance performed by professional departments. Among them, the wastewater treatment process of each plant of the company adopts mature, reliable and stable treatment technology (such as advanced oxidation, biodegradation, coagulation sedimentation, etc.), which is collected, transported and disposed of according to the composition and content of water pollutants.

The Company conducts daily internal monitoring of the water quality of sewage stations, and entrusts a qualified third-party organization to conduct quarterly monitoring of wastewater discharge indicators. Once an abnormality in sewage disposal is found, the relevant employee will report it to the manager as soon as possible to ensure timely response and disposal of the problem. At the same time, the company reports daily monitoring data of key water environment drainage units to the local ecological environment management department in accordance with relevant national requirements. During the reporting period, Asymchem Laboratories and all its subsidiaries did not have any excessive discharge of wastewater.

**Wastewater Management Measures**

| Type of Wastewater | Main Monitoring Indicators | Processing Method | Discharge Method |
|---|---|---|---|
| **Production wastewater** | • Chemical oxygen demand ("**COD**"), five-day biochemical oxygen demand ("**BOD**"), | • According to the characteristics of wastewater, it is treated by wastewater | • After the treatment reaches the standard, it shall be discharged to the municipal sewage |

| Type of Wastewater | Main Monitoring Indicators | Processing Method | Discharge Method |
|---|---|---|---|
| | ammonia nitrogen ("**$NH_3$-N**"), total nitrogen ("**TN**"), total phosphorus ("**TP**"), suspended solids ("**SS**"), there is always organic carbon ("**TOC**"), Anionic surfactants ("**LAS**"), fecal coliform count, total residual chlorine, and pH ("**pH**"), etc. | treatment processes such as "hydrolysis acidification tank +A2/O+ flocculation sedimentation", "hydrolysis acidification tank +DAT-IAT ", "iron-carbon micro-electrolysis - catalytic oxidation pretreatment +DAT-IAT ". | treatment plant or the industrial park where it is located. |
| **Domestic wastewater** | • Petroleum, animal and vegetable oils, etc. | • The domestic wastewater is pretreated in the grease trap and grille and then sent to the sewage station of the plant for treatment. | • After the treatment reaches the standard, it shall be discharged to the municipal sewage treatment plant or the park where it is located. |

## Exhaust gas management

The waste gas during the operation of Asymchem mainly includes waste gas from R&D, pilot test, production, and waste gas from gas boilers, incinerators, and wastewater treatment.

The company has established a comprehensive exhaust gas management system, and the EHS department, production department, production equipment department and engineering department jointly guarantee the normal operation of the equipment. The company strictly abides by the *Prevention and Control of Atmospheric Pollution Law of the People's Republic of China* and other laws and regulations, as well as the *GB 37823-2019 Air Pollutant Emission Standard for the Pharmaceutical Industry*, *GB 13271-2014 Boiler Air Pollutant Emission Standard* and *GB 18484-2020 Hazardous W*aste Incineration Pollution Control Standard, *DB12/524-2020 Volatile Organic Compound Emission Control Standard for Industrial Enterprises*, *DB31/373-2010 Pollutant Emission Standard for Biopharmaceutical Industry* and other standards and specifications, formulates and updates the *Exhaust Gas Equipment (Environmental Protection) Operation Management Procedures*, *Operation Management of Air Pollution Sources Online Monitoring System*, *Exhaust Gas Treatment Facilities Management Procedures*, *Local Ventilation Facilities Test Management Procedures* and other management procedures in a timely manner, to clarify the treatment, discharge, monitoring of exhaust gas and management responsibilities of personnel, daily maintenance, etc., ensuring that exhaust gas discharges are up to standards.

The Company identifies and evaluates the types of waste gas pollutants that may be emitted during the operation, their production links, their production volume and their environmental impacts, constructs waste gas treatment facilities, and entrusts the design

unit to formulate appropriate treatment procedures and operating procedures, with regular maintenance performed by professional departments. Among them, the waste gas treatment process of each plant of the company adopts mature, reliable and stable treatment technology. During the reporting period, the Company upgraded the automatic detection equipment and exhaust gas treatment system, and conducted relevant expert-level training to further enhance the exhaust gas management capabilities.

The Company has established self-monitoring and management procedures for pollutant discharge permits and installed on-line monitoring equipment for waste gas, which is operated and maintained by a third-party organization to ensure the stable operation of waste gas treatment facilities. The Company regularly inspects waste gas treatment facilities, monitors the discharge of waste gas pollutants in real time, and entrusts a qualified third-party organization to conduct periodic monitoring of waste gas pollutants. Once the exhaust gas disposal is found to be abnormal, the relevant employee will report it to the manager as soon as possible to ensure timely response and disposal of the problem. At the same time, in accordance with relevant national requirements, the company reports daily monitoring data of key air pollutant emission units to the local ecological environment management department through the system. During the reporting period, Asymchem Laboratories and all its subsidiaries did not have any excessive emission of waste gas.

**Exhaust Gas Management Measures**

| Exhaust gas Type | Main Monitoring Indicators | Processing Method | Discharge Method |
|---|---|---|---|
| **Exhaust gas** | • Volatile organic compounds ("**VOCs**"), nitrogen oxides ("**NOx**"), total non-methane hydrocarbons ("**NMHC**"), sulfur dioxide ("**$SO_2$**"), particulate matter ("**PM**"), etc. | • According to the characteristics of the waste gas, the waste gas treatment process such as activated carbon adsorption, alkali spraying, and bag dust removal is used for treatment. | • After the treatment reaches the standard, it is discharged to the atmosphere. |

## Soil pollution management

During the operation of Asymchem, no pollutants are discharged into the soil under normal circumstances. Under abnormal conditions, it may involve the storage and disposal of production materials, solid wastes, hazardous wastes, and soil pollution caused by sudden environmental accidents.

The Company has established a comprehensive soil pollution management system. The EHS department is responsible for regular training, investigation and management of hidden dangers, and the local department is responsible for rectification of hidden dangers. The Company strictly abides by the *Law of the People's Republic of China on the Prevention and Control of Soil Pollution*, *Pollution Control Standards for Hazardous Waste Storage*, *Technical Guidelines of Soil and Groundwater Self-monitoring for Industrial Enterprises (for Trial Implementation)*, *Guidelines for the Division of Groundwater Pollution Prevention and Control*, and *Standard for Pollution Control on Hazardous Waste Storage* and other laws, regulations and related regulations, formulates the *Soil and Groundwater Treatment Regulations*, conducts regular hidden soil danger inspections and establishes emergency

response plans to ensure that treatment and remediation measures can be promptly taken in the event of a pollution incident. At the same time, the company has set up a reward system for the investigation of hidden dangers to reward employees who discover hidden dangers in order to promote the timely detection and rectification of hidden dangers.

The Company identifies and evaluates the types of soil pollutants that may be discharged during the operation, their production links, their production volume and their environmental impacts, and formulates corresponding pollution control in accordance with the principle of combining source control, zoning prevention and control, pollution monitoring, and emergency response to control all stages of pollutants from treatment, infiltration, diffusion and emergency response.

For subsidiaries that are included in the key monitoring unit for soil pollution, the Company conducts monthly hidden soil hazard investigations, establishes hidden hazard management accounts, regularly entrusts third-party agencies to monitor soil and groundwater, and entrusts third-party agencies to conduct comprehensive investigations on potential hazards every three years. Analyze the monitoring data for three consecutive years to evaluate the effectiveness of soil pollution prevention and control in the plant area. Once a potential soil pollution hazard is discovered, the relevant employee will report it to the manager as soon as possible to ensure timely response and disposal of the problem. At the same time, for facilities with sump or sewage tanks, the company conducts physical leak inspections and inspections every year to assess the risk of soil pollution and ensure the effective implementation of pollution prevention and control measures.

In addition, in accordance with relevant national requirements, the Company reports the monitoring data of key soil pollution supervision units to the local ecological environment management department every year. Among them, the relevant public information of the subsidiary Liaoning Asymchem can be found in the "Self-monitoring Information Release Platform for Key Pollutant Discharge Units in Liaoning Province", while those for Jilin Asymchem, Jilin Asymchem Pharmaceuticals and Asymchem Laboratories Technology can be found in the Dunhua Municipal Government Information Disclosure Basic Platform[30]. During the reporting period, the Company had no soil pollution incidents, and the results of soil pollutant monitoring met the requirements of relevant standards.

**Soil Pollution Management Measures (Partial)**

| |
|---|
| • All areas involved in the storage, turnover and use of materials within the company are hardened to prevent soil pollution caused by accidental leakage of materials. |
| • Take corresponding anti-seepage and anti-leakage measures for storage tank areas, warehouses, and production areas, strictly inspect ground anti-seepage measures, etc., timely repair or replace facilities or cofferdams with quality problems, and eliminate potential pollution hazards in time to prevent pollution caused by leakage of chemicals. |
| • It is forbidden to arbitrarily set up sewage outlets in the construction site. Completely close the sewage pipes to prevent pollutants from flowing into the |

[30] During the reporting period, the company was included in the key supervision units for soil pollution, and the relevant public information links of its subsidiaries are as follows: Liaoning Asymchem (https://zxjc.lnsthj.cn/web/#/home); Jilin Asymchem, Jilin Asymchem Pharmaceutical, Jilin Asymchem Pharmaceutical Technology (http://www.dunhua.gov.cn/dhszfxxgkw/jlsml/).

| |
|---|
| soil environment. |
| • Set up emergency settings for leak collection in areas with soil and groundwater pollution risks. |

## Noise management

The industrial noise in the operation of Asymchem mainly comes from production equipment and facilities, fans of public and auxiliary facilities, cooling water towers, air compressors, air-conditioning fans, exhaust gas treatment station fans, sewage station blowers, workshop exhaust fans, etc.

The Company has established a noise pollution management system, strictly abides by the *Law of the People's Republic of China on the Prevention and Control of Noise Pollution*, *Emission Standard for Industrial Enterprises Noise at Boundary* and other laws, regulations and related regulations, and formulates environmental management systems such as *Environmental Management Procedures* including noise control management to ensure the systematization and standardization of noise control.

The Company identifies and evaluates the source of noise and its impact on the health of employees during the construction and operation of the project, and implements corresponding noise reduction measures such as isolation, vibration reduction, and sound attenuation based on the evaluation results. The EHS department of the Company conducts regular noise monitoring at the factory boundary, establishes a noise equipment account, and entrusts a third-party organization with relevant qualifications to conduct professional monitoring. Once the hidden danger of excessive noise is discovered, the relevant employee will report it to the manager as soon as possible. During the reporting period, Asymchem and all its subsidiaries met the noise emission standards.

**Noise Pollution Management Measures (Partial)**

| |
|---|
| • In the construction phase of the plant, noise-proof cotton is used, and noise-producing equipment is reasonably arranged inside the plant as much as possible to reduce the impact of noise. |
| • Priority is given to low-noise equipment, and anti-vibration measures are taken, such as adjusting the connection part of the equipment to a balanced position, reducing eccentricity and reducing noise from the source. |
| • For high-noise equipment such as fans, measures such as basic vibration reduction and additional sound insulation and noise reduction have been adopted. |
| • In daily operation, strengthen the maintenance of noise equipment to prevent the increase of noise caused by mechanical wear and to ensure the continuous and effective noise control in the plant. |

## ❖ Waste Disposal*

### Governance

The waste in the operation of Asymchem mainly comes from laboratories, production workshops, incinerators, office areas and canteens, etc. The wastes mainly include hazardous wastes, general industrial solid wastes, domestic wastes and construction wastes.

The Company has established a comprehensive waste management system. The EHS Department is responsible for the overall planning, supervision and compliance reporting of waste disposal, and the Production Department and the Comprehensive Office are responsible for various specific tasks of waste disposal. The Company strictly abides by the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, the *Management Measure for Transferring Hazardous Waste*, *National List of Hazardous Wastes*, *Solid Waste Classification and Code Directory*, and other laws and regulations, as well as the *Standard for Pollution Control on Hazardous Waste Storage* and *National List of Hazardous Wastes (2025 Edition)* and other standard and regulations, identifies the latest laws and regulations and relevant regulations, and carries out item-by-item identification and gap analysis to ensure that the operation and management of the Company's hazardous wastes meets the requirements of the newly effective standards and specifications.

The Company has formulated management procedures such as *Administrative Measures for Hazardous Waste* and *Solid Waste Management Procedures* to clarify the operating procedures for the process of waste generation, collection, storage, transportation and disposal to ensure the standardization and compliance of waste management. Once an abnormal waste disposal is found, the relevant employee will report it to the manager as soon as possible to ensure timely response and disposal of the problem. At the same time, the Company has established an intelligent hazardous waste management system in the factory to reduce manual input work and effectively improve the capacity and efficiency of hazardous waste information management.

The Company conducts statistics, matching and verification on the balance of waste generation, storage and disposal information on a quarterly basis. In addition, the Company tracks waste management from time to time. In addition to daily on-site inspections, supervision and management, the Company reviews the waste management level every quarter, identifies risks and deviations, and analyzes the types of waste to be managed in the next quarter and the breakthrough direction of resource utilization.

### Strategy

During the reporting period, the results of the analysis of the impact, risks and opportunities of the Company on waste disposal issues are as follows:

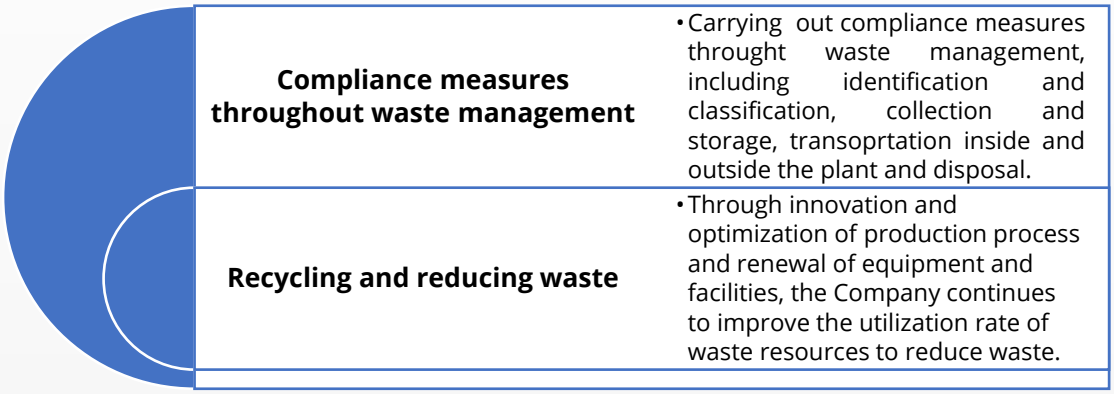
**Results of Analysis of Impacts, Risks and Opportunities Related to the "Waste Disposal" Issue**

| Impact Analysis | | |
|---|---|---|
| **Mainly Impact Type** | **Scope of Influence** | **Impact Description** |
| Potential + negative | Upstream of the value | Hazardous waste and non-hazardous waste are actually generated during the production and |

| | | | |
|---|---|---|---|
| impact | chain/business operations | operation of the Company, posing potential threats to the ecological environment and community health. The company reduces negative impacts through scientific management and compliance. | |
| **Risk and Opportunity Analysis** | | | |
| **Main risk/Opportunity Type** | **Time Range** | **Main Potential Financial Impact** | **Risk and Opportunity Description** |
| Risk | Long term | Rising operating costs | Inadequate waste management may result in environmental degradation, exposing the Company to multiple risks including lawsuits, regulatory penalties, operational suspensions, reputational damage, and loss of clientele. |

The Company adopts the strategy of combining "full-process compliance management + resource utilization and reduction". On the one hand, the Company promptly identifies and implements waste-related laws, regulations and standards, establishes a comprehensive waste management mechanism, continuously improves waste management capabilities, and ensures compliance management throughout the whole waste process. For details, please refer to this section of this report. On the other hand, the Company has formulated a long-term work plan for waste recycling and reduction, focusing on improving the utilization rate of waste recycling and reducing waste generation. For details, please refer to the "Circular Economy" section of this report.

**Waste Management Strategy**




## Impact, risk and opportunity management

The Company identifies and evaluates the types of waste that may be generated during its operation, its production link, its production volume and its environmental impact, and formulates corresponding management plans based on the results of the evaluation, and manages the waste throughout the entire process. At the same time, the Company continues to strengthen its waste management capabilities, audits third-party disposal units, analyzes possible environmental accidents through risk assessment, establishes a risk emergency management organization based on the assessment results, adapts emergency protection resources, and conducts drills and trainings for all employees.

### Compliance management throughout the waste process

Adhering to the whole-process waste management concept of "cradle to grave", the Company conducts the whole-process management of waste, especially hazardous waste, which mainly includes waste identification and classification, collection and storage, transportation inside and outside the plant, and disposal.

**Waste Management Measures in the Whole Process**

| Identification and Classification | Collection and Storage | Transport | Dispose |
|---|---|---|---|
| • Identify waste generated in operations.<br>• Establish and update the waste list and management account in a timely manner, and conduct list management of waste.<br>• Different management measures are adopted for different types of waste. | • Build storage warehouses that meet the requirements of laws and regulations. The waste generated is received and stored by the designated department. | • In-plant transportation: Take measures to prevent scattering, loss and leakage during the transfer.<br>• Off-site transportation: Verify the qualifications and technical capabilities of the carrier or receiver of the hazardous waste, sign a written contract in accordance with the law, and agree on pollution prevention requirements and related responsibilities for the transportation, storage, utilization, and disposal of hazardous waste. Fill out the joint form before leaving the factory, and make sure that the goods | • Self-disposal: Some plant areas have built solid waste self-disposal facilities to incinerate waste liquids and waste solvents generated during operation.<br>• Outsourcing disposal: Entrust a third-party agency with relevant qualifications to dispose of or utilize waste. |

| Identification and Classification | Collection and Storage | Transport | Dispose |
|---|---|---|---|
| | | to be transported are consistent with the joint form. | |

The Company classifies the waste generated in operation according to the "National List of Hazardous Wastes", "Solid Waste Classification and Code Directory" and other laws and regulations and internal management systems, and takes different management measures on different types of wastes according to the nature and properties of the wastes.

**Waste Separation Management Measures**

| Type of Waste | Main Waste | Processing Method |
|---|---|---|
| **Hazardous waste** | • Process exhausted liquids, waste residues, activated sludge, contaminated waste, activated carbon, waste halogen solvents, waste solvents, waste solvent containers, high-concentration waste liquids, used engine oil, inorganic salt, exhausted liquids in labs, activated carbon, stillage residues, incineration residues, used filtering membranes, used cultivation bottles and bags, used consumables, production tailings, defective products, used chromatographic column fillings, used activated carbon for waste gas treatment systems, etc. | Collected and transported by specially-assigned persons to a temporary storage site for hazardous wastes, and disposed of by themselves or by an eligible unit in compliance with laws and regulations. |
| **General industrial solid waste** | • Waste packaging cardboard and cartonnes, waste glass, waste foam materials, scrap metal, etc. | • Stored in the designated location of the plant and disposed of by the qualified disposal unit in the place of operation. |
| **Domestic garbage** | • Waste paper, waste plastic packaging, waste metal products (cans, etc.), etc. | • After the unified collection, the city management committee will carry out clearing and transportation regularly. |
| **Construction waste** | • Crushed stones, muck, concrete blocks, etc. | • Stored in the designated location of the plant, and disposed of by the qualified disposal unit in the place of operation. |

### Improve waste management capabilities

The Company continues to strengthen the audit and supervision of third-party disposal units, and audits them once a year, covering Asymchem Laboratories and all relevant suppliers of subsidiaries involved in hazardous waste disposal to ensure the safe disposal of hazardous waste. During the reporting period, the Company conducted a total of 16 on-site audits to confirm the disposal capacity of the disposal unit. At the same time, the Company requires disposal units to submit waste disposal reports on a quarterly basis to track the progress of waste disposal in real time to ensure that the whole process is transparent, compliant and safe.

The Company conducts emergency drills and trainings related to waste management to enhance the waste management awareness and capability of all employees. The Company adheres to the policy of "safety first and prevention as major measure" and focuses on the prediction and prevention of emergencies. It also provides training on topics such as Emergency Plan and On-site Solution for Plant Contingencies, Emergency Plan for Environmental Contingencies, Solid Waste Management Procedures and Standardized Management of Hazardous Waste. During the Reporting Period, the Company conducted a total of 10+ training sessions on waste management topics, covering all employees, to further improve the emergency rescue capability for hazardous waste leakage in case of emergency, as well as employees' emergency response awareness and ability.

## Metrics and targets

Based on the principle of minimizing the amount of waste generated, the Company has established waste disposal Metrics and targets, as shown in the table below. By the end of the reporting period, the Company has achieved relevant targets. In the future, the Company will continue to promote and implement waste management goals and requirements.

**Waste Treatment Targets**

| Target | Progress |
|---|---|
| • Ensure 100% compliant disposal of solid waste | • Achieved<br>• In 2025, there was no solid waste pollution accidents in Asymchem Laboratories and all its subsidiaries. |
| • 100% of all hazardous waste-related employees receive solid waste management training | • Achieved<br>• In 2025, all employees of the Company's hazardous waste-related positions were received relevant training |
| • Zero landfill of primary hazardous waste generated from production | • Achieved<br>• In 2025, the Company required third-party disposal units to change hazardous waste disposal methods and entrusted non-landfill disposal units to dispose hazardous waste to , so as to achieve zero landfill of hazardous waste generated during production. |

## ❖ Ecosystem and biodiversity protection

Asymchem strictly complies with the *Environmental Protection Law of the People's Republic of China*, *the Environmental Impact Assessment Law of the People's Republic of China*, *Notice on Strengthening the Management of Ecological Protection Red Lines (for Trial Implementation)* and other laws, regulations, policies and regulations, as well as the *Convention on Biological Diversity*, *Ramsar Convention* and other international Conventions.

All of the Company's operation sites are located in industrial parks, do not occupy ecological protection red line land, thus do not involve important ecological functions or ecologically sensitive and fragile areas, nor do they involve wildlife protection, natural habitat protection and restoration, etc. There is no direct impact on biodiversity from the Company's operations.

Ecosystem and biodiversity are one of the foundations of sustainable development of enterprises, and their protection is crucial to achieving sustainable development of enterprises. The Company attaches great importance to the protection of ecosystems and biodiversity. During the reporting period, the Company revised the *Environmental Management Policy* to further clarify the relevant management principles. In the daily operation process, the Company assesses and prevents biodiversity risks, conducts biodiversity knowledge promotion and organizes employees to participate in related activities. During the reporting period, the Company was awarded the honorary certificate of "Enterprise Biodiversity Conservation Alliance" issued by Tianjin Economic and Technological Development Zone.

The Company has set ecosystem and biodiversity conservation Metrics and targets to further enhance employees' awareness of biodiversity conservation, as shown in the table below. By the end of the reporting period, the Company has achieved relevant targets. In the future, the Company will continue to promote and implement the goals and requirements of ecosystem and biodiversity conservation.

**Ecosystem and Biodiversity Conservation Targets**

| Target | Progress |
|---|---|
| The coverage rate of new employees on biodiversity training is ≥80% | • Reached<br>• In 2025, the coverage rate of the Company's new employees on biodiversity training is 100% |
| The Company participates in at least one external biodiversity conservation theme activity throughout the year | • Reached<br>• In 2025, the Company has participated in external biodiversity conservation theme activities many times |

### Conduct a biodiversity risk assessment

The Company has established a biodiversity risk assessment process, incorporated it into the company-wide risk management process, and formulated and implemented response strategies and plans. During the reporting period, the Company conducted a biodiversity risk assessment, identified biodiversity risks related to the Company's operations, and formulated corresponding risk prevention measures. The Company systematically identified biodiversity-related risks and assessed their likelihood and severity with reference to the "Location-Evaluation-Assessment-Preparation" ("**LEAP**") analysis method,

using tools such as IUCN Red List of Threatened Species, World Database on Protected Areas and the Database of Key Biodiversity Areas, and the overall assessment result was "low risk".

**Biodiversity Risk Assessment Process**

| Positioning | Evaluation | Assessment | Preparation |
|---|---|---|---|
| • Clarify the geographic scope of the assessment.<br>• Identify the distance and overlap between the Company's operating location and the ecologically sensitive area.<br>• Identify the ecosystems and species relevant to the Company's operations. | • Evaluate the key impacts and dependencies on nature in the Company's operations and in the areas surrounding its operations (for example, evaluate the impact and reliance on nature of the Company's use of main raw materials and packaging). | • Set evaluation indicators to comprehensively evaluate potential risks and opportunities related to biodiversity. | • Based on the risk assessment results, formulate and implement a biodiversity management plan, which is incorporated into the Company's overall risk management system. |

## Propaganda and Implementation of Biodiversity Conservation Knowledge

The Company continues to strengthen publicity and education, disseminating the concepts and knowledge of biodiversity conservation through banners, posters, and videos. During the Reporting Period, as a council member of the Environmental Protection Association of Tianjin Economic and Technological Development Zone ("**Environmental Protection Association**"), the Company actively organized employees to participate in biodiversity conservation themed activities organized by the Environmental Protection Association. Employees are encouraged to participate in various interactive experience to engage in the practical work of biodiversity conservation, gain understanding of the importance of harmonious coexistence between humans and nature, and contribute to the harmony of the ecosystem.

**Participate in Biodiversity Conservation Activities (Partial)**

- In May 2025, participated in the promotion of the establishment of the Tianjin Economic and Technological Development Zone Enterprise Biodiversity Conservation Alliance, and cooperated with other enterprises and social organizations to jointly build biodiversity conservation.
- In May 2025, participated in the "Human and Nature Harmonious Symbiosis Observation Activity" in Tianjin Nangang Industrial Zone, listened to experts explaining the knowledge of biodiversity, went to Nangang Nandi Road Shoal for

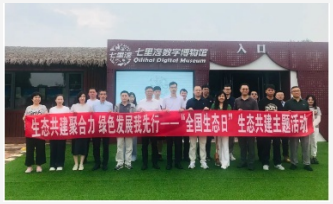
on-site bird watching, and listened to experts introducing green energy -offshore wind power projects.

- In August 2025, participated in the “National Ecological Day” ecological co-construction theme activity, and conducted ecological research cooperation with the local ecological environment bureau and other enterprises.









# 8. Escorting Growth and Progressing Toward the Light

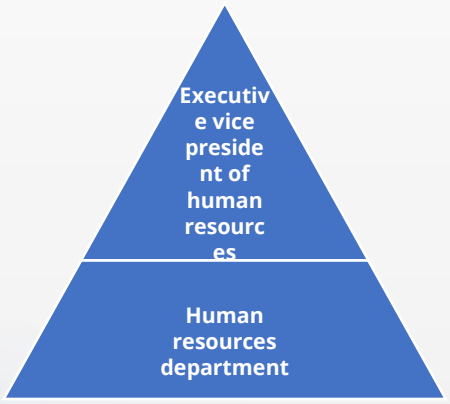
## ❖ Employment and Employee Rights

Adhering to the "people-oriented" corporate culture and the talent development concept of "leveraging talents to their fullest potential", Asymchem is committed to attracting, retaining and motivating outstanding talents. The Company pays attention to the growth and development of each employee, and assists employees to achieve their career aspirations and grow together with the Company through a multi-dimensional support system.

Types of employees employed by the Company include full-time contract employees, interns and retired and rehired employees. The Company strictly abides by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other relevant laws and regulations, and educates itself about the latest policy requirements such as *Interpretation (II) of the Supreme People's Court on the Application of Law in Labor Dispute Cases* and *Compliance Guidelines for Enterprises on Implementing Non-competition Restrictions*. The Company have established an internal self-inspection mechanism for prompt issue rectification, strengthened internal self-inspection regulations, and ensured permanent compliant human resources management.

The Company has established a sound and efficient human resources governance structure under the overall leadership of the senior vice president of human resources. There are a number of subdepartments established under the human resources department, each with their own clear division of responsibility and clear terms of reference for each level of position. All employees involved in human resources management have corresponding qualification certificates or strictly screened educational backgrounds, as well as professional capabilities and experience in human resources management. At the same time, the Company regularly provides learning opportunities for employees in human resources management positions, such as external seminars, online courses, etc., to keep their professional knowledge updated.

**Employee Employment and Rights Management Structure**

<table>
<tr>
<td rowspan="2">
</td>
<td>Executive vice president of human resources:<br>• Responsible for reviewing and approving important decisions on employment practices, compensation and benefits policies, etc., to ensure that all human resources management activities are in line with the Company's strategic goals.</td>
</tr>
<tr>
<td>Human resources department:<br>• Sub-departments include recruitment, training and development, performance management, labor relations, etc., each department consists of a professional team responsible for specific areas of</td>
</tr>
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| | |
|---|---|
| | work. |

The Company has formulated human resources policies and management systems such as the *Employee Handbook* and the *Value and Code of Conduct*, which are embedded in its daily operations and corporate culture. During the Reporting Period, the Company updated the *Value and Code of Conduct* and other policies and systems to further strengthen the protection requirements for the rights and interests of employees within the Company and value chain partners. The Company has established an internal review mechanism to regularly examine the implementation of human resources policies and management systems once a year to ensure the compliance and fairness of human resources management. In addition, the Company is subject to external audits on human resources management. During the Reporting Period, the Company conducted 4 internal audits of human resources management system, covering Asymchem Laboratories and all its subsidiaries; and accepted 7 external audits. There were no significant deficiencies found in the Company's internal and external audits.

The Company evaluates the human resources department and its sub-departments every year based on key dimensions such as work efficiency and employee satisfaction, and optimizes its work plan based on the assessment results to continuously improve deficiencies. The Company enhances the efficiency and effect of human resources management system while enhancing employees' sense of experience and ability to

## Staff recruitment and hiring

### Employee recruitment strategy

Based on its development needs, Asymchem has formulated a systematic talent recruitment plan, establishes and strictly abides by a standardized and transparent recruitment process, including job demand analysis, recruitment plan formulation, resume screening, interview evaluation, etc. Recruitment process complies with all standards, and information is open and transparent.

The Company continues to optimize the recruitment mechanism to ensure fairness and inclusiveness in its recruitment. During recruitment and employment, the Company follows the principles of fairness, impartiality and openness, hires candidate based on their qualifications and ability for the position, and will not be affected by their age, ethnicity, race, family background, minority background, skin color, sex, sexual orientation, religion, social origin, nationality, disability, pregnancy, etc. The Company optimized job descriptions to avoid any discriminatory tendencies. At the same time, the Company strengthens the training of recruiters, improves the awareness of fair recruitment and professional judgment, and ensures fairness and efficiency in talent selection.

**Talent Acquisition Strategy and Results**

| Recruiting Target group | Recruitment Strategy | Achievement |
|---|---|---|
| **Freshman Talents** | • The Company actively participates in various campus job fairs, displays corporate culture, recruitment positions and other information to | • During the reporting period, the company adhered to the talent strategy orientation of "global vision, top-notch connections", and systematically constructed a talent attraction network |

| Recruiting Target group | Recruitment Strategy | Achievement |
|---|---|---|
| | graduates, holds theme lectures, shares industry trends and employment trends, establishes close cooperative relationships with colleges and universities, and provides internship and employment opportunities for students to attract high-quality young talents. | covering outstanding universities at home and abroad. The company has deeply participated in more than one hundred dual elections and presentations for domestic and foreign universities, and held special talent dialogues in well-known universities in North America, Europe, Asia Pacific and other regions, designed the "New Talent Program" and established precise and in-depth communication channels with outstanding graduates from both home and abroad.<br>• The Company continues to build a reservoir of young talents, successfully held summer camps for school recruitment and urban academic forums. It invites outstanding students from home and abroad to visit the core R&D base and advanced manufacturing park. Through panoramic visits, practical workshops and conversations with technical leaders, they can fully perceive the Company's corporate culture and scientific research and innovation capabilities. |
| **Experienced Professionals** | • The Company conducts recruitment projects for various key businesses at China and abroad, and actively introduces outstanding talents to meet the Company's development needs.<br>• The Company uses a variety of social recruitment channels, including employee referral, online | • During the Reporting Period, the Company recruited a total of 3,004 new employees through social recruitment channels, covering professional backgrounds such as biology, chemical engineering, and materials, further strengthening the Company's talent team building. |

| Recruiting Target group | Recruitment Strategy | Achievement |
|---|---|---|
| | recruitment websites, social media, and headhunting companies, to continuously improve recruitment efficiency. | |
| **Diversified talents** | • The Company is committed to building a global and diverse team, actively recruiting talents of different nationalities, races, genders, social experiences and professional backgrounds to promote the diversified development of the talent team.<br>• The Company is committed to building an inclusive working environment, eliminating all forms of employment discrimination, treating persons with disabilities equally, providing them with a barrier-free recruitment process and working environment, supporting each employee to realize their potential, and jointly promoting the inclusive development of the Company. | • The Company has set up offices in many countries, laboratories and subsidiaries around the world have employed employees from 18 countries including the United States, the United Kingdom, Germany, and India, and the employees in China include 26 ethnic minorities, promoting cross-cultural integration and enhancing the Company's global vision.<br>• The Company actively optimizes working conditions and office facilities and promotes the construction of a barrier free environment to help employees with disabilities to better integrate into the workplace and give full play to their abilities. During the Reporting Period, the Company cooperated with external dispatch companies to provide job opportunities for a total of 127 employees with disabilities, achieving the management target for the year. |

### Compliance employment

The Company strictly abides by the laws, regulations and relevant regulations of the places where it operates, and clearly stipulates compliance requirements in the *Employee Handbook* and *Value and Code of Conduct*. The Company resolutely prohibits child labour and eliminates it through a strict recruitment process and identification procedures. At the same time, the Company is committed to respecting the basic human rights of employees, strictly prohibiting any forms of forced labor, human trafficking and other human rights violations, and is committed to creating a fair and just working environment that respects personal rights and interests to ensure that all employees enjoy a safe, free and dignified career development space. The Company encourages relevant personnel to report violations of regulations to their directors or the human resources department in a timely manner for investigation and handling.

During the Reporting Period, no instances of child labor or forced labor, strikes, radical downsizing, controversial incidents, or violations of labor laws and regulations occurred.

## Diversity, equality and inclusion

### Multicultural construction

Adhering to the core concepts of diversity, equality and inclusiveness, Asymchem formulated the *Diversity, Equality and Inclusion Policy* to ensure that all employees are recruited, trained, remunerated, and promoted fairly without discrimination or unfair treatment on any grounds, creating an open, safe and inclusive working environment.

The Company is committed to the development of multiculturalism, and has carried out a series of measures such as fair employment practices, multicultural training, and inclusive leadership development. The Company conducts annual training on the theme of "business ethics, compliance control, and employee rights protection" for all employees. In addition, the Company provides training on corporate culture and company policies for new employees, covering 18 standards of conduct such as "respecting others, avoiding discrimination, and eliminating harassment". During the Reporting Period, the coverage rate of thematic training for new employees reached 100%.

The Company pays attention to the diverse needs of employees and provides rich cultural and caring activities for different ethnic groups to create a more belonging working environment for employees. For example, for foreign employees, the Company respects their cultural diversity, provides special catering in line with their eating habits, and organizes activities related to their cultural background to enhance employees' sense of belonging and satisfaction.

### Anti-discrimination and anti-harassment

The Company has formulated the *Value and Code of Conduct*, which clearly prohibits any discrimination and harassment, and has established clear discrimination and harassment complaint handling procedures to ensure that employees can give feedback through various channels such as oral reports, written reports, complaint letters, whistle-blowing phone calls or emails. The Company undertakes to conduct confidential investigations into all complaints and carefully examine the course and impact of incidents. If discrimination or harassment is confirmed, the Company will take appropriate measures such as persuasion, warning, transfer, suspension, dismissal, etc., and at the same time provide support and comfort to the victimized employees to protect their rights and interests. During the Reporting Period, there was no incident of workplace discrimination or harassment in the Company.

### Equal pay for equal work

The Company adheres to the principle of equal pay for equal work and formulates remuneration standards based on factors such as position, performance and ability to ensure the fairness, transparency and market competitiveness of the remuneration system. The Company regularly monitors and analyzes salary data to ensure that employees with the same position, experience and work performance receive fair and reasonable remuneration to protect the rights and interests of employees and effectively motivate and retain outstanding talents.

In order to enhance the transparency of remuneration management, the Company discloses the remuneration policy and structure on its internal office platform. Employees can inquire about the relevant regulations at any time to ensure the clarity and accessibility

of the remuneration system. At the same time, the Company regularly evaluates the reasonableness of salary through internal fairness and external competitiveness analysis, and conducts horizontal comparison of pay gap among different genders to optimize its salary structure and ensure that the salary level remains competitive in the industry. In addition, the Company has established a remuneration grievance mechanism to provide a reasonable feedback channel to ensure that employees can fully understand their remuneration status and resolve remuneration-related questions in a timely manner, further enhancing the fairness and transparency of its remuneration management.

During the reporting period, the Company has achieved equal pay for men and women in the salary system. The Company's average gender pay gap was 0.61% and the median gender pay gap was 0.86%, mainly due to differences in job vacancies, job nature and professional requirements for different genders.

**Gender diversity goals and progress**

The Company not only pays attention to the fairness of remuneration results, but also embeds gender equality in the organizational culture and governance system as the fundamental guarantee for the healthy development of the enterprise. To this end, the company has set a clear goal of gender diversification to achieve continuous optimization of the talent structure.

**Gender Diversity Targets**

| Target | Progress |
|---|---|
| • By 2027, the proportion of female employees shall not be less than 33% | • In progress<br>• In 2025, the proportion of female employees is 32.11% |
| • By 2027, the proportion of female management employees shall not be less than 31% | • In progress<br>• In 2025, the proportion of female management employees is 30.76% |
| • By 2027, the proportion of female employees at the grassroots management level shall not be less than 32% | • In progress<br>• In 2025, the proportion of female employees at the grassroots management level is 31.29% |
| • By 2027, the proportion of female employees in senior management should not be less than 20% | • In progress<br>• In 2025, the proportion of female employees in senior management is 19.35% |
| • By 2027, the proportion of female management employees in the income-generating sector shall not be less than 28.3% | • In progress<br>• In 2025, 28.16% of management-level female employees in income-generating sectors |
| • By 2027, the proportion of female employees in science, technology, engineering and mathematics ("**STEM**")-related positions shall not be less than 45% | • In progress<br>• In 2025, the proportion of female employees in STEM-related positions is 44.19% |

## Employee rights and benefits

### Employee rights and interests

Asymchem attaches great importance to the protection of employees' rights and interests,

and has established a comprehensive labor and human rights management system. The Company has formulated *Management Procedures on Labor, Human Rights and Business Ethics* and conducts quarterly internal audits. These audits cover key areas including freedom of employment, child and youth worker management, remuneration and benefits, working hours, etc. The Company prepares *HR Internal Audit Reports* to categorize and rectify issues identified during audits, ensuring compliance with employment regulations and fulfillment of social responsibilities.

During the Reporting Period, the Company entered into a *Collective Contract* with all employees, covering key matters such as working hours, welfare benefits, and payment of overtime pay. The legitimate rights and interests of employees are protected through a negotiation mechanism to ensure the compliance and transparency of labor relations.

### Human rights due diligence

To ensure the effective operation of the labor and human rights management system, and to systematically prevent, identify and respond to potential risks. With reference to the *United Nations Guiding Principles on Industry, Commerce and Human Rights*, the Company has established a human rights due diligence closed-loop mechanism covering the entire process of risk assessment, complaint response and continuous improvement.

**Human Rights Due Diligence Process**

| | |
|---|---|
| **Risk Assessment and Monitoring** | • Establish a dual monitoring mechanism of "annual comprehensive investigation + quarterly project spot checks" to achieve full coverage of all branches and production bases operated by the company itself.<br>• Identify potential risks through multi-dimensional document review such as salary record verification, contract account review, and training file review.<br>• Focus on key risk areas such as salary fairness, anti-discrimination, occupational health and safety, labor human rights protection, business ethics and implementation of paid holidays. |
| **Complaint Handling and Response** | • Establish a full-process closed-loop management system of "employee complaints—quick response—investigation verification—rectification feedback—tracking verification" to ensure that employees' complaints are responded to within 2 working days, and closed loop processing is achieved within 15 working days.<br>• Through multiple channels such as email, instant messaging, online platforms and offline suggestion boxes, a 100% appeal acceptance rate is guaranteed. |
| **Continuous Improvement and Optimization** | • Compile and submit the *Evaluation Report on Employees' Rights and Interests* to the management every year to systematically analyze the risk status and management effectiveness.<br>• Combining the results of external ratings and changes in laws and regulations, continue to optimize the due diligence process and response strategies. |

During the reporting period, the Company has identified potential risks such as forced labor, discrimination, and collective bargaining rights, and has taken targeted response measures such as compensation, restoration and system optimization. The Company has

a mitigation plan covering all operating entities or subsidiaries of the Group, and the number of sites involved in the mitigation plan is 17.

**Identification of Potential Human Rights Risks and Countermeasures**

| Potential Human rights Issues | Problem Description | Covered Groups | Countermeasures |
|---|---|---|---|
| Forced labor | • The risk of employees working overtime due to shift schedules and insufficient compensation. | Own employees, suppliers, and supplier employees | • Pay overtime in full. |
| Discrimination | • Whether male and female employees are paid the same for equal work during promotion and transfer. | Owned employees, female employees, suppliers, supplier employees | • Start the reassessment process. |
| Prohibition of child labor | • Failed to identify the true age of child labor and juvenile workers during recruitment, and violated the prohibition of child labor and the protection of juvenile workers. | Own employees, suppliers, and supplier employees | • Confirm the true age of employees through ID verification before employment. |
| Freedom of association | • Does the Company ensure that labor union members and employee representatives will not be discriminated against or retaliated against because of their status or organization of workers' activities? | Own employees, suppliers, and supplier employees | • Strictly abide by local laws and regulations, and fully respect and protect the right of employees to associate freely in accordance with the law. |

## Employee benefits

The Company has formulated and implemented the *Employee Welfare Policy* and *Employee Handbook* with "inclusive and fairness, precise care, and compliance and adaptation" as the core, and constructed a two-tiered welfare system of "statutory benefits + extensive non-statutory benefits". The system covers the paid annual leave policy, strictly abides by local laws and regulations, and ensures that employees are fully aware of, enjoy and use their paid annual leave rights through system promotion and leave management. The Company's welfare system fully implements statutory benefits such as social security and provident funds, and provides non-statutory benefits such as working meals to all employees on an equal basis. All important non-remuneration benefits are not treated

differently due to position, level or status, ensuring that qualified employees enjoy no difference.

**Employee Welfare System**

| | |
|---|---|
| **Statutory Benefits** | • Social insurance and housing fund, middle/night shift allowance, heatstroke and cold protection allowance, statutory holidays. |
| **Non-statutory Benefits (the Company's Supplementary Benefits)** | **Health and stress management benefits**<br>• Annual physical examination: covering all physical examinations.<br>• Mental health support: The United Labor Union provides free employee assistance program ("**EAP**") psychological counseling services.<br>• Sports health plan: Provides a fixed amount of funds every quarter to support the activities of the existing sports clubs in the Company, and can also be used by employees to organize their own running, sports meets and other activities.<br>• Supplementary medical insurance: commercial medical insurance for all employees, covering medical scenarios such as outpatients and inpatients.<br>**Family care benefits**<br>• Infant care benefits: for both parents whose children are under 3 years old, the main caregivers and non-primary caregivers can enjoy two weeks of paid parental leave each year; the company has a standardized nursing room (equipped with refrigerators and disinfection equipment). Provide necessary places for breastfeeding employees and ensure that they have 1 hour of breastfeeding time per day.<br>• Paid family leave: An employee's immediate family members (parents, spouses, children) who are sick and hospitalized can enjoy a cumulative total of no more than 10 days of paid care leave each year; if they are the only child and their parents are over 60 years old, they can enjoy an additional 5 days of paid care Take care of leave.<br>• Maternity and maternal and child support: female employees are entitled to statutory maternity leave and 30 days of incentive leave, and male employees are entitled to 15 days of paternity leave; corresponding maternity allowances are issued.<br>**Other non-statutory benefits**<br>• Living allowance category: Distribute transportation and communication subsidies to eligible employees and provide free accommodation for front-line employees; the canteen provides 4 meals a day and provides monthly meal allowances.<br>• Wedding Bonus: Employees who register for marriage after joining can be entitled to the Wedding Bonus according to the standard.<br>• Childbirth Gifts: Female employees who give birth after taking up the job can enjoy childbirth gifts according to the standard. |

| | |
|---|---|
| | • Condolence payment: the death of an immediate family member can apply for condolence payment.<br>• Inpatient consolation money: employees are entitled to consolation money in hospital according to the standard.<br>• Birthday gift: Give out in the month of birthday.<br>• Interest-free borrowings: Interest-free borrowings for the down payment of the first set of commercial housing occupied by qualified employees.<br>• Tourism welfare and group building activities: organize group building twice a year and one tourist activity for all employees.<br>• Career development: provide support for academic qualifications and skills verification, all employees cover internal training courses, and core vacancies can participate in external industry summits and project training.<br>• Festivals and Caring: Distribute consolation gifts during the Spring Festival, Women's Day, Dragon Boat Festival, Mid-Autumn Festival and other traditional festivals; provide emergency relief funds for employees in need.<br>• Recognition category: Set up multiple types of awards such as quarterly awards, annual awards and long-term service awards. |

### Care for employees

The Company always pays attention to the physical and mental health of its employees and is committed to creating a healthy and harmonious working environment. The Company regularly organizes a variety of cultural and sports activities and provides employees with health protection services to actively create a "home" culture to enhance employees' sense of belonging and team cohesion.

**Care Measures for Employees' Physical and Mental Health**

| Measures | Description |
|---|---|
| **"Look to the Future with a Light in the Heart" (a series of themed activities)** | • **Events:** The Company holds various sport events every month, such as martial arts, e-sports, football, basketball, badminton, table tennis, light volleyball, swimming, etc., to enhance the cohesion within the Company, promote better communication among employees, improve physical and mental health of employees and showcase employees' talents and strengths.<br>• **Club activities:** The Company has held 10 clubs covering various fields, such as photography, swimming, basketball, football, etc., to enrich employees' spare time and improve employees' health and happiness<br>• **Team building activities:** The Company actively conducts various departmental team building, matrix team building, cross-departmental team building and other activities to effectively alleviate the work pressure of employees and create a positive atmosphere.<br>• **Networking activities:** During the Reporting Period, the Company held 6 networking activities for single employees to help young employees date and build up friendships and maintain harmony and stability of the workforce. |

| Measures | Description |
|---|---|
| | • **Volunteer Activities:** On April 2, 2025, the company held the 18th "World Autism Awareness Day" event. Through mixed games with autistic people and volunteers, participants were able to eliminate the need for autism in a natural interaction. The stereotype conveys the concept of equal acceptance. |
| **"Home" culture activity** | • During the Reporting Period, the Company organized various family day activities such as Little Artists and Parent-Child Musical Theatre, which were attended by more than 100 employees. Employees can relax in their spare time and further enhance communication and relationship with their families. |
| **Health service** | • The Company arranges regular physical examinations for employees.<br>• Relying on the mental health consultation platform of the Tianjin Economic and Technological Development Zone Federation of Trade Unions, the Company provides psychological consultation services to effectively relieve employees' psychological problems. |



**Employee Activities Hosted by the Company (Partial)**

The Company pays attention to the career development and physical and mental health of female employees, and provides diversified support and special benefits for all female employees. The Company regularly holds exclusive events. During the Reporting Period, the Company carefully prepared triple privileges for female employees on the International Women's Day, including a beauty seminar themed "Following the Light and Embracing Your Beauty", half-day holiday and exquisite gifts, etc., to enhance the personal development and happiness of female employees. In addition, the Company cares for female employees undergoing the "three periods" of pregnancy, childbirth and breastfeeding, providing convenient conditions for them to help them achieve work-life balance. For employees who are breastfeeding, the Company has established a "female workers' health and safety island", equipped with refrigerators, lockers, sofas and other facilities and daily necessities to help female employees overcome practical difficulties during breastfeeding. At the same time, the Company provides cash gifts to female employees who have ended their maternity leave to support their career and family balance with practical actions.

The Company continuously strengthens the support for employees in need, focuses on the needs of employees, and takes measures such as hospitalization condolences and normalized condolences, fundraising assistance, and relief funds for serious illnesses to help employees relieve stressful life with practical actions. For employees who are sick, the Company proactively coordinates medical resources to ensure that employees can seek medical treatment in a timely manner, and provides hospitalization condolences to reduce the medical burden of employees. In addition, the Company provides regular holiday condolences to employees in need to provide care and support to help them overcome difficulties. In terms of relief funds, the Company respects the wishes of employees and organizes fundraising activities to provide financial support to employees in need. All employees facing economic hardship can apply for the corresponding assistance. At the same time, the Company actively assists employees to apply for relief funds for critical illness from relevant institutions to ensure their bare necessities is guaranteed, demonstrating humanistic care and social responsibility. During the Reporting Period, the Company initiated two fundraising events, raising a total of approximately RMB221,700, achieving a 100% help coverage rate.

## Employee communication and engagement

Asymchem attaches great importance to employee communication and respects the freedom of association of employees. The Company establishes a labor union covering all employees and actively builds a formal, open and efficient communication platform, to continuously follow up employees' demands and suggestions to ensure effective feedback and implementation of employees' demands. During the Reporting Period, the Company organized and convened 1 employee representative meeting, at which the *Employee Welfare System of Asymchem Group* and *Management Measures for Long-term Incentive Funds* was considered and approved, with a total of 109 employee representatives participating. At present, the collective bargaining agreement has achieved full coverage, with a 100% coverage rate.

To achieve democratic management within the Company and fully leverage the permeating, shaping, and leading role of the Company's culture, Asymchem has preliminarily explored and implemented the "Three Ones" methodology: listening to one demand, conducting one communication, and realizing one improvement. This approach focuses on three key areas: health services for talents, talent dormitory environment enhancement, and comprehensive services for talents. The Company collects employee feedback and listens to employee voices through both online and offline channels. Based on the demands raised by employees, it actively coordinates internal resources to drive problem resolution.

**Employee Communication Channel**

| Channel | Description |
|---|---|
| **Face-to-face conversations** | • The Company organizes from time to time face-to-face conversations with both old and new employees to solicit their opinions and suggestions on work and life, and then refer the opinions and recommendations to the audit department to make improvements and adjustments |
| **Complaint mailbox for employee** | • The Company has established a formal complaint channel (special mailbox for employee complaints). Employees can send their opinions and suggestions anonymously through their personal mailboxes. Specially assigned persons in the audit department are responsible for checking the emails and giving |

| Channel | Description |
|---|---|
| | feedback on the implementation. |
| **Opinion soliciting platform** | • The Company has established a workflow for "soliciting opinions and suggestions among employees". Employees can anonymously offer their opinions and suggestions in the workflow and inquire about the progress of the solution on the disclosure page. |

The Company keeps confidential the information of feedback providers from various channels, and arranges specially assigned personnel to sort and classify the opinions, suggestions and complaints received on a regular basis. Focused attention shall be paid to concentrated or significant problems, and it is stipulated that feedback shall be given within one week after receipt of comments, suggestions and appeals. At the same time, the Company encourages employees to put forward suggestions for improvement, report problems and unfair treatment. A reward and punishment mechanism has been set up to punish the departments or employees who do not cooperate with problem rectification and reward employees whose suggestions are accepted by the Company.

The Company establishes a regular employee engagement and satisfaction survey mechanism as an important management tool to ensure employee communication and participation. The Company conducts employee satisfaction surveys on a semi-annual basis. During the Reporting Period, the Company conducted a satisfaction survey with a focus on assessing the working environment, teamwork, and company culture, with a survey coverage rate of 95%. According to the survey results, the target value of employee satisfaction in 2025 is 85%, and the actual score is 87.5%. The result is up to standard. employees are generally satisfied with management communication and career development opportunities, but identified room for improvement in work-life balance. In response to those feedbacks, the Company has adopted a series of optimization measures, including introducing flexible working arrangements, providing mental health support, strengthening cross-departmental social activities, and expanding training and career development programmers to further improve employee satisfaction.

The Company conducts an employee engagement survey once a year to assess employees' commitment to organizational goals and their long-term retention intentions. The survey adopted a sampling approach, with a response rate of approximately 70% (with 100% coverage of overseas core R&D personnel and production teams). The survey comprehensively employs quantitative metrics such as "training participation rate" and methods such as in-depth interviews with key position, covering regular dimensions such as career development, work-life balance, and organizational communication, and adds project-based collaboration characteristics indicators such as "cross-departmental collaboration satisfaction" and "adaptability to technological upgrades". Based on the engagement survey results, the Company will implement relevant measures to further enhance employee engagement.

## ❖ Employee Training and Development*

### Governance

Asymchem has established a comprehensive organizational structure for employee training, development and performance management, which is under the overall leadership of the executive vice president of human resources. The human resources department has two sub-departments, namely training and development, and performance management, which are responsible for employee training management and employee performance management, respectively. For details, please refer to the section headed "Employee Recruitment and Employment" in this report.

To systematically improve the capabilities of employees, the Company continuously update the *Compilation of Asymchem Training Management Policy*. Relying on the digital platform and internal lecturer resources, the Company standardized the implementation of core skills training for all employees, striving to build an industry-leading pipeline of technical and management talents. At the same time, the Company has revised the *Management Measures for Career Development Channel* to connect the dual channels with the talent selection system, identify talents in practice, and promote development by selection. The Company has ensured the mutual growth of talent and organization through transparent and standardized processes, thereby providing solid support for the Company's long-term competitiveness.

### Strategy

During the Reporting Period, the analysis results of the impact, risks and opportunities of the Company on employee training and development issues are as follows:

**Analysis Results of the Impacts, Risks, and Opportunities Related to the "Employee Training and Development" Issue**

| Impact Analysis | | | |
|---|---|---|---|
| **Major Type of impact** | **Scope of impact** | **Impact description** | |
| Actual + positive impact | Upstream of the value chain/ enterprise's own operation | The Company continuously provides training and development opportunities to help employees enhance their professional skills and expertise, foster personal growth and innovation capabilities, and strengthen their employability. Simultaneously, these initiatives cultivate a positive and motivating work environment that boosts employee satisfaction and expands career development prospects. | |
| **Risk and Opportunity Analysis** | | | |
| **Major Type of Risk/ Opportunity** | **Time Frame** | **Major Potential Financial Impact** | **Risk and Opportunity Description** |
| Opportunity | Medium/long term | Increase in operating revenue | The CDMO industry is highly dependent on top-tier talent. By establishing a robust employee training and development system, the Company can attract and retain outstanding professionals, |

| | | | |
|---|---|---|---|
| | | | enhance workforce capabilities, drive technological innovation and management efficiency, capitalize on industry growth opportunities, expand into new business areas, and ultimately support long-term development of the Company. |

The Company regards talents as its core competitiveness and the foundation of sustainable development, making talent introduction a strategic priority and committed to building a talent management system that places equal emphasis on efficiency, resilience and innovation. To support the long-term development of the business, the Company continuously strengthens the development of talent pipelines and systematically identifies high-potential talents and establishes a talent pool through measures such as building a competency model for key positions and promoting successor development plans and talent reviews.

The Company has established a training management system covering four key sections of the "system", "curriculum", "assessment" and "lecturer". By standardizing the entire process of investigations and surveys of training needs, plan formulation, curriculum development, lecturer management and resource allocation, the Company has ensured the efficient and orderly operation of training, realized knowledge sharing, and improved utilization rate of resource and the employees' learning efficiency. For key business areas, the Company has formulated specific talent development strategies to help employees master advanced technologies, industry trends and policies and regulations through internal training programmers. Meanwhile, the Company provides opportunities for outstanding talents to participate in industry benchmarking projects and matches them with competitive remuneration and career development paths to achieve talent motivation and retention

## Impact, risk and opportunity management

### Continuously improving the talent training system

The Company adheres to the principles of "combining thinking with action, pragmatism with innovation, and responsibility with honor", and has created a comprehensive and diversified talent training project utilizing the Asymchem Learning Centre platform. The platform adheres to the "721" learning principle, combines offline and online training modes, makes full integration of internal and external training resources, and provides diversified training courses on demand, which improves the professional skills and comprehensive quality of employees. During the Reporting Period, the average training hours per employee was 97.78 hours, and the annual tuition reimbursement amounted to RMB5.1491 million.

**Talent Cultivation Project**

| Training project | Description |
|---|---|
| **New employee training** | • Through centralized lectures and training, decentralized learning, practical exercises, and other training methods, the Company implements targeted and classified training for new employees at different development stages of the Company, so that new employees can learn about the Company's culture and relevant basic |

| Training project | Description |
|---|---|
| | requirements as soon as possible and be part of the corporate family. During the Reporting Period, the Company achieved 100% training coverage for new employees.<br>✓ **Social recruitment of new employees:** Adopting a progressive "three-stage training" model, covering induction training, basic skills training during the probation period, and job continuation skills training to help new employees quickly adapt to the corporate culture and rules and regulations, strengthen their safety and quality awareness, and gradually improve their job competencies and achieve efficient integration and sustainable growth.<br>✓ **Cultivation of fresh graduates:** A two-year training plan is adopted to help college recruits quickly adapt to the workplace and improve their overall ability through a combination of online and offline training, focusing on cultural integration, role conversion, skill improvement, and career planning.<br>✓ **Training of management trainees:** Focusing on the construction of future talent pipeline, adopting a two-year, eight-stage rotation model to cultivate core talents with comprehensive business capabilities and management potential through theoretical learning, practical training, and stage assessment, providing a solid talent foundation for the Company. |
| **Management training** | • Includes improvement training for incumbent management at different levels, as well as the training of reserve cadres. |
| **Professional skills training** | • According to different departments and personnel levels, each base or department provides technical training at the professional level, including key customer communication, English training, and job skills training. |
| **General training** | • The Company launches general-purpose open courses and distance classrooms on a quarterly basis to build a regular internal learning network. The 3-hour live-streaming courses covered topics such as *Business Etiquette* and *Creating Personal IP in the Workplace*, which were well recognized by the employees. During the Reporting Period, the course satisfaction rate was over 95%, with 100% employee coverage. |

In particular, the Company has established a "three-level of classes and three-level of positions" management improvement training model for the management to comprehensively improve the leadership and management effectiveness of incumbent managers and help the team operate efficiently. In 2025, the Company comprehensively upgraded its management training system, with the core principle of " taking tailored strategies for different levels and making precise empowerment" to systematically construct a system of "capability improvement training for full level" based on the key competence differences of managers at all levels.

**"Three-level of Classes and Three-level of Positions" Management Improvement Training Mode**

| | | |
|---|---|---|
| **Three-level of Classes** | Basic | • The compulsory courses for new managers focus on role transition, systematically cover 11 core management capabilities, and emphasize |

| | | |
|---|---|---|
| | | the introduction of advanced external concepts and methods and tools to systematically construct a management cognitive framework. Curriculum modules include management role recognition, effective authorization, coaching, high-performance team building, etc. Through systematic training, a solid theoretical foundation is laid for managers to help them adapt to management positions quickly and improve team management efficiency. |
| | Advanced | • The required courses for the improvement of incumbent managers aim to break through the bottleneck and broaden their perspectives, focusing on 9 advanced abilities, and the emphasis of training is shifted from "knowledge" to "action". The course content is further deepened and expanded based on management strategies, conflict resolution, and efficient communication, covering key points such as non-authority influence, structural thinking, strategic decomposition and implementation planning, and enhance managers' strategic thinking, systematic planning and cross-departmental collaboration skills through in-depth learning, preparing them to assume more important responsibilities. |
| | Intensive | • As elective courses, they provide more professional and diversified learning methods, such as project management and problem-solving workshops. Employees can choose to participate according to their personal career planning, interests and ability improvement projects. |
| **Three-level of Positions** | Senior Management | • The curriculum design covers corporate strategic planning, leadership development, and other courses.<br>• Committed to enhancing its strategic decision-making capabilities and leadership influence |
| | Middle Management | • The courses focus on strategic planning, cross-departmental collaboration, and more.<br>• Dedicated to assisting middle-level management to enhance their strategic vision and cross-departmental coordination capabilities. |
| | First-line Managers | • Courses that focus on basic management skills, employee motivation, and more.<br>• It aims to cultivate operational skills and team cohesion. |

At the same time, the Company continues to deepen the "Voyage" plan, focusing on core business modules such as production, research and development, quality, formulations, and functions, and carry out multi-level and systematic training for reserve cadres, aiming to in-depth cultivating well-rounded leaders with both solid professional skills and exceptional business capabilities, and outstanding managerial qualities. During the Reporting Period, the Company has established a comprehensive implementation system for cadre training, and developed a standardized end-to-end operation toolkit, covering operation guidelines, implementation templates and closed-loop management mechanisms, to provide a systematic and reproducible training framework for each business module.

In the process of implementation, the Group adheres to the training strategy of " giving priority to internal training while integrating external resources." Through talent review, organizational analysis, and customized courses, the Company has developed training programs such as "functional management start-up", "R&D management renewal", and "production management leadership". While maintaining a focus on internal training, the Company also introduces high-quality external resources as needed to supplement and expand its knowledge system.

To systematically advance talent pipeline development, the Company has established a talent cultivation system of "four-level training ladder" and "eight training processes" while simultaneously building an internal course library and lecturer pool. The courses are all independently developed by senior executives and technical experts, deeply integrating real business scenarios, and have already formed nearly 40 high-quality courses covering general management, leadership, and core professional skills. The lecturer pool brings together a diverse team of senior executives, managers, and technical experts in various fields, ensuring the content is forward-looking and practical. By establishing an internal talent pool and implementing comprehensive, multi-level training programs, the Company has formed a closed loop for talent development to ensure the effectiveness of its talent pipeline development system.

**Talent Cultivation System**

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| **Four-level Training Ladder** | • Through the identification of high-potential talents, the Company provides targeted training for reserve talents, successor talents and incumbent management personnel with different abilities. |
| **Eight Training Processes** | • Including talent review, high-potential talent identification, reserve talent selection, talent training and tracking, establishment of reserve talent pool, cadre appointment, cadre transfer, and on-the-job promotion and training. |

Other than strengthening the internal training system, the Company also actively cooperates with external educational institutions every year covering multiple business areas. During the Reporting Period, the Company organized employees to participate in external training such as the "Seminar for Cell Assay, Library Construction, Quality Control and Materials Management for Biological Products Production and Testing Based on the 2025 Edition of the *Chinese Pharmacopoeia*", " Seminar for Additional Changes in the Physical and Chemical Testing Section of the 2025 Edition of the Chinese Pharmacopoeia and its Comparative Analysis with European and American Standards", "Drug Registration Application: Analysis of Practice from the New ICH M4 to China's New Regulations", further improving the professional skills and overall quality of the Company's employees.

In addition, the Company has established a "dual-tutor" tutoring mechanism, with guiding

tutors and teaching tutors set up respectively. Guiding tutors focus on providing coaching and assistance for students' growth and development to help them quickly integrate into the Company's culture; while teaching tutors focus on coaching and imparting professional knowledge, assisting and guiding them to complete task indicators.

### Set up employee training files

The Company pays attention to the training situation of each employee, establishes a training file for each employee, and strengthens the monitoring and management of the training execution process and results from multiple dimensions, such as training content and individual employees. While ensuring business compliance and record integrity, the Company ensures an overall understanding of each employee's participation in the training, thereby providing accurate data for employee development planning.

The Company has established a skills training management system and used a digital learning platform to improve employees' learning efficiency, share knowledge resources, and improve the utilization rate of training resources. During the Reporting Period, the Company formulated and conducted more than 18,000 training sessions, achieving 100% training coverage for employees.

### Supporting employees' skills certification and academic qualifications

Asymchem attaches great importance to the improvement of employees' professional quality and competitiveness, and supports all types of employees to participate in vocational skills certification training and academic qualifications improvement. The Company regularly organizes employees to participate in skills certification training, such as certification for measurement officer, audit training for pressure vessel design, etc., offered by experts in the industry to help employees obtain professional qualifications at home and abroad. At the same time, the Company actively promotes continuing education, provides advanced management courses such as master of business administration ("**MBA**") and executive master of business administration ("**EMBA**") for core backbones, and provides education funding to strengthen the leadership and strategic decision-making capabilities of the management team to help the Company's long-term development.

During the Reporting Period, the Company vigorously promoted the ability improvement of front-line employees, and provided junior college and undergraduate learning and improvement projects to front-line employees, covering chemical engineering, process technology, analysis and inspection, safety technology management and other professional fields, closely matching employees' actual work in order to improve the professional skills and comprehensive quality of front-line employees in an all-round way. Employees can self-register for academic qualification improvement projects. Through face-to-face and online courses, employees can master more exquisite operation skills, demonstrate higher professional standards in safety management, quality control, etc., and obtain nationally recognized graduation certificates. By doing so, the Company has laid a solid foundation for safe production and efficient operation. In addition, the Company also provides strong support and subsidy to the core backbone personnel who have applied for MBA and EMBA programs.

### School-enterprise cooperation

The Company actively promotes the integration of industry, academia and research, and has in-depth cooperation with universities such as Tianjin Medical University and Nankai University to build a multi-level talent cultivation system.

The Company and Tianjin Medical University jointly set up the Aspiration Class, an industry-university collaborative education project. Oriented by the needs of the industry, the project aims to cultivate high-quality applied talents with solid professional knowledge, outstanding practical skills and innovative spirit through a combination of systematic coursework, hands-on practical training and guidance from corporate mentors. The Company selects internal lecturers every year to give lectures of 16 hours per session and organizes students to participate in on-the-job practice at the Company to strengthen the ability to apply theory to practical situations. As of the end of the Reporting Period, the "Aspiration Class" has been in operation for three years with a total of 5 sessions and a total of 150 students trained, thereby continuously supplying the industry with a pipeline of reserve talent that meets its development needs.

In addition, the Company and Nankai University jointly established a post-doctoral research workstation to promote the transformation of academic research results, enhance scientific and technological innovation capabilities, and at the same time cultivate high-end scientific research talents to promote industrial development. As of the end of the Reporting Period, two batches of doctors have conducted scientific research at the station.

### Strengthen employees' performance management

Abiding by the principles of fairness, impartiality and transparency, the Company regards performance management as the core mechanism for respecting employee value and driving common development, and has systematically established a goal-oriented system with clear procedures covering all employees, formulated and improved the *Performance Incentive Management System for Senior Management*, the *Performance Incentive Management System for Middle-level Management*, and the *Remuneration & Performance Bonus Management System for Middle-level and Below* to form a closed loop of "target collaboration - process management - multi-dimensional evaluation - continuous feedback"

The setting of performance goals follows the principle of combining top-down decomposition and collaborative consultation with employees, ensuring that individual contributions are closely aligned with the Company's strategy. During the assessment stage, the Company uses a variety of tools and communicates regularly to follow up on performance and provide support in a timely manner. To ensure the comprehensiveness and objectivity of the assessment, the Company has incorporated the assessment results into the feedback and improvement mechanism to accurately measure the performance and guide the development direction.

The Company also has set up formal communication and appeal channels throughout the entire process to ensure fairness and transparency and achieve a win-win situation for both organizations and individuals.

**Employees' Performance Management Mechanism**

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| **Goal Setting** | • **Strategic alignment:** The Company links employee performance goals with the Company's overall strategic goals, and breaks down those goals into departmental goals and personal goals step by step to form a unified direction, so that employees can more clearly align the Company's vision in their work and ensure top-down goal alignment.<br>• **Team collaboration:** The Company scientifically sets targeted team performance goals based on the actual situation of each department to promote more effective collaboration among |

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| | departments, thereby comprehensively promoting the realization of overall business goals.<br>• **Employee growth:** Combining job duties and employees' personal development plans, the Company sets performance evaluation goals for each employee in each cycle, so that employees' personal growth goals are combined with organizational development goals.<br>• **ESG value orientation:** The Company gradually incorporates ESG-related indicators into performance appraisal to strengthen the concept of sustainable development of the Company. For example, in human resources management, performance evaluation indicators such as "talent pool establishment" and "turnover rate control" are included; in operation management, key elements such as environmental protection, energy saving and consumption reduction, and safe production are integrated. |
| **Assessment Method** | • **Coverage:** The Company has achieved full coverage, with every employee included in the appraisal and evaluation and receiving performance feedback.<br>• **Regular appraisals:** The Company's appraisal is carried out continuously, and performance appraisals are conducted on a quarterly, semi-annual and annual basis.<br>• **Third-party assessment mechanism:** Based on existing intra-department assessments, the Company introduce cross-departmental third-party assessments to improve the objectivity, fairness and impartiality of assessments.<br>• **360-degree assessment:** Certain business units have also adopted the 360-degree assessment method. |
| **Assessment Dimension** | • **KPI evaluation:** Evaluate employees' core business indicators, covering performance, core responsibilities, management, etc.<br>• **Multi-dimensional evaluation:** In addition to KPIs, the Company also comprehensively evaluates employees from multiple aspects, such as execution ability, innovation ability, team building, talent cultivation, and learning and development.<br>• **Differentiated assessment:** For employees at different levels, the Company has formulated differentiated assessment indicators and methods. For example, for senior management, it focuses on evaluating their strategy execution, risk management and control capabilities, and achievement of business goals; for general employees, it pays more attention to their performance in terms of work efficiency, work quality, and initiative. |
| **Assessment Feedback and Support** | • **Timely feedback and guidance:** After the assessment, the manager will give feedback on the performance evaluation results to the employees themselves, review the achievement of their goals, analyze their shortcomings and room for growth, and negotiate their next development plan. At the same time, managers also provide employees with immediate suggestions and improvement directions through informal feedback in daily work communication.<br>• **Improve performance grievance mechanism:** The Company has established a comprehensive grievance channel to ensure the |

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| | fairness of performance evaluation. If employees disagree with the assessment results, they can appeal to their directors or the Human Resources Department after receiving the feedback. Relevant departments are required to complete the review and give feedback within the specified time frame.<br>• **Establish a promotion and incentive mechanism:** The Company provides employees with promotion opportunities and short- and medium-term incentives based on their assessment results, such as production project bonus, R&D project bonus, sales bonus, functional bonus, project performance-based bonus, and year-end bonus. |

The Company is committed to attracting and retaining talent. Since the Company's listing on the capital market in 2016 to the date of disclosure, the Company has implemented 7 equity incentive schemes, including the A share restricted share incentive scheme, the A-share employee shareholding scheme, and the H share restricted share incentive scheme. The Company's previous share incentive schemes mainly covered certain of the Company's Directors, senior executives, managers and core technical (business) personnel or employees. During the Reporting Period, in order to further establish and improve the Company's long-term incentive mechanism, fully mobilize the work enthusiasm of the Company's management personnel at all levels and core backbones, and to attract and retain outstanding talents, the Company disclosed the *2025 A Share Restricted Share Incentive Scheme* and the *H Share Restricted Share Scheme* in January 2025, which were considered and approved by the shareholders' meeting in April 2025.

### Provide smooth promotion and development channels

In terms of employee promotion and development, the Company provides management development channels and technology development channels for employees, forming a multi-channel development path of R&D sequence, production sequence, analysis sequence, and functional sequence to help employees accurately position their career direction and assist employees in career development and self-realization. Personnel at the management level are entitled to the same welfare policy as those at the equivalent technical level. During the Reporting Period, the Company identified potential talents and cultivated successors for key positions, provided promotion opportunities and challenging tasks for outstanding employees to facilitate personal growth and consolidate the Company's reserve talent pipeline.

**Double Promotion Channel**

| Promotion Channel for Administrative Jobs | Promotion Channel for Technical Jobs |
|---|---|
| Based on departmental management needs and recommendations, a comprehensive evaluation mechanism is established to comprehensively assess the candidates from the aspects including work performance and actual contributions, work experience, the number of service years in their current posts, previous positions held, participation of training sessions, non-violation of regulations and discipline, | Employees are evaluated by reviewing factors such as work performance, professional ability, academic qualifications, seniority, work experience, training participation contribution, non-violation of regulations and discipline, technical assessment, and professional and technical knowledge assessment results. |

| Promotion Channel for Administrative Jobs | Promotion Channel for Technical Jobs |
|---|---|
| span of control, organizational structure and performance of their duties. | |

### Standardize retirement management

Adhering to the concepts of compliance, human care, and sustainable development, the Company provides employees with support covering the entire career cycle and establishes a systematic transition mechanism during the retirement stage. Three to six months prior to an employee's retirement, the Human Resources Department will verify their date of birth, years of service and social security contribution record to ensure the accuracy and completeness of the relevant information. A one-on-one consultation is then initiated to clarify the statutory retirement date, explain pension application and medical insurance policies, and formally distribute the *Retirement Procedures Guide* to the employees. Simultaneously, the Company will solicit the employee's personal preferences regarding re-employment after retirement or other transitional arrangements.

To ensure smooth work handover and effective inheritance of corporate knowledge, the Company requires employees to prepare a *Job Handover Checklist* before retirement, which lists pending matters, customer information and related documents. At the same time, the Company actively promotes the mentorship program and encourages retired employees to share their experience by serving as mentors and hosting seminars, thereby promoting the continuation of experience and the improvement of organizational capabilities.

## Metrics and targets

Asymchem continues to build and improve its employee training system and is committed to systematically improving employees' professional skills and occupational competence, promoting efficient sharing of internal knowledge, optimizing the allocation of training resources, and advancing the development of talent pipelines. The Company sets multi-dimensional employee training and development targets covering capacity enhancement, resource optimization and talent pipeline development. During the Reporting Period, all the targets set have been fully achieved.

**Employee Training and Development Management Targets**

| Target | Progress |
|---|---|
| 100% coverage rate of employee training | • Achieved<br>• In 2025, the Company's employee training coverage rate reached 100% |
| Average training hours of employees achieve 50 hours | • Achieved<br>• In 2025, the average training hours of the Company's employees was 97.78 hours |

## ❖ Occupational Health and Safety*

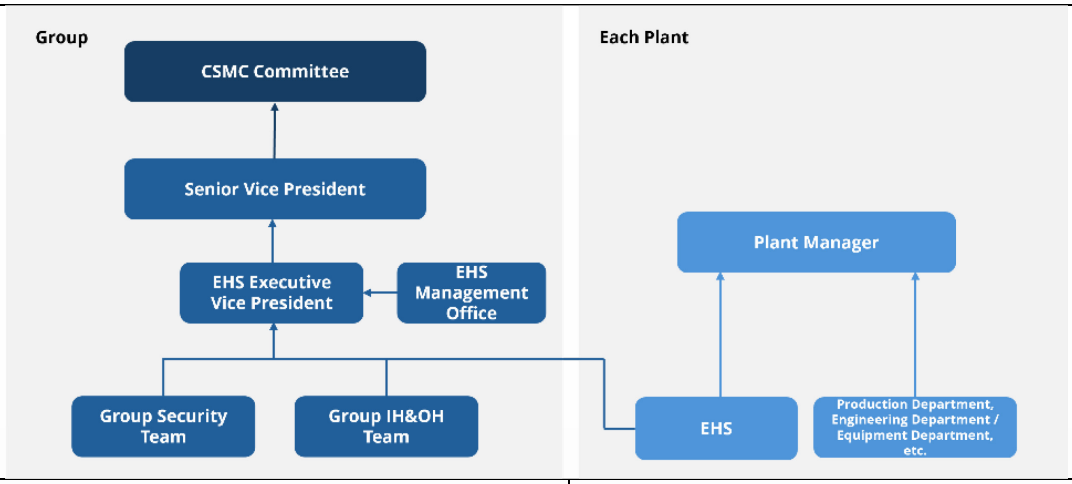
### Governance

Asymchem attaches great importance to occupational health and safety management, adheres to the work safety policy of "safety first, prevention as main measure, and comprehensive management", and strictly abides by the *Work Safety Law of the People's Republic of China*, the *Law on the Prevention and Control of Occupational Diseases of the People's Republic of China,* the *Fire Protection Law of the People's Republic of China*, the *Regulations on the Administration of Controlled Chemicals of the People's Republic of China* and other laws and regulations and relevant rules. In accordance with the framework of ISO 45001 Occupational Health and Safety Management System, the Company has established and improved its occupational health and safety management system.

During the Reporting Period, the subsidiaries, Asymchem Life Science and Asymchem Pharmaceuticals, were certified by the ISO 45001 Occupational Health and Safety Management System and obtained the corresponding certifications. During the certification process, they accepted and passed the annual external audit on occupational health and safety management. Liaoning Asymchem, Jilin Asymchem, Jilin Asymchem Pharmaceuticals and Asymchem Laboratories (Jilin) have all obtained corporate certificate of standardization for safety production.

The Company has established an organizational structure for occupational health and safety management. The Company's senior management team led by the chairman of the board of directors and the chief operating officer coordinates the implementation of the objectives through the cross-sectoral Chemical Small-molecule Management Committee ("**CSMC**"). The EHS department and the professional teams of each factory of the Group are responsible for the specific implementation and technical support. In 2025, the Company established a new EHS management office of the Group to further strengthen the standardization and compliance of the Group's occupational health and safety system. The Company's occupational health and safety management personnel all possess academic backgrounds in chemistry, pharmacy, safety engineering, medical science or similar majors at home and abroad, and have professional capabilities and experience in occupational health and safety management. As of the end of the Reporting Period, the Company had professionally qualified personnel including 1 Certified Industrial Hygienist ("**CIH**") of the American Industrial Hygiene Association ("**AIHA**"), 58 registered safety engineers, and 8 fire protection engineers.

**Occupational Health and Safety Management Organizational Structure and Responsibilities**




**Group:**

- The CSMC Committee is responsible for coordinating and decision-making on the Company's occupational health and safety management.
- The EHS Management Office is responsible for unifying the Group's EHS occupational health and safety compliance and system establishment, regulation identification and benchmarking analysis, and promoting the consistent implementation of management norms and standards in each plant area.
- The Group's professional teams (safety team, industrial hygiene and occupational health ("**IH&OH**") team) provide professional technical support. The Group's EHS function reports directly to the senior vice president to ensure the implementation of the strategy.

**Each plant area:**

- EHS department of each plant is responsible for the supervision of local occupational health and safety compliance, organizing emergency drills and training, and providing technical support to other relevant departments.
- The production and engineering/equipment and other departments of each plant are responsible for the implementation of occupational health and safety management in related operations.
- The person in charge of EHS in the plant area implements a dual-line reporting mechanism (plant manager + senior vice president of EHS) to ensure the implementation of management and smooth information flow.

The Company conducts regular internal audits of the occupational health and safety management system. In accordance with the requirements of national, local and industrial regulations, standards and EHS management system documents, the Company has formulated the system of *EHS Audit Management* and *EHS Related Party Management*, and conducted internal audit twice a year for Asymchem and all its subsidiaries, covering compliance, fire protection, safety, occupational health, industrial hygiene and environmental protection, etc., and organized special reviews and on-site surprise inspections simultaneously to high-risk projects, key customer feedback or new business launches, etc., to ensure continuous compliance with internal and external standards and promote the effective implementation of the management system, and the audit results were linked to the KPI of the Company's management.

For problems identified in the audit, the Company has formulated and implemented solutions and plans in a timely manner. All audit results are unified into the cross-departmental management review for systemic risk identification and continuous improvement, and the relevant situation is reported to the Company's management. During the Reporting Period, the Company conducted a total of 2 internal audits of the occupational health and safety management system, covering Asymchem and all subsidiaries, and no major deficiencies were found.

The Company undergoes external occupational health and safety management audits at the request of its customers (or "stakeholders"). During the Reporting Period, Asymchem and its subsidiaries received a total of 26 occupational health and safety management audits from customers and 189 inspections by external supervisory authorities. The Company's subsidiaries Asymchem Life Science and Asymchem Pharmaceuticals received and passed annual external audits on occupational health and safety management during the ISO 45001 occupational health and safety management system certification process. In addition, the Company also entrusts other third-party institutions to conduct audit work on the Company. For example, during the Reporting Period, the Company's subsidiary Jilin Asymchem, Jilin Asymchem Pharmaceuticals, Asymchem Laboratories (Jilin), Asymchem Life Science have entrusted third-party agencies to conduct a total of 6 guidance services and in-depth professional reviews, covering safety and occupational health systems, related systems and regulations, risk identification and assessment, equipment and facilities, and chemical management.

## Strategy

During the Reporting Period, the results of the analysis of the impact, risks and opportunities of the Company on occupational health and safety issues are as follows:

**Results of Analysis of Impacts, Risks and Opportunities Related to the Topic of "Occupational Health and Safety"**

| Impact Analysis | | | |
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| **Major Type of Impact** | **Scope of Impact** | **Impact Description** | |
| Actual + negative impact | Upstream of the value chain/ enterprise 's own operation | The Company recognizes that actual hazards present in R&D, production, and other operational processes may pose potential risks to employee health and safety. The Company has established and operated an effective occupational health and safety management system, which can not only ensure the safety of employees and reduce risks in the community, but also help to improve the overall safety level of the industry and fully fulfill corporate social responsibilities. | |
| **Risk and Opportunity Analysis** | | | |
| **Major Type of Risk/Opp ortunity** | **Time Frame** | **Major Potential Financial Impact** | **Risk and Opportunity Description** |
| Risk | Medium /long term | Increase in operating costs | Ineffective occupational health and safety management may lead to employee occupational diseases and |

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| | | | work-related injuries, adversely affecting workforce health and productivity. At the same time, in the event of a major safety incident, it may cause operational interruption, heavy fines and litigation, which may result in reputational damage and increase the Company's operating costs. |

With occupational health and safety management goals as the core, the Company has established a sound occupational health and safety management system. By implementing strategies such as compliance requirements, management of occupational health and safety risks, emergency drills and trainings, and promotion of intelligent management, as well as the implementation of the safety production responsibility system for all employees, the objectives of occupational health and safety management are realized.

**Occupational Health and Safety Strategy**




## Impact, risk and opportunity management

### Track the latest laws and regulations and continuously improve management

The Company establishes the *Recognition Management of EHS Laws and Regulations* procedure to regularly identify and sort out the latest laws and regulations and requirements of standards, formulate a gap identification list, and formulate and implement rectification proposals and plans based on the results of the gap analysis, track the implementation of rectification, and organize reviews to ensure the Company's operations comply with the latest laws and regulations. The key benchmarking situation and important reminders are regularly reported to the heads of each plant area and the CSMC committee through the Group's EHS monthly magazine to support risk early warning and management decision-making.

During the Reporting Period, the Company focused on the identification and

implementation of the latest laws and regulations such as including the *Determination Standards for Major Hazards in the Field of Lightning Protection (for Trial Implementation)*, *Rules for the Determination of Major Fire Hazards*, *Safe Colors and Safety Signs*. The Company held 3 seminars and exchange meetings on the information of the newly launched EHS regulations, conducted compliance assessment on 19 regulations, and tracked the implementation status of Corrective Actions and Preventive Actions ("**CAPA**") on a monthly basis until the rectification was completed.

### Manage occupational health and safety risks

The Company's R&D, production and related operational activities involve potential occupational health and safety risks, and a dual prevention mechanism has been established for the hierarchical management and control of safety risks and identification of hidden dangers. In accordance with the standard operating procedures of *Identification and Assessment for Environmental and Occupational Health and Safety Risk* and *Prevention and Rectification Management for Safety Risk and Hazard Inspection*, the Company implements the responsibility system of the plant manager and the coordination of various departments to systematically promote the construction of the system. By adopting the work hazard analysis method and the equipment checklist method, the Company conducts risk assessment on the operating area, and reviews and updates the relevant mechanism annually to continuously improve its effectiveness. Based on the identification results, the Company implements targeted management and control through regular hidden danger investigations, establishment of rectification accounts and closed-loop tracking, combined with engineering, management and emergency measures. In addition, the Company posted safety risk notification cards at all key risk points to implement preventive measures at the source to actually protect the health of employees and production safety.

The Company conducts whole-process risk management before and after the construction project is put into production. For new construction, reconstruction and expansion projects, the Company has formulated the *Three Simultaneous Management Procedures for New, Renovated and Expansion Projects* and *Contractor Management* procedures. Before the project is put into operation, the Three Simultaneities of occupational health and safety shall be carried out in accordance with relevant standards and procedures to ensure that protection facilities for occupational disease are in place, and safety facilities and the main project of the construction project are designed, constructed, and put into production and use at the same time. At the same time, in accordance with the requirements of the *Contractor Management* procedure, before the construction of the project, the Company selects a qualified construction unit to carry out the construction, conducts pre-construction work hazard analysis and safety disclosure, and implements risk control measures such as obtaining work permits, to ensure safe construction. After the project is put into production, the Company regularly conducts the identification, assessment and monitoring of occupational health and safety risks at least once a year, and conducts daily hidden hazard investigation and rectification tracking to ensure the effective implementation of risk control measures.

**Occupational Health and Safety Risk Management**

| Before the Construction Project is Put into Production | |
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| **Risk identification** | • **Hazard source identification:** Before construction, according to the work steps that may be involved in the construction, carry out engineering risk identification for the risks of object hitting, falling from height, and electric shock. Identify hazards and form a risk |

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| | identification list for each site, equipment facility, and operation activities as basic identification units.<br>• **Identification of hazardous factors for occupational disease:** Comprehensively, objectively and accurately identify the types, sources, and distribution of occupational disease hazard factors that may exist in the production process, production environment, labor process, and special environment, as well as the personnel affected. |
| **Risk assessment** | • Risk assessment is carried out using the risk matrix method, and the risk level is determined and categorized into 4 levels, namely major, high, general, and low risk to achieve hierarchical management and control. At the same time, in accordance with international guidelines such as the International Society for Pharmaceutical Engineering ("**ISPE**"), a qualitative and quantitative assessment system has been established to ensure that the risk assessment methods are in line with global industry standards. |
| **Risk control** | • **Risk management and control for process safety:** For major and high risks, effective engineering control measures are formulated to reduce the risk to an acceptable level, and the implementation of the control measures is tracked to ensure that the measures adopted can effectively manage the identified risks. For low risks, basic safety measures are implemented, including strengthening personnel training and management, establishing monitoring and emergency mechanisms, and ensuring compliance to effective risk management and control is achieved. The measures are continuously strengthened and improved to ensure the safety and stability of the process.<br>• **Occupational health risk management and control:** Adopt airtight isolation technology to ensure the airtight control of chemicals; equip with effective personal protective equipment and replace it regularly, including respiratory protection, hearing protection, etc., avoid operating in high temperature period at noon during summer and work at alternate time period instead; set warning signs for occupational hazard on site and carry out occupational hygiene management and education training during construction. |
| **After the Construction Project is Put into Production** | |
| **Risk identification** | • Divide the assessment objects and assessment units, and use methods such as work hazard analysis and equipment checklists to identify occupational health and safety risks related to operating activities, equipment and facilities. Through process hazard analysis, the process hazards existing in the production process, equipment and facilities, operating environment, personnel behavior and management are identified. |
| **Risk assessment** | • **Regional risk assessment:** Using the risk matrix method, the risk assessment of the plant area is carried out, and the risk level is determined and categorized into 4 levels, namely major, high, general, and low risks.<br>• **Process safety risk assessment:** Using assessment tools such as Hazard Analysis for Operational Process ("**HAZOP**") and Level of |

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| | Protection Analysis ("**LOPA**") to assess the likelihood and severity of risks through qualitative or quantitative assessment, and risks are categorized into different priorities based on the assessment results.<br>• **Occupational health risk assessment**: For the potential negative impact of various special compounds involved in the Company's production on the health of employees in relevant positions, firstly, collect the toxicity or safety data information of all raw materials, intermediates and products involved in the project from customers. If direct data is not available, data retrieval is carried out through multiple reliable channels, including but not limited to open-source toxicological information, pharmacology database, occupational health database, relevant scientific literatures and other comprehensive information resources. Quantitative structure-activity relationship ("**QSAR**") model will then be used to predict the toxicity of the compounds. Based on this, the Company will comprehensively assess the occupational exposure limit ("**OEL**") or occupational exposure branch mark ("**OEB**") of raw materials, intermediates and products, and employs both qualitative and quantitative exposure risk assessment methodologies to assess exposure risk. Finally, based on the results of the assessment, risks are prioritized according to their level of risk, so as to formulate targeted control measures. |
| **Risk control** | • Risk management and control are carried out in different levels. Major risks are managed and controlled by the person in charge of the plant area and above, while high risks are managed and controlled by department heads; general risks are managed and controlled by team-level managers; low-level risks are managed and controlled by employees. |

During the reporting period, the Company completed the review and update of the dual prevention mechanism covering Asymchem Laboratories and all its subsidiaries. The Company reviewed the identification of new risk during risk management according to the investigation of potential safety hazards and accidents in the industry, and formulated corresponding control measures to ensure that risks are effectively prevented and controlled.

**Identification of New Risk and Control Measures During the Reporting Period (Partial)**

During the Reporting Period, the Company included the newly identified electric heat tracing risks into the closed-loop management of the CAPA system, and the rectification completion rate reached 100%. The Company has simultaneously consolidated the safety management results, optimized and published the *Installation Standards and Hazard Inspection Atlas of the Main Units of the Self-limiting Temperature Electric Heat Tracing System* for the continuous and effective risk management guidelines for each plant.

### Strengthening chemical safety management

The use of chemical substances is one of the main sources of Company's occupational

health and safety risks. The Company's R&D and production processes involve the use of a variety of chemical substances, including flammable chemicals, toxic chemicals, corrosive chemicals, alkyl metal chemicals and oxidants. In order to further ensure production safety, the Company resolutely avoids the use of particularly dangerous chemical substances, such as perchloric acid with a concentration of more than 72%. During the Reporting Period, the Company formulated and issued the *Chemical Quick Check Manual* and *Laboratory Safety Inspection Standards* to conduct safety inspections on the storage and use of chemicals and related equipment and facilities, and conduct regular supervision and inspection of the implementation.

The Company identifies risks from chemical in different links such as hazard identification, purchase and transportation, reduces the risks of chemical-related activities to an acceptable range, and comprehensively protects the safety of personnel, property and the environment. The Company continues to standardize the use of chemicals, requiring each territorial plant area to establish separate operating procedures for chemicals of special concern, and put forward specific management requirements for each territorial plant area before, during and after the use of chemicals.

**Chemical Management Requirements for Territorial Plant Area**

| Stage | Administrative Requirements |
|---|---|
| **Before use** | • Compliance-related requirements should be considered when conducting internal assessments of suppliers.<br>• The *EHS Management Agreement* is simultaneously signed when signing the procurement contract with the supplier, clarifying the rights and obligations of both parties in terms of health and safety, environmental protection, product safety, access review, training communication, accident reporting, and liability for breach of contract. For high-risk links, the liability for breach of contract is linked to Occupational Health and Safety ("**OHS**") standards to ensure that suppliers meet strict OHS requirements during the entire process of transportation, storage, use and disposal, and achieve precise control of key risks in the supply chain.<br>• All chemicals should be purchased from internally qualified suppliers.<br>• Select designated transport vehicles to transport hazardous chemicals or dangerous goods in accordance with regulatory requirements.<br>• Anyone who comes into contact with or uses any chemical substance (including hazardous waste) or its packaging should understand its properties beforehand. If different chemicals are to be mixed, the risk of mixing should be identified and communicated with the process safety laboratory for testing and evaluation if necessary.<br>• Develop and implement management procedures and operating standards such as chemical exposure control and APIs production isolation control. All employees involved in chemicals must receive systematic training covering the use of Safety Data Sheet ("**SDS**"), hazard communication, safe operation and emergency response. Special operators such as electricians and hazardous chemical operations must hold certificates to take up their posts. |
| **In use** | • The packaging or container of all chemicals shall be provided with clear and easily identifiable labels indicating the name, composition and precautions of the chemicals. When the label mark falls off, it |

| Stage | Administrative Requirements |
|---|---|
| | should be re-applied in time.<br>• Choose a suitable storage location according to the storage conditions of the chemical to ensure that the storage environment meets the safety requirements. Hazardous chemicals shall be stored in isolation, separated storage, and separated storage, and prohibited materials shall not be mixed and stored.<br>• Carry out chemical compatibility storage management, clarify the storage rules by compiling and dynamically updating the storage location taboo table, and set up physical isolation for the first, third, and fourth libraries to systematically prevent safety accidents caused by the mixed storage of contraindicated materials.<br>• Carry out the prevention of chemical spills and spill accidents by formulating the *Guidelines for the Prevention of Emerging and Dripping Accidents*, *Equipment URS and Acceptance Safety Standards*, *Old Equipment Evaluation Standards* and *Metal Lining Management Standards* and other system documents, and set them up A dynamic monitoring system for the hidden dangers of running and leaking, constructing a whole-process prevention mechanism.<br>• Before reusing a chemical container or packaging, the user shall conduct relevant inspections to ensure its safety and applicability. |
| **After use** | • The disposal of chemicals and their packaging should be carried out in accordance with their physical and chemical properties and the requirements of relevant laws and regulations to avoid adverse effects on safety, health and the environment.<br>• Regularly review and evaluate the current status of chemical management in the plant to ensure the effectiveness and compliance of management measures. |

**Chemical Management Progress**

| | |
|---|---|
| **Chemical Substance Register** | • The Company actively carries out the registration of chemical substances, follows the requirements of relevant laws and regulations on new chemical substances, sorts out and registers the new chemical substances involved, and keeps track of them on a regular basis.<br>• As of the end of the reporting period, the Company has registered more than 1,000 new chemical substances, of which more than 100 were newly registered this year. The registration content covers the ecological and health toxicological properties, physical and chemical properties, and exposure characteristics of chemical substances. Aspect information. During the registration process, data support is provided for risk identification, prevention and control by analyzing the physical, chemical and toxicological properties of new chemical substances and identifying exposure risks. |
| **Hazard Identification and Assessment** | • The Company regularly conducts chemical hazard identification and assessment work to identify and respond to relevant risks in a timely manner.<br>• During the reporting period, the Company systematically strengthened the risk management system for the entire life |

| | |
|---|---|
| | cycle of chemicals by upgrading the chemical hazard identification and review process, using a safety information management platform, and establishing a closed-loop control mechanism from quotation source assessment to professional budget review. |
| **Standard Setting and Industry Exchange** | • The Company actively participates in the formulation of standards and regulates the chemical management of the Company and the industry. |
| **Chemical Substitution and Reduction** | • The Company insists on controlling the use of hazardous chemicals from the source, looking for safer and more cost-effective alternative materials to replace high-risk process materials.<br>• In addition to the elimination or substitution of substances of concern in the products, the Company strictly controls the hazardous chemicals that may be used in the production process. Specific measures include the adoption of new processes, new technologies, and the development of greener synthetic routes. For example, the Company has developed a continuous gas-liquid two-phase photochemical cycloaddition reaction of maleic anhydride and ethylene. By optimizing the process design and manufacturing new equipment, the Company has successfully reduced five synthesis steps and eliminated the use of hazardous reagents. There is a production process that reduces waste by 72%. |

**[Case] Asymchem Intrinsically Safe Substitution of Materials**

- The Company uses catalase to catalyze the oxidation reaction of R-substituted tetrahydropyrrole, avoiding the use of m-CPBA, which has the risk of explosion and produces chlorine-containing waste, and heavy metal oxidants that are highly toxic and difficult to handle. Through the research of reaction kinetics and scientific design of chemistry, the product yield is increased by 20%, the amount of enzymes is reduced by 50%, and the reaction time is shortened by 50%.
- uses transaminase to catalyze the reductive amination reaction in the synthesis of key chiral intermediates in Rimegepant ("**Rimegepant**"), instead of the two-step high-pressure reductive amination reaction catalyzed by transition metal catalysts. Through the study of reaction kinetics, the key control factors were clarified, and the engineering scale-up parameters were designed, and the scale-up production of 8,000L was successfully realized for the first time. This process replaces the original chemical conversion and chiral segmentation route, which significantly improves the economics of the process and reduces the risk of using chemical substances that are of high external concern.

### Prevent and control occupational health hazards

The Company identifies and controls hazardous factors for occupational diseases on a regular basis to verify and address all sorts of latent issues or perils of occupational health in workplaces. During the reporting period, the occupational hazards identified by the

Company mainly included chemical factors, dust, and physical factors, involving vacancies such as production line workers, laboratory technicians, warehouse management keepers, and maintenance personnel and other employees.

In order to effectively prevent and control occupational diseases, the Company has established a comprehensive occupational health management system, and formulated systems and procedures such as the *Health Hazard Assessment of Chemicals*, *XDCs Drugs and Oligonucleotide Health Hazard Assessment Procedures*, *Chemical Exposure Control Management*, and *APIs Production Isolation Control Management*. This management system covers three levels of engineering prevention and control, occupational health monitoring and individual protection. Through the implementation of multi-level and comprehensive protection measures, employees are actually guaranteed to perform their duties in a safe and occupational healthy working environment.

**Occupational Health Hazard Prevention and Control Measures (Partial)**

| | |
|---|---|
| **Engineering Prevention and control** | • In response to occupational hazard risks, priority should be given to engineering control measures such as airtight isolation, ventilation, sound insulation and vibration reduction to reduce the hazard exposure level in the work environment from the source.<br>• At the same time, qualitative and quantitative exposure risk assessments are combined to ensure that the engineering control measures effectively manage the identified risks. |
| **Occupational Health Monitoring** | • Conduct pre-job, on-the-job, post-job and emergency physical examinations for employees who are exposed to occupational disease hazards, provide annual welfare physical examinations for other employees, and establish occupational health files to continuously pay attention to employees' health.<br>• At the same time, a pre-job and occupational allergy history questionnaire survey mechanism has been established to strengthen early identification and intervention of health risks. |
| **Personal Protection Management** | • Install emergency eyewash sprinklers in chemical areas and implement a weekly inspection system to ensure that emergency facilities are always available.<br>• Provide Employees who are exposed to occupational hazards are equipped with personal protective equipment ("**PPE**") such as positive pressure respirators, gas masks, industrial nitrile gloves, acid and alkali resistant chemical suits, earplugs, and conduct relevant training and guidance.<br>• Periodically verify the effectiveness of protective equipment. For example, for employees wearing close-fitting masks, respiratory fit tests are carried out before use and annually to ensure the effectiveness and minimize occupational health risks. |

### Carry out emergency drills and training

The Company has established and improved the occupational health and safety emergency management and training system, and regularly conducts emergency drills and occupational health and safety-themed training to comprehensively enhance the employees' safety awareness, emergency response capabilities and protection capabilities of employees to further reduce the risk of safety accidents. While ensuring the safety and stability of production and operation, it also guarantees the safety and health of personnel.

The Company has formulated the procedures of *Emergency and Business Continuity Management* and *Incident Reporting and Investigation Management*, and formulated comprehensive emergency response plans, project emergency response plans, on-site disposal plans, business continuity plans and emergency environmental incident response plans, Emergency drills are conducted on a regular basis, covering topics such as fire and explosion, emergency evacuation, chemical leakage, etc., to continuously improve employees' safety awareness and ability to respond to incidents. The Company has established an accident investigation and notification process with reference to the *AQ3034-2022 Guidelines for Chemical Safety Management Processes*, strengthened the notification and investigation of dangerous or near accidents, analyzed the causes of the incidents, and formulated preventive measures to effectively control the occurrence of accidents.





**Photos of emergency drills and safety production month series**

During the reporting period, the Company organized and carried out more than 310 emergency drills for comprehensive project and on-site disposal plans. In addition, the Company carried out a series of activities in safety production month in each plant, and carried out activities including inviting external experts to conduct safety awareness training for all employees, watching accident warning education videos in the cafeteria, major safety hazard inspections, and training for voluntary firefighters on firefighting emergency operations to further enhance employees' safety awareness and emergency response capabilities.

The Company has established *Employee Training Management Procedures* and *Contractor Management Procedures*, formulated and implemented occupational health and safety training plans every year, conducts occupational health and safety training and assessment for all regular employees and all contractors, and continuously improves the occupational health and safety capability of all employees At the same time, the Company carried out occupational health and safety theme cultural promotion activities in each plant area. During the reporting period, on the basis of regular safety management system training, the Company focused on intensive training on a number of project risks, covering static safety risk control, mechanical safety operation specifications, prevention of trampling/slipping/falling accidents, and chemical leakage Prevention and emergency response, special operations and contractor safety management, inert gas protection and suffocation risk prevention, treatment of abnormal working conditions, and major hidden

dangers.

**Occupational Health and Safety Training Management**

| Measures | Description |
|---|---|
| **Development of training plans** | • At the beginning of each year, we formulate an annual occupational health and safety production training plan based on training needs, conduct internal training for all regular employees, all contractor employees, suppliers and visitors and invite experts to conduct external training.<br>• Aiming at different groups such as all employees, new employees, special guardians, volunteer firefighters and special operations personnel, the implementation of classification and full coverage around themes such as safety production responsibility system, risk control and hidden danger investigation, occupational health, basic skills and emergency response Systematic safety training. |
| **Conduct training assessments** | • Operators, assistant engineers, engineers, managers, deputy supervisors and supervisors of various departments shall be assessed in accordance with the assessment requirements of the training plan after training.<br>• On-site practical exams, written exams.<br>• New employees will be employed after passing the training and examination at the Company's three levels (factory level, workshop level and team level).<br>• Special operators such as electricians, welders, and hazardous chemicals work with certificates. certificates.<br>• The first aid personnel in the factory area are trained by the Red Cross Society and obtained the Red Cross Society's ambulance personnel certificate.<br>• Contractors are qualified to enter the factory after training and passing the assessment. |

### Promote intelligent management

The Company actively manages occupational health and safety, and continuously improves the capability and efficiency of occupational health and safety management by upgrading equipment and facilities and introducing intelligent information platforms, etc.

## Intelligent Management Measures and Achievements (Partial)

| Measures | Specific Content |
|---|---|
| **Renovation and upgrade of equipment and facilities** | • Asymchem Co., Ltd.: During the reporting period, the subsidiaries of the Asymchem Group invested a total of RMB460,000 to install fire detection and automatic fire extinguishing devices in the laboratory fume hood to achieve 24-hour uninterrupted monitoring and instantaneous monitoring of the overnight reaction zone Emergency response can effectively prevent potential fire accidents.<br>• Jilin Asymchem: During the reporting period, it invested RMB600,000 to upgrade the hydrogenation reactor equipment by adding a Temperature Control Unit ("**TCU**") to |

| Measures | Specific Content |
|---|---|
| | greatly improve the safety control level of jacket heat exchange during the reaction process to ensure high protection. The process of active chemical reaction is safe.<br>• Liaoning Asymchem: During the reporting period, it invested RMB245,000 to implement the transformation of the automation control system for the distillation process equipment to improve the automation level of the process and reduce the safety risks caused by manual operation errors. |
| **Introduction of intelligent Information platforms** | • Asymchem shares: In order to systematically improve the digital level of safety management, the Group independently developed a digital platform system covering core areas such as EHS inspection, chemical information, process risk assessment and safety learning. Among them, the digital inspection system realizes the full-process online closed-loop management of hidden hazards investigation, reporting, rectification and verification; the chemical information database integrates key data such as SDS, OEL and OEB to support rapid inquiry and real-time risk identification; online Process Hazards Analysis ("**PHA**") system supports the collaborative risk assessment of standardized processes conducted by experts across regions; at the same time, the "30 Seconds Safety+" learning platform built an OHS knowledge base based on job scenarios, and promotes high-frequency safety learning for all employees through daily push notifications and real-time answering questions.<br>• Shanghai Asymchem Biotech: Implementation the Environmental Monitoring System ("**EMS**") control the alarm system and the intelligent video analysis system to conduct 24-hour uninterrupted monitoring of key areas such as temporary chemical storage rooms, areas with suffocation risk, and entrances to various buildings. The monitoring parameters cover the gas concentration and personnel intrusion; the establishment of a hidden hazard detection system to realize timely push of hidden danger information to local areas and closed-loop processing, and to improve the intelligent management level of hidden danger identification and treatment. |

## Metrics and targets

In accordance with the *Administrative Measures for EHS Targets and Appraisal*, the Company has formulated and set the occupational health and safety management targets every year, organized the management to sign the *Annual EHS Management Target and Commitment Responsibility Letter* and decomposed it step by step to all front-line and grassroots employees in each department, and implemented the full-staff safety production responsibility system. At the same time, the Company has established a relevant performance evaluation mechanism, set a percentage-based quantitative scoring standard and a one-vote veto mechanism, and conducts occupational health and safety performance assessments for management and front-line and grass-roots employees

every quarter and every six months, and the assessment results are used as the assessment component of year-end performance bonus.

During the reporting period, the Company fully achieved its occupational health and safety management objectives. There have been no accidents involving serious injuries or more in the Company, and no deaths due to work have occurred. The overall occupational health and safety situation continues to be under control.

**Occupational Health and Safety Management Targets**

| Target | Description |
|---|---|
| Conduct occupational health and safety risk identification and assessment at least once a year | • Achieved<br>• In 2025, each plant conducted an occupational health and safety risk identification assessment |
| Conduct an emergency drills on the on-site disposal plan semi-annually | • Achieved<br>• In 2025, more than 300 emergency drills of on-site disposal plans were conducted |
| Conduct business interruption drills at least once a year | • Achieved<br>• In 2025, each plant conducted a business interruption drill |
| Conduct occupational health examinations at least once a year | • Achieved<br>• In 2025, each plant conducted an occupational health examination |
| Conduct monitoring of occupational disease hazards in workplaces annually | • Achieved<br>• In 2025, all factories monitored occupational diseases hazards in the workplace in accordance with the requirements of laws and regulations. |
| Conduct internal audits of the occupational health and safety management system twice a year | • Achieved<br>• In 2025, each plant conducted two internal audits of the occupational health and safety management system. |
| No failed customer audits or failed government audits | • Achieved<br>• In 2025, there was no customer audits or failed government audits |
| No occupational cases | • Achieved<br>• In 2025, no occupational disease or suspected occupational disease has occurred |
| No administrative penalties caused by environmental pollution | • Achieved<br>• No administrative sanctions caused by environmental pollution in 2025 |
| Based on the 2024 -year target, reduce the Lost Time Injury Rate ("**LTIF**") and the Total Recordable Incident Rate ("**TRIR**") by 50% in 5 years. | • In progress<br>• In 2025, the lost time injury rate per million working hours was 0.59<br>• In 2025, the total recordable incident rate per million man-hours was 3.09 |

# 9. Work Together for Good, Create Together

## ❖ Industry Cooperation and Development

Asymchem is committed to promoting industry cooperation and development. By attending industry conferences and engaging in the formulation of industry standards, it maintains extensive and close interactions with industrial enterprises, industry associations, universities and other partners, and takes the initiative to pass and share its own business experience and core advantages with the industry, and steps forward hand in hand with its upstream and downstream enterprises to contribute its share to building a healthy and sustainable industry.

During the reporting period, the Company held industrial exchange activities such as the "ESG Practice Seminar in the Pharmaceutical CDMO Industry" and "Building a New Vision for Sustainable Synthesis: High-throughput Experiments, Continuous Chemical and Biological Enzyme Catalysis in Europe", and participated in a total of over 50 industry authoritative exhibitions and conferences, including the 2025 European Oligonucleotide and Peptide Therapeutics Conference ("**TIDES Europe 2025**") and the World Pharmaceutical Raw Materials Co-exhibition, comprising 40 international market activities and 10 domestic market activities.

In addition, the Company actively participates in exchanges and sharing activities organized by industry associations to give full play to its own industry leading role and drive the industry to develop with a new model and high quality.

**Participation in Industry Conferences in 2015 (Partial)**

| Meeting Name | Participation |
|---|---|
| **Pharmaceutical CDMO Industry ESG Implementation Seminar** | • The Company serves as the chairman unit of the Advanced Manufacturing Committee for APIs under the China Pharmaceutical Equipment Engineering Association, leading the organization of the Association's first ESG seminar. The meeting brought together nearly 100 representatives from regulatory agencies, enterprises and scientific research institutes to conduct professional discussions on ESG practices, regulatory requirements, green technologies and investment trends in the pharmaceutical CDMO industry, systematically review the progress of domestic industry practices, and actively respond to the strategic requirements of pharmaceutical industry innovation initiatives regarding ESG efforts. |
| **2025 China Pharmaceutical Industry Green Development Conference** | • The Company serves as the chairman unit of the Green Pharmaceutical Professional Committee of the China Chemical Pharmaceutical Industry Association and undertakes the 2025 China Pharmaceutical Industry Green Development Conference. The conference revolved around "Innovative Green Pharmaceuticals Boosting Industrial Development", covering three major sections, namely, the interpretation of the New Policy on Environmental Management of Chemical Substances, the sharing of cutting-edge technologies for the treatment of new pollutants, and the interpretation of cases of carbon |

| Meeting Name | Participation |
|---|---|
| | reduction and efficiency enhancement, to promote precise and scientific pollution control. The event aims to contribute to the green, low-carbon and sustainable development of China's pharmaceutical industry. |
| **The 18th Parenteral Drug Industry Congress** | • The Company participated in the 18th Injection Industry Conference ("**PDI'2025**"). The conference focused on regulatory compliance, product innovation, advanced manufacturing (including AI applications) and market development with the theme of "Demand Upgrading and Industrial Opportunities". with the aim of promoting industrial transformation into the direction of "innovation-driven, green wisdom, and global collaboration". |
| **2025 World Young Scientists Summit General Health Forum -The 13th China Medical Biotechnology Conference** | • A senior director from Company's subsidiary, Asymchem Clinical (Clin-nov), participated in the cell drug creation and application sub-forum hosted by the Regenerative Medicine Professional Committee, and published a keynote report on *Registration Strategies and Application Points for Stem Cell Therapies*. |
| ***Guidelines for the Sustainable Development of the International Supply Chain of the Pharmaceutical Industry* Consultation Meeting** | • The Company participated in the solicitation of opinions and seminars on the *Guidelines for the Sustainable Development of International Supply Chains in the Pharmaceutical Industry* and gave feedback. |

The Company actively participates in industry associations, shares operational and practical experience, and expresses its views on the platform of industry associations, thereby having a positive impact on the formulation of industrial policies and the development of the industry. During the reporting period, the Company participated in 10 industry associations in total, with a total membership fee of RMB368,000 yuan, of which the three largest expenditures were the China Medical Innovation Promotion Association membership fee of 100,000 yuan, and the China Pharmaceutical Regulatory and Research Association membership fee of 100,000 yuan. RMB renminbi and 50,000 RMB due to the China Medical and Biotechnology Association. The Company did not incur expenditures related to lobbying, political campaigns, or other voting measures or referendums.

**List of Industry Associations Participated and Role (Partial)**

| Name of Industry Association | Role |
|---|---|
| China Pharmaceutical Industry Association | Managing Director |
| China Pharmaceutical Innovation and Research Development Association | Member |
| All-China Federation of Industry and Commerce Medical and Pharmaceutical Commercial Association | Member |

| Name of Industry Association | Role |
|---|---|
| China Chamber of Commerce for Import & Export of Medicines & Health Products | Member |
| China Pharmaceutical Enterprise Management Association | Director unit |
| China Pharmaceutical Association of Plant Engineering | Vice President Unit |
| China Chemical Safety Association | Director unit |
| China Medicinal Biotechnology Association | Vice Chair Unit |
| China Association for Pharmaceutical Equipment | Member |
| China Society for Drug Regulation | Director unit |
| Tianjin Science and Technology Service Association | Director unit |
| TEDA International Chamber of Commerce | Member |

# ❖ Social Contribution and Rural Revitalization

## Social contribution

Asymchem strictly abides by the *Law of the Person's Republic of China on Donations for Public Welfare* and other laws and regulations, and continues to work in social welfare. The Company has established an organizational structure for public welfare undertakings, under the overall management and supervision of the Group's Public Business Department, with its subsidiaries/branches in Tianjin, Jilin, Liaoning, Shanghai, Jiangsu and other places as actual promoters and organizers to implement and promote the Company's public welfare in accordance with the law.

During the Reporting Period, the Company was awarded the Outstanding Social Contribution Award by the Tianjin Economic and Technological Development Zone Committee and the TEDA Committee of the Communist Party of China and the TEDA Management Committee. The progress of the Company's charity project is as follows.

**Progress of Charity Projects**

| Field | Specific Projects and Progress |
|---|---|
| **Medical health** | • Donated RMB500,000 to the TEDA Charity Association, which was donated to the "Hope for Heart" special fund to poverty-stricken children care and medical care to help children with congenital heart disease from poor families to complete rehabilitation operations.<br>• Donated 200 wheelchairs to Tianjin Binhai New Area and Dunhua Disabled Persons' Federation to solve the travel problems of some disabled Person and support them to better integrate into social life.<br>• Organized employees of the Company to participate in caring activities for children with autism to bring warmth to children with autism. |
| **Education and teaching** | • Set up special scholarships for universities and a bursary of RMB20,000 in Renmin University of China to support the development of national education. |

## Rural revitalization

Asymchem strictly abides by the *Law of the Person's Republic of China on the Promotion of Rural Revitalization*, the *Outline of the 14th Five-Year Plan for National Economic and Social Development and Vision 2035 of the Person's Republic of China*, the *14th Five-Year Plan on the Promotion of Agricultural and Rural Modernization*, the *Implementation Measures for the Responsibility System for Rural Revitalization*, and other relevant laws and regulations and carries out work related to rural revitalization in accordance with the law.

In the process of promoting the implementation of rural revitalization, the Company actively participated in relevant seminars, maintained good interaction with the government and villagers, and understood local development and actual needs, so as to take targeted actions to promote rural revitalization. During the Reporting Period, the Company invested RMB430,000 in rural revitalization. The progress of the rural revitalization plan is as follows.

**Rural Revitalization Project Progress (Partial)**

| Measures | Specific Projects and Progress |
|---|---|
| **Support infrastructure** | • In 2025, we continued to promote the "Replacement of Roofs of Village Residents' Houses with New Tiles in Winter" project in Heshan Village, Hanzhang Town, Dunhua City, Jilin Province, donating approximately RMB120,000 to carry out leak-proof repairs and improve the look and overall environment of the village. As of the end of the Reporting Period, the tile replacement project for 103 households has been completed. |
| **Carry out collaborative assistance** | • In 2025 June, we donated RMB20,000 to the Red Cross Society of Tianjin Binhai New Area for cooperation and support between the east and the west to help the twinned areas consolidate the results of poverty alleviation and comprehensively promote rural revitalization. |

# 10. ESG Data Sheet and Notes

This report follows the principles of accuracy, balance, quantification, and comparability/consistency for quantitative information statistics and disclosure. The *ESG Data Sheets and Notes* are verified by an independent third party.

## ❖ Governance and Economic Performance

### Economic performance[1]

| Indicator | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Revenue | RMB10,000 | 1,023,018.6 | 778,143.6 | 580,465.7 | 667,018.1 |
| Revenue from main business[2] | RMB10,000 | 1,024,905.24 | 781,891.25 | 579,710.20 | 666,378.07 |
| Total assets | RMB10,000 | 1,823,927.3 | 1,976,715.9 | 1,928,855.6 | 2,027,746.6 |
| Net profit attributable to owners of the parent | RMB10,000 | 330,163.5 | 226,881.1 | 94,895.0 | 113,257.0 |
| Total cash dividend (tax inclusive)[3] | RMB10,000 | 66,441.1 | 64,193.9 | 39,503.0 | 467,64.1 |
| Cash dividends per 10 shares (tax included) | RMB | 18.0 | 18.0 | 11.0 | 13.0 |

1 Information note: Unless otherwise state, all financial data in this ESG Report is prepared in accordance with International Financial Reporting Standards ("**IFRS**"), differing from the financial information disclosed in the SZSE report, which follows the China Accounting Standards for Business Enterprise.
2 Information note: The revenue from main business is based on the financials prepared in accordance with the China Accounting Standards for Business Enterprise.
3 Information note: Total of cash dividends (tax inclusive) for 2022 and 2024 represent the actual distribution amounts, while the total cash dividends (tax inclusive) for 2025 reflect the proposed distribution amount approved at the General Meeting.

### Corporate governance performance

| Indicator | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Number of members of the Board of Directors | Person | 9 | 9 | 9 | 9 |

| Indicator | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Number of independent Directors | Person | 3 | 3 | 3 | 3 |
| Number of executive Directors | Person | 4 | 4 | 4 | 4 |
| Number of non-executive Directors | Person | 2 | 2 | 2 | 2 |
| Number of independent non-executive Directors | Person | 3 | 3 | 3 | 3 |
| Number of female Directors | Person | 4 | 4 | 4 | 4 |
| Percentage of independent Directors on the Board | % | 33.33 | 33.33 | 33.33 | 33.33 |
| Percentage of independent non-executive Directors on the Board | % | 33.33 | 33.33 | 33.33 | 33.33 |
| Proportion of female Directors on the board | % | 44.44 | 44.44 | 44.44 | 44.44 |
| Number of Shareholders Meetings | Times | 6 | 2 | 4 | 3 |
| Number of proposals considered by the shareholders meeting | A | 36 | 19 | 27 | 36 |
| Number of Board Meetings | Times | 15 | 10 | 15 | 13 |
| Number of proposals considered at Board meetings | A | 69 | 49 | 45 | 69 |
| Number of meetings of the Strategy Committee of the Board of Directors | Times | 1 | 1 | 1 | 2 |
| Number of meetings of the Audit Committee of the Board of Directors | Times | 6 | 5 | 4 | 7 |

| Indicator | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Number of meetings the Nomination Committee of the Board of Directors | Times | 2 | 2 | 3 | 3 |
| Number of meetings of the Compensation and Appraisal Committee of the Board of Directors | Times | 2 | 2 | 4 | 7 |
| Number of directors who received continuous professional development training (corporate governance and ESG topics)[1] | Person | / | / | / | 9 |
| Coverage rate of directors' continuing professional development training (corporate governance and ESG topics)[1] | % | / | / | / | 100 |
| The total length of the directors receiving continuing professional development training (corporate governance and ESG topics)[1] | Hour | / | / | / | 18 |
| Duration of continuous professional development training (corporate governance and ESG topics) per director[1] | Hour | / | / | / | 2 |

1 Data explanation: From 2022 to 2024, the above disclosed items are not included in the statistical scope, so no relevant information is disclosed.

## Anti-bribery and anti-corruption performance

| Indicator | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Number of directors who received anti-commercial bribery and anti-corruption training | Person | 9 | 9 | 9 | 9 |

| Indicator | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Proportion of directors covered by anti-commercial bribery and anti-corruption training[1] | % | 100 | 100 | 100 | 100 |
| Average hours of anti-corruption and anti-bribery training per Director [2] | Hour | 2.00 | 2.00 | 2.00 | 2.00 |
| Number of management staff who received anti-commercial bribery and anti-corruption training[3] | Person | / | 2,500 | 3,367 | 2,997 |
| Proportion of management covered by anti-commercial bribery and anti- corruption[1,3] | % | / | 100 | 100 | 100 |
| Average length of anti-bribery and anti-corruption training for management [2,3] | Hour | / | 1.00 | 1.00 | 1.09 |
| Number of employees who received anti-commercial bribery and anti-corruption training[4] | Person | 9,719 | 9,788 | 9,595 | 10,617 |
| Proportion of employees covered by anti-commercial bribery and anti-corruption training[1,4] | % | 100 | 100 | 100 | 100 |
| Average hours of employees receiving anti-commercial bribery and anti-corruption training[2,4] | Hour | 2.00 | 2.00 | 1.50 | 1.15 |
| Number of concluded lawsuits regarding corruption brought against the issuer or its employees during the Reporting Period | Pieces | 0 | 0 | 0 | 0 |

1 Calculation formula: Coverage of Directors (or management or employees) receiving anti-bribery and anti-corruption training = Number of Directors (or management

or employees) receiving anti-corruption and anti-bribery training / Total number of Directors (or management or employees) * 100%.
2 Calculation formula: Average hours of anti-bribery and anti-corruption training per Director (or management staff or employees) = Total hours of anti-bribery and anti-corruption training for Directors (or management or employees) / Total number of Directors (or management staff or employees).
3 Information note: The indictors related to the management's anti-bribery and anti-corruption training in 2022 are not included in the statistics. Therefore, relevant data have not been disclosed.
4 Information note: In 2022 and 2023, the data source of anti-bribery and anti-corruption training for staff includes full-time employees engaged under labor contracts and employees engaged in other types of employment (interns, disabled and rehired employees). In 2024 and 2025, the data source of anti-bribery and anti-corruption training for staff includes full-time employees engaged under labor contracts.

## Anti-unfair competition performance

| Disclosure item | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Amount involved in lawsuits or major administrative penalties due to the Company's unfair competition during the Reporting Period[1] | RMB10,000 | / | / | / | 0 |

1 Data explanation: From 2022 to 2024, the above disclosed items are not included in the statistical scope, so no relevant information is disclosed.

## Data security and privacy protection performance

| Disclosure item | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Percentage of information security facilities/operating sites that have passed ISO 27001 certification | % | 100 | 100 | 100 | 100 |
| Number of confirmed incidents of leakage, theft or loss of customer information | Pieces | 0 | 0 | 0 | 0 |

| Disclosure item | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| The amount involved in the customer privacy breach | RMB10,000 | 0 | 0 | 0 | 0 |
| Amount involved in data security incident | RMB10,000 | 0 | 0 | 0 | 0 |
| Total number of customers, clients and employees affected by information security-related violations | Person | 0 | 0 | 0 | 0 |

## ❖ Product and Service Performance

### Product and service management performance

| Disclosure item | | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| Number of inspections by the supervisory agency[1] | | Times | 7 | 13 | 33 | 25 |
| Number of FDA warning letters received[2] | | Times | 0 | 0 | 0 | 0 |
| Percentage of sold or shipped products that must be recycled for safety and health reasons (in terms of sales) | | % | 0 | 0 | 0 | 0 |
| Total number of major complaints received regarding products and services | | Incident | 0 | 0 | 0 | 0 |
| Number of major complaints received by type of complaint | Product quality and safety | Incident | 0 | 0 | 0 | 0 |
| | Customer service | Incident | 0 | 0 | 0 | 0 |
| | Other questions | Incident | 0 | 0 | 0 | 0 |
| Handling rate of complaints received regarding products and services | | % | 100 | 100 | 100 | 100 |
| Number of incidents in violation of laws and regulations related to products and services | | Incident | 0 | 0 | 0 | 0 |
| The total amount of fines received for violating laws and regulations related to products and services | | RMB10,000 | 0 | 0 | 0 | 0 |
| The amount of damage involved in major safety and quality accidents related to products and services | | RMB10,000 | 0 | 0 | 0 | 0 |

1 Information description: Regulatory agencies refer to the official regulatory agencies in the places where companies operate and where the products are ultimately sold, such as FDA, PMDA, TGA, MFDS, HC and NMPA.

2 Data explanation: From 2022 to 2025, the Company's operating income was not affected by the FDA warning letter and FDA Form 483.

## Intellectual property rights protection performance

| Disclosure item | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Number of patent applications during the reporting period[1] | Application | 93 | 100 | 134 | 37 |
| Number of patents granted during the reporting period | Patent | 48 | 67 | 127 | 90 |
| Number of software copyright registrations during the reporting period | Registration | 1 | 22 | 8 | 8 |
| Number of trademarks approved during the reporting period | Trademark | 7 | 17 | 0 | 7 |
| Number of valid patents at the end of the reporting period[2] | Patent | / | / | / | 557 |
| Number of invention patents applied to main business | Patent | 194 | 245 | 374 | 432 |
| Number of violations of laws and regulations in respect of protection of trade secrets (including intellectual property rights) | Incident | 0 | 0 | 0 | 0 |

1 Data explanation: In 2025, the number of patent applications during the reporting period decreased compared with the previous year, mainly due to the decrease in the actual number of applications filed by the company in accordance with the R&D progress and intellectual property strategy during the period.
2 Data explanation: From 2022 to 2024, the above-mentioned disclosed items are not included in the statistical scope, so relevant data are not disclosed.

## ❖ Supply Chain Performance

### Supply chain performance

| Disclosure item | | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| Total number of suppliers[1] | | Supplier | 5,084 | 5,594 | 6,991 | 5,112 |
| Classified by region | Number of suppliers in China mainland | Supplier | 4,834 | 5,396 | 6,650 | 4,603 |
| | Number of suppliers in Hong Kong, Macau, Taiwan and overseas regions[1] | Supplier | 250 | 198 | 341 | 509 |
| Classified by supply relationship | Number of direct suppliers [2,3] | Supplier | / | 1,617 | 1,855 | 1,542 |
| | Number of indirect suppliers[2,3] | Supplier | / | 3,977 | 5,136 | 3,570 |
| Classified by importance | Number of key suppliers [2] | Supplier | / | 1,444 | 1,691 | 1,812 |
| | Number of non-critical suppliers[2] | Supplier | / | 4,510 | 5,300 | 3,300 |
| Number of Direct Key Suppliers[2] | | Supplier | / | 558 | 588 | 408 |
| Percentage of direct key suppliers' procurement expenditure in all direct suppliers 'procurement expenditure[2] | | % | / | 30.98 | 38.09 | 42.65 |
| Number of indirect key suppliers[2] | | Supplier | / | 886 | 1,103 | 1,404 |
| Percentage of suppliers signing the Sunshine Cooperation Agreement | | % | 100 | 100 | 100 | 100 |
| Percentage of suppliers signing the agreement containing provisions on requirements for environment and labor | | % | 100 | 100 | 100 | 100 |
| Number of suppliers conducting social impact assessment[3] | | Supplier | 1,251 | 1,617 | 1,855 | 1,542 |
| Number of suppliers carrying out environmental impact assessment[4] | | Supplier | 1,251 | 1,617 | 1,855 | 1,542 |

| Disclosure item | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Number of suppliers participating in safety and environmental protection training | Supplier | 1,251 | 1,617 | 1,855 | 1,542 |
| Number of suppliers identified as having actual/potentially significant negative social impact[5] | Supplier | / | / | / | 25 |
| Number of suppliers identified as having actual/potentially significant negative environmental impact[5] | Supplier | / | / | / | 25 |
| Proportion of suppliers who are determined to have actual/potentially significant negative social impact and agree to improve[5] | % | / | / | / | 100 |
| Proportion of suppliers that are determined to have actual/potentially significant negative environmental impacts and agree to improve[5] | % | / | / | / | 100 |
| Number of assessed suppliers among key suppliers[5] | Supplier | / | / | / | 1,509 |
| Number of key suppliers assessed to have significant actual/potential negative impact[5] | Supplier | / | / | / | 25 |
| Number of suppliers that implemented corrective actions among the key suppliers that have been assessed as having a significant actual/potential negative impact[5] | Supplier | / | / | / | 23 |
| Number of suppliers that terminated cooperation among the key suppliers that have been assessed as having a significant actual/potential negative impact[5] | Supplier | / | / | / | 2 |
| The number of key suppliers (including direct and indirect suppliers) participating in capacity building[5] | Supplier | / | / | / | 1,509 |
| Total number of new suppliers | Supplier | 1,110 | 1,089 | 782 | 609 |

| Disclosure item | | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| Sort by screening criteria | Percentage of new suppliers screened using social criteria[6] | % | 91 | 97 | 98 | 100 |
| | Percentage of new suppliers screened using environmental criteria[6] | % | 26 | 35 | 37 | 70 |

1 Data explanation: In 2025, the number of suppliers in Hong Kong, Macau, Taiwan and overseas regions was increase, mainly due to the operation of the Company's subsidiary ALTD and the simultaneous increase in the number of suppliers.
2 Data explanation: In 2022, the above-mentioned disclosed items are not included in the statistical scope, so relevant data were not disclosed.
3 Information description: Direct suppliers are Tier 1 suppliers, who directly provide goods, materials and services to the company. Indirect suppliers are non-primary suppliers, who provide products and services to the company through Tier 1 suppliers.
4 Information description: The company adopts an on-site or remote approach to conduct social and environmental impact assessments on suppliers, and the assessment covers all direct suppliers.
5 Data explanation: From 2022 to 2024, the above-mentioned disclosed items are not included in the statistical scope, so the relevant information is not disclosed.
6 Calculation formula: Percentage of new suppliers screened using social (or environmental) criteria = number of new suppliers screened using social (or environmental) criteria / total number of new suppliers *100%.

## ❖ R&D Innovation Performance

### R&D innovation performance

| Disclosure item | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Number of R&D personnel | Person | 4,656 | 4,752 | 4,653 | 5,243 |
| Proportion of R&D personnel | % | 47.91 | 48.55 | 48.49 | 49.38 |
| R&D expenditure investment | RMB10,000 | 70,889.1 | 70,786.3 | 61,449.0 | 59,326.1 |
| R&D expenditure investment[1] | RMB10,000 | 70,889.1 | 70,786.4 | 61,449.0 | 59,326.1 |
| Percentage of investment in R&D costs in revenue[2] | % | 6.93 | 9.10 | 10.59 | 8.89 |
| Percentage of investment in R&D costs in revenue from main business[1] | % | 6.92 | 9.05 | 10.60 | 8.90 |

1 Data explanation: The R&D expenses and the main business income data used to calculate the ratio are all financial data under the PRC accounting standards.
2 Data explanation: Due to the accuracy of the disclosed data, this data is slightly different from the direct calculation results of the R&D expenditure and operating income disclosed in this report. The data disclosed in this table shall prevail.

## ❖ Environmental Performance

### Environmental compliance management performance

| Disclosure item | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Number of incidents that have been punished due to violations of environmental protection laws and regulations | Incident | 0 | 0 | 0 | 0 |
| The total amount of fines received for violating environmental protection laws and regulations | RMB10,000 | 0 | 0 | 0 | 0 |

### Energy utilization performance

| Disclosure item | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Comprehensive energy consumption[1] | MWh | 563,488 | 576,147 | 542,709 | 632,270 |
| Comprehensive energy consumption density (unit operating income)[1] | MWh / RMB10,000 | 0.55 | 0.74 | 0.93 | 0.95 |
| Direct energy use[1] | MWh | 252,174 | 171,441 | 117,337 | 131,060 |
| Indirect energy use[1] | MWh | 311,314 | 404,706 | 425,372 | 501,210 |
| Comprehensive energy consumption[1,2] | Tonne of standard coal | 69,302 | 70,859 | 66,747 | 77,762 |
| Comprehensive energy consumption density (RMB per unit of revenue)[1] | Tonne of standard coal / RMB10,000 | 0.07 | 0.09 | 0.11 | 0.12 |

| Disclosure item | | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| Direct energy use[1] | | Tonne of standard coal | 31,014 | 21,085 | 14,431 | 16,119 |
| Indirect energy use[1] | | Tonne of standard coal | 38,288 | 49,774 | 52,315 | 61,463 |
| Purchased electricity consumption | | MWh | 232,038 | 242,624 | 259,142 | 299,568 |
| Categorized by the nature of electricity | Consumption of purchased electricity from renewable energy[3,4] | MWh | / | 21,350 | 57,028 | 139,237 |
| | Consumption of purchased electricity from non-renewable energy | MWh | 232,038 | 221,274 | 202,114 | 160,331 |
| Purchased steam consumption | | GJ | 285,393 | 482,991 | 547,916 | 672,622 |
| Raw coal consumption | | Tonne | 34,829 | 15,933 | 10,299 | 12,559 |
| Natural gas consumption | | $M^3$ | 4,592,471 | 6,565,448 | 4,553,646 | 4,906,780 |
| Consumption of purchased hot water[3] | | GJ | / | 100,504 | 50,512 | 53,289 |
| Stationary source diesel consumption[3] | | Tonne | / | 380 | 528 | 249.74 |
| Gasoline consumption of the Company's passenger cars[3,5] | | Liter | / | 224,166 | 152,681 | 94,880 |
| Diesel consumption of the Company's passenger cars[5] | | Liter | 23,000 | 137,530 | 63,232 | 17,686 |
| Self-produced renewable energy consumption[4,6] | | MWh | / | 35 | 36 | 1,081 |
| Clean energy consumption | | MWh | 49,663 | 92,384 | 106,306 | 193,38 |

| Disclosure item | | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| Proportion of clean energy consumption in total energy consumption | | % | 8.81 | 16.03 | 19.59 | 30.58 |
| Classified by energy type | Natural gas | $M^3$ | 4,592,471 | 6,565,448 | 4,553,646 | 4,906,780 |
| | Wind energy | MWh | / | 21,350 | 57,028 | 122,997 |
| | Solar energy | MWh | / | 35 | 36 | 17,321 |
| Classified by energy type | Proportion of natural gas consumption | % | 100 | 76.85 | 46.32 | 27.44 |
| | Wind energy consumption ratio | % | / | 23.11 | 53.64 | 63.60 |
| | Solar energy consumption ratio | % | / | 0.04 | 0.03 | 8.96 |
| Renewable energy consumption[4] | | MWh | / | 21,385 | 57,063 | 140,318 |
| Non-renewable energy consumption | | MWh | / | 554,762 | 485,646 | 491,952 |
| Renewable energy ratio[4] | | % | / | 3.71 | 10.51 | 22.19 |

1 Information note: Comprehensive energy consumption, direct energy consumption and indirect energy consumption were calculated in accordance with the *GB/T 2589-2020 General Rules for Calculation of the Comprehensive Energy Consumption*. Among them, the average lower heating values (raw coal 20,908 kJ/kg, natural gas 38,931 kJ/normal cubic meter, diesel 42,652 kJ/kg, and gasoline 43,070 kJ/kg) were from the *China Energy Statistics Yearbook* (2024). Typical density at 20°C was selected for density (diesel 0.85 kg/liter, gasoline 0.74 kg/liter) with reference to the US DOE/EIA and *GB 17930-2016 Gasoline for Motor Vehicles*). In addition, in 2022, direct energy consumption included the consumption of raw coal, natural gas, diesel with stationary pollution source, gasoline for official vehicles and diesel for official vehicles. Indirect energy consumption included the consumption of purchased electricity and purchased steam. In 2023, 2024 and 2025s, direct energy consumption includes the consumption of raw coal, natural gas, diesel with stationary pollution source and self-produced renewable energy of the Company. Indirect energy consumption includes the consumption of purchased electricity, purchased steam and purchased hot water.

2 Information note: Due to the accuracy of the disclosed data, the data is slightly different from the direct calculation results of direct energy consumption and indirect energy consumption disclosed in this Report. The final data disclosed in this table shall prevail.

3 Information note: Purchased renewable electricity, purchased hot water, diesel with stationary pollution source and gasoline for official vehicles are used in the Company's operation. The indicators above were not included in the statistics in 2022. Therefore, the relevant data have not been disclosed.

4 Data explanation: In 2025, the increase in renewable energy power consumption (including the consumption of outsourced renewable energy power and the consumption of self-produced renewable energy) is mainly due to the Company's response to energy green transition requirements, on the one hand, expanding the purchase of renewable energy power, and on the other hand, the newly constructed rooftop distributed photovoltaic power generation project at the plant are connected to the grid to jointly promote the use and proportion of renewable energy .
5 Data explanation: In 2025, the Company's passenger car gasoline and Company's passenger car diesel consumption decreased, mainly due to the Company's further response to environmental protection management requirements and the reduction of Company's passenger car use.
6 Information note: In 2022, the consumption of self-produced renewable energy was small and not included in the statistics. Therefore, the relevant data have not been disclosed.

## Response to climate change performance

| Disclosure item | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Scope 1 Greenhouse Gas Emissions[1] | Tonne of carbon dioxide equivalent | 76,747.78 | 46,854.49 | 31,786.56 | 37,635.79 |
| Scope 2 Greenhouse Gas Emissions (based on location)[2] | Tonne of carbon dioxide equivalent | 163,724.50 | 202,552.92 | 204,882.44 | 235,883.96 |
| Scope 2 Greenhouse Gas Emissions (based on market)[2] | Tonne of carbon dioxide equivalent | 163,724.50 | 190,377.01 | 184,185.04 | 174,219.09 |
| Total greenhouse gas emissions (Scope 1 + Scope 2) (based on location) | Tonne of carbon dioxide equivalent | 240,472.28 | 249,407.41 | 236,669.00 | 273,519.75 |
| Total greenhouse gas emissions (Scope 1 + Scope 2) (based on market) | Tonne of carbon dioxide equivalent | 240,472.28 | 237,231.51 | 215,971.60 | 211,854.88 |
| Greenhouse gas emission intensity (Scope 1 + Scope 2) (based on location) (per unit of revenue) | Tonne of carbon dioxide equivalent / RMB10,000 | 0.24 | 0.32 | 0.41 | 0.41 |

| Disclosure item | | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| Greenhouse gas emission intensity (Scope 1 + Scope 2) (based on market) (per unit of revenue) | | Tonne of carbon dioxide equivalent / RMB10,000 | 0.24 | 0.30 | 0.37 | 0.32 |
| Scope 3 Greenhouse Gas Emissions[3] | | Tonne of carbon dioxide equivalent | / | / | / | 325,386 |
| Classified by category | Category 1: Outsourced goods and services | Tonne of carbon dioxide equivalent | / | / | / | 223,214 |
| | Category 2: Capital Goods | Tonne of carbon dioxide equivalent | / | / | / | 21,502 |
| | Category 3: Fuel and energy related activities | Tonne of carbon dioxide equivalent | / | / | / | 27,724 |
| | Category 4: Upstream transportation and distribution | Tonne of carbon dioxide equivalent | / | / | / | 4,842 |
| | Category 5: Waste generated in operation | Tonne of carbon dioxide equivalent | / | / | / | 33,612 |
| | Category 6: Business Travel | Tonne of carbon dioxide equivalent | / | / | / | 1,526 |
| | Category 7: employee commuting | Tonne of carbon dioxide equivalent | / | / | / | 9,252 |
| | Category 8: Upstream leased assets | Tonne of carbon dioxide equivalent | / | / | / | 1,337 |

| Disclosure item | | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| | Category 9: Downstream Transportation and Distribution | Tonne of carbon dioxide equivalent | / | / | / | 2,377 |

1 Data explanation: Scope 1 greenhouse gas emissions include direct greenhouse gas emissions from the consumption of raw coal, natural gas, diesel and gasoline. The calculation method is based on the *Implementation Guidelines for Disclosure of Climate Information under the Environmental, Social and Governance Framework* of the Stock Exchange and Shenzhen Stock Exchange of *Guidelines for Self-Regulatory Supervision of Listed Companies No. 3 -Sustainability Report Preparation (Revised in 2026)*, *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)*. Calculated using the emission factor method. The types of greenhouse gases include $CO_2$, $CH_4$, and $N_2O$, and the greenhouse gas equivalents are calculated using the IPCC AR6 GWP 100-year average (GWP 100). Where:

(1) Operations in China mainland

① The greenhouse gas emission factor of raw coal is 2.061288 tonnes of carbon dioxide equivalent/ton;

② The greenhouse gas emission factor of natural gas is 0.002186 tonnes of carbon dioxide equivalent per $m^3$;

③ The greenhouse gas emission factor of stationary diesel is 3.169647 tonnes of carbon dioxide equivalent/ton;

④ The Company's passenger car gasoline greenhouse gas emission factor is 0.002259 tonnes of carbon dioxide equivalent/liter;

⑤ The greenhouse gas emission factor of the Company's passenger car diesel is 0.002707 tonnes of carbon dioxide equivalent/liter;

The relevant parameters of the above greenhouse gas emission factors come from the *China Energy Statistical Yearbook* (2024), the *Provincial Greenhouse Gas Inventory Compilation Guide* (2025 Edition), and the *Greenhouse Gas Emission Accounting Method and Reporting Guide for Land Transport Enterprises (Trial)* (2015). The gasoline density (0.74 kg/liter) is selected with reference to US DOE/EIA and *GB 17930-2016 Motor Gasoline*. The density of diesel oil (0.85 kg/liter) is selected with reference to US DOE/EIA and "GB 19147-2016 Diesel for Vehicles".

(2) Operations in the U.S.

① The greenhouse gas emission factor of natural gas is 0.001925 tonnes of carbon dioxide equivalent/$m^3$, which is derived from the "Natural Gas" emission factor in the *GHG Emission Factors Hub (2025.1)* of the United States Environmental Protection Agency (US EPA).

2 Data explanation: Scope 2 greenhouse gas emissions include indirect greenhouse gas emissions from the consumption of purchased electricity, purchased steam and purchased hot water. Scope 1 greenhouse gas emissions include direct greenhouse gas emissions from the consumption of raw coal, natural gas, diesel and gasoline. The calculation method is based on the *Implementation Guidelines for Disclosure of Climate Information under the Environmental, Social and Governance Framework* of the Stock Exchange and Shenzhen Stock Exchange of *Guidelines for Self-Regulatory Supervision of Listed Companies No. 3 -Sustainability Report Preparation (Revised in 2026)*, *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)***.** Calculated using the emission factor method. The types of greenhouse gases include $CO_2$, $CH_4$, and $N_2O$, and the greenhouse gas equivalents are calculated using the IPCC AR6 GWP 100-year average (GWP 100). Where:

(1) Operations in China mainland

①The greenhouse gas emission factor of purchased electricity is selected from the average emission factor of China's national power grid, from the Ministry of Ecology and Environment and Environment. *Announcement on Issuing Electricity Carbon Dioxide Emission Factors in 2022* and A*nnouncement on Issuing Electricity Carbon Dioxide Emission Factors in 2023*. Under the location-based approach, it was 0.5703 in 2022 and 2023. Tonnes of carbon dioxide/MWh, 0.5366 tonnes of carbon dioxide/MWh in

2024, and 0.5306 tonnes of carbon dioxide/MWh in 2025; under the market-based approach, greenhouse gas emission factors for purchased non-renewable energy electricity in 2022 and 2023 0.570 3 tonnes of carbon dioxide/MWh, 0.5856 tonnes of carbon dioxide/MWh in 2024, 0.6096 tonnes of carbon dioxide/MWh in 2025, and a greenhouse gas emission factor of 0 tonnes of carbon dioxide/MWh from 2022 to 2025.

②The greenhouse gas emission factors of purchased steam and the greenhouse gas emission factors of purchased hot water are from the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions by Enterprises in Other Industries (for Trial Implementation)* (2015), both of which are 0.11 tonne $CO_2$ equivalent/GJ.

(2) Operations in the U.S.

① The greenhouse gas emission factor of purchased electricity is the average emission factor of the U.S. national power grid, which is derived from the "US Average" emission factor in the "GHG Emission Factors Hub (2025.1)" of the U.S. Environmental Protection Agency (US EPA), which is 0.351669 tonnes of carbon dioxide in 2025. Megawatt hours.

② The greenhouse gas emission factor of purchased steam comes from the "Steam and Heat" emission factor in the *GHG Emission Factors Hub (2025.1)* of the United States Environmental Protection Agency (US EPA). In 2025, it is 0.062934 tonnes of carbon dioxide equivalent/GJ.

(3) Operating locations in the UK

① The greenhouse gas emission factor of purchased electricity is selected from the average emission factor of the UK grid, which is derived from the "Electricity generated-Electricity: UK" emission factor in the *GHG-Conversion-Factors 2025* of the UK DEFRA, in 2025 itis 0.177 tonnes of carbon dioxide per MWh.

② The emission factor of purchased steam comes from the "Heat and steam" emission factor in the *GHG-Conversion-Factors 2025* of the UK DEFRA. In 2025, it is 0.048692 tonnes of carbon dioxide equivalent/GJ.

3 Data explanation: From 2022 to 2024, the above-mentioned disclosed items are not included in the statistical scope, so the relevant information is not disclosed. In 2025, the Company followed the *Implementation Guidelines for Disclosure of Climate Information under the Environmental, Social and Governance Framework* the Stock Exchange, *Guidelines for Self-Regulatory Supervision of Listed Companies No. 3 -Compilation of Sustainability Reports (Revised in 2026)* of the Stock Exchange, Greenhouse Gas Accounting System: Accounting and Reporting Standards for Enterprise Value Chains (Scope 3), which classifies, calculates and reports on indirect emissions in the enterprise value chain (Scope 3). The accounting categories cover categories 1-9 and 10-15 factors. The Company's business activities are not involved or are not disclosed due to the Company's confidentiality requirements. The caliber of the data includes Asymchem shares and manufacturing subsidiaries in China mainland. The IPCC AR6 GWP 100-year average value (GWP 100) is selected as the greenhouse gas equivalent. The emission factors for the relevant categories are from the following databases:

(1) The US Environmental Expansion Input-Output (US EEIO) model *Supply Chain GHG Emission Factors_v1.3.0_NAICS_$CO_2$e_USD2022* (Supply Chain GHG Emission Factors_v1.3.0_NAICS_$CO_2$e_USD2022);

(2) *Table 13: Indirect emissions from the supply chain* (Table 13: Indirect emissions from the supply chain) of the UK Department of Environment, Food and Rural Affairs (UK DEFRA), and Environmental Expansion Input-Output (EEIO) model factor library;

(3) The Emission Factor Database (EFDB) of the British Ministry of Environment;

(4) the Ministry of Ecology and Environment *The Whole Life Cycle Greenhouse Gas Emission Coefficients of Chinese Products (2022)*, *Electricity Carbon Dioxide Emission Factors in 2023*, *National Electricity Carbon Footprint Factors in 2024*, etc.

## Water resources utilization performance

| Indicator | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Total water consumption (based on water intake minus water discharge)[1] | $m^3$ | 1,749,056 | 1,763,925 | 1,735,049 | 1,988,478 |
| Water consumption intensity (RMB per unit of revenue) | $m^3$ / RMB10,000 | 1.71 | 2.27 | 2.99 | 2.98 |

1 Information note: The water consumption sources outlined herein exclusively pertain to municipal water supply.

## Raw material and packaging management performance

| Indicator | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Total packaging materials used for finished products[1] | Tonne | 106.22 | 157.68 | 196.21 | 234.29 |
| Intensity of packaging materials used for finished products (RMB per unit of revenue) | Tonne / RMB10,000 | 0.000104 | 0.000203 | 0.000338 | 0.000351 |

1 Information note: In 2025, the total packing materials used for finished products grew, mainly due to the increase in the Company's output.

## Wastewater emission performance

| Indicator | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Total wastewater emissions | $m^3$ | 882,389 | 855,079 | 1,146,519 | 1,356,974 |
| Wastewater discharge intensity (RMB per unit of revenue) | $m^3$ / RMB10,000 | 0.86 | 1.10 | 1.98 | 2.03 |
| Chemical oxygen demand (COD) emissions | Kg | 101,836 | 92,764 | 168,132 | 167,546 |

| Indicator | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Intensity of chemical oxygen demand (COD) emissions (RMB per unit of revenue) | Kg / RMB10,000 | 0.100 | 0.119 | 0.290 | 0.251 |
| Ammonia nitrogen ($NH_3$-N) emissions | Kg | 8,452 | 8,771 | 9,322 | 9,477 |
| Intensity of $NH_3$-N Emissions (RMB per unit of revenue) | Kg / RMB10,000 | 0.008 | 0.011 | 0.016 | 0.014 |

## Waste gas emission performance

| Indicator | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Nitrogen oxide ($NO_x$) emissions | Kg | 97,357 | 64,915 | 75,782 | 86,797 |
| Intensity of $NO_x$ emissions (RMB per unit of revenue) | Kg / RMB10,000 | 0.095 | 0.083 | 0.131 | 0.130 |
| Sulfur oxide ($SO_x$) emissions | Kg | 50,763 | 25,947 | 31,679 | 33,815 |
| Intensity of $SO_x$ emissions (RMB per unit of revenue) | Kg / RMB10,000 | 0.050 | 0.033 | 0.055 | 0.051 |
| Particulate matter (PM) emissions | Kg | 11,245 | 7,574 | 10,900 | 8,639 |
| Intensity of PM emissions (RMB per unit of revenue) | Kg / RMB10,000 | 0.011 | 0.010 | 0.019 | 0.013 |
| Volatile organic compounds (VOCs) emissions | Kg | 38,519 | 50,138 | 30,788 | 36,126 |
| Intensity of VOCs emissions (RMB per unit of revenue) | Kg / RMB10,000 | 0.038 | 0.064 | 0.053 | 0.054 |

## Waste management performance

| Indicator | | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| Total waste | | Tonne | 100,101 | 42,418 | 71,391 | 107,997 |
| Total amount of non-hazardous waste[1] | | Tonne | 12,678 | 7,239 | 6,564 | 5,548 |
| By disposal method | Incineration with energy recovery[2] | Tonne | / | / | 169 | 27 |
| | Recycling / reuse | Tonne | 844 | 6,735 | 6,389 | 5,507 |
| | Landfill[2] | Tonne | / | / | 6 | 14 |
| Intensity of non-hazardous wastes (RMB per unit of revenue) | | Tonne / RMB10,000 | 0.012 | 0.009 | 0.011 | 0.008 |
| Total amount of hazardous waste[3] | | Tonne | 87,423 | 35,179 | 64,827 | 102,449 |
| By disposal method | Incineration with energy recovery[2] | Tonne | / | / | 39,278 | 67,091 |
| | Incineration without energy recovery | Tonne | / | / | 0 | 0 |
| | Recycling / reuse | Tonne | 1,839 | 4,271 | 13,365 | 31,034 |
| | Landfill[2] | Tonne | / | / | 4,108 | 2,832 |
| | Unknown methods[2] | Tonne | / | / | 4,311 | 0 |
| | Others[2] | Tonne | / | / | 3,765 | 1,492 |
| Intensity of hazardous waste (RMB per unit of revenue) | | Tonne / RMB10,000 | 0.085 | 0.045 | 0.112 | 0.154 |

1 Information note: Data source of non-hazardous waste includes industrial solid waste defined in the *Catalogue for the Classification and Codes of Solid Waste*.

2 Information note: The indicators of amount of non-hazardous waste and amount of hazardous waste by disposal method (except recycling/reuse) were not included in the statistics in 2022 and 2023. Therefore, the relevant data has not been disclosed.
3 Information note: Data source of hazardous waste includes hazardous waste defined in the *National Hazardous Waste List*. In 2025, the total amount of hazardous waste increased compared to the previous year, mainly attributable to the Company's increase in productivity.

## ❖ General Employment and Labor Performance

### Employment compliance performance

| Performance Indicator | | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| Total number of penalty incidents for violating the laws and regulations relating to employment and labor | | Incident | 0 | 0 | 0 | 0 |
| By cause of incident | Number of penalty incidents for violating the laws and regulations relating to recruitment and dismissal of employees | Incident | 0 | 0 | 0 | 0 |
| | Number of penalty incidents for violating the laws and regulations on working hours and holidays for employees | Incident | 0 | 0 | 0 | 0 |
| | Number of penalty incidents for violating the laws and regulations on promotion and equal opportunities for employees | Incident | 0 | 0 | 0 | 0 |
| | Number of penalty incidents for violating the laws and regulations on anti-discrimination and diversity for employees | Incident | 0 | 0 | 0 | 0 |

### Employee employment performance[1]

| Indicator | | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| Number of full-time employees engaged under labor contracts[1] | | Person | 9,650 | 9,669 | 9,595 | 10,617 |
| Number of employees engaged in other types of employment[1] | | Person | 69 | 119 | 201 | 397 |
| By gender | Number of male employees | Person | 6,740 | 6,539 | 6,500 | 7,208 |

| Indicator | | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| | Number of female employees | Person | 2,979 | 3,249 | 3,095 | 3,409 |
| By age group | Number of employees aged 51 and above | Person | 120 | 145 | 194 | 213 |
| | Number of employees aged 41 to 50 | Person | 528 | 693 | 787 | 937 |
| | Number of employees aged 31 to 40 | Person | 2,965 | 3,207 | 3,470 | 3,983 |
| | Number of employees aged 30 and below | Person | 6,106 | 5,743 | 5,144 | 5,484 |
| By geographic region | Number of employees working in China mainland | Person | 9,652 | 9,707 | 9,428 | 10,449 |
| | Number of employees working overseas | Person | 67 | 81 | 167 | 168 |
| By Education | Number of employees with the Doctor degree as the highest education | Person | 272 | 308 | 326 | 342 |
| | Number of employees with the Master degree as the highest education | Person | 1,682 | 1,940 | 1,974 | 2,193 |
| | Number of employees with the Bachelor degree and below | Person | 5,444 | 5,360 | 5,208 | 5,872 |
| | The number of employees with junior college degree | Person | 1,104 | 1,091 | 1,102 | 1,255 |
| | Number of employees with the highest degree from specialized secondary school or below | Person | 1,217 | 1,089 | 985 | 955 |
| By employee category | Number of grass-roots employees[2] | Person | 9,180 | 7,288 | 6,228 | 7,620 |
| | Number of junior managers[2] | Person | / | 1,863 | 2,613 | 2,215 |
| | Number of middle managers | Person | 436 | 517 | 612 | 627 |

| Indicator | | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| | Number of senior managers | Person | 103 | 120 | 142 | 155 |
| By position | Number of employees in charge of production | Person | 3,314 | 3,380 | 3,362 | 3,398 |
| | Number of employees in charge of sales | Person | 92 | 73 | 84 | 103 |
| | Number of employees in charge of R&D and analysis | Person | 4,656 | 4,752 | 4,653 | 5,243 |
| | Number of employees in charge of supply and purchase | Person | 282 | 266 | 198 | 234 |
| | Number of employees in charge of infrastructure and equipment[3] | Person | 566 | 572 | 594 | 1,011 |
| | Number of employees in charge of finance and administration | Person | 809 | 745 | 704 | 628 |
| Percentage of female employees[4] | | % | 30.65 | 33.19 | 32.26 | 32.11 |
| Percentage of female employees in management[3,4] | | % | 28.94 | 30.28 | 30.71 | 30.76 |
| By employee category | Percentage of female junior employees[3,4] | % | / | 30.01 | 31.73 | 31.29 |
| | Percentage of female middle managers[4] | % | 31.19 | 34.24 | 29.58 | 31.74 |
| | Percentage of female senior managers[4] | % | 19.42 | 17.50 | 16.90 | 19.35 |
| Percentage of female employees in core management (C-suite)[4,5] | | % | / | / | / | 14.29 |
| Percentage of female managers in all revenue-generating departments[4,6] | | % | / | 27.68 | 27.82 | 28.16 |
| Percentage of female employees in Science, technology, engineering and mathematics ("**STEM**") related positions[4,6] | | % | / | 40.61 | 43.16 | 44.19 |

| Indicator | | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| Number of minority employees[7] | | Person | 718 | 704 | 694 | 761 |
| By ethnicity | Number of Manchu employees[7] | % | / | / | / | 368 |
| | Number of Mongolian employees[7] | % | / | / | / | 154 |
| | Number of Hui employees[7] | % | / | / | / | 91 |
| | Number of Korean emloyees[7] | % | / | / | / | 31 |
| | Number of Tujia employees[7] | % | / | / | / | 26 |
| | Number of employees of other ethnic groups[7] | % | / | / | / | 91 |
| Percentage of minority employees in management[7] | | % | / | / | / | 6.84 |
| By ethnicity | Percentage of Manchu employees in management[7] | % | / | / | / | 3.50 |
| | Percentage of Mongol employees in management[7] | % | / | / | / | 1.77 |
| | Percentage of Hui employees in management[7] | % | / | / | / | 0.87 |
| | Percentage of Tujia Employees in Management[7] | % | / | / | / | 0.27 |
| | Percentage of Korean employees in management[7] | % | / | / | / | 0.23 |
| | Percentage of employees from other ethnic groups in management[7] | % | / | / | / | 0.20 |
| Total number of new employees | | Person | 5,000 | 2,769 | 2,363 | 3,209 |

| Indicator | | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| By gender | Number of new male employees | Person | 3,326 | 1,964 | 1,806 | 2,368 |
| | Number of new female employees | Person | 1,674 | 805 | 557 | 841 |
| Percentage of employees filling vacant positions by internal competition[8] | | % | 25.17 | 32.55 | 26.55 | 27.79 |
| By gender | Percentage of male employees filling vacant positions by internal competition[8] | % | 19.30 | 30.16 | 20.84 | 18.96 |
| | Percentage of female employees filling vacant positions by internal competition[8] | % | 9.80 | 15.32 | 8.94 | 13.11 |
| By age group | Percentage of employees aged 51 or above filling vacant positions by internal competition[7,8] | % | / | / | / | 0.16 |
| | Percentage of employees aged 41to 50 filling vacant positions by internal competition[7,8] | % | / | / | / | 3.14 |
| | Percentage of employees aged 31 to 40 filling vacant positions by internal competition[7,8] | % | / | / | / | 15.97 |
| | Percentage of employees aged 30 and below filling vacant positions by internal competition[7,8] | % | / | / | / | 13.85 |
| By employee category | Percentage of grassroots employees filling vacant positions by internal competition[8] | % | 12.63 | 19.72 | 2.48 | 12.87 |
| | Percentage of junior managers filling vacant positions by internal competition[8] | % | 14.30 | 15.40 | 19.71 | 14.63 |

| Indicator | | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| | Percentage of middle managers filling vacant positions by internal competition[8] | % | 3.21 | 4.62 | 6.97 | 5.17 |
| | Percentage senior managers filling vacant positions by internal competition[8] | % | 0.32 | 0.65 | 1.54 | 1.11 |
| By ethnicity | Percentage of Manchu employees filling vacant positions by internal competition[7,8] | % | / | / | / | 1.38 |
| | Percentage of Mongolian employees filling vacant positions by internal competition[7,8] | % | / | / | / | 0.62 |
| | Percentage of Hui and Zhuang employees w filling vacant positions by internal competition[7,8] | % | / | / | / | 0.31 |
| | Percentage of Korean employees filling vacant positions by internal competition[7,8] | % | / | / | / | 0.09 |
| | Percentage of employees from Bouyei, Daur, Miao, ethnic groups and Xibe filling vacant positions by internal competition[7,8] | % | / | / | / | 0.16 |
| | Percentage of employees from other ethnic groups filling vacant positions by internal competition[7,8] | % | / | / | / | 0 |
| Average service years of male employees | | Year | 6.38 | 7.34 | 8.10 | 8.20 |
| Average service years of female employees | | Year | 5.54 | 5.87 | 6.70 | 7.28 |
| Percentage gap in average salary between men and women[7] | | % | / | / | / | 0.61 |
| Percentage gap between men's and women's median salaries[7] | | % | / | / | / | 0.86 |

| Indicator | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Percentage difference in average bonus between men and women[7] | % | / | / | / | 0.89 |
| Percentage gap between the median bonuses for men and women[7] | % | / | / | / | 10.50 |
| Return on human capital investment[9] | % | / | / | 1.53 | 6.59 |

1 Information note: For 2022 and 2023, the data source of employee employment included full-time employees engaged under labor contract and employees engaged in other types of employment (interns, disabled employees and rehired employees). For 2024 and 2025, except for "Number of employees engaged in other types of employment", the data source of employee employment included full-time employees engaged under labor contract.
2 Information note: For 2024, the Company did not separately statistically break down the number of grass-roots employees and junior management employees; the data for these two categories were combined and disclosed under the "grass-roots employees" related items..
3 Information note: For 2025, the company has improved the employee category, so the "the number of employees in charge of infrastructure and equipment " changed significantly compared with 2024.
4 Calculation formula: Percentage of female employees in a particular category= Number of female employees in a particular category/Total number of employees in a particular category*100%.
5 Information note: The above-mentioned disclosed items are not included in the statistical from 2022 to 2024, so the relevant data has not been disclosed.
6 Information note: Percentage of female managers in revenue-generating departments and percentage of female employees in STEM-related positions were not included in the statistics in 2022. Therefore, the relevant data has not been disclosed.
7Information note: The above-mentioned disclosed items are not included in the statistics from 2022 to 2024, so relevant data has not been disclosed.
8 Calculation formula: Percentage of employees in a particular category filling vacant positions by internal competition= Number of employees in a particular category filling vacant positions by internal competition/ (Number of employees in a particular category filling vacant positions by internal competition + Number of new employees in a particular category filling vacant positions) *100%.
9 Calculation formula = (Revenue – (Operating expenses – Total amount of salary and benefits of staff paid by the Company))/ Total amount of salary and benefits of staff paid by the Company. Information note: For 2022 and 2023, the return on human capital investment was not included in the statistics. Therefore, the relevant data has not been disclosed.

## Employee turnover performance[1, 2]

| Indicator | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Employee turnover rate | % | 13.23 | 13.75 | 13.77 | 14.77 |

| Indicator | | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| Voluntary turnover rate of employees[3] | | % | / | / | / | 11.75 |
| By gender | Turnover rate of male employee | % | 13.77 | 14.50 | 15.17 | 15.50 |
| | Turnover rate of female employee | % | 11.99 | 12.19 | 10.68 | 13.19 |
| By age group | Employee turnover rate aged 51 and above | % | 0.37 | 0.47 | 0.47 | 9.36 |
| | Employee turnover rate aged41 - 50 | % | 2.09 | 3.37 | 3.37 | 10.68 |
| | Employee turnover rate aged 31 - 40 | % | 8.05 | 6.25 | 6.25 | 11.70 |
| | Employee turnover rate of employees aged 30 and below | % | 14.18 | 16.13 | 16.13 | 18.08 |
| By geographical region | Employee turnover rate working in China | % | 13.29 | 13.69 | 13.87 | 14.79 |
| | Employee turnover rate working overseas | % | 4.29 | 19.80 | 7.73 | 13.40 |
| By employee category | Turnover rate of grass-roots employees[4] | % | 13.67 | 16.28 | 18.03 | 15.82 |
| | Turnover rate of junior managers[4,5] | % | / | 5.81 | 5.02 | 13.14 |
| | Turnover rate of middle managers[5] | % | 4.60 | 4.44 | 3.32 | 9.00 |
| | Turnover rate of senior managers[5] | % | 6.36 | 3.23 | 2.07 | 6.63 |
| By ethnicity | Turnover rate of Manchu employee[6] | % | / | / | / | 13.00 |
| | Turnover rate of Hui employee[6] | % | / | / | / | 13.48 |
| | Turnover rate of Mongolian employee[6] | % | / | / | / | 16.51 |
| | Turnover rate of Korean employee[6] | % | / | / | / | 18.42 |
| | Turnover rate of Zhuang employee[6] | % | / | / | / | 22.22 |
| | Turnover rate of other ethnic groups[6] | % | / | / | / | 17.95 |

1 Calculation formula: Employee turnover rate in a particular category = Number of employees in a particular category leaving office / (Number of employees in a

particular category in-service + Number of employees leaving the Company in a particular category) * 100%.
2 Information note: For 2022 and 2023, the data source of employee turnover included full-time employees engaged under labor contract and employees engaged in other types of employment (interns, disabled employees and rehired employees). For 2024 and 2025, the data source of employee turnover included full-time employees engaged under labor contract.
3 Calculation formula: Voluntary turnover rate of employees = number of employees with voluntary turnover / (number of employees + number of employees with voluntary turnover) *100%. Information note: The number of employees with voluntary turnover refers to the number of employees who chose to leave the company (such as resignation) during the reporting period.
4 Information note: For 2022, the Company did not disaggregate statistics on the number of grass-roots employees and junior managers. The data of employees of these two categories were combined in disclosure.
5 Information note: The turnover rate of employees at all levels of management in 2025 is higher than that in 2024, mainly due to personal career development, including seeking promotion, greater decision-making power and career leadership opportunities.
6 Information note: The above-mentioned disclosed items are not included in the statistics from 2022 to 2024, so relevant data are not disclosed.

## Employee rights and benefits performance

| Indicator | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Labor contract signing rate[1] | % | 100 | 100 | 100 | 100 |
| Coverage of social insurance[1] | % | 100 | 100 | 100 | 100 |
| Coverage of employees' physical examination[2] | % | 100 | 100 | 100 | 100 |

1 Information note: The data source of labor contract signing rate and coverage of employees' physical examination is full-time employees engaged under labor contract.
2 Information note: For 2022 and 2023, the data source of coverage of employees' physical examination included full-time employees engaged under labor contract and employees engaged in other types of employment (interns, disabled employees and rehired employees). For 2024 and 2025, the data source of coverage of employees' physical examination included full-time employees engaged under labor contract.

## Employee training performance[1]

| Indicator | | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| Number of employee training | | Sessions | 18,200 | 19,847 | 20,600 | 18,617 |
| Total expenditure on employee training | | RMB10,000 | 435.65 | 524.75 | 439.28 | 514.91 |
| Percentage of employee trained[2] | | % | 100 | 100 | 100 | 100 |
| By gender | Percentage of male employees trained | % | 100 | 100 | 100 | 100 |
| | Percentage of female employees trained | % | 100 | 100 | 100 | 100 |
| By employee category | Percentage of grassroots employees trained[3] | % | 100 | 100 | 100 | 100 |
| | Percentage of junior managers trained[3] | % | | 100 | 100 | 100 |
| | Percentage of middle managers trained | % | 100 | 100 | 100 | 100 |
| | Percentage of senior managers trained | % | 100 | 100 | 100 | 100 |
| Average training hours of employees[4] | | Hour | 90.00 | 110.19 | 125.42 | 97.78 |
| By gender [5] | Average training hours of male employees | Hour | 90.00 | 110.39 | 123.88 | 97.50 |
| | Average training hours of female employees | Hour | 90.00 | 109.81 | 128.65 | 98.37 |
| By age group [5] | Average training hours of employees aged 51and above | Hour | 90.00 | 110.19 | 125.42 | 88.35 |
| | Average training hours of employees aged 41 - 50 | Hour | 90.00 | 110.19 | 125.42 | 96.71 |
| | Average training hours of employees aged 31-40 | Hour | 90.00 | 110.19 | 125.42 | 98.18 |
| | Average training hours of employees aged 30 and below | Hour | 90.00 | 110.19 | 125.42 | 98.04 |
| By | Average training hours of grassroots employees[3] | Hour | 90.00 | 110.26 | 125.90 | 97.91 |
| | Average training hours of junior managers[3] | Hour | | 110.19 | 125.42 | 99.14 |

| Indicator | | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| employee category[5] | Average training hours of middle managers | Hour | 90.00 | 110.15 | 122.16 | 94.59 |
| | Average training hours of senior managers | Hour | 90.00 | 105.03 | 118.35 | 84.88 |

1 Information note: For 2022 and 2023, the data source of employee training performance included full-time employees engaged under labor contract and employees engaged in other types of employment (interns, disabled employees and rehired employees). For 2024 and 2025, the data source of employee training performance included full-time employees engaged under labor contract.
2 Calculation formula: Coverage of training of employees in a particular category = Number of employees trained in a particular category / Number of employees in a particular category* 100%.
3 Information note: For 2022, the Company did not disaggregate statistics on the number of grass-roots employees and junior managers. The data of employees of these two categories were combined in disclosure.
4 Calculation formula: Average training hours of employees in a particular category = Total training hours of employees in a particular category / Number of employees in a particular category.
5 Information note: For 2022, the Company was unable to furnish information regarding the average number of training hours received by employees categorized by gender, age group and rank. Consequently, the data remained consistent across different genders, age groups and ranks. However, with enhancements made to the training system, the Company successfully complied statistics of training hours by gender and rank since 2023.

## Occupational health and safety performance[1]

| Indicator | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Employment of work-related injury insurance [2] | % | 100 | 100 | 100 | 100 |
| Amount of work-related injury insurance for employment [2] | RMB10,000 | 203.73 | 482.03 | 554.85 | 594.81 |
| Employee coverage of work safety liability insurance | % | 100 | 100 | 100 | 100 |
| Amount of work safety liability insurance for employees | RMB10,000 | 54.37 | 54.35 | 52.69 | 64.83 |
| Number of employees having taken the physical examinations of occupational hazards | Person | 3,440 | 6,856 | 5,448 | 6,684 |

| Indicator | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Number of employees having occupational hazards | Person | 0 | 0 | 0 | 0 |
| Number of lost days due to work injury [2] | Day | 879 | 380 | 748.5 | 469 |
| Percentage of employees who died as a result of work-related fatalities[3] | % | 0 | 0 | 0 | 0 |
| Employee Lost Time Injury Frequency Rate ("**LTIFR**") [4] | Injuries/million working hours | 1.08 | 0.45 | 0.64 | 0.59 |
| Contractor Lost Time Injury Frequency Rate ("**LTIFR**") [5] | Injuries/million working hours | / | / | / | 0 |
| Coverage of employee training on occupational health and safety[6] | % | / | 100 | 100 | 100 |
| Number of penalty incidents for violating laws and regulations regarding occupational health and safety [7] | Incident | 0 | 0 | 2 | 1 |

1 Information note: In 2022 to 2024, the data source of occupational health and safety included full-time employees engaged under labor contracts.

2 Information note: Employment coverage of work-related injury insurance and amount of work-related injury insurance for employees are the entire scope of employees who are required to pay work-related injury insurance in accordance with the *Social Insurance Law of the People's Republic of China* and *Work Injury Insurance Regulations* during the reporting period.

3 Calculation formula: Percentage of employees in a particular category who died as a result of work-related fatalities = Number of employees in a particular category who died as a result of work-related fatalities / Total number of employees in a particular category* 100%.

4 Calculation formula: Lost Time Injury Frequency Rate = Number of lost time injuries/Total working hours*1,000,000.

5 Information note: The above-mentioned disclosed items are not included in the statistics from 2022 to 2024, so relevant data are not disclosed.

6 Calculation formula: Coverage of employee training on occupational health and safety = Number of employees receiving training on occupational health and safety / Total number of employees* 100%.

7 Information note: In 2025, the company received a minor penalty of RMB12,500 for storing two materials in the same pallet in the chemical storage area in violation of safety management regulations. In this regard, the company attaches great importance to and has fully implemented rectification, through training on chemical storage projects to strengthen personnel compliance awareness, and establishing a localized hazard investigation mechanism to consolidate responsibilities at all levels.

## ❖ Social Contribution and Rural Revitalization Performance

### Social contribution and rural revitalization performance

| Indicator | | Unit | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| Total amount of investment in social welfare | | RMB10,000 | 384.0 | 83.0 | 76.7 | 113.85 |
| Percentage of total amount of investment in social welfare in revenue | | % | 0.04 | 0.01 | 0.01 | 0.02 |
| By areas of contribution[1] | Healthcare | RMB10,000 | / | 25.0 | 20.0 | 58.0 |
| | Community development | RMB10,000 | / | 6.0 | 4.0 | 0.0 |
| | Rural Revitalization [2] | RMB10,000 | / | 22.0 | 47.7 | 43.0 |
| | Educational aid | RMB10,000 | 25.6 | 20.0 | 5.0 | 8.75 |
| | Others | RMB10,000 | / | 10.0 | - | 4.1 |
| Number of scholarship projects established | | Item | 8 | 6 | 5 | 1 |
| Number of people benefited from rural revitalization [3] | | Person | / | / | 470 | 470 |
| Number of employees participating in volunteer activities[4] | | Person | 476 | 482 | 455 | 57 |
| Total number of hours of employees' voluntary service [4] | | Hours | / | / | 5,460 | 776.9 |
| Average hours of employees' voluntary service[4] | | Hours | / | / | 12.0 | 13.6 |

1 Information note: For 2022, the Company did not disaggregate databased on the areas of contribution apart from education aid.

2 Information note: In this report, "investment in rural revitalization" in the "total amount of investment in social welfare" for 2024 included items such as purchase of agricultural products directly from farmers (consumption assistance), which were accounted for through the funds of labor union and had a data source different from

that of “expenses on charity donation” charged in the non-operating expenses in the annual financial statements of the Company. Therefore, the total amount may be different from “expenses on charity donation” charged in the non-operating expenses in the annual financial statements of the Company. In 2025, related projects continued.

3 Information note: For 2022 and 2023, the number of people benefited from rural revitalization was not included in the statistics. Therefore, the relevant data has not been disclosed. In 2024, the number of people benefited from rural revitalization included the number of people benefited from the consumption assistance and employment assistance measures under the rural revitalization project of the Company. In 2025, related projects continued.

4 Information note: For 2022 and 2023, the above-mentioned disclosed items are not included. Therefore, the relevant data has not been disclosed. In 2024, the total number of hours of employees’ voluntary service was the total number of hours of online streaming events held by the Company.

In 2025, total number of hours of employees’ voluntary service is the total time of organizing employees to participate in public welfare offline activities. In 2025, due to adjustments in the form of activities, total number of hours of employees’ voluntary service and the number of participants in employees’ voluntary service has decreased compared with 2024.

# Appendix 1: Abbreviations and Full Names of Subsidiaries

| Company Abbreviation[31] | Full Name of the Company |
|---|---|
| Asymchem Laboratories | Asymchem Laboratories (Tianjin) Co., Ltd. |
| Asymchem Life Science | Asymchem Life Science (Tianjin) Co., Ltd. |
| Asymchem Pharmaceuticals | Tianjin Asymchem Pharmaceuticals Co., Ltd. |
| Tianjin Asymchem Biotechnology | Tianjin Asymchem Biotechnology Co., Ltd. |
| Asymchem Clinical (Clin-nov) | Tianjin Clin-nov Medical Technology Co., Ltd. |
| Fuxin Asymchem | Asymchem Laboratories (Fuxin) Technology Co., Ltd. |
| Liaoning Asymchem | Liaoning Asymchem Laboratories Co., Ltd. |
| Jilin Asymchem | Jilin Asymchem Laboratories Co., Ltd. |
| Jilin Asymchem Pharmaceuticals | Jilin Asymchem Pharmaceuticals Co., Ltd. |
| Asymchem Laboratories Technology | Asymchem Laboratories (Jilin) Technology Co., Ltd. |
| Shanghai Asymchem Biopharmaceuticals | Shanghai Asymchem Biopharmaceuticals Co., Ltd. |
| ALTD | ASYMCHEM LTD |

[31] The above table only lists the names of companies appearing in the report, not the complete list of companies within the scope of the consolidated financial statements.

# Appendix 2: List of Proper Nouns

| English Abbreviation | Paraphrase |
|---|---|
| ADC | Antibody Drug Conjugates |
| AI | Artificial Intelligence |
| AIHA | American Industrial Hygiene Association |
| ANVISA | Agência Nacional de Vigilância Sanitária |
| API | Active Pharmaceutical Ingredient |
| BCP | Business Continuity Plan |
| BOD | Biochemical Oxygen Demand |
| CAA | Climate Ambition Accelerator |
| CAPA | Corrective Action and Preventive Action |
| CARO | Contract Academic Research Organization |
| CBAM | Carbon Border Adjustment Mechanism Carbon Border Adjustment Mechanism |
| CCA | Clean Competition Act |
| CDA | Confidential Disclosure Agreement |
| CDE | Center for Drug Evaluation |
| CDMO | Contract Development and Manufacturing Organization |
| CDP | Carbon Disclosure Project Global Environmental Information Research Center |
| CEO | Chief Executive Officer |
| CFCT | Center of Flow&Continuous Technology |
| CFD | Computational Fluid Dynamics |
| CFPS | Cell-Free Protein Synthesis |
| cGMP | Current Good Manufacture Practices |
| CIA | Certified Internal Auditor |
| CIH | Certified Industrial Hygienist |
| CIMT | Centre for Intelligent Manufacture Technology |
| CMC | Chemistry, Manufacturing and Control |
| CMO | Contract Manufacture Organization |
| COD | Chemical Oxygen Demand |
| CPA | Certified Public Accountant |
| CPHI | Convention on Pharmaceutical Ingredients |
| CRO | Contract Research Organization |
| CSBT | Center of Synthetic Biology Technology |
| CSMC | Chemical Sector Management Committee Chemical Sector Management Committee |
| CTO | Chief Technology Officer |
| CVaR | Carbon Value-at-Risk |
| DAR | Drug-to-Antibody Ratio |
| DEFRA | Department for Environment, Food and Rural Affairs |
| DF | Diafiltration |
| DNA | Deoxyribonucleic acid Acid |

| English Abbreviation | Paraphrase |
|---|---|
| EAP | Employee Assistance Program |
| eBR | Electronic Batch Record |
| EDR | Endpoint Detection and Response |
| EEIO | Environmentally-Extended Input-Output |
| EHS | Environment, Health and Safety |
| ELN | Electronic Lab Notebook |
| EMA | European Medicines Agency |
| EMBA | Executive Master of Business Administration |
| EMS | Environmental Monitoring System |
| EPA | Environmental Protection Agency |
| ERP | Enterprise Resource Planning |
| ESG | Environmental, Social and Governance |
| FDA | the U.S. Food and Drug Administration |
| FTO | Freedom to Operate |
| GCP | Good Clinical Practice |
| GLP | Good Laboratory Practice |
| GMP | Good Manufacturing Practices |
| GRI | Global Reporting Initiative |
| GSSB | Global Sustainability Standards Board |
| HAZOP | Hazard and Operability Study |
| HC | Health Canada |
| ICH | International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use |
| IEPE | Institute of Excellence for Process Engineering |
| IFRS | International Financial Reporting Standards |
| IH&OH | Industrial Hygiene & Occupational Health |
| IND | Investigational New Drug Clinical Trial Application |
| IoT | Internet of Things |
| IP | Intellectual Property |
| IPCC | Intergovernmental Panel on the Intergovernmental Panel on Climate Change |
| ISPE | International Society for Pharmaceutical Engineering |
| IT | Information Technology |
| KPI | Key Performance Indicator |
| LAS | Linear Alklybezene Sulfonates |
| LC/MS | Liquid Chromatograph-Mass Spectrometer |
| LCA | Life Cycle Assessment |
| LEAP | Locate Evaluate Access and Prepare |
| LES | Laboratory Execution System |
| LIMS | Laboratory Information Management System |
| LNP | Lipid Nanoparticle |
| LOPA | Layer of Protection Analysis |
| LTIFR | Lost Time Injury Frequency Rate |

| English Abbreviation | Paraphrase |
|---|---|
| MBA | Master of Business Administration |
| MDM | Mobile Device Management |
| MFDS | Ministry of Food and Drug Safety (Korea) |
| MNC | Multinational Corporation |
| MSA | Master Service Agreement |
| MSCI | Morgan Stanley Capital International |
| NDA | New Drug Application |
| NGFS | Network of Central Banks and Supervisors for Greening the Financial System |
| $NH_3$-N | Ammonia Nitrogen |
| NMHC | Non-methane Hydrocarbon |
| NMPA | the National Medical Products Administration |
| NOx | Nitrogen Oxide |
| NTP | Network Time Protocol |
| OA | Office Automation |
| OEB | Occupational Exposure Band |
| OEL | Occupational Exposure Limit |
| OHS | Occupational Health and Safety |
| PAT | Process Analytical Technology |
| PC | Project Coordinator |
| PCF | Product Carbon Footprint |
| PDI | Parenteral Drug Industry Congress |
| PEG | Polyethylene Glycol |
| pH | Potential of Hydrogen |
| PHA | Process Hazard Analysis |
| PM | Project Manager |
| PM | Particulate Matter |
| PMDA | Pharmaceuticals and Medical Devices Agency |
| PMI | Process Mass Intensity |
| PNEC | Predicted No Effect Concentration |
| PPE | Personal Protective Equipment |
| PRC | People's Republic of China |
| QA | Quality Assurance |
| QC | Quality Control |
| QMS | Quality Management System |
| QSAR | Quantitative Structure-Activity Relationships |
| REACH | Registration, Evaluation, Authorization and Restriction of Chemicals |
| RPA | Robotic Process Automation |
| RRIPE | Residue-Residue Interactions-guided Protein Engineering |
| S&P CSA | S&P Global Corporate Sustainability Assessment |
| SBT | Science-Based Targets |
| SBTi | Science-Based Targets Initiative |
| SDGs | Sustainable Development Goals |

| English Abbreviation | Paraphrase |
|---|---|
| SDS | Safety Data Sheet |
| SME | Small and Medium Enterprise |
| $SO_2$ | Sulfur Dioxide |
| SOP | Standard Operating Procedure |
| SS | Suspended Substance |
| SSP | Shared Socioeconomic Pathway |
| STEM | Science Technology Engineering and Mathematics |
| STY | Space-time Yield |
| SVHC | Substances of Very High Concern |
| TCU | Temperature Control Unit |
| TGA | Therapeutic Goods Administration |
| TN | Total Nitrogen |
| TOC | Total Organic Carbon |
| TP | Total Phosphorus |
| TRIR | Total Recordable Injury Rate |
| UF | Ultrafiltration |
| VOCs | Volatile Organic Compounds |

# Appendix 3: Benchmarking Index Table

## ❖ the Shenzhen Stock Exchange *Guidelines for the Self-Regulation of Listed Companies No. 17 -Sustainability Report (for Trial Implementation)* Benchmarking Index Table

| Article Number | Report Chapters |
|---|---|
| **Chapter 1 General Provisions** | Report preparation instructions<br>Identification and management of important issues<br>ESG data sheet and notes |
| **Chapter 2 Sustainability Information Disclosure Framework** | Sustainable Development Governance<br>Identification and management of important issues<br>Chapters 4 to 9 of this report<br>ESG data sheet and notes |
| **Chapter 3 Disclosure of Environmental Information** | |
| Section 1 Responding to Climate Change | |
| Article 20 | Green chemistry<br>Tackling climate change<br>Energy utilization<br>Circular economy |
| Article 21 | Responding to climate change |
| Article 22 | Responding to climate change |
| Article 23 | Responding to climate change |
| Article 24 | Responding to climate change<br>ESG data sheet and notes |
| Article 25 | ESG data sheet and notes |
| Article 26 | ESG data sheet and notes |
| Article 27 | Responding to climate change |
| Article 28 | Green chemistry |
| Section 2 Pollution Prevention and Ecosystem Protection | |
| Article 29 | Pollutant emissions<br>Waste disposal<br>Ecosystem and biodiversity protection<br>Environmental compliance management |
| Article 30 | Pollutant emissions |
| Article 31 | Waste disposal |
| Article 32 | Ecosystem and biodiversity protection |
| Article 33 | Environmental compliance management |
| Section 3 Resource Utilization and Circular Economy | |
| Article 34 | Energy utilization<br>Water resource utilization<br>Circular economy |
| Article 35 | Energy utilization |
| Article 36 | Water resource utilization |
| Article 37 | Circular economy |

| Article Number | Report Chapters |
|---|---|
| **Chapter 4 Disclosure of Social Information** | |
| Section 1 Rural Revitalization and Social Contribution | |
| Article 38 | Social contribution and rural revitalization |
| Article 39 | Rural revitalization |
| Article 40 | Social contribution |
| Section 2 Innovation Driven and Technological Ethics | |
| Article 41 | Intellectual property rights protection<br>Innovation-driven<br>Digitization and Intelligence<br>Technological Ethics |
| Article 42 | Intellectual property rights protection<br>Innovation-driven<br>Green chemistry<br>Digitization and Intelligence |
| Article 43 | Data security and privacy protection<br>Technological Ethics |
| Section 3 Suppliers and Customers | |
| Article 44 | Corporate governance<br>Product safety and quality<br>Customer Service Management<br>Supply chain security<br>Supply chain environmental and social risk management<br>Treat SMEs equally<br>Data security and privacy protection |
| Article 45 | Supply chain security<br>Supply chain environmental and social risk management |
| Article 46 | Treat SMEs equally |
| Article 47 | Product safety and quality<br>Customer Service Management |
| Article 48 | Data security and privacy protection |
| Section 4 Employees | |
| Article 49 | Employee Employment and Rights<br>Staff training and development<br>Occupational Health and Safety |
| Article 50 | Employee Employment and Rights<br>Staff training and development<br>Occupational Health and Safety |
| **Chapter V Disclosure of Governance Information Related to Sustainable Development** | |
| Section 1 Governance Mechanisms Related to Sustainable Development | |
| Article 51 | Identification and management of important issues<br>Corporate governance<br>Risk management |
| Article 52 | Due diligence |
| Article 53 | Identification and management of important issues |

| Article Number | Report Chapters |
|---|---|
| Section 2 Commercial Conduct | |
| Article 54 | Anti-commercial bribery and anti-corruption<br>Anti-unfair competition<br>Intellectual property rights protection |
| Article 55 | Anti-commercial bribery and anti-corruption |
| Article 56 | Anti-unfair competition<br>Intellectual property rights protection |
| **Chapter VI Supplementary Provisions and Interpretation** | Appendix 3: Benchmarking Index Table |

## ❖ the Shenzhen Stock Exchange *Guidelines for the Self-discipline and Supervision of Listed Companies No. 1 - Standardized Operation of Main Board Listed Companies (Revised in 2025)* Benchmarking Index Table

| Article Number | Report Chapters |
|---|---|
| 8.1 Summary | Corporate governance<br>Customer Service Management<br>Supply chain security<br>Treat SMEs equally<br>Environmental compliance management<br>Employee Employment and Rights<br>Social contribution and rural revitalization |
| 8.2 Operating Principles | Anti-commercial bribery and anti-corruption<br>Intellectual property rights protection<br>Customer Service Management |
| 8.3 Social Responsibility Strategic Planning and Working Mechanism | Sustainable Development Governance |
| 8.4 Disclosure Status of Social Responsibility Report | Report preparation instructions |
| 8.5 Protection of Investors' Rights and Interests | Corporate governance<br>Treat SMEs equally |
| 8. 6 Employee rights protection | Employee Employment and Rights |
| 8.7 (i) Compliance with environmental protection regulations and industry standards | Environmental compliance management |
| 8.7 (ii) Environmental protection plan | Environmental compliance management |
| 8.7 (iii) Use of Natural Resources | Energy utilization<br>Water resource utilization<br>Circular economy |
| 8.7 (iv) Disposal of pollutants | Pollutant discharge<br>Waste management |
| 8.7 (v) Pollution prevention and control facilities | Pollutant discharge<br>Waste management |
| 8.7 (vi) Payment of taxes and fees related to environmental protection | Environmental compliance management |
| 8.7 (vii) Supply chain environmental safety | Supply chain security |
| 8.7 (viii) Other Environmental Protection Responsibilities | Green chemistry<br>Tackling climate change |
| 8. 8 (i) Environmental protection policy, objectives and effectiveness | Environmental compliance management |
| 8. 8 (ii) Total annual resource consumption | ESG data sheet and notes |
| 8.8 (iii) Environmental protection investment and environmental technology development | Environmental compliance management<br>Green chemistry<br>ESG data sheet and notes |
| 8.8 (iv) Management of Discharged | ESG data sheet and notes |

| Article Number | Report Chapters |
|---|---|
| Pollutants | |
| 8. 8 (v) Construction and operation of environmental protection facilities | Environmental compliance management |
| 8.8 (vi) Waste treatment and disposal, comprehensive utilization of waste products | Environmental compliance management |
| 8. 8 (vii) Voluntary agreement signed with the environmental protection department | Environmental compliance management |
| 8. 8 (viii) Rewards from the environmental protection department | Environmental compliance management |
| 8. 8 (ix) Other Voluntary Disclosure of Information | Environmental compliance management |
| 8.9 Implementation of Environmental Protection Policy and Corrective Measures | Environmental compliance management |
| 8.10 Disclosure of Environmental Information | Environmental compliance management |
| 8.11 (i) Product safety regulations and industry standards | Product safety and quality |
| 8.11 (ii) Production Environment and Production Process | Product safety and quality |
| 8.11 (iii) Product Quality Safety Assurance Mechanism and Accident Response Plan | Product safety and quality |
| 8.11 (iv) Other Production and Product Safety Responsibilities | Product safety and quality |
| 8.12 (i) Employee Management System and Measures for Handling Violations | Employee Employment and Rights |
| 8.12 (ii) Prevention of occupational hazards and supporting safety measures | Occupational Health and Safety |
| 8.12 (iii) Employee Training | Employee training and development |
| 8.12 (iv) Other responsibilities for protecting the rights and interests of employees | Employee Employment and Rights |
| 8.13 Scientific Ethics Code | Data security and privacy protection<br>Technological Ethics |
| 8.14 Contents of Social Responsibility Report | Meet the requirements |

## ❖ Benchmarking Index for the *Environmental, Social and Governance Reporting Code* of Hong Kong Exchanges (effective from January 1, 2025)

| Part B: Mandatory Disclosure Requirements | |
|---|---|
| **Mandatory Disclosure** | **Report Chapters** |
| Governance structure | Sustainable Development Governance<br>Identification and management of important issues |
| Reporting principle | Report preparation instructions<br>Identification and management of important issues<br>ESG data sheet and notes |
| Reporting scope | Report preparation instructions<br>ESG data sheet and notes |
| **Part C: "Failure to Comply or Explain" Provisions** | |
| **Main areas, Aspects, General Disclosures and Key Performance Indicators** | **Report Chapters** |
| **Main area A. Environment** | |
| Aspect A1. Emissions | |
| General Disclosure A1 | Environmental compliance management<br>Tackling climate change<br>Pollutant discharge<br>Waste disposal |
| KPI A1.1 | Pollutant discharge<br>Waste disposal<br>ESG data sheet and notes |
| KPI A1.2 [Deleted on 1 January 2025] | —— |
| KPI A1.3 | ESG data sheet and notes |
| KPI A1.4 | ESG data sheet and notes |
| KPI A1.5 | Tackling climate change<br>Environmental compliance management<br>Pollutant discharge<br>Waste disposal |
| KPI A1.6 | Waste disposal |
| Aspect A2. Resource Use | |
| General Disclosure A2 | Energy utilization<br>Water resource utilization<br>Circular economy |
| KPI A2.1 | ESG data sheet and notes |
| KPI A2.2 | ESG data sheet and notes |
| KPI A2.3 | Environmental compliance management<br>Energy utilization |
| KPI A2.4 | Environmental compliance management<br>Water resource utilization |

| | |
|---|---|
| KPI A2.5 | ESG data sheet and notes |
| Aspect A3. Environment and Natural Resources | |
| General disclosure A3 | Environmental compliance management<br>Energy utilization<br>Water resource utilization<br>Ecosystem and biodiversity protection |
| KPI A3.1 | Environmental compliance management<br>Energy utilization<br>Water resource utilization<br>Ecosystem and biodiversity protection |
| **Aspect A4. Climate Change** | |
| General Disclosure A4 [Deleted on 1 January 2025] | —— |
| KPI A4.1 [Deleted on 1 January 2025] | —— |
| **Main category B. Society** | |
| Employment and labor practices | |
| Aspect B1. Employment | |
| General Disclosure B1 | Employee Employment and Rights<br>Staff training and development |
| KPI B1.1 | ESG data sheet and notes |
| KPI B1.2 | ESG data sheet and notes |
| Aspect B2. Health and Safety | |
| General Disclosure B2 | Occupational Health and Safety |
| KPI B2.1 | ESG data sheet and notes |
| KPI B2.2 | ESG data sheet and notes |
| KPI B2.3 | Occupational Health and Safety |
| Aspect B3. Development and Training | |
| General Disclosure B3 | Staff training and development |
| KPI B3.1 | ESG data sheet and notes |
| KPI B3.2 | ESG data sheet and notes |
| Aspect B4. the Labour Standards | |
| General Disclosure B4 | Employee Employment and Rights |
| KPI B4.1 | Employee Employment and Rights |
| KPI B4.2 | Employee Employment and Rights |
| Operating practices | |
| Aspect B5. Supply Chain Management | |
| General Disclosure B5 | Anti-unfair competition<br>Supply chain security<br>Supply chain environmental and social risk management |
| KPI B5.1 | ESG data sheet and notes |
| KPI B5.2 | Supply chain security<br>Supply chain environmental and social risk management |

| | | |
|---|---|---|
| | | ESG data sheet and notes |
| KPI B5.3 | | Anti-unfair competition<br>Supply chain security<br>Supply chain environmental and social risk management |
| KPI B5.4 | | Supply chain security<br>Supply chain environmental and social risk management |
| Aspect B6. Product Liability | | |
| General Disclosure B6 | | Anti-unfair competition<br>Product safety and quality<br>Customer Service Management<br>Data security and privacy protection |
| KPI B6.1 | | ESG data sheet and notes |
| KPI B6.2 | | Customer Service Management<br>ESG data sheet and notes |
| KPI B6.3 | | Intellectual property rights protection |
| KPI B6.4 | | Product quality and safety |
| KPI B6.5 | | Data security and privacy protection |
| Aspect B7. Anti-Corruption | | |
| General disclosure B7 | | Anti-commercial bribery and anti-corruption |
| KPI B7.1 | | ESG data sheet and notes |
| KPI B7.2 | | Anti-commercial bribery and anti-corruption |
| KPI B7.3 | | Anti-commercial bribery and anti-corruption |
| Community | | |
| Aspect B8. Community Investment | | |
| General disclosure B8 | | Social contribution and rural revitalization |
| KPI B8.1 | | Social contribution and rural revitalization |
| KPI B8.2 | | Social contribution and rural revitalization<br>ESG data sheet and notes |
| **Part D: Climate-related Disclosures** | | |
| **Climate-related Disclosures** | | **Report Chapters** |
| **(I) Governance** | | |
| 19 | 19.a | Responding to Climate Change-Governance |
| | 19.b | Responding to Climate Change-Governance |
| **(II) Strategy** | | |
| Climate-related risks and opportunities | | |
| 20 | 20.a | Responding to Climate Change-Strategies |
| | 20.b | Responding to Climate Change-Strategies |
| | 20.c | Responding to Climate Change-Strategies |

| | | |
|---|---|---|
| | 20.d | Responding to Climate Change-Strategies |
| Business model and value chain | | |
| 21 | 21.a | Responding to Climate Change-Strategies |
| | 21.b | Responding to Climate Change-Strategies |
| Strategy and decision | | |
| 22 | 22.a | Responding to Climate Change-Strategies |
| | 22.b | Responding to Climate Change-Strategies |
| 23 | | Responding to Climate Change-Strategies |
| Financial condition, financial performance and cash flow | | |
| 24 | 24.a | Responding to climate change-strategies<br>*Asymchem 2025 Annual Report* |
| | 24.b | Responding to Climate Change-Strategies<br>*Asymchem 2025 Annual Report* |
| 25 | 25.a | Responding to Climate Change-Strategies |
| | 25.b | Responding to Climate Change-Strategies |
| Climate resilience | | |
| 26 | 26.a | Responding to Climate Change-Strategies |
| | 26.b | Responding to Climate Change-Strategies |
| **(III) Risk Management** | | |
| 27 | 27.a | Responding to Climate Change-Impact, Risk and Opportunity Management |
| | 27.b | Responding to Climate Change-Impact, Risk and Opportunity Management |
| | 27.c | Responding to Climate Change-Impact, Risk and Opportunity Management |
| **(IV) Metrics and Targets** | | |
| Greenhouse gas emissions | | |
| 28 | 28.a | Responding to climate change-Metrics and targets<br>ESG data sheet and notes |
| | 28.b | Responding to climate change-Metrics and targets<br>ESG data sheet and notes |
| | 28.c | Responding to climate change-Metrics and targets<br>ESG data sheet and notes |
| 29 | 29.a | ESG data sheet and notes |
| | 29.b | ESG data sheet and notes |
| | 29.c | ESG data sheet and notes |
| | 29.d | ESG data sheet and notes |
| Climate-related transition risks | | |
| 30 | | Responding to Climate Change-Strategies |
| Climate-related physical risks | | |
| 31 | | Responding to Climate Change-Strategies |

| | | |
|---|---|---|
| Climate-related opportunities | | |
| 32 | | Responding to Climate Change-Strategies |
| Capital use | | |
| 33 | | Responding to Climate Change-Strategies<br>*Asymchem 2025 Annual Report* |
| Internal carbon pricing | | |
| 34 | 34.a | Responding to climate change-impact, risk and opportunity management |
| | 34.b | Responding to climate change-impact, risk and opportunity management |
| Salary | | |
| 35 | | Responding to Climate Change-Governance |
| Industry Index | | |
| 36 | | Not applicable |
| Climate-related targets | | |
| 37 | | Responding to climate change-Metrics and targets |
| 38 | | Responding to climate change-Metrics and targets |
| 39 | | Responding to climate change-Metrics and targets |
| 40 | | Responding to climate change-Metrics and targets<br>ESG data sheet and notes |
| Cross-industry indicators and applicability of industrial indicators | | |
| 41 | | Responding to climate change-Metrics and targets<br>ESG data sheet and notes |

# Appendix 4: Third Party Attestation Statement

ATTESTATION ◆ ATTESTATO ◆ ATTESTACIÓN ◆ BESCHEINIGUNG ◆ ATTESTATION

## Independent Verification Statement

Verification Statement：EIV2 136798 0002 Rev. 00

**To the management and stakeholders of Asymchem Laboratories (Tianjin) Co., Ltd.,**

TÜV SÜD Certification and Testing (China) Co., Ltd. (hereinafter referred to as "TÜV SÜD") has been engaged by Asymchem Laboratories (Tianjin) Co., Ltd. (hereinafter referred to as "Asymchem" or "the Company") to perform an independent third-party verification on its 2025 Environmental, Social and Governance (ESG) Report (hereinafter referred to as "the Report"). During this verification, TÜV SÜD's verification team strictly abided by the contract signed with Asymchem and provided verification regarding the Report in accordance with the provisions agreed by both parties and within the authorized scope stipulated in the contract.

This Independent Verification Statement is based on all the data and information collected by Asymchem and provided to TÜV SÜD. The scope of verification is limited to the given data and information.

Asymchem shall be held accountable for the authenticity and completeness of the provided data and information (contains assumptions, projections, and/or historical facts).

### Scope of Verification

Time frame of this verification:

- The Report contains the data disclosed by Asymchem during the reporting period from January 1st, 2025 to December 31st, 2025, including environmental, social and governance data and information, methods for management of material issues, actions/measures and the Company's sustainability performance during the reporting period.

Physical boundary of this verification:

- The on-site verification sampling took place at below listed location:
  Asymchem's Beijing office, No. 9, Dongdaqiao Road, Chaoyang District, Beijing, China.

Scope of data and information for the verification:

- The scope of verification is limited to the data and information of Asymchem and all companies under its operational control covered by the Report.
- Key data: including Total Greenhouse Gas Emissions (Scope 1, Scope 2, Scope 3), Energy Consumption (Total Non-Renewable Energy Consumption, Total Renewable Energy Consumption), Water Consumption, Total Wastewater Discharge, Volatile Organic Compound (VOC) Emissions, Total Hazardous Waste, Total Non-Hazardous Waste, Lost Time Injury Frequency Rate (LTIFR) for Employees, Fatality Rate resulting from Work-Related Injuries, Lost Time Injury Frequency Rate (LTIFR) for Contractors, and Supplier-related Performance, etc.

The following data and information are beyond the scope of this verification:

- Any relevant data and information beyond the reporting period;
- The data and information of Asymchem's suppliers, partners and other third parties; and
- The financial data and information disclosed in the Report that have been audited by an independent third party are not verified again herein.

### Limitations

- The verification process is conducted in the above scope. Sampling and verification are adopted for the data and information in the Report by TÜV SÜD, and only the stakeholders within the Company are interviewed; and
- The Company's standpoint, opinions, forward-looking statements and predictive information as well as the historical data and information before January 1st, 2025 are beyond the scope of this verification.

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TÜV®

TÜV SÜD Certification and Testing (China) Co., Ltd.
Floor 1-4, Building B, No.37, Tuanjie Road(Middle), Xishan Economic and Technological Development Zone, Wuxi, Jiangsu, P.R. China

ATTESTATION ◆ ATTESTATO ◆ ATTESTACIÓN ◆ BESCHEINIGUNG ◆ ATTESTATION

# Independent Verification Statement

Verification Statement：EIV2 136798 0002 Rev. 00

❖ The verification conclusions are based on the analysis of the data and information collected by TÜV SÜD and may not identify all problems and conditions, nor constitute any guarantee of the credibility or status of the subject of verification.

## Verification Methodology

This verification process was conducted by TÜV SÜD's expert team with extensive experience in environmental, social and governance and other relevant areas and drew the conclusions thereof. The verification conforms to the following requirements:

❖ *International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, Limited Assurance*

❖ *Sustainability Report Verification Operation Rule (CCB_EIV_GR_002E Rev04)*

In order to perform adequate verification in accordance with the contract and relevant assurance standards, and provide reliable verification for the conclusions, the verification team conducted the following activities:

❖ Preliminary investigation of the relevant information before on-site verification;

❖ Confirmation of the presence of the topics with high level of materiality and performance in the Report;

❖ On-site verification review of all supporting documents, data and other information provided by Asymchem; tracing and verification of key performance information;

❖ Special interview with the representative of Asymchem's management; and held interviews with the employees related to collection, compilation and reporting of the disclosed information; and

❖ Other procedures deemed necessary by the verification team.

## Verification Conclusions

According to the verification, we believe that the data and information presented in Asymchem's report are objective, factual and reliable, without systematic problems.

The verification team has drawn the following conclusions on this Report:

| | |
|---|---|
| **Inclusivity** | Asymchem has identified the internal and external stakeholders such as shareholders and investors, government and regulatory authorities, clients, partners, suppliers, employees, communities and the general public, etc., and established a stakeholder communication mechanism to collect the demands of stakeholders on a regular basis. |
| **Materiality** | Asymchem has established the prioritization process of material topics determination, identified and assessed the priority of the sustainability topics which are highly related to the industry, the Company disclosed the strategy, management approach as well as sustainability performance in corporate operation, therefore the Report's adherence to materiality principle is guaranteed. |
| **Responsiveness** | Focusing on the topics of concern to stakeholders, Asymchem clearly disclosed its management methods and performance on topics of double materiality, such as Product Safety and Quality, Innovation-Driven, Response to Climate Change, Employee Training and Development, Supply Chain Security, Green Chemistry, Customer Service Management, Occupational Health and Safety, Pollutant Emissions, Digitalization and Intellectualization, etc. and established a communication mechanism to fully respond to the demands and expectations of stakeholders. |



TÜV SÜD Certification and Testing (China) Co., Ltd.
Floor 1-4, Building B, No.37, Tuanjie Road(Middle), Xishan Economic and Technological Development Zone, Wuxi, Jiangsu, P.R. China

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ATTESTATION ◆ ATTESTATO ◆ ATTESTACIÓN ◆ BESCHEINIGUNG ◆ ATTESTATION

# Independent Verification Statement

Verification Statement：EIV2 136798 0002 Rev. 00

| | |
|---|---|
| **Impact** | Asymchem's Board of Directors serves as the highest decision-making body for ESG management, overseeing and managing ESG matters. The Company has implemented a process of high material topics impact assessment, based on a comprehensive and balanced understanding, it has measured the impacts of these topics on stakeholders and the organization itself, and disclosed relevant impact in the Report to an appropriate extent. |

## Recommendations on Continuous Improvement

❖ The verification team has passed the improvement proposal to the management of Asymchem during the on-site verification process.

## Statement on Independence and Verification Capability

TÜV SÜD is a trusted partner of choice for safety, security and sustainability solutions. It specializes in testing, certification, auditing and advisory services. Since 1866, the company has remained committed to its purpose of enabling progress by protecting people, the environment and assets from technology-related risks. Today, TÜV SÜD is present in over 1,000 locations worldwide with its headquarters in Munich, Germany. Through expert teams represented by more than 28,000 employees, it adds value to customers and partners by enabling market access and managing risks. By anticipating technological developments and facilitating change, TÜV SÜD inspires trust in a physical and digital world to create a safer and more sustainable future.

TÜV SÜD Certification and Testing (China) Co., Ltd is one of TÜV SÜD's global branches and has an expert team whose members have professional background and rich industrial experiences.

TÜV SÜD and Asymchem are two entities independent of each other and both TÜV SÜD and Asymchem and their branches or stakeholders have no conflict of interest. No member of the verification team has business relationship with the Company. The verification is completely neutral. All the data and information in the Report are provided by Asymchem. TÜV SÜD has not been involved in preparation and drafting of the Report, except for the verification itself and issuance of this Independent Verification Statement.

**Signature:**

**On Behalf of TÜV SÜD Certification and Testing (China) Co., Ltd.**

Wenjun Zhu

TÜV SÜD Certification and Testing (China) Co., Ltd. Technical Certifier

Shanghai, China, March 23rd, 2026

Note: In case of any inconsistency or discrepancy, the simplified Chinese version "Independent Verification Statement" of this verification statement shall prevail, while the traditional Chinese version and English translation are used for reference only.



TÜV SÜD Certification and Testing (China) Co., Ltd.
Floor 1-4, Building B, No.37, Tuanjie Road(Middle), Xishan Economic and Technological Development Zone, Wuxi, Jiangsu, P.R. China

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ASYMCHEM 凯莱英医药集团 Asymchem Labs.

我們的使命：合作開拓創新

Our mission: Collaboration For Innovation