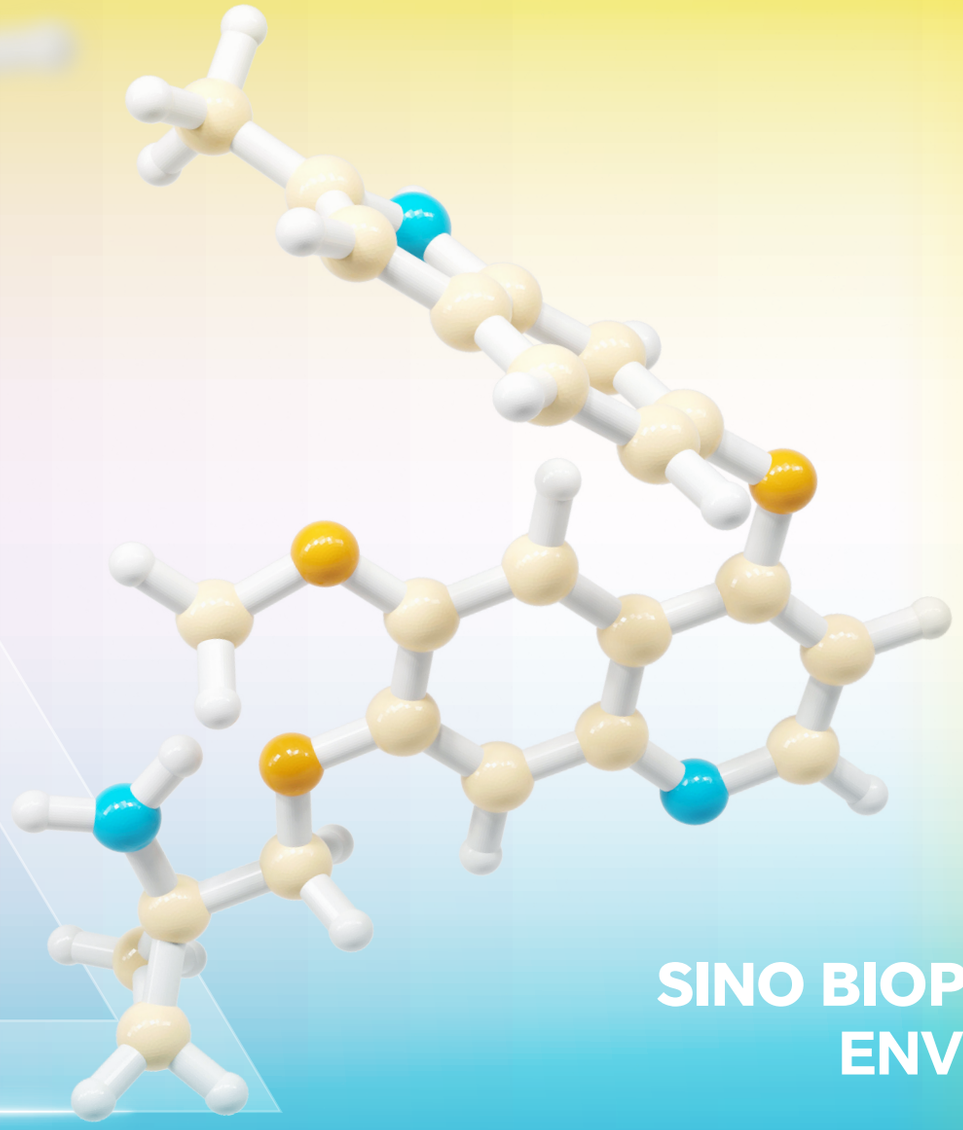
中國生物製藥有限公司
SINO BIOPHARMACEUTICAL LIMITED



2024
SINO BIOPHARMACEUTICAL LIMITED ENVIRONMENTAL, SOCIAL AND GOVERANCE REPORT

Incorporated in the Cayman Islands with Limited Liability
Stock Code: 1177

The cover of this report features the active ingredient of the group's product Fukewei® (Anlotinib Hydrochloride Capsules), which has benefited over 1,000,000 cancer patients since its market launch.

ABOUT THIS REPORT

This is the environmental, social and governance ("ESG") report (the "Report") publicly disclosed by Sino Biopharmaceutical Limited. It aims to fully and truly present the management practice and performance of Sino Biopharmaceutical Limited in the ESG aspects in 2024 to its major stakeholders including shareholders, employees, regulatory bodies, customers, partners and the public. The Report follows the four reporting principles of materiality, quantitative, balance and consistency.

Basis of Preparation

This Report has been prepared based on the Environmental, Social and Governance Reporting Code (the "ESG Reporting Code"), Appendix C2 to the Listing Rules of the Stock Exchange of Hong Kong, with reference to the Global Reporting Initiative Standards (GRI Standards) of the Global Sustainability Standards Board (GSSB), the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, the IFRS S2 Climate-related Disclosures, the Ten Principles of the United Nations Global Compact (UNGC) and the UN's 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs). Please refer to the "Corporate Governance Report" section of the Annual Report 2024 of Sino Biopharmaceutical Limited for details of the Company's corporate governance efforts in 2024.

Reporting Scope

Unless otherwise specified, the scope of disclosure in this Report is consistent with the 2024 Annual Report of Sino Biopharmaceutical Limited.

Source of Information

The key financial data in this Report is extracted from the 2024 Annual Report of Sino Biopharmaceutical Limited which is disclosed by Sino Biopharmaceutical Limited on the websites of the Stock Exchange of Hong Kong and the Company, and other information and data are sourced from the internal management documents and relevant records of Sino Biopharmaceutical Limited. Unless otherwise specified, the currency for denomination in this Report is Renminbi ("RMB").

After comprehensive consideration of factors such as the proportion of operating income contributed by and the Group's shareholdings in the member companies, we selected 5 major member companies, such as Chia Tai Tianqing Pharmaceutical Group Co., Ltd., as supplements to the relevant policies and working mechanisms and the presentation subjects of specific cases relating to various ESG issues. The names of the 5 member companies can be seen in the "Abbreviations" section.

This Report has been entrusted to TÜV SÜD Certification and Testing (China) Co., Ltd., an independent third-party certification body, to verify its authenticity and provide an independent assurance opinion statement. For more details, please refer to Appendix II.

Reporting Period

From 1 January 2024 to 31 December 2024. Some content can be traced back to historical information.

Abbreviations

For the convenience of presentation and reading, Sino Biopharmaceutical Limited and companies within its scope of consolidation are referred to as the "Group", "Sino Biopharmaceutical", "we" or "us" in this Report.

In this Report, the subsidiaries of Sino Biopharmaceutical are referred to as "member companies", which mainly include Chia Tai Tianqing Pharmaceutical Group Co., Ltd. ("CT Tianqing"), Beijing Tide Pharmaceutical Co., Ltd. ("Beijing Tide"), Nanjing Chia Tai Tianqing Pharmaceutical Co., Ltd. ("NJCTT"), Jiangsu Chia Tai Fenghai Pharmaceutical Co., Ltd. ("CT Fenghai") and Jiangsu Chia Tai Qingjiang Pharmaceutical Co., Ltd. ("CT Qingjiang").

Availability of the Report

You may visit the website of the Sino Biopharmaceutical or the Stock Exchange of Hong Kong to browse or download the Chinese and English versions of this Report. If there is any discrepancy in the interpretations of the versions, the Chinese version shall prevail.

CONTENTS

CHAIRWOMAN'S STATEMENT

Ms. Tse, Theresa Y Y
Chairwoman of Sino Biopharmaceutical Limited

With the advancement of the "Health Silk Road" initiative and rising global healthcare demands, Sino Biopharmaceutical is gaining prominence in international markets through unique innovation advantages. In this process, we are deeply aware that high-level ESG management remains a critical pathway to enhance core competitiveness and drive sustainable development.

In 2024, it marks the third year for Sino Biopharmaceutical to systematically implementing the "CARE" ESG strategy and the concluding year of the Group's first ESG three-year plan. This year, we have continued to deepen the integration of ESG with the Group's strategy and operations, leveraging the industrial strengths of a pharmaceutical enterprise to carry out a series of ESG initiatives and achieving encouraging interim results. I am delighted to share with you Sino Biopharmaceutical's explorations, practices, and insights in key ESG areas.

Health is the cornerstone of stable social development, while pharmaceutical innovation serves as the key driving force for advancing human health and well-being. It is the unshirkable mission of every pharmaceutical enterprise to persist in innovation and address clinical gaps with high-quality innovative products. In recent years, the global biopharmaceutical industry has undergone rapid transformation – intensified global population aging, heightened emphasis on public health, and numerous unmet clinical needs in oncology have collectively created new opportunities for innovative development. Sino Biopharmaceutical adheres to "comprehensive innovation" strategy, deepening R&D capabilities in four core therapeutic areas ("oncology, hepatology, surgical/analgesia, and respiratory") while actively advancing AI-driven transformation across operational lifecycles to enhance corporate innovation capabilities. This year, the Group successfully launched six innovative drugs, including key products such as Andewei® (Benmelstobart Injection) and Anboni® (Unecritinib Fumarate Capsules), continuously addressing clinical gaps and meeting patient needs.

Health constitutes a fundamental right that remains unchanged regardless of race, gender, wealth, or geography. Only by upholding this principle can we build a fair and inclusive healthy society and achieve genuine collective progress in human health. This philosophy underpins the Group's corporate vision of "Science for a healthier world" and its strategic integration of medicine accessibility expansion into ESG priorities. In 2024, focusing on the healthcare accessibility strategy centered on "exploring therapeutic areas, alleviating burden on patients, expanding channel coverage, and advancing rare disease drug development," the Group implemented initiatives including "extending coverage in key therapeutic areas, supporting centralized procurement policies, advancing rare disease research, and combating antibiotic resistance." By the end of 2024, the Group had cumulatively launched over 150 medicines, with key products benefiting more than 160 million patients. Simultaneously, the Group prioritized women's health equity, presenting multiple gynecological oncology research achievements at the 2024 ASCO Annual Meeting to expand treatment options for female patients.

Corporate development and environmental improvement are inextricably linked and mutually reinforcing. Committed to building an eco-friendly enterprise, Sino Biopharmaceutical has pledged to promote low-carbon transformation towards carbon neutrality, contributing to global climate change mitigation. Since announcing its 2022 interim target of "20% reduction in carbon emission intensity by 2025," the Group has systematically implemented environmental initiatives encompassing energy-efficient equipment upgrades, clean energy adoption, specialized energy-saving renovations, and environmental culture development. As of the end of this reporting period, the interim carbon-reduction target had been achieved ahead of schedule. Notably, after two years of research and deliberation, the Group formally approved the Carbon Neutrality Roadmap for Sino Biopharmaceutical Limited on Earth Day 2025 (22 April 2025), establishing long-term guidelines for low-carbon transition. This milestone demonstrates unwavering commitment to green development and marks a new chapter in our sustainable growth.

We deeply recognize that corporate growth stems from societal foundations and corporate value derives from social recognition. Sino Biopharmaceutical has consistently reciprocated societal support through community-focused initiatives, measuring its worth by social responsibility and community empowerment. In 2024, the Group concentrated on four philanthropic pillars – rural revitalisation, educational support, charitable donations, and inclusive healthcare – with total community investments reaching RMB 60,106,900. Collaborating with professional institutions and NGOs, the Group expanded public health education to strengthen societal health management capabilities. We firmly believe that only by integrating social responsibility into the lifeblood of development can enterprises achieve symbiotic prosperity with society, and can the fruits of growth be transformed into a warm force that benefits thousands of households.

In the grand journey of global health advancement, pharmaceutical professionals bear vital responsibilities as guardians of life. Amid complex economic environments and social transformations, every partner remains Sino Biopharmaceutical's most valued asset on the path toward sustainability. The Group eagerly anticipates collaborating with global partners to realize our strategic objectives of "In China for Global" and "In Global for Global," enabling Chinese pharmaceuticals to make greater contributions to worldwide health initiatives.

CEO'S STATEMENT

Mr. Tse, Eric S Y
CEO of Sino Biopharmaceutical Limited

The global pharmaceutical industry is undergoing a rapid and transformative wave of change—a process driven not only by technological evolution and market restructuring but also by a profound shift in the future of human health. At this crossroads of industrial transformation, Chinese pharmaceutical companies are playing an increasingly pivotal role while facing unprecedented opportunities and challenges. This demands that we adopt a broader vision and open-mindedness, embracing diverse perspectives, continuous learning, and innovation.

For Sino Biopharmaceutical Limited, adhering to a sustainable development path and deeply integrating ESG principles into corporate strategy and operations are key to maintaining high-quality growth and building core competitiveness. It is also an inevitable choice for contributing to the harmonious development of humanity, the environment, and society, thereby realizing our true value.

In recent years, through the continuous advancement of our four core strategies—"Organizational Integration, Comprehensive Innovation, Internationalization, and Digitalization"—ESG has taken root and flourished within Sino Biopharmaceutical. At the same time, with the rise of cutting-edge concepts such as AI and carbon neutrality, we have developed a tailored ESG action framework that aligns with our growth needs, providing robust support for the ongoing enhancement of our sustainability capabilities.

Embracing AI to Reshape the Health Ecosystem. Both clinical treatment and pharmaceutical development are experiencing disruption and transformation driven by artificial intelligence. As a leading domestic pharmaceutical enterprise, digitalization and AI technologies have become crucial engines for enhancing our competitiveness and fostering innovation. The Group has not only established partnerships with numerous AI tech firms but has also explored applications in AI-assisted drug discovery, intelligent R&D agent development, smart manufacturing, and AI-supported clinical review. Additionally, we continue to investigate AI's potential in professional collaboration and extended therapeutic applications, aiming to leverage AI to establish a standardized, data-sharing multicenter clinical trial alliance. This will improve R&D efficiency while enabling AI-driven, full-cycle health management for patients, delivering more comprehensive care.

Focusing on Global Innovation to Benefit More Patients. Sino Biopharmaceutical remains committed to our "Comprehensive Innovation" and "Internationalization" strategies, concentrating on four key therapeutic areas—oncology, liver diseases, respiratory conditions, and surgical/analgesic treatments. We continue to increase R&D investments while actively pursuing strategic collaborations with international pharmaceutical partners to provide more innovative treatment options for patients worldwide. In 2024, our total R&D expenditure reached RMB 5.09 billion, ranking us 15th globally in terms of pipeline scale. Concurrently, we have forged partnerships with industry leaders such as Boehringer Ingelheim and Shionogi to jointly advance the development and commercialization of multiple drugs in China, addressing unmet clinical needs.

Advancing Carbon Neutrality to Build an Eco-Friendly Enterprise. As a core leader in corporate operations, I deeply recognize the far-reaching significance of carbon neutrality. China is progressively refining its green financial support systems, establishing stringent industry emission reduction standards, and constructing a comprehensive policy framework to guide enterprises toward green transformation. For Sino Biopharmaceutical, supporting the national carbon neutrality strategy is not only a corporate responsibility to combat climate change and protect the environment but also a critical opportunity to drive industrial upgrading and cultivate new growth momentum. In 2024, the Group invested a total of RMB 93.5 million in environmental initiatives, with multiple key subsidiaries earning provincial/national "Green Factory" certifications. Furthermore, we leverage our role as an industry leader to collaborate with upstream and downstream partners, promoting green logistics, low-carbon packaging, and a circular economy.

Where there is a will, there is a way. Looking ahead, we will deepen our global footprint, accelerate digital transformation, and strive to become an innovative pharmaceutical enterprise with worldwide influence. At the same time, we will strengthen corporate governance foundations, uphold higher responsibility standards, and make ESG the cornerstone of long-term success. We firmly believe that only by closely aligning corporate growth with societal progress can we achieve true sustainability. Let us move forward together, safeguarding humanity's health future through green development.

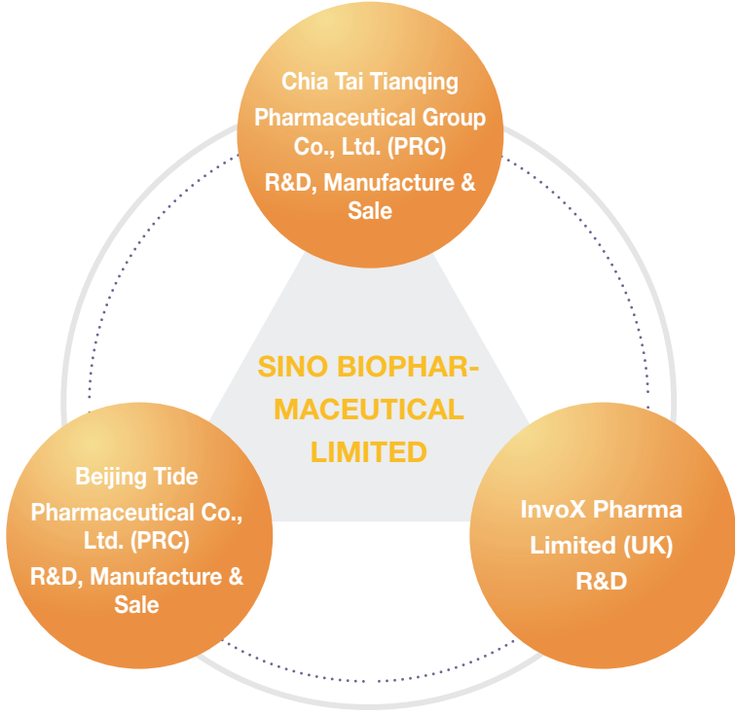
ABOUT SINO BIOPHARMACEUTICAL

Corporate Profile

Sino Biopharmaceutical is a leading, innovative and R&D-driven pharmaceutical conglomerate in the People's Republic of China ("China" or "PRC"). Our business encompasses a fully integrated chain in pharmaceutical products which covers an array of R&D platforms, a line-up of intelligent production and a strong sales system. The Group's products, including biopharmaceutical and chemical medicines, hold advantageous positions in the therapeutic areas of tumors, liver diseases, respiratory system diseases, and surgery/analgesia.

In 2024, Sino Biopharmaceutical deeply integrated its business strategies with the national "New Quality Productivity" development requirements, steadfastly advancing the four major strategies of "organizational integration, comprehensive innovation, internationalization, and digitalization." Throughout the year, the Group achieved continuous innovation breakthroughs, successfully launching four Category 1 innovative drugs. The Group's internationalization strategy continued to make significant strides, establishing strategic partnerships with global innovative pharmaceutical companies in China. The Group also persistently promoted agile organizational transformation, laying a solid foundation for continuous upgrades in R&D innovation, efficient operations, digital integration, and corporate governance. Simultaneously, the Group actively promoted high-quality development in the biopharmaceutical industry and made continuous improvements in charity, environmental friendliness, and talent cultivation, driving the joint growth of corporate innovation value and social value.

Gorporate Structure



Corporate Culture

With the mission of "Enhancing Life Quality, Upholding Life Dignity," Sino Biopharmaceutical is committed to accelerating R&D innovation and employing breakthrough technologies to provide patients with diversified, high-quality, and affordable treatment solutions. Our goal is to enhance the quality of life for patients and uphold their dignity through tangible actions.

We believe that our commitment to serving patients, focusing on R&D innovation, and carrying out our mission will ultimately lead us to our vision of becoming a leading global pharmaceutical company.

"Science for a Healthier World"

Our Vision

To be a leading global pharmaceutical company through delivering innovative therapies for patients

Our Values

Integrity, Foresight, Innovation, Commitment, Efficiency, Collaboration

2024 Operating Performance

Revenue

RMB**28,866** million

Profit tax

RMB**493** million

Salary, benefits, etc. paid to employees

RMB**4,671** million

R&D Expenses

RMB**5,089** million

Proportion of R&D investment in innovative drugs and biological drugs

77%

Number of new products approved for marketing

38

Honors and Awards of 2024 (Partial)

Market Value Category

Top 50 Global Pharmaceutical Enterprises in 2024

Pharm Exec

Top 100 Most Innovative Listed Healthcare Companies "Corporate Leadership Award of the Year"

Healthcare Executive

2023 Top 100 Chinese Pharmaceutical Companies

2024 Misi Summit

"2024 Most Promising Companies" Golden List

Snowball

ESG Category

"2024 ESG Inspiring Cases"

Forbes China

100 ESG Pioneers among China's Listed Companies (2024)

CCTV Financial Program Centre

ESG Leading Enterprises 2024

Bloomberg Businessweek

Top 20 Chinese Pharmaceutical Listed Companies in ESG Competitiveness in 2024

Healthcare Executive

Best in ESG Awards – Certificate of Merit

BDO

ESG Rating

MSCI

MSCI "A" rating for two consecutive years

WIND ESG

2024 Corporate ESG Rating: AA

Carbon Disclosure Project (CDP)

CDP climate score achieved "B" for two consecutive years

FTSE4Good Index

Selected in the FTSE4Good Index Series

S&P Global

Selected in S&P Global's Sustainability Yearbook 2025 (Global Edition)

Selected in S&P Global's Sustainability Yearbook 2024 (China Edition)

Achieved a score of 68 in S&P Global's 2024 CSA, ranking in the top 4% globally (as the end of 31 December, 2024)

ESG GOVERNANCE

Board Statement

The Board of Sino Biopharmaceutical Limited has reviewed and confirmed that this Report does not contain any false information, misleading statements, or material omissions. Based on the supervisory and management responsibilities of the Board on ESG-related matters during the reporting period, the Board issues the following statement:

The Board of Sino Biopharmaceutical Limited, as the highest responsible, decision-making, and supervisory body for ESG, has authorized the ESG Committee of the Board to perform supervision and management duties on ESG-related matters on behalf of the Board.

During the reporting period, the material ESG risks of the Group were incorporated into the overall risk assessment and management framework of the Group. The senior management, person in charge of key business lines, and critical internal and external stakeholders of the Group have thoroughly considered the possibility, impact, and risk trends of material ESG risks and emerging ESG risks and have formulated response plans accordingly. The Board has reviewed and provided guidance on the results of the ESG risk assessment and response plans.

During the reporting period, the Group endeavored to develop and implement the "CARE" ESG strategy, focusing on the four core ESG areas of Cure (disease treatment), Accessible (healthcare accessibility), Relationship (win-win relationships), and Environmental (environmental friendliness). We undertook governance enhancement initiatives and consistently made breakthrough progress, including but not limited to systematic planning of carbon neutrality targets and pathways, steady achievement of phased energy conservation and carbon reduction targets, gradual construction of sustainable supply chain management capabilities, deepening the implementation of talent development strategies, and continuous building of an ESG culture.

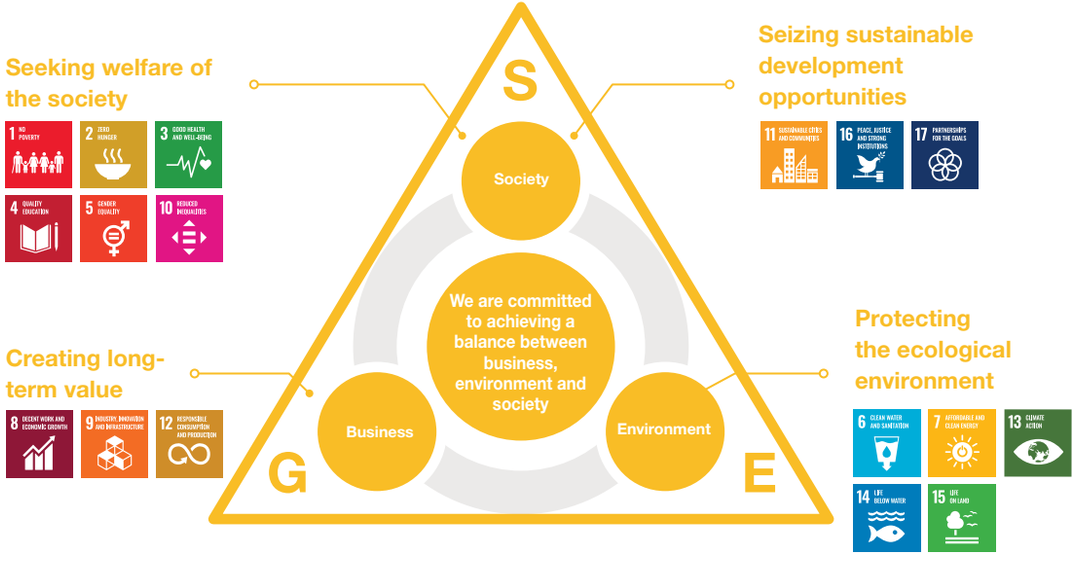
During the reporting period, the Group convened two meetings of the ESG Committee of the Board to approve the "10 ESG Tasks of Sino Biopharmaceutical for 2024" and to review their progress. As of the end of the reporting period, the Group had fully and successfully completed all 10 annual ESG tasks, achieving all annual ESG targets.

This Report comprehensively discloses the ESG efforts and achievements of Sino Biopharmaceutical Limited in 2024 and was reviewed and approved by the Board on 22 April 2025.

ESG Vision and Strategy

Our ESG Vision

The ESG vision of Sino Biopharmaceutical Limited is to practice high-quality ESG management, uphold the operation tenet of "Three Benefits Principle", respond to the UN's SDGs, support the Healthy China initiative, seek health and well-being for more patients, and enable more diseases to be treated. Meanwhile, we control risks, seize opportunities, promote the harmonious development of the company, employees, society, and the environment, provide strong support for the mission undertaking and sustainable development of the Group, and create long-term value for ourselves and our partners.



Our ESG Strategy

To ensure the realisation of the Sino Biopharmaceutical ESG Vision, the Group has formulated the ESG governance strategy based on "CARE", with "Cure, Accessible, Relationship, Environmental" as the four-core direction, promoting the organic integration of ESG strategy and development strategy of the Group and facilitating high-quality and sustainable development of the Group's business.

Cure

Adhere to innovation and R&D driven, and continue to expand the field of treatment

Strictly control the quality and safety management to ensure the effectiveness of treatment

Promote the industrialization of cutting-edge science and technology, and continue to improve the treatment effect

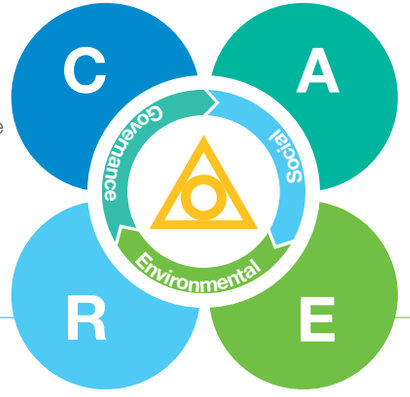
Accessible

Reduce patient burden and provide affordable medication options

Expand channels to facilitate drug purchasing

Popularize the knowledge of drug use and spread the scientific drug using method

Pay attention to the R&D of drug for rare diseases, and protect equal health rights



Relationship

Promote drug-patient interaction and gain patient trust

Create a diverse workplace, to stimulate the relationship between employee and company

Adhere to business ethics, deepen the responsibility of the stakeholders

Participate in public welfare, build a harmonious community relationship

Environmental

Energy saving and emission reduction, build an environmentally friendly company

Reduce costs and increase efficiency to build a steady industrial foundation for development

Addressing climate risks and facing the common challenge of mankind

ESG Governance Structure

The Board — The highest responsible, decision-making and supervisory body for ESG

↓↑

Environmental, Social and Governance (ESG) Committee (decision making level) — Overseeing material ESG-related matters as delegated by the Board and advising the Board on ESG risks, opportunities, policies and actions

Decision-making and management of ESG work ↓↑ **Work report**

ESG Work Management Committee (management level) — Improving internal monitoring of ESG risks, organizing the implementation of the Board's ESG strategy, reviewing ESG risks and opportunities, and regularly reviewing the annual ESG work report and ESG-related information disclosure

Group ESG Implementation Team (Persons in charge of relevant departments)

Office of the ESG Work Management Committee (ESG Department)

Leading and promoting ESG work ↓↑ **Work report**

ESG Work Committee of member companies (implementation level) — ESG implementation and execution

"During the reporting period, the Group strictly complied with the Regulations of Sino Biopharmaceutical ESG Work Management Committee and the ESG Management Measures of Sino Biopharmaceutical Limited to ensure the continuous and effective operation of the ESG governance system. On this basis, we have focused on advancing the deep integration of ESG governance into both strategic and operational aspects, providing strong support for the high-quality operation and sustainable strategy implementation of the Group."

—ESG Work Management Committee, Mr. Jin Song, vice president of Sino Biopharmaceutical

Decision-making level

With the Board as the highest-level responsible, decision-making and supervisory body for ESG, Sino Biopharmaceutical has established the ESG Committee under the Board with Ms. Cheng Cheung Ling, vice chairwoman of the Board, acting as the chairwoman of the ESG Committee, to oversee major ESG-related issues of the Group and to advise the Board on ESG risks, opportunities, policies and actions.

The Group has established the ESG Work Management Committee which follows the Regulations of Sino Biopharmaceutical ESG Work Management Committee and the relevant operating mechanism of the Committee, with Mr. Jin Song, vice president of the Group and the ESG work in-charge, assuming the organizational responsibility and the Group's senior management acting as the standing committee members, and the persons in charge of the Group's ESG-related functions and certain major member companies as the committee members. They are responsible for continuously improving the internal supervision of ESG risks, organizing the implementation of the Board's ESG strategies and requirements, reviewing ESG risks and opportunities in a timely manner based on factors such as the macro environment and business changes, and regularly reviewing the annual ESG work report and ESG-related information disclosure. In order to facilitate the implementation of ESG management work, the Group has also established the Office for ESG Department and ESG Work Management Committee, a dedicated ESG management department responsible for the overall planning, coordinating, organizing and promoting the execution of ESG tasks. The group has linked multiple sustainability performance indicators in the pay policies for executive management, including the CEO, and as part of short-term and long-term incentive mechanisms, to ensure the effective management of key ESG issues within the group.

Management level

Implementation level

Under the leadership and supervision of the Group, each member company has set up an ESG work executive committee, with its senior management of the member companies and the persons in charge of their respective ESG departments as members, to undertake the requirements of the Board and the Group for ESG work, to formulate and implement specific ESG work plans taking into account its actual situation and development needs of the member companies, to report to the ESG Work Management Committee of the Group in a timely manner on the progress of the ESG work plans, and to improve the quality of work according to the guidance of the Group.

ESG Development Milestones

2016-2020

- In 2016, the Group released its first ESG report.
- In 2017, the Group received the MSCI ESG rating of "BB" for the first time.
- In 2020, CT Tianqing, a member company of the Group, was awarded the title of "Green Factory" at the national level.

2021

- The year 2021 was the "Foundation Year" of the Group's ESG systematic management. The Group's sustainable development strategy was formally established, clearly focusing on ESG management as the core, and comprehensively promoting the Group's sustainable development.
- A three-level ESG structure was created, consisting of the ESG Committee of the Board, the ESG Work Management Committee of the Group, and the ESG committees of member companies, as the core guarantee of ESG systematic management.
- The "2022-2024" three-year phased ESG work plan and objectives were formulated to provide effective support for the Group's strategic development, focusing on the establishment of a sound ESG governance system, the effective control of major ESG risks, the governance level of key ESG issues reaching an outstanding level among peers, and the establishment of a long-term communication mechanism for stakeholders to enhance internal and external awareness and recognition.
- Sino Biopharmaceutical was awarded the "Most Socially Responsible Listed Company of the Year 2021".

2022

- The "CARE" ESG strategy was proposed, clearly defining "Cure, Accessible, Relationship, and Environmental" as the four key ESG areas.
- The ESG Management Measures of Sino Biopharmaceutical was issued as a framework document for ESG management of Group and its member companies.
- The ESG Digital Management Platform of Sino Biopharmaceutical was launched, with the Group's ESG management entering the digital phase.
- Systematically launched the "Carbon Neutrality Goals and Pathway Planning Project", "Hazardous Waste Emission Reduction Project", "Responsible Supply Chain Project (Phase I)" and "Employee Development Planning Management Project", comprehensively improved the relevant issues management, and formulated clear short/medium/long term work objectives and implementation plans.
- The Group's MSCI ESG rating was upgraded to "BBB".
- The Group's score on the S&P Global Corporate Sustainability Assessment (CSA) was within the top 9% of companies worldwide.
- The Group was awarded the "2022 Best ESG Employer in China" by Aon Group.
- CT Qingjiang, a member company of the Group, was awarded the honorary title of "2022 Green Factory in Jiangsu Province".

2023

- The "Carbon Neutrality Goals and Pathway Planning Project" and the "Responsible Supply Chain Project (Phase II)" were implemented orderly across the Group.
- The Group's MSCI ESG rating was upgraded to "A".
- The Group's score on the S&P Global CSA was within the top 9% of companies worldwide for two consecutive years.
- The Group's climate rating was upgraded to "B" in the Carbon Disclosure Project (CDP).
- Selected in the "100 ESG Pioneers among China's Listed Companies", a ranking published by CCTV and the State-owned Assets Supervision and Administration Commission of the State Council (SASAC).
- Selected in S&P Global's Sustainability Yearbook 2023 (China Edition), the first issue of the publication.
- Rated as one of the "2023 Forbes China ESG Innovation Enterprises" and "2023 Forbes China Best Employers".

2024

- The Group completed its first three-year ESG work plan successfully, establishing a comprehensive ESG governance framework that operates efficiently, effectively controlling major ESG risks, continually refining ESG governance projects, and significantly enhancing internal and external awareness and recognition.
- Prepared and released "Carbon Neutrality Goals and Pathway Planning", the first of its kind in the industry in China, to provide guidance for the Group's low-carbon transformation.
- The "Responsible Supply Chain Project" was comprehensively implemented among member companies and key suppliers, achieving a thorough identification and control of ESG risks along the supply chain.
- "Sino Biopharmaceutical's ESG Day", the Group's first landmark project for promoting ESG cultural values, was held successfully, significantly enhancing ESG awareness and recognition among all employees.
- Received the MSCI ESG rating of "A" for two consecutive years.
- Received the WIND 2024 corporate ESG rating of "AA".
- Included in the FTSE4Good Index Series
- Received the CDP climate rating of "B" for two consecutive years.
- Selected in S&P Global's Sustainability Yearbook 2025 (Global Edition).
- The Group's score on the S&P Global CSA was within the top 4% of companies worldwide.
- Selected in the "100 ESG Pioneers among China's Listed Companies", a ranking published by CCTV and SASAC, for two consecutive years; and selected in the "China ESG Listed Companies Technology Innovation Pioneer 30" for the first time.
- Awarded "2024-2025 Healthiest Workplace" by Mercer China.
- Received more than 10 ESG comprehensive and specialized awards, including "2024 ESG Inspiring Cases" by Forbes China, "Sustainable Supply Chain Award" by Bloomberg Businessweek/Chinese Edition, "ESG 50 List • 2024 Corporate Governance Pioneers" by KPMG China and "Climate Change Response 2024 Top 10 in Climate Change Mitigation (PRC Pharmaceutical Listed Companies)" by Healthcare Executive.
- NJCTT, a member company of the Group, was awarded the honorary title of "National Green Factory" in national level.

Special Report: AI Integration and Exploration

Adhering to the strategy of digital innovation, promoting the deep integration of AI and corporate operations

In the practice of promoting environmental, social and governance (ESG) goals, Sino Biopharmaceutical actively explores the application of artificial intelligence (AI) technology, achieving improvement in operational efficiency, optimization of compliance risk control and strengthening of social responsibility capabilities through AI transformation, and contributing to the development of a sustainable future.

Focusing on process optimization to enhance the value of data

Focusing on the two major demands of efficiency improvement and risk control in the biopharmaceutical industry, the Group continues to forge an intelligent path with Sino Biopharmaceutical's own characteristics by deeply integrating AI technology into its operation and management.

Automation of Business Processes

For the massive number of files from diverse sources and in different formats in business processes, the traditional method of manual review is inefficient and prone to errors. The Group has developed an automated review system through AI technology, combining Retrieval- Augmented Generation (RAG) and fine-tuning to optimize the understanding capabilities of models and introducing a human-machine collaboration mechanism for continuous iteration, which has significantly improved review efficiency and accuracy, promoted the standardization of business processes, and greatly enhanced process efficiency and quality.

Intelligent Monitoring of Production Compliance

Given the complexity of biopharmaceutical production, we leverage AI for the real-time monitoring of process parameters and use image recognition to ensure operational compliance, thus enabling timely deviation alerts. Meanwhile, by analyzing historical data to optimize the quality system, we shift from "post-facto review" to "process-aware" management, achieving end-to-end risk control and laying the foundation for smart factories.

Data-driven R&D Decision-making

As the R&D cycle of drugs is long and full of uncertainties, traditional intelligence analysis for drug R&D is far from efficient. By consolidating internal and external data and leveraging AI (e.g., knowledge graphs and natural language processing) to auto-generate target analysis, molecular design suggestions, and clinical strategies, we endeavour to build an intelligent decision-support system to enhance R&D efficiency and success rates, thus enabling the Company to shift from experience-driven to data-driven in the area of decision-making.

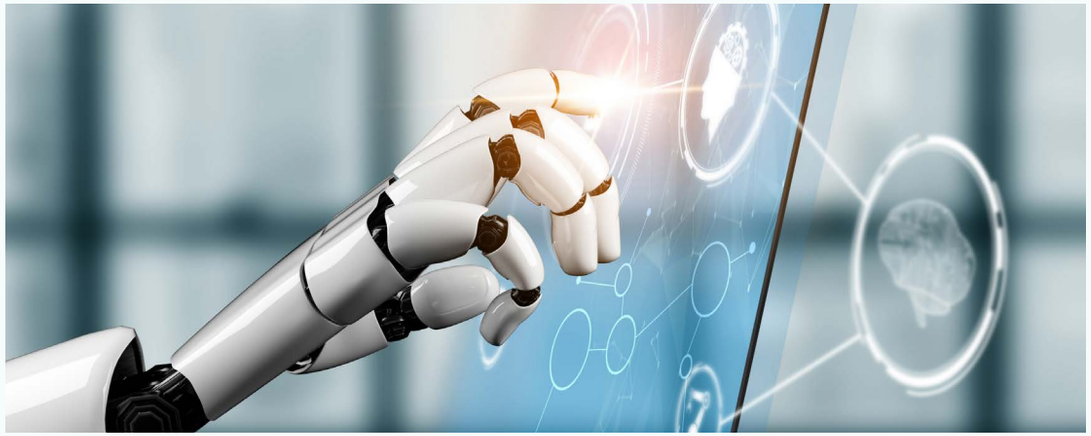
Intelligent Management of Knowledge Assets

It is difficult to utilize the scattered knowledge of R&D, production, and marketing within an enterprise efficiently. Through AI (e.g., knowledge graphs and semantic understanding), we enable the structuring and association of knowledge and intelligent push, shifting from "passive retrieval" to "active service", breaking down information silos, empowering employees' decision-making and innovation, and maximizing the value of knowledge assets.

AI empowers all-round improvement in R&D quality and efficiency

Sino Biopharmaceutical has integrated AI into its innovative R&D, with a view to developing a full-chain intelligent system covering early drug design, efficiency improvement in innovative R&D, clinical trial management and risk identification, and clinical data management.

Looking forward, Sino Biopharmaceutical will establish an R&D acceleration system of "knowledge accumulation–process reengineering–risk prediction" and continuously expand the application boundaries of AI technology in the field of new drug R&D, forging ahead to become a world-class innovative pharmaceutical company with intelligent technology.



Social responsibility: technology empowers medical equity and innovation

In clinical R&D

AI will assist in patient enrollment screening and medical coding, significantly enhancing data standardization and efficiency and expediting the approval process of innovative drugs.

Multi-language AI translation

Support the precise translation of international patent applications and cross-border registration documents to promote the sharing of global medical technologies.

Through systematic AI planning, the Company has achieved efficiency improvement across the entire value chain and avoided losses caused by compliance risk. In the future, the Group will continue to deepen the integration of AI and ESG, driving the sustainable development of the pharmaceutical industry through technological innovation.

Special Report: Inaugural ESG Day

「CARE」 for a healthier future

以關懷之心 共築健康未來

In 2024, Sino Biopharmaceutical hosted its inaugural ESG Day series of events, aimed at promoting ESG concepts among all employees, guiding them to understand the Group's ESG strategy "CARE," deepening their knowledge of ESG, and fostering a positive atmosphere for the Group's sustainable development.

The theme of this ESG Day was "CARE for a healthier future," with sub-venues set up at the core member companies of Sino Biopharmaceutical. Through educational exhibitions, the events comprehensively and systematically showcased the highlights and achievements of Sino Biopharmaceutical in the ESG field over the years. Interactive games attracted many colleagues to enthusiastically discuss the Group's ESG concepts and their participation in ESG actions, creating a lively atmosphere.

With the successful conclusion of the inaugural ESG Day, ESG concepts and knowledge were further disseminated among employees. The efforts and achievements of Sino Biopharmaceutical in the ESG field made every participating employee proud, and they expressed their hope to contribute further to the Group's sustainable development in the future.

Management of Materiality Issues

The Group regularly communicates with stakeholders through various channels to understand their expectations and opinions on the Group's ESG work. Our stakeholders include, but are not limited to, government and industry regulators, investors, customers, suppliers, employees, communities, industry peers, media, and the general public. During the reporting period, the Group fully considered the views of stakeholders in its daily operational decisions and took timely actions to address their demands.

Stakeholders	Channels of Communication
Government and Industry Regulators	Government visits, work reports, policy consultation, participation in policy development, industry communication and collaboration
Investors	Board meetings, general meetings, investor exchange meetings, disclosure of information by listed companies, ordinary visits, telephone and mail enquiry
Customers	Academic seminars, new product launch conferences, regular visits, industry seminars, telephone and mail inquiry, official complaint channels, satisfaction surveys
Suppliers	Supplier exchanges and visits, supplier training, supplier assessment, procurement and tendering process
Employees	Trade union, employee congress, employee activities, satisfaction surveys, complaints and feedback
Community	Community activities, cooperation with charitable organizations, volunteer activities
Industry Peers	Exchange activities, industry forums and conferences
Media and the General Public	Information disclosure, public opinion monitoring, official website, social media platforms, telephone and mail enquiry

Sino Biopharmaceutical reviews various ESG materiality issues annually and conducts an in-depth assessment every three years. During the year, we applied a double materiality assessment, comprehensively evaluating the Group's ESG material issues from the dimensions of financial materiality and impact materiality. Our assessment is divided into three main stages:

Stage One

Identifying business activities and material issues

Sino Biopharmaceutical reviewed its main activities and operations across the upstream and downstream value chain. We referred to the ESG Reporting Code of the Hong Kong Stock Exchange, GRI Standards, mainstream ESG ratings, and the UN's SDGs to compile a list of ESG material issues for Sino Biopharmaceutical. These ESG issues were integrated into the Group's overall risk assessment and management processes.

During the identification of ESG material issues, we reviewed past issues. During the year, we supplemented the "biodiversity" issue by combining the actual business operations and stakeholder concerns. Additionally, we integrated highly relevant ESG issues to understand their combined impact. During the year, we included "business ethics" under the "compliance operations" issue and expanded the "water resource consumption" issue to " resources consumption," systematically evaluating the use of water resources, packaging materials, and other resources during the assessment process.

Stage Two

Financial and impact materiality assessment

For economic, social, and environmental impacts, we assessed the potential or actual impact of each ESG issue through stakeholder surveys and interviews with external stakeholder representatives, considering the likelihood and time horizon (short, medium, long-term). We also evaluated the impact of ESG issues on society and the environment based on factors such as affected parties, scale, scope, and remediability, to comprehensively determine impact materiality.

For financial materiality, we used the Group's risk management process as benchmark, assessing financial materiality based on the impact on corporate value. The Group's internal finance department experts conducted professional financial impact assessments and invited senior management for one-on-one interviews to review the actual or potential impact of each issue on the Group's corporate value.

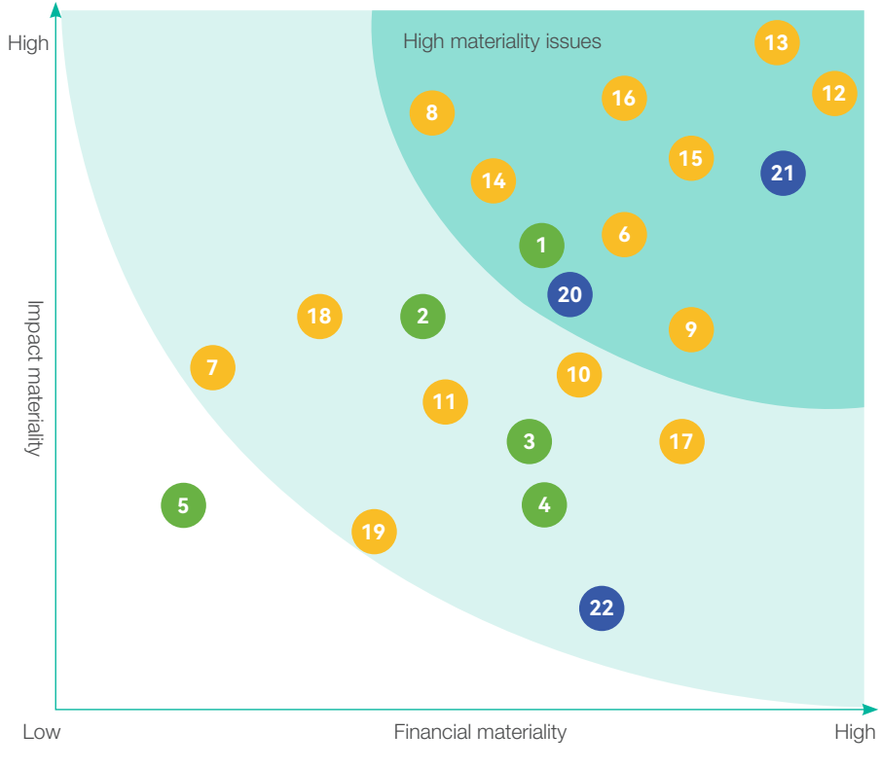
Stage Three

Double materiality assessment analysis

Based on the data from Stage Two, we analyzed and summarized the 2024 materiality issues matrix, determining the materiality issues and their priorities for the year. The ESG Work Management Committee and the ESG Committee of the Board reviewed and confirmed the analysis results. Guided by these results, the Group carried out ESG practice enhancements in 2024, with key disclosures on material issues in various sections of the annual report.

In 2024, Sino Biopharmaceutical identified 11 high materiality issues, including product R&D and innovation, product quality and safety, pharmaceutical inclusion, responsible marketing, compliance operation, employee health and safety,information security and privacy protection, protection of employees' rights and interests, climate change response, employee remuneration and benefits, and anti-corruption.

1 Climate change response
2 Emissions management
3 Energy consumption
4 Resource consumption
5 Biodiversity
6 Protection of employees' rights and interests
7 Employee diversity
8 Employee health and safety
9 Employee remuneration and benefits
10 Career development and training
11 Supply chain sustainability management
12 Product R&D and innovation
13 Product quality and safety
14 Information security and privacy protection
15 Responsible marketing
16 Pharmaceutical inclusion
17 Intellectual property protection
18 Community investment
19 Industry development
20 Anti-corruption
21 Compliance operation
22 Risk management



EFFECTIVE GOVERNANCE

Contribute to the following SDGs

01 Corporate Governance

Our principles and objectives

Sino Biopharmaceutical holds the belief that robust corporate governance is instrumental in fostering the Group's sustainable growth. We are committed to building a governance mechanism characterized by a clear delineation of responsibilities, continuously enhancing the professionalism, independence, and diversity of the Board, facilitating the effective fulfillment of duties by the Board and senior management, and safeguarding shareholders' rights and interests as well as the sustainable development of the Group.

KPIs in 2024

Average meeting attendance rate of directors
90%

Percentage of independent directors in the Board
45%

Percentage of female directors
27.3%

Honors and recognition

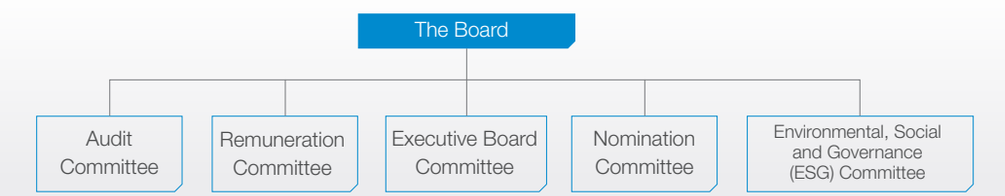
Sino Biopharmaceutical

KPMG China "ESG 50 List • 2024 Corporate Governance Pioneers"

KPMG China

Governance Structure

Sino Biopharmaceutical has continuously improved its governance structure in strict compliance with the Company Law of the People's Republic of China, the Main Board Listing Rules of the Stock Exchange of Hong Kong, and other relevant regulations in its operational jurisdictions. Consequently, there has formed a governance mechanism characterized by clear delineation of duties, coordination, and checks and balances, which ensures efficient and compliant corporate governance.



During the reporting period, the Group held 1 general meeting, 5 meetings of the Board, 2 meetings of the Audit Committee, 1 meeting of the Remuneration Committee, and 1 meeting of the ESG Committee, with an average attendance rate of 90% among directors. The holding of all meetings and voting procedures were in compliance with the relevant laws and regulations as well as the Group's Articles of Association and rules of procedure. All voting results were legal and valid.

General meeting	Board meetings	Audit Committee	Remuneration Committee	Average attendance rate of directors
1	5	2	1	90%

Independence of the Board

Board independence is pivotal in overseeing the risk management and internal control of the Group. As of the end of the reporting period, independent directors accounted for 45% of the Group's Board. Both the Audit Committee and the Remuneration Committee were exclusively composed of independent directors, while independent directors made up 67% of the Nomination Committee. Sino Biopharmaceutical's independent directors are all seasoned professionals with expertise and extensive experience in accounting, finance, risk management, and business operations. The Nomination Committee evaluates and confirms the independence of directors on an annual basis.

We believe that a diverse Board composition is one of the key factors in maintaining high-quality decision-making. The Group has established the Board Diversity Policy and made amendments in line with its development needs to ensure that the Board has the right balance of skills, experience and diversity of views, a prerequisite for improving the effectiveness and quality of critical decisions. The Nomination Committee reviews the effectiveness and implementation of the Board Diversity Policy and conducts diversity assessments on an annual basis.

Diversity of the Board

As of the end of the reporting period, there were 11 members on the Board of the Group, of whom 3 were female Directors, accounting for 27.3%. The current composition of the Board features a balanced ratio of gender, age and professional experience. All members of the Board have extensive industry experience and hold professional qualifications or backgrounds in various fields such as finance, risk management, medicine, pharmacy, law, economics and business administration.

Performance Evaluation of the Board

Sino Biopharmaceutical has established an appraisal and incentive mechanism. The Remuneration Committee evaluates the performance of directors and senior executives and recommends a remuneration package to the Board based on the company's key financial and operational indicators for the current year, job responsibilities, and performance evaluation standards and processes. The remuneration package takes into account market remuneration levels, the Group's operating conditions, and the performance of directors and senior management to effectively motivate employees and strengthen responsibility and target constraints.

Governance Enhancement Plans and Objectives

Board Independence Objective

"By the end of 2028, the proportion of independent directors on the Board who have served for more than 9 years will be less than 50%; by the end of 2031, the tenure of all independent directors on the Board will be less than 9 years."

Board Diversity Objective

"By the end of 2028, the proportion of female directors on the Board will exceed 30%."

Board Performance Evaluation Plan

"Starting from 2026, the Board will conduct a performance evaluation of the Board at least once every two years, and the evaluation results will be linked to the directors' remuneration incentive mechanism."

Tax Governance

Sino Biopharmaceutical formulates and continuously improves its tax policies. The Group conducts tax governance based on compliance with tax regulations in jurisdictions it operates, fulfilling tax obligations faithfully and lawfully. The Group emphasizes tax risk management, the tax policies of the Group are approved by the Board and strictly implemented at all levels. Relevant personnel in the finance and tax departments are also required to undergo tax education to reduce tax risks arising from tax or regulatory uncertainties.

Sino Biopharmaceutical mainly operates in Chinese mainland. In 2024, the total income tax expenses incurred and the income tax paid in Chinese mainland accounted for 100% of the Company's total income tax burden. The statutory tax rate applicable in Chinese mainland was 25%, with certain subsidiaries entitled to a preferential enterprise income tax rate of 15% as they were qualified as "High- and New-Technology Enterprises".

For more information on the Group's tax management mechanism, please refer to the "Sino Biopharmaceutical Limited Tax Standard".

Enterprise Risk Management

Risk Management Structure

Sino Biopharmaceutical attaches great importance to risk management and has established a three-tier risk management structure consisting of "governance, management, and operation" as the core guarantee of comprehensive risk management. To strengthen the Group's operational risk management and internal supervision, the Board conducts at least one review of the effectiveness of the risk management and internal control system annually.

Governance level

The Board is responsible for the overall risk governance of the Group and oversees the effectiveness of the internal control system.

The Audit Committee, as authorized by the Board, reviews the internal control policy on a regular basis, oversees the implementation and effectiveness of the internal audit policy, and evaluates the work done by the external auditor.

The Board also authorizes other committees (e.g., the ESG Committee) to carry out specific work related to risk management in their respective areas of expertise.

Manage-ment level

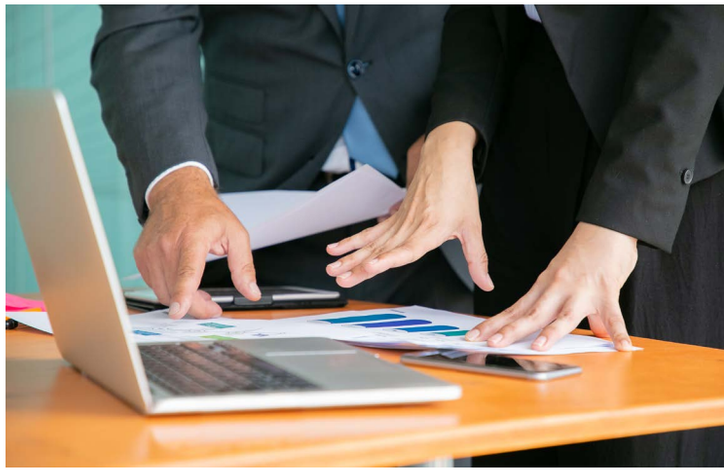
The Group and its member companies strictly comply with relevant national laws and regulations. The Risk and Compliance Committee, headed by the chairwoman of the Board, formulates and strictly implements the risk compliance management system, advancing towards closed-loop management of risk assessment, control, review, and rectification.

Operating level

The Audit and Supervision Centre of the Group and the business departments of member companies identify existing and potential risks and opportunities, including compliance risks, operational risks, and ESG risks, based on the nature of business and processes. Control measures are formulated according to the priorities identified during the assessment process.

Sino Biopharmaceutical strictly complies with the Company Law of the People's Republic of China, the Basic Standards for Internal Control of Enterprises, the Compliance Management Standards for the Pharmaceutical Industry, and other relevant laws and regulations and guiding documents. Internally, we have established the Compliance Management Policy of Sino Biopharmaceutical Limited (Trial) and the Regulations of the Risk and Compliance Committee of Sino Biopharmaceutical Limited. The Group and its member companies stringently abide by the pertinent laws, regulations, and internal policies to implement risk compliance management, effectively control potential risks, and respond to crises promptly.

During the reporting period, the Risk and Compliance Committee conducted multiple audits on the risk compliance management of the Group and its member companies. Each responsible department made timely rectifications based on the audit results. The Group also engaged external experts to carry out external audits, identifying potentially significant internal control deficiencies, continuously strengthening the management and control of potential risks, and enhancing the overall risk management level. We incorporate risk management indicators into individual performance appraisals and conduct stringent assessments to safeguard the effectiveness of risk management.



Emerging Risk Management

The Group promptly follows up on external changes in the macropolitical and economic environments, industry policies, technological advancements, climate change, and other aspects closely related to its operations. We identify potential emerging risks and formulate countermeasures to reduce these risks to a manageable level. Currently, the emerging risks identified by the Group that may have a long-term impact on its business are as follows:

Risk category	Potential impact	Response options
Application of AI technology	The widespread application of AI technology may have negative impacts on data security, privacy protection and other areas. Meanwhile, the role of AI technology in accelerating R&D efficiency, automated production, and market data analysis will bring both opportunities and challenges to traditional methods of drug R&D.	Continue to improve the information security plan and upgrade the system security level by tracking the latest information security technologies; enhance employees' awareness of new types of cyber-attacks in the future. Continue to advance the Group's "digitalization" strategy, promote the application of AI technology throughout the entire business process including R&D, production and sales, thereby improving efficiency and reducing costs.
Geopolitical risks	Geographical conflicts have prompted different countries to impose sanctions constantly, causing fluctuations in the prices of energy and some raw materials. On the front of the Group, restrictions on technology introduction and international strategic cooperation will pose threats to its operation and investment activities.	Continuously monitor and assess general economic and political trends, maintain close interaction with stakeholders, including suppliers and partners, and develop action plans to enhance the resilience and sustainability of the Group's operations.

Risk Culture Building

Sino Biopharmaceutical is committed to creating a responsible, honest, and compliant risk management environment, fostering a risk management culture with full participation of all employees. The compliance and audit departments of the Group and its member companies regularly organize risk management training and audits, and provide incentives, including public recognition, bonus incentives, and internal promotions, to employees who have made significant contributions to risk identification and control.

02 Compliance operation

Our principles and objectives

Creating an honest and compliant business environment requires the collective efforts of the entire industry. As a leading company in the industry, we aspire to set a precedent and collaborate with others to foster compliance and promote sound development of the industry. “Integrity”, “Commitment” and “Collaboration” stand as crucial pillars of the core values upheld by Sino Biopharmaceutical. We are dedicated to practicing the highest standards of business ethics and working with our partners to create a compliant operating environment that safeguards the long-term interests of all stakeholders.

Compliance governance system

A robust management system serves as the cornerstone of the Group’s comprehensive compliance risk management. The Board, as the highest decision-making body for the Group’s overall risk management, has established the Audit Committee and ESG Committee to promote, supervise, and guide the Group’s overall compliance management work. At the level of the Group’s headquarters and member companies, the audit, compliance, and legal departments collaborate with business departments to implement the compliance management system according to their respective responsibilities. The Compliance Management Policy of Sino Biopharmaceutical Limited (Trial) is the guiding document for the Group’s compliance management, providing principled guidance for compliance management.

KPIs in 2024

Number of network security and data privacy breach incidents
0

Coverage of anti-corruption training for directors and employees
100%

Total hours of anti-corruption training for employees
16,454 hours

Coverage of responsible marketing training
100%

Business Ethics

In today's competitive and ever-changing global business environment, Sino Biopharmaceutical understands that adhering to business ethics is a fundamental element for sustainable development. Being committed to conducting business activities in accordance with the highest ethical standards, we are working with partners to create a clean, honest and ethical business ecology.

We strictly comply with the laws, regulations, and other regulatory requirements in the places where we operate, formulating and continuously improving relevant management policies and operating procedures, and establishing comprehensive risk management and auditing mechanisms. This ensures effective oversight of ethical issues such as anti-fraud, responsible marketing, clinical ethics, protection of intellectual property rights, anti-monopoly, and anti-money laundering (AML), guarding against ethical risks and actively building a long-lasting eco-governance system.

During the reporting period, the number of concluded legal cases of the Group regarding corrupt practices was 0.

Audits of ethical standards

The Group has formulated the "The Furnace Rules" as its ethical standards and systematically developed audit plan to conduct at least one audit covering all operational locations of the Group every two years to ensure that the behavior of all employees complies with the ethical standards.

Business ethics management structure

As the highest-level decision-making body of the Group, the Board is responsible for reviewing and supervising the related work of the Group's anti-fraud and integrity building, including but not limited to the compliance with laws and regulations, the operation of the management system and the improvement of relevant policies.

Audit and Supervision Centre

It reports audit findings, risk prompts, measures for improvement and progress in implementation to the Audit Committee of the Board.

Audit Committee

It assists the Board in monitoring and reviewing the effectiveness of the Group's risk management and internal control systems by, among other things, regularly reviewing the reports on the work of internal and external auditors.

Board

It examines and reviews matters about business ethics and anti-corruption.

Business ethics management policies

During the year, the Group revised a number of anti-corruption and anti-fraud management policies, such as the Anti-Fraud Policy of Sino Biopharmaceutical and the Policy for Whistle-blowing and Whistle-blower Protection of Sino Biopharmaceutical, explicitly requesting all employees and business partners to refrain from engaging in any form of bribery, corruption, fraud, extortion, money laundering, payment or acceptance of convenience fees, etc. Meanwhile, they should be monitored by various stakeholders.

Building a culture of integrity

Sino Biopharmaceutical attaches great importance to cultivating a culture of integrity, helping all employees transform their passive awareness of "not daring to corrupt" into an active commitment of "not intending to corrupt," thereby fostering a culture of integrity from the root of their thoughts. During the year, the Group achieved a 100% coverage rate of business ethics training for its directors and employees (including part-time employees and contractors), with employees receiving a total of 16,454 hours of training. The training included the Group's anti-fraud, anti-commercial bribery culture, bribery penalties, whistle-blowing process, and protection of whistle-blowers.

Whistle-blowing and Protection of Whistle-blowers

Sino Biopharmaceutical adheres to the principle of "100% analysis of the clues provided in complaint reports and 100% investigation and verification of clues provided in real," resolutely combating various violations of business ethics such as taking, giving, and solicitation of bribes and acceptance of kickbacks. We publicly announce the Group's anti-fraud reporting channels and process of accepting reports, allowing internal and external stakeholders to report in real name or anonymously through email, WeChat official account, phone call, and other channels.

For reports and complaints necessitating investigation, we immediately initiate the investigation process and set up a dedicated team to conduct thorough enquiries. The investigation process and findings are reported directly to the management and the Board.

In 2024, the Group investigated and verified 13 cases of fraud and corruption as per its anti-fraud policy, handling them according to regulations. After the investigations, the Group conducted strict inspections and rectifications of the issues exposed by the relevant cases.

Sino Biopharmaceutical respects and protects every whistle-blower. We strictly adhere to the whistle-blower protection system, controlling the dissemination of whistle-blowing information within the Group and maintaining strict confidentiality of materials involved in the investigation process. Personal information about whistle-blowers is kept confidential unless explicit consent is provided. In cases where legal requirements demand disclosure of a whistle-blower's identity, we adhere to stringent limitations on the scope of disclosure.

The Group maintains a zero-tolerance stance against retaliation. Individuals found guilty of such acts are held accountable in accordance with relevant provisions. If their actions constitute a crime, they will be referred to judicial authorities for criminal prosecution in accordance with the law. After receiving a complaint of retaliation against a whistle-blower or a witness, we will promptly investigate the matter and take effective measures to protect the legitimate rights and interests of the whistle-blower or witness in accordance with the law.

Responsible marketing

Management System Building

Sino Biopharmaceutical strictly complies with the Advertising Law of the People's Republic of China, the Law of the People's Republic of China Against Unfair Competition, and other relevant laws and regulations in its operational jurisdictions to conduct market promotion and marketing activities.

The Group implements responsible marketing management within its compliance management system, formulating policies such as the Responsible Marketing Policy of Sino Biopharmaceutical, the Anti-commercial Bribery Rules of Sino Biopharmaceutical, and the Compliance Management Policy for Communication and Interaction with Healthcare Professionals. These policies manage and regulate the marketing behavior of all employees across the Group and its member companies, ensuring that marketing activities are lawful and compliant. Any form of marketing activity must comply with legal and regulatory requirements, be consistent with regulatory approvals, be truthful and accurate, free from ambiguity and misleading, and must be reviewed and approved by the Group's licensing management personnel before being published and implemented.

During the reporting period, the Group did not receive any complaints or legal proceedings related to misleading or deceptive content in marketing information.

Audit and Supervision

The Group conducts at least one group-wide responsible marketing audit each year, covering all marketing and sales activities to ensure the accuracy and compliance of advertising and marketing activities, as well as the legality and compliance of sales and marketing practices.

Responsible marketing audits include checking whether sales personnel adhere to the Group's responsible marketing policies and systems, marketing compliance, and fair trading. For audit issues identified, we oversee the timely rectification by relevant unit. For violations, we impose disciplinary actions based on the nature and severity of the infraction, including notifying and criticizing the offender, deducting points from their performance appraisal, and withholding bonuses.

Responsible Marketing Training

We have developed a comprehensive responsible marketing training system, providing targeted training courses for marketing personnel at all levels to ensure that every employee knows and strictly comply with the company's marketing, advertising, and sales policies.

Average hours of responsible marketing training for employees	Coverage of responsible marketing training
2.95 hours	**100%**

Clinical Ethics

Ethics in drug R&D constitutes a critical aspect of Sino Biopharmaceutical's business ethics management. We strictly comply with relevant laws and regulations and ethical standards to protect the legitimate rights and interests of clinical trial subjects and to safeguard the welfare of experimental animals.

Protection of Clinical Trial Subjects

Sino Biopharmaceutical values the protection of the rights and interests of clinical trial subjects. We strictly comply with laws and regulations and relevant codes of ethics, such as the Measures for the Administration on Adverse Drug Reaction Reporting and Monitoring and the World Medical Association Declaration of Helsinki, to protect the right to information, privacy, and medication safety of subjects in clinical trials.

Protection of Right to Know

Sino Biopharmaceutical respects clinical trial subjects' right to know. Our business is conducted without direct contact with these subjects, and we require our cooperation agencies to comply with relevant laws and regulations as well as clinical ethics, ensuring that clinical trials are conducted in a compliant manner, with subjects providing informed consent.

Protection of Privacy Rights

The Group adheres to the principle of "no access without compliance and no access without necessity" regarding the information of clinical trial subjects. At the same time, for clinical trials carried out by third parties commissioned by us, we will assign project specialists to effectively oversee the clinical trial process and ensure that the researchers, third-party testing organizations, pharmaceutical R&D contract outsourcing service providers, and other handlers of clinical trials do not have access to the personal data of clinical trial subjects.

Protection of Medication Safety

Sino Biopharmaceutical has established a quality management system covering the entire process of clinical trials to carry out safety evaluation of clinical drug trials. Our Clinical Research Management Centre, quality management departments, and third-party agencies continually monitor, audit, and provide feedback on the risks of clinical trials, thereby firmly guaranteeing the medication safety of clinical trial subjects.

Animal Welfare

For animal testing, Sino Biopharmaceutical strictly abides by the Regulations on the Administration of Laboratory Animals, the Guiding Opinions on Caring for Laboratory Animals, and other relevant regulations, as well as the Principles of Bioethics of Sino Biopharmaceutical, to safeguard the welfare of animals.

The Group's Laboratory Animal Ethics Committee is the central body responsible for the ethical review of laboratory animals, which supervises, inspects, and provides guidance for the ethical handling of laboratory animals, ensures that the use of laboratory animals meets ethical requirements, and promotes the standardization and normalization of animal experiments within the organization. Meanwhile, the Group encourages research into and application of alternative methods to animal experimentation, aiming to minimize the use of animals in research.

Anti-monopoly and Anti-money Laundering

Sino Biopharmaceutical strictly abides by the Anti-monopoly Law of the People's Republic of China, the Anti-monopoly Guidelines on the Field of APIs, and other relevant laws and regulations available at home and abroad. We stringently implement the Anti-monopoly Rules of Sino Biopharmaceutical (Trial) and continuously refine the anti-monopoly management system to raise awareness of anti-monopoly compliance among all employees and mitigate monopoly risks.

Intellectual property protection

Sino Biopharmaceutical attaches great importance to the protection of Intellectual Property Rights (IPRs) and strictly abides by the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Copyright Law of the People's Republic of China and other relevant laws and regulations in China. The Group has set up an Intellectual Property Department tasked with intellectual property managing and has formulated the Intellectual Property Management Manual of Sino Biopharmaceutical, consistently mitigates the risk of patent infringement while making proactive patent application and maintenance efforts.

Sino Biopharmaceutical actively engages in patent mining and application, promptly transforms the Group's scientific research achievements into intellectual property, and properly maintains the applied patents. During the reporting period, the Group and its member companies collectively filed 1,069 patent applications and were granted a total of 349 patents.

Information Security

As a pioneer in digital transformation within the industry, we actively embrace digital empowerment while placing a high priority on information security protection. During the reporting period, Sino Biopharmaceutical did not incur any significant incidents related to information security, data breaches, or privacy leaks.

Governance Structure

Sino Biopharmaceutical regards information security and privacy protection as an important aspect of its corporate compliance practices. The Group stringently complies with the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, and applicable laws and regulations such as the General Data Protection Regulation in the European Union (EU) and the United Kingdom (UK). We strictly implement the Information Security Management Measures of Sino Biopharmaceutical and related institutional documents to continuously improve the information security management system.

The Audit Committee under the Board is responsible for overseeing the operation of the Group's information security management system. A senior executive with professional experience in the formulation of information security strategies and process & architecture management is designated as the representative for the management of the information security system. At the same time, a professional information security team is assigned to undertake the Group's information security management, data development, and IT adoption.

In 2024, the Group consistently and comprehensively strengthened its data security and privilege management policies, setting out explicit requirements and offering guidance for data security governance. For third-party data security management, we outlined requirements for data and privacy protection in the Code of Conduct for Suppliers of Sino Biopharmaceutical Limited, which was disseminated to all key suppliers.

Data Security Governance

The Group pays ongoing attention to the data management and protection of employees, customers, financial, business, and other information and assets. Our information collection follows the principle of data minimization, and relevant parties are informed of data usage. We enforce compliance management of acquired personal data, strictly limiting data storage time and usage. At the technical level, data is encrypted and stored securely, while information management is strengthened by means of authority control, screen watermarking, and compliance auditing, effectively preventing private information leaks.

Information Security Risk Assessment

The Group has established an internal cybersecurity risk monitoring system and implemented categorized and graded risk management. We formulate security incident response procedures based on risk levels and take targeted measures according to the potential consequences and impacts of security incidents.

Emergency Response Management

We have established a cybersecurity emergency response management system, formulated a formal contingency plan for cybersecurity incidents, and organized emergency response drills at least annually. These measures ensure the effectiveness and enforceability of the Group's emergency response management system, thereby minimizing the likelihood of major cybersecurity incidents.

03 Special Report: Sustainable Supply Chain

Our principles and objectives

Sino Biopharmaceutical aims to collaborate with partners from various sectors to build a sustainable value chain with a responsible attitude, contributing to the high-quality development of the pharmaceutical industry in China and globally.

Key progress and performance

Major ESG negative incidents among key suppliers

0

First implementation of supplier ESG self-assessment, with pass rate of

96%

Supplier ESG improvement plan formulation rate

100%

The publicity coverage of the Supplier Code of Conduct for key suppliers

100%

Supplier integrity agreement signing rate

100%

Honors and recognition

Sino Biopharmaceutical

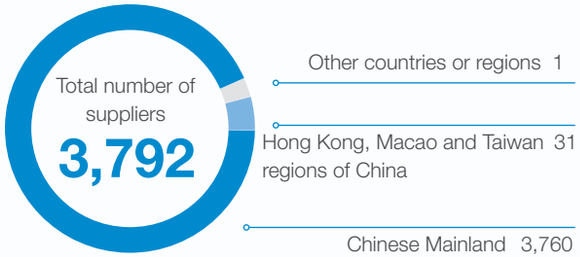
Sustainable Supply Chain Award

Bloomberg Businessweek/Chinese Edition

As an industry pioneer, Sino Biopharmaceutical is committed to deeply integrating the corporate values of "Integrity," "Responsibility," and "Collaboration" into supply chain management, continuously enhancing supply chain resilience to effectively address the impacts and challenges posed by geopolitical factors, climate change, and other complex issues on supply chain stability. By the end of the reporting period, the first phase of Sino Biopharmaceutical's "Responsible Supply Chain Construction Project" was fully completed, resulting in a relatively comprehensive responsible supply chain management system, the establishment of ESG self-audit capabilities, and the comprehensive dissemination and preliminary risk assessment of key Tier 1 and Tier 2 suppliers.

Sustainable Supply Chain Management System

Sino Biopharmaceutical strictly complies with national laws and regulations and, under the guidance and supervision of the Board and the ESG Committee, has established a unified sustainable supplier management system and procurement process.



The Group uses documents such as the Supplier Management Procedures as guiding documents for supply chain management, referencing the Pharmaceutical Supply Chain Initiative (PSCI), Principles for Responsible Supply Chain Management (PSCI Principles) and the Sino Biopharmaceutical Supplier Code of Conduct (Code of Conduct) and the Sino Biopharmaceutical Supplier ESG Grading Management Standards (Grading Management Standards). ESG requirements and risk management are integrated into the entire process of supplier selection, bidding (inquiry and comparison), audit, evaluation, and contract performance. During the year, the sustainable supply chain management system of Sino Biopharmaceutical operated effectively, and management work was carried out in a standardized manner.

Supply chain management strategies

Quality First

Select the best quality supplier products and services under the necessary premises of meeting quality management requirements

Sustained procurement

Incorporate supplier sustainability performance into procurement decisions to enhance suppliers' economic, environmental, and social sustainability performance

Value consideration

Obtain the most competitive products and services, taking into account the overall value of the supply chain

Diversified supply

Select at least two qualified suppliers for critical materials to ensure supply stability

Supply chain cooperation

Integrate supplier resources and capabilities to drive common progress across the value chain

Sino Biopharmaceutical implements hierarchical management of suppliers, considering factors such as procurement amount, material type, ESG risk, and substitutability. The Group conducts full lifecycle management through measures such as qualification confirmation, risk assessment, audit supervision, and performance evaluation at various stages of supplier selection, access, use, maintenance, evaluation, audit, and elimination.

Supplier access

Sino Biopharmaceutical adheres to a strict supplier access audit mechanism. The Group uses business qualifications, product quality standards, and supply stability as supplier access criteria. At the same time, we focus on suppliers' performance in quality management systems and ESG management levels, prioritizing suppliers certified by ISO series management systems. We continuously optimize the supplier audit and evaluation process to standardize supplier access management.

Sustainable supplier audits

Sino Biopharmaceutical formulated and strictly implemented rules and policies such as the Supplier Audit Management Rules and the On-site Supplier Audit Management Procedures. The Group set up requirements for audit frequency and method based on supplier categories, establishing dedicated teams to conduct comprehensive or thematic audits according to plan. These audits cover supplier qualifications, quality management, business ethics, labor and human rights, environmental protection, and other aspects, ensuring product quality and safety from the source and ensuring suppliers' ESG management complies with the Code of Conduct.

Supplier Audit Frequency and Requirements

Tier 1 suppliers (except suppliers for packaging materials)	At least once every 3 years on-site audit
Tier 1 suppliers for packaging materials	At least once every 5 years on-site audit
Other material suppliers	Once every 5 years by correspondence audit

Supplier Audit Dimensions

In 2024, based on the annual supplier audit plan, the Group completed over 400 supplier audits. The overall completion rate of the audit plan exceeded 100%. For issues identified during audits, we provided suppliers with improvement guidance and continuously followed up on the progress of rectification.

Supplier evaluation and appraisal

The Group implements scientific assessments and effective incentives based on the execution of procurement business. High-quality suppliers are selected through various dimensions, such as annual supplier assessment and evaluation, large project assessment and evaluation, supplier ESG self-assessment, signing of the Supplier Code of Conduct, and mechanisms for handling abnormal supplier events, in order to improve supply chain efficiency and ensure the sustainable development of the Group's suppliers. The appraisal is conducted collaboratively by the procurement, production, quality assurance, EHS, and other related departments to ensure comprehensive and effective evaluation.

We formulate targeted measures based on the appraisal results. For high-quality suppliers, we implement incentive policies to encourage their continued excellence. For suppliers with unqualified assessment results, we enhance their capabilities through training and rectification based on their specific management gaps. Punitive measures are taken for suppliers with unacceptable behavior. These actions ensure the sustainable and high-quality development of suppliers, enabling them to provide the Group with high-quality products at more competitive prices.

Sustainable Procurement Management Practices

Sino Biopharmaceutical actively leverages its value as a core enterprise within the value chain, aiming to lead both upstream and downstream industry partners in practicing sustainable development.

Building Sustainable Procurement Management Capacity

During the year, the Group conducted specialized training for all members of the "Supplier ESG Working Group" and internal procurement personnel based on PSCI principles and audit requirements. By the end of the reporting period, Sino Biopharmaceutical provided approximately 60 training sessions, totaling over 100 hours, to enhance the ESG capabilities of its supply chain.

Sustainable Procurement Risk Management

Sino Biopharmaceutical requires key suppliers to sign a commitment to adhere to the Code of Conduct and conduct ESG risk assessments based on the PSCI supplier self-assessment questionnaire, covering five modules: ESG management systems, business ethics, labor and human rights, environment, and health and safety. Based on the self-assessment results, Sino Biopharmaceutical conducts pilot audits for suppliers that may pose higher risks to gain a deeper understanding of their ESG management levels and implement sustainable procurement risk management.

Supplier Sustainable Risk Management Process

Adherence to sustainable principles

- By the end of the reporting period, the dissemination rate of the Code of Conduct and Grading Management Standards among key suppliers was 100%, with a signing rate of over 95%. The dissemination rate among key Tier 2 suppliers was 85%.

Sustainable risk self-assessment

- The Group conducted its first ESG management self-assessment for approximately 100 key suppliers of major member companies, achieving a supplier pass rate of 96% and a 100% rate of improvement plan formulation.

On-site audits and confirmation

- Identify key management deficiencies and assist suppliers in developing improvement plans.

Continuous improvement

- Monitor and follow up on the implementation of suppliers' improvement plans.
- Provide training and support to suppliers.

In 2024, the Group's first supplier ESG self-assessment identified key supply chain risks primarily in the areas of business ethics and environment, health, and safety (EHS). For the identified issues, we optimized internal management, urged, and supported suppliers in developing corrective plans, and monitored their rectification progress.

"The establishment of an ESG self-evaluation system for suppliers is a significant initiative to promote the sustainable development of the supply chain. Through the mechanism of suppliers' voluntary disclosure and assessment, the Group can promptly identify risks along the supply chain. By issuing risk alerts and making early predictions, the Group can reduce the risks on the procurement supply chain, promote the continuous improvement of suppliers, and continuously enhance the sustainable development of the supply chain."

—Zheng Jinrong, Procurement COE, Procurement Center, CT Tianqing

"By integrating ESG self-assessment into supply chain management, we can enhance compliance resilience through shared responsibility. By accurately identifying the environmental and social risks of suppliers, we can proactively avoid potential disruptions on the supply chain. Through data transparency, we promote green synergy, optimize resource efficiency and low-carbon practices and enhance the ESG level of the entire chain, with a view to shaping a reliable and sustainable supply chain ecosystem."

—Kou Zhisheng, Director of the Procurement Department, Beijing Tide

Supplier Business Ethics Risk Management

The Group has formulated a supplier anti-corruption policy and signed a Supplier Integrity Agreement with suppliers, explicitly prohibiting any form of bribery, kickbacks, illegal payments, and other corrupt practices. During the year, the signing rate of the Supplier Integrity Agreement was 100%. The Group conducts supplier anti-corruption audits from time to time. In the event of any violation, the Group will, depending on the severity, including internal announcements and blacklisting suppliers. During the year, the completion rate of the supplier anti-corruption audit plan was 100%.

We promoted and implemented the Group's Code of Business Conduct and Anti-corruption Policy to suppliers through various channels such as WeChat official accounts and on-site training, strengthening suppliers' awareness of integrity and compliance and enhancing their integrity management capabilities. During the year, the Group conducted 3,310 anti-corruption training sessions for suppliers.

During the year, the signing rate of the Supplier Integrity Agreement was

100%

During the year, the Group conducted

3,310

anti-corruption training sessions for suppliers

Supplier EHS Risk Management

We entered into Supplier Environmental, Health, and Safety (EHS) Agreement with key suppliers, clearly outlining requirements for environmental protection and health and safety management in their production and operation processes, including but not limited to the improvement and implementation of management systems, EHS performance, and personnel dissemination and training.

During the supplier access and selection stages, we prioritize suppliers who obtained environmental management system certification (ISO14001) and occupational health and safety management system certification (ISO45001), encouraging suppliers to actively strengthen their EHS management systems.

Indicator	Unit	2024	2023
Number of raw and auxiliary material suppliers with Environmental Management System Certification	Supplier	223	233
Proportion of raw and auxiliary material suppliers with Environmental Management System Certification	%	28	28
Number of raw and auxiliary material suppliers certified with Occupational Health and Safety Management System Certification	Supplier	198	179
Proportion of raw and auxiliary material suppliers certified with Occupational Health and Safety Management System Certification	%	25	21

Supplier ESG Empowerment

Sino Biopharmaceutical is committed to establishing mutually trusting and collaborative partnerships to enhance overall sustainability. Based on the Code of Conduct, the Group regularly organizes training sessions and seminars for suppliers on topics such as anti-corruption, quality management, and environmental protection, assisting suppliers in building sustainable management awareness and enhancing the overall sustainability of the supply chain.

New supplier training series

In 2024, member companies of the Group conducted a series of training sessions for 37 new conference suppliers, covering topics such as Code of Conduct, anti-corruption, and corporate culture. Through this training, suppliers gained a deeper understanding and recognition of the Group's management requirements.

GREEN DEVELOPMENT

Contribute to the following SDGs

01 Special Report: Sino Biopharmaceutical's Carbon Neutrality Goals and Pathway Planning

Sino Biopharmaceutical Carbon Neutrality Roadmap

The challenges posed by climate change are real, severe, and enduring. As responsible corporate citizens, we are committed to green development, promoting low-carbon transformation, and addressing climate change as our promise to nature and future generations.

Our Actions

- Promote the electrification of the energy structure
- Use green electricity to replace coal-fired power
- Continuously expand self-built coverage of renewable energy projects such as solar photovoltaics
- Adopt renewable or reusable packaging materials
- Encourage employees to use low-carbon commuting and travel methods
- Develop and introduce energy efficiency improvement technologies to reduce production energy consumption
- Implement low-carbon and green logistics and transportation
- Replace passenger vehicles with low-carbon emission vehicles

Our Goals

2024 — Fully launch carbon neutrality actions.

Control total energy consumption and reduce carbon emission intensity alongside business expansion to achieve peak carbon emissions

2030 — Achieve peak carbon emissions for the entire Group

CT Tianqing Jiangning Plant and Beijing Tide as pilot companies will achieve peak carbon emissions by 2028, laying the foundation for the Group's carbon neutrality efforts.

2050 — Achieve carbon neutrality for pilot companies and key products

Continue to promote Scope 1 and Scope 2 carbon reduction measures with the goal of Group-wide carbon neutrality

2055 — Achieve carbon neutrality for the entire Group

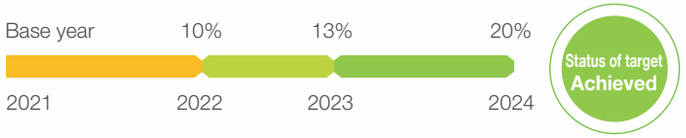
With the goal of achieving carbon neutrality for the entire group, promote the application of carbon reduction measures in Scope 1 and Scope 2

2060 — Achieve carbon neutrality across the entire industry chain

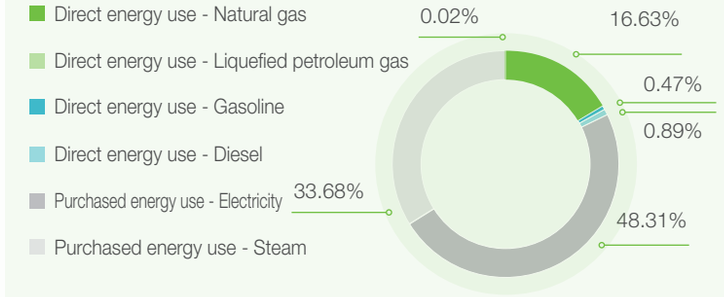
Deepen the results of Scope 1 and Scope 2 carbon reduction and fully promote Scope 3 carbon reduction

Science for a Healthier World

Green development is a core component of Sino Biopharmaceutical's sustainable development strategy, dedicated to integrating "green and low-carbon" into the company's DNA. In 2022, Sino Biopharmaceutical set its first five-year phased greenhouse gas (GHG) reduction target - "to reduce 20% GHG emissions per RMB1 million of revenue by 2025 with 2021 as the year of benchmark." To ensure the effective achievement of this target, the Group formulated a systematic carbon reduction action plan, promoting carbon reduction measures in areas such as low-carbon culture construction, clean energy application, and low-emission facility iteration. By the end of 2024, with the joint participation and efforts of the Group and its member companies, the Group's "2025 phased greenhouse gas reduction target" had been achieved ahead of schedule.



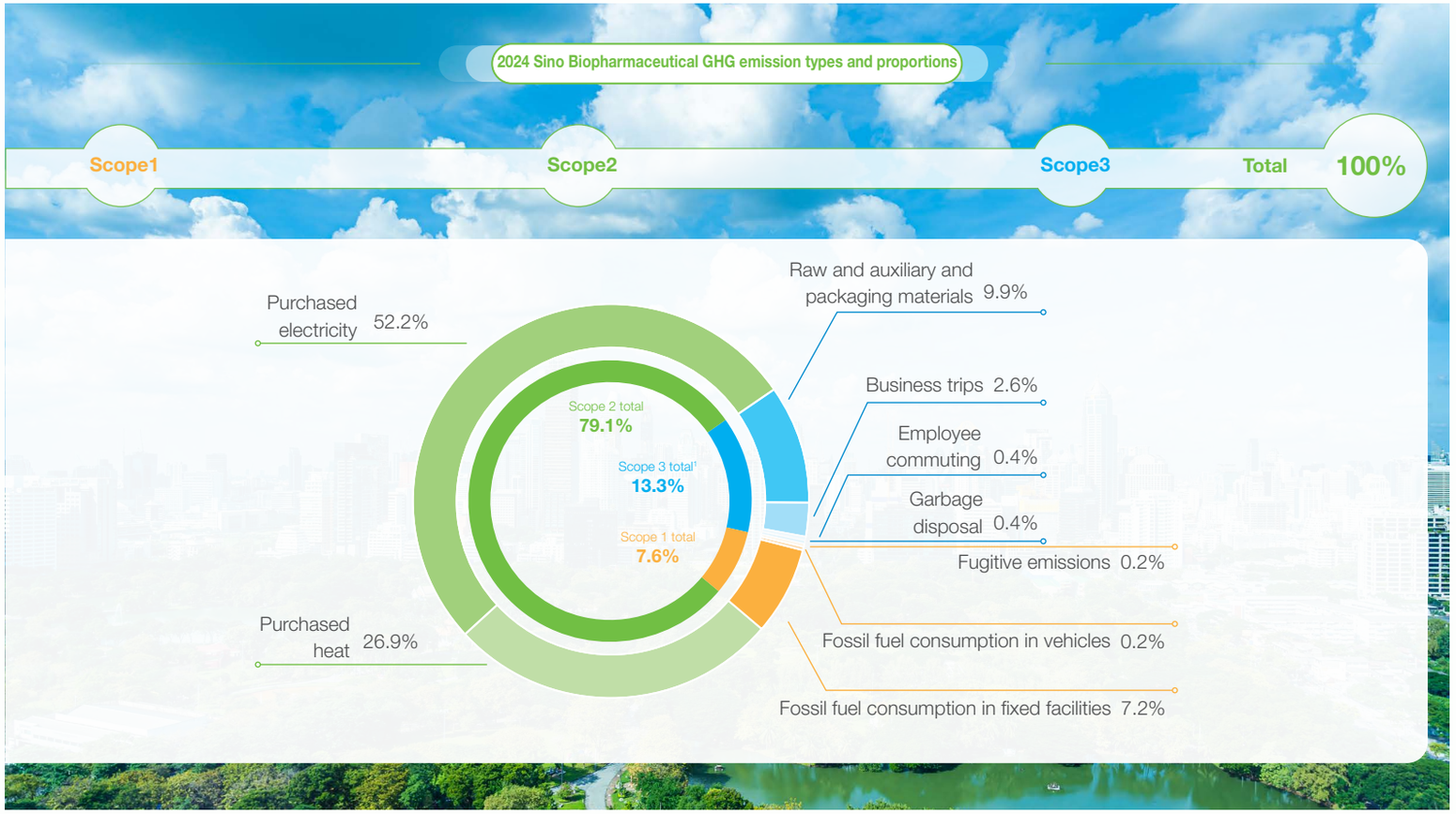
2024 Sino Biopharmaceutical GHG emission types and proportions



[1] Due to data availability constraints, Scope 3 GHG emissions in this report only cover those generated from: business trips, employee commuting, garbage disposal, and raw and auxiliary and packaging material consumption.

In response to the national "30·60" goals and to promote the Group's low-carbon transformation, the Group, under the forward-looking leadership of the Board, comprehensively considered domestic and international policies, key stakeholder concerns, and the corporate's actual development needs, and systematically formulated the "Sino Biopharmaceutical Carbon Neutrality Goals" in 2024, aiming to provide directional guidance for the Group's low-carbon transformation and make substantial contributions to the comprehensive achievement of national dual carbon goals and proactive response to climate change risks.

For details on the "Sino Biopharmaceutical Carbon Neutrality Goals Roadmap," please refer to the Group's forthcoming release of the "Sino Biopharmaceutical Carbon Neutrality Action Framework."



02 Climate Change Response

Our principles

Global climate change, pollution, and biodiversity loss are becoming defining issues of our time. Sino Biopharmaceutical recognized the need for collective action to address the potential risks from these issues. We are committed to continuously improving our environmental management system to mitigate and even avoid environmental impacts. We aimed to develop and implement climate adaptation plans scientifically, steadily progressing towards our carbon neutrality goals.

KPIs in 2024

Decrease in GHG emission intensity compared to previous year

19%

Consumption of renewable energy

8,873.76 MWh

Honors and recognition

Sino Biopharmaceutical

"Climate Change Response 2024 Top 10 in Climate Change Mitigation (PRC Pharmaceutical Listed Companies)"

Healthcare Executive

As a practitioner of green transition in the PRC pharmaceutical industry, Sino Biopharmaceutical has made climate change response an integral part of its corporate risk management. The Group incorporated climate change into its corporate strategy, comprehensively identifying climate risks and establishing effective internal control mechanisms to proactively address climate change and seize development opportunities.

Climate Change Governance

Sino Biopharmaceutical continuously improved its internal climate change governance mechanism to enhance the effectiveness and scientific basis of climate decision-making. The Group established and continuously refined a climate-related governance structure composed of the Board, the ESG Committee, the ESG Work Management Committee, and the ESG Department/climate-related functional departments of member companies.

The Group maintained communication and exchanged with external experts, providing climate-themed training for the Board, management, and climate-related functional departments through project cooperation and knowledge sharing, ensuring the relevant personnel possess the necessary professional knowledge and management capabilities.

To ensure the effective implementation of each measure, Sino Biopharmaceutical incorporated both qualitative and quantitative climate-related indicators into the remuneration assessment system at all levels, using incentive mechanisms to recognize contributions to the Group's climate change response.

Board of Directors	ESG Committee	ESG Work Management Committee	ESG Department and members companies
Bear the highest responsibility for the Group's matters related to climate change response.	**Under the authorization of the Board of Directors:** Formulate/review climate strategies and supervise the effectiveness of climate management; Approve and review climate related targets and implementation plans, supervise and guide the implementation of climate-related work within the Group, and monitor the achievement of the targets; Determine and manage the budget, resources, and investments used to identify, mitigate, and monitor climate-related issues.	**Provide overall leadership and administrate climate management practices within the Group and member companies through measures, including:** Organizing the establishment of climate issue reporting mechanism, regularly discussing climate change-related matters, and monitoring climate risks; Setting climate-related targets and formulating work plans, organizing the implementation of climate response work, and tracking the achievement of related work; Evaluating, managing, and monitoring climate-related issues to provide comprehensive analysis and recommendations for the Board and the ESG Committee.	Organize functional departments and business lines to identify climate-related risks and opportunities, and are responsible for coordinating the Group's daily climate risk management and execution work.

The Board of Sino Biopharmaceutical supervises and guides the Group's annual climate management work

On 25th April 2024, Sino Biopharmaceutical held its annual ESG Committee meeting. Each committee member considered and reviewed the Group's climate management status and the achievement of environmental targets for the previous year. Based on the new requirements of the Hong Kong Stock Exchange, the committee reviewed and approved the Group's 2024 climate response work plan and provided guidance.

Climate Strategy

Sino Biopharmaceutical emphasized the scientific and feasible nature of its climate management strategy. The Group used four scenarios, namely SSP1-2.6, NGFS Below 2°C, SSP5-8.5, and NGFS Current Policy Pathway, to conduct analysis and formulate targeted short-term (1-3 years), medium-term (3-5 years), and long-term strategies (over 5 years).

Climate Risk Identification and Assessment

Sino Biopharmaceutical, referencing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), with scenario analysis as basis, proactively identifies physical and transition risks and opportunities that may significantly affect the Group's business operations. Together with a comprehensive consideration of short-, medium-, and long-term climate risks, a more targeted climate response strategies are formulated.

Selection of scenario		Key scenario parameters relevant to the Group's operations
Low-emission scenarios with strict interventions from climate change policies where global warming is limited to 1.5°C-2°C. (SSP1-2.6 and below 2°C pathway of the NGFS)	As climate-related policies have tightened, businesses are operating under more constraints from the external socio-economic environment and policies or opportunities arising from technological advances. In this scenario, the Group is more focused on transition risks/opportunities.	The market demand for carbon credits has increased dramatically as countries introduce increasingly stringent climate policies, with the price of carbon likely to rise to USD33 per tonne by 2030 and around US100 per tonne by 2050. As energy transition presents an increasing number of challenges, clean energy will account for the vast majority of total energy consumption and prices of industrial electricity and natural gas are projected to rise.
High-emission scenario without interventions from climate change policies where global warming will exceed 4°C by the end of the century. (SSP5-8.5 and current policy pathway of the NGFS)	The continued reliance on fossil fuels to drive economic growth will lead to a steady rise in GHG in the atmosphere and a significant increase in the physical risks posed by climate change.	The frequency and intensity of extreme weather conditions are expected to increase significantly. By 2050, losses from hurricanes and tropical cyclones may surge by more than 10%, while losses from flooding may spike by 44% in China. By 2050, there is projected to be a substantial rise in the number of extreme heat days experienced annually.

To enhance the efficiency of managing climate change risks and opportunities and optimize resource allocation, Sino Biopharmaceutical, based on the Group's risk management system, evaluates risk priorities according to the possibility and extent of impact, with reference to the adaptability and resilience assessments, determines the priorities of relevant mitigation and response strategies.

Possibilities

Frequency of occurrence

Probability of occurrence

Extent of impact

Financial loss, operational disruption, legal/regulatory penalties, personnel loss/health impairment

Adaptability/Resilience

Risks requiring additional personnel, resources, and time to adapt/recover

Based on the scenario analysis results, we have further identified and assessed the Group's key climate change risks/opportunities as follows:

Risk/opportunity type	Possible impact	Duration of impact
Transition risks		
Policy and legal	Laws and regulations related to carbon emissions, along with regulatory policies and requirements on carbon tax, mandatory carbon trading, information disclosure, etc., could heighten the Group's compliance risk, increasing operating costs associated with ensuring compliance.	Short-term
Technical	The technical upgrades to production processes for low-carbon operations and the introduction of energy-efficient equipment in response to policy requirements for a low-carbon transition could lead to higher capital expenditure or operating costs.	Medium-term
Market	Climate change-induced increases in the prices of pharmaceutical raw materials, logistics, or packaging materials could lead to higher production costs.	Medium-term
Reputational	Failure to meet stakeholders' expectations, including but not limited to inaction or delays in responding to climate change, as well as inadequate disclosure of information or inconsistent action regarding climate change, may result in reputational damage. This could impact the Group's earnings, institutional ratings, public credibility, and ultimately its long-term development.	Medium-term
Physical risks		
Acute physical risks	Extreme weather conditions, such as typhoons and extreme precipitation, may lead to production stoppages, supply chain disruptions, and other situations affecting production capacity. They may trigger the loss of fixed/current assets, such as production equipment, plants, and raw materials, and may threaten the health and safety of employees.	Short-term
Chronic physical risks	Rising average temperatures could lead to increased energy consumption required for temperature control in production, warehousing, office, and other spaces, thereby raising operating costs.	Long-term
Opportunities		
Emerging technologies	The rise of digitalization and other emerging technologies presents an opportunity for the Group to enhance operational/R&D/production efficiencies, bolster market competitiveness, and decrease operating costs.	Short-term
Energy sources	Increasing the share of clean energy, improving the efficiency of energy use, and participating in the carbon trading market could enable us to reduce operating costs, mitigate carbon emission risks, and improve the Group's reputation.	Medium-term
Market	The latest report from the World Economic Forum shows that climate change is having a significant impact on human health. In this context, the demand for both existing and innovative medicines is expected to increase further, presenting new market opportunities.	Long-term

Addressing Climate Risks

As the global consensus on climate change grows, Sino Biopharmaceutical has developed carbon neutrality targets and climate risks response plans given the identified climate risks and opportunities, aiming to drive the Group's transition to a lower-carbon and more sustainable business model.

Energy efficiency management

With the goal of continuously improving energy efficiency, the Group has formed a clearly defined management structure to ensure the effective implementation of energy management initiatives. At the same time, we improve the efficiency of energy management and utilization by promoting energy saving and consumption reduction projects and digital energy management systems.

Transition of energy structure

The Group is actively exploring and expanding the application of renewable energy to replace conventional energy consumption and reduce GHG emissions.

Carbon offset

The Group will continue to focus on the carbon offset market and explore opportunities to participate in the future carbon emissions that are still difficult to reduce or remove.

Carbon reduction in value chain

The Group is actively promoting a low-carbon transition of its value chain, including the adoption of renewable/reusable packaging materials, green logistics and low-carbon commuting/travelling for employees, to reduce Scope 3 GHG emissions.

Energy conservation and carbon reduction management

Energy consumption during production and operation activities is the primary source of GHG emissions for Sino Biopharmaceutical. The Group has implemented various energy-saving and emission reduction measures, including but not limited to improving overall energy management, enhancing energy efficiency, and actively exploring renewable energy application opportunities to reduce energy consumption and GHG emissions.

Sino Biopharmaceutical and its member companies have established dedicated energy management departments, which are responsible for guiding and formulating the Group's energy management policies, targets, and procedures. Energy management personnel are also deployed within production, R&D, and other segments to promote the implementation of energy-saving initiatives. Additionally, the Group regularly tracks the progress of energy management targets and established a reward and penalty mechanism to encourage proactive energy management for employees. By the end of the reporting period, member companies with ISO50001 certification accounted for approximately 70% of the Group's total revenue. In the future, we will continue to expand the certification coverage.

Equipment renewal and upgrading

Selection of new equipment with high energy efficiency and stable performance to replace aging equipment. Upgrading of equipment in use to improve energy efficiency.

Cooling tower renovation

Selection of high-efficiency cooling towers and conduct regular maintenance to reduce energy and water consumption.

Heat/ Cooling recovery

Introducing recovery devices that utilize the thermal superconductivity of three dimensional heat pipes to collect and reuse exhaust heat/ cooling, reducing energy consumption.

Smart Energy Management

Introducing a centralized control platform for unified management of all energy-consuming equipment, enabling remote monitoring, automatic control, and data analysis. Incorporating AI algorithms to learn and optimize the control strategies, adjusting the start/stop time and operating parameters of the equipment based on environmental changes and actual needs.

Sino Biopharmaceutical actively explores and expands the application of renewable energy. Several member companies of the Group have steadily advanced the construction of renewable energy projects such as solar photovoltaic power generation, achieving significant results. As of 2024, CT Tianqing (all of the three plants), Beijing Tide, CT Fenghai, and CT Qingjiang have all established photovoltaic power generation systems and put them into use.

2024 Total renewable energy consumption

8,873,760 kWh

Increase in renewable energy consumption compared to 2023

18%

Reduction in GHG emissions through renewable energy sources

5,061 tCO_2e

Photovoltaic power generation projects of Sino Biopharmaceutical in 2024

The Phase III 2.0MWp photovoltaic power generation project at the Haizhou plant of CT Tianqing, a member company of the Group, has been completed and will be put into operation in the first quarter of 2025. By then, the plant's photovoltaic power generation capacity will reach 4.1MWp, with an annual power generation of 6 million kWh. The Shunxin plant also completed and put into operation a new 0.8MWp photovoltaic project this year.

CT Qingjiang, a member company of the Group, has established a new photovoltaic project with an installed capacity of 0.8MWp, with an annual generation of 987,000 kWh of electricity.

03 Environmental protection

Key progress and performance

Total investment in environmental protection

9353.70 RMB0'000

Coverage rate of member companies with ISO14001 certification

71%

Honors and recognition

Chia Tai Tianqing Pharmaceutical Group Co., Ltd., Nanjing Chia Tai Tianqing Pharmaceutical Co., Ltd.

National Green Factory

Ministry of Industry and Information Technology

Chia Tai Tianqing Pharmaceutical Group Co., Ltd.

"Green Development Leaders" in Jiangsu Province

Department of Ecology and Environment of Jiangsu Province

Jiangsu Chia Tai Qingjiang Pharmaceutical Co., Ltd.

Green Factory in Jiangsu Province

Industry and Information Technology Department of Jiangsu

Environmental Management System

Governance Structure

To support the continuous improvement of the Group's environmental management practices, Sino Biopharmaceutical has established a top-down environmental management framework. The Group breaks down environmental management tasks one by one and assigns them to entities at various levels, ensuring the effective operation of the environmental management system and the attainment of management objectives.

The Board has authorized the ESG Committee as the highest decision-making and supervisory body, responsible for formulating environment-related policies, systems, and targets, regularly monitoring the implementation of work and progress towards these targets, and reporting to the Board on such matters;

The ESG Work Management Committee is responsible for organizing the implementation of environmental management tasks, drafting environmental management plans, ensuring the proper execution of relevant environmental protection work, and reporting to the ESG Committee on a regular basis.

The EHS and Equipment Departments at member companies of the Group are entrusted with implementing energy-saving and emission reduction initiatives, including but not limited to managing three types of waste (wastewater, waste gas, and waste residue), managing carbon emissions, and upgrading environmental protection technologies.

The Group has included environmental management performance in the performance appraisal of senior executives at both the Group and its member companies as an important indicator, influencing the proportion of annual performance bonus awarded to management.

Additionally, the management of the Group and member companies, ESG working team, EHS and Equipment Departments, and other environment-related departments and personnel participated in specialized environmental trainings, knowledge competitions, environmental drills, and assessments according to their functional requirements, ensuring that the team's environmental expertise and management capabilities effectively satisfied the environmental management needs.

Percentage of employees who received environmental protection training	Total time of environmental protection training for employee	Average time of environmental protection training per employee
24%	9,555 Hours	0.50 Hours

Management System Certification

Sino Biopharmaceutical continuously enhances its environmental management system, standardizing and systematizing the Group's environmental management practices. We align with international environmental management system (ISO14001) standards and green factory certification requirements, establishing and refining environmental management policies, setting environmental objectives, implementing energy conservation and emission reduction initiatives, and tracking and assessing the implementation of various environmental management indicators, comprehensively elevating our environmental management standards.

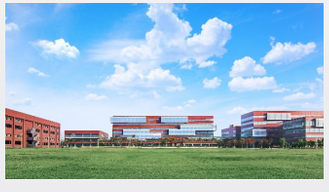
In 2024, 5 of the group's 7 major factories within the Group obtained ISO14001 certification, and the coverage rate of ISO14001 certification reached 71% among all member companies.

Coverage rate of ISO14001 certification

71%

NJCTT was recognized as the national "Green Factory"

Since its establishment, NJCTT has actively practiced the concept of green development, building a highly intensive, intelligent, and low-carbon green factory. The company has developed a green management system for the entire product lifecycle, achieving a 5% increase in average product productivity, a 75% reduction in industrial electricity consumption, and annual water savings of approximately 9,000 tonnes. With its outstanding ESG practices, NJCTT was recognized as a "Green Factory in Jiangsu Province" in 2023 and subsequently as a national "Green Factory" in 2024.



"The factory has been given the honorary title of "National Green Factory". As an ordinary employee, I take great pride in being part of this green initiative. As an environmental manager, I regard this as recognition for my daily work, as well as the highest commendation for the countless hours of dedication from our team. Protecting the environment is not an abstract slogan, but a down-to-earth accumulation of every bit of effort. Regardless of the challenges that lie ahead, I am willing to continue my work alongside my colleagues, protecting this verdant space with professionalism and passion and ensuring that the promise of a "green factory" extends far beyond today."

—Gan Lihua, environmental engineer, NJCTT

Environmental Compliance Audits

Sino Biopharmaceutical strictly controls environmental compliance risks by establishing an environmental compliance audit mechanism. The Group conducts at least one internal environmental audit annually and undergoes external inspections and audits from time to time to ensure standardized environmental governance. During the reporting period, all member companies that have obtained ISO14001 management system certification engaged independent third-party organizations for supervisory audits and successfully passed all the audits.

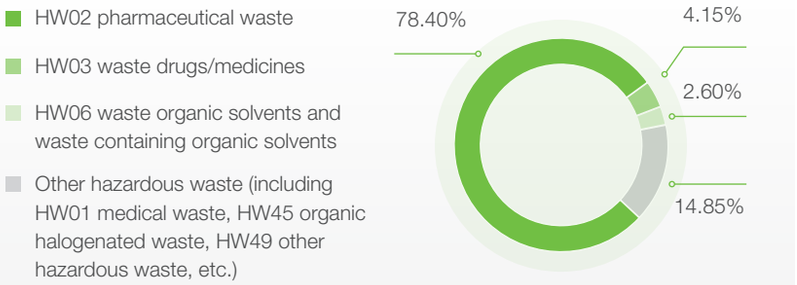
Pollutant Prevention and Control

Sino Biopharmaceutical is committed to continuously reducing the environmental impact caused by business operations. The Group strengthened the inspection of hidden risks related to emissions, wastewater, soil pollution, and waste management, and various measures are implemented to reduce the emission and discharge of pollutants and waste. Additionally, the Group regularly engages qualified third-party testing organizations to monitor pollution, disclose environmental monitoring information as required, and undergo reviews by regulatory authorities and public supervision to ensure compliant emissions.

Hazardous Waste

Hazardous waste generated by Sino Biopharmaceutical primarily originates from R&D and production activities, including medical waste, pharmaceutical waste, waste organic solvents, and waste drugs/medicines. The Group has established stringent hazardous waste control procedures covering the entire process of production, storage, labelling, registration, and disposal to minimize the impact of hazardous waste on the surrounding environment and to ensure compliance with the standards in the locations where it operates. Meanwhile, all hazardous waste of the Group is handed over to qualified third parties for final disposal. This year, the hazardous waste emission intensity of Sino Biopharmaceutical was 0.36 tonnes per million RMB of revenue.

Main types and proportions of hazardous waste generated



[2]In 2024, Sino Biopharmaceutical added several new drug production lines and pilot production projects within the reporting scope, resulting in an increase in the total amount and density of hazardous waste generated compared to previous years. During this process, the Group continuously strengthened hazardous waste management to ensure 100% of hazardous waste is compliantly disposed of by professional third-party organizations. In the future, we will adjust and set new challenging hazardous waste emission targets and reduction plans in line with the Group's production and operation plans.

The Group is committed to promoting the reduction and harmless treatment of hazardous waste, setting quantitative targets for hazardous waste reduction, and formulating corresponding reduction plans and implementation initiatives:

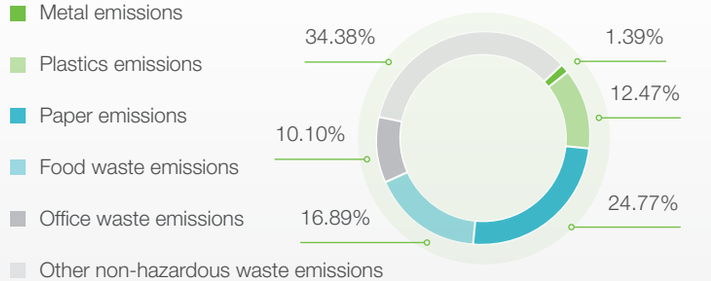
- **Equipment/process optimization to improve product yield and reduce the amount of non-conforming intermediate products or products pending packaging**
- **Implementing phased production to reduce the generation of disposable protective equipment waste**
- **Effective management of material inventory to avoid expiration and disposal of materials**
- **Collecting and recycling packaging materials during the production process for secondary use as daily waste containers**

Non-hazardous Waste

The Group's non-hazardous waste primarily consists of metals, plastics, paper, food waste and office waste. Given their production and operation conditions, member companies continue to reduce non-hazardous waste generation to help the Group to attain sustainable development, including.

- **Equipment/process optimization**
- **Substituting disposable consumables**
- **Recycling**

Main types and proportions of non-hazardous waste generated



The non-hazardous waste generated by the Group is uniformly handed over to the local environmental sanitation department for proper disposal and collection. In 2024, the non-hazardous waste generated by the Group was 0.11 tonnes/RMB million of revenue, representing a 12% decrease compared to the previous year.

Compared to previous year, non-hazardous waste emission intensity decreased by

12%

Wastewater Management

Wastewater generated by Sino Biopharmaceutical primarily includes domestic sewage, R&D and production wastewater, and circulating cooling system drainage. The Group strictly complies with the Water Pollution Prevention Law of the People's Republic of China and other relevant laws and regulations. We have formulated and implemented relevant documents such as the Water Pollution Prevention and Control Management Procedures and the Rules on Operation and Management of Wastewater Treatment Facilities to regulate wastewater treatment and discharge requirements, while continuously increasing the reuse ratio to reduce wastewater discharge.

All member companies have established wastewater treatment stations and continuously improved the equipment and facilities within these stations. The main treatment processes include environmental pretreatment, aerobic and anaerobic digestion, and sedimentation. Key water quality monitoring parameters include COD, ammonia nitrogen, and pH. Member companies have also set up online real-time monitoring and alarming systems to ensure that wastewater discharged into the municipal pipeline network meets the required standards after treatment.

Resource Utilization Management

Sino Biopharmaceutical prioritizes rigorous resource management, committing to environmentally responsible management across all production processes. We continuously improve resource efficiency, reducing related risks during resource use, and minimizing the environmental impact of business operations.

Water Utilization Management

Water used by Sino Biopharmaceutical primarily comes from municipal water supplies, with consumption mainly concentrated in industrial cooling water, washing, and cleaning water used in R&D and production processes. We regularly assess water shortage risks and formulate preventive measures based on assessment outcomes. Member companies of the Group have developed relevant policies such as the Rules on Water Conservation Management, established water conservation management teams, exercised control on total water consumption, allocated water consumption plans across different departments and workshops, and implemented rewards and penalties according to the attainment of these plans.

In 2024, member companies of the Group introduced a number of water conservation initiatives such as technical upgrades to water-using equipment, process optimization, and recycling, resulting in an 8% reduction in water intensity compared to the previous year.

Reduction in water usage intensity compared to previous year

8%

Use of Packaging Materials

Sino Biopharmaceutical is committed to reducing resource wastage at source and actively promoting reduced packaging solutions. We adopt various measures such as optimizing packaging design, prioritizing the use of eco-friendly packaging materials, and increasing the reuse rate of packaging materials to reduce consumption, lessen environmental impact, and improve economic efficiency.

2024 Consumption of packaging materials per RMB million of revenue

0.75 tonne

Total packaging materials recycled

66.14 tonne

Biodiversity Conservation

Sino Biopharmaceutical attaches great importance to biodiversity conservation, strictly complying with relevant laws and regulations such as the Forest Law of the People's Republic of China and the Regulations on Returning Cultivated Land to Forests, practicing biodiversity conservation. We also cooperate with our supply chain and other related parties to avoid and minimize the impact of our operations on biodiversity, resisting improper commercial behavior that causes damage to the ecological environment such as deforestation, pollution of water bodies, and land degradation. If operations are conducted in areas close to critical biodiversity, mitigation measures must be taken to avoid, minimize, restore, and offset damage to ecosystems.

We strictly comply with biodiversity-related laws, regulations, and principles such as the UN's Convention on Biological Diversity (CBD), incorporating biodiversity-related risks such as "loss of biodiversity and degradation of ecosystems" and "available natural resources" into the Group's risk management system. We conduct at least one biodiversity risk assessment annually, assess the severity of these risks, and devise preventive and monitoring measures.

CORPORATE RESPONSIBILITIES

Contribute to the following SDGs

01 Inclusive Health

Our principles and objectives

To be a leading global pharmaceutical company through delivering innovative therapies for patients

—— We continue to promote R&D and innovation, providing patients with diversified, efficient and affordable treatment options, contributing to the health and well-being of mankind.

KPIs in 2024

R&D expenses
50.89 RMB 100 million

R&D expenses as a proportion of revenue
17.6%

R&D expenses growth
15.6%

Proportion of R&D investment in innovative drugs and biological drugs
77%

Number of new products approved for market
38

Number of innovative drugs approved for market
6

Honors and recognition

Sino Biopharmaceutical
Top 15 Most Valuable Innovative Drug Listed Companies in China
Pharmcube

Sino Biopharmaceutical
China Drug Innovation Pioneer Award
T20 Congress

Sino Biopharmaceutical
2024 Best Industrial Enterprise for Pharmaceutical R&D Pipeline
2023 Top 100 PRC Pharmaceutical Companies Ranking

Sino Biopharmaceutical
2024 Outstanding Case of Sci-Tech Innovation in Healthcare
China Health Industry New Quality Productivity Development Conference

Innovative R&D

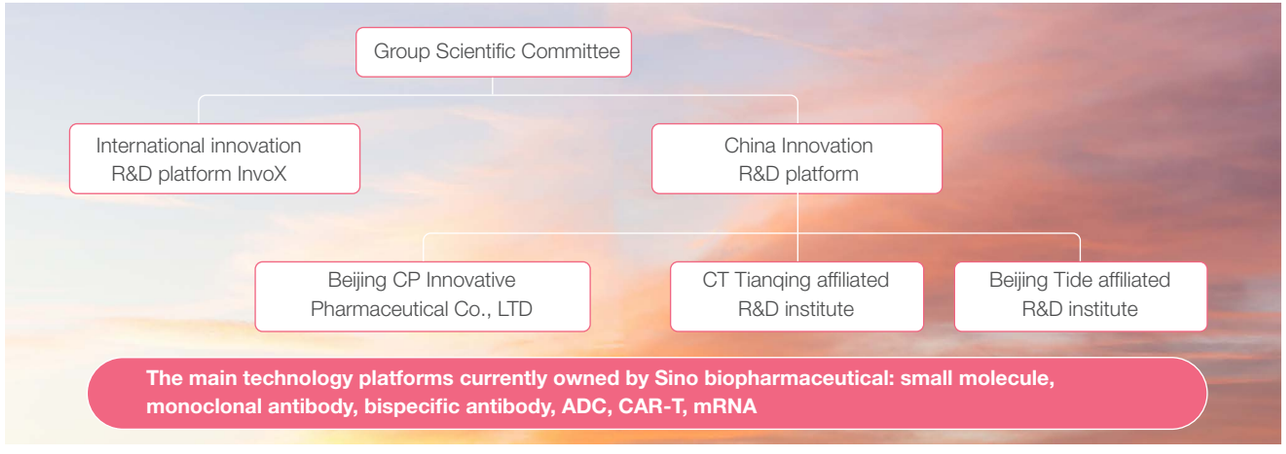
Innovation Strategy and Layout

Sino Biopharmaceutical is dedicated to driving pharmaceutical accessibility through innovative R&D. While strengthening independent R&D, we actively introduce outstanding overseas innovative achievements, continuously promoting the development and approval of more high-quality new drugs to contribute to the health and well-being of patients worldwide.

Sino Biopharmaceutical drives development through the dual engines of "innovation + internationalization," creating an innovative management system with the Science Committee as the core and two innovative R&D platforms at home and abroad as pillars. We focus on four therapeutic areas: oncology, liver diseases, surgery/analgesia, and respiratory system, establishing multiple product pipelines and actively introducing innovative pipelines around key areas to form an international dual circulation strategy of "in China for Global" and "in Global for Global."

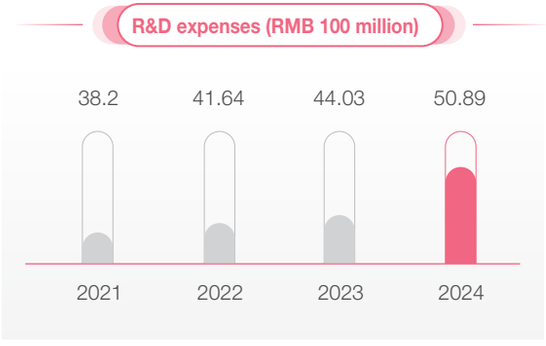
In China, the Group has established a domestic innovative R&D platform primarily comprising Beijing CP Innovative Pharmaceutical Co., Ltd., CT Tianqing, and Beijing Tide's affiliated research institute. CT Tianqing focuses on liver diseases and oncology, while Beijing Tide focuses on analgesia and respiratory system. We continue to increase investment in independent R&D resources to enhance our capability for independent innovation.

Internationally, the Group has set up a wholly-owned subsidiary, invoX, serving as an international innovative R&D platform, focusing on R&D and business development activities outside China, with a core focus on oncology and respiratory system therapies. In recent years, the Group has completed acquisitions of several leading global innovative R&D platforms, initially achieving a strategic layout of multiple R&D centers worldwide.



R&D Investment

Sino Biopharmaceutical has continuously increased its investment in innovative R&D, focusing on infrastructure construction, technical capacity building, and the introduction of R&D personnel. In 2024, Sino Biopharmaceutical's R&D expenses reached RMB5.089 billion, accounting for 17.6% of total revenue, a year-on-year increase of 25.6%. Notably, over 77% of the Group's total R&D investment was directed towards innovative drugs and biological drugs.



R&D Progress and Achievements

In 2024, Sino Biopharmaceutical gradually entered the intensive harvesting period of innovative products, with innovative product revenue reaching RMB12.06 billion. Several category-1 innovative drugs, including Andewei® (Benmelstobart Injection), Anboni® (Unecritinib Fumarate Capsules), Anluoqing® (Envonalkib Citrate Capsules), and Anfangning® (Garsorasib tablets), were successively launched, providing patients with more medication options.

Number of new products approved for marketing in the year
38

Number of innovative drugs approved for marketing in the year
6

Number of innovative drugs in the clinical stage/stage of launch application
100+

The proportion of R&D expenses to total revenue
17.6%

New drugs approved for marketing in 2024 (partial)

Andewei®
(Benmelstobart Injection)

Andewei® Benmelstobart Injection is an innovative fully humanized anti-PD-L1 monoclonal antibody with a new sequence, has been approved in combination with Anlotinib, carboplatin and etoposide for the first-line treatment of small cell lung cancer.

The second indication of Benmelstobart in combination with Anlotinib for recurrent or metastatic endometrial cancer has also been approved for marketing, which will provide more treatment options for patients.

Anluoqing®
(Envonalkib Citrate Capsules)

Anluoqing® (Envonalkib Citrate Capsules) is indicated for the treatment of anaplastic lymphoma kinase (ALK)-positive patients with locally advanced or metastatic non-small cell lung cancer who have not been treated with ALK inhibitors, providing a new and effective therapeutic option for patients.

Anboni®
(Unecritinib Fumarate Capsules)

Anboni® (Unecritinib Fumarate Capsules) is the first domestically produced targeted drug approved for the treatment of ROS1-positive adult patients with advanced or metastatic non-small cell lung cancer, which will hopefully further improve the quality of life and prognosis of patients.

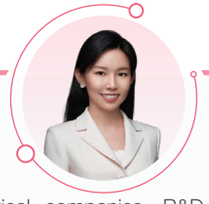
Anfangning®
(Garsorasib Tablets)

The first indication of Anfangning® (Garsorasib Tablets) is for the treatment of adult patients with KRAS G12C-mutated advanced non-small cell lung cancer (NSCLC) who have received at least one systemic therapy. This is an attempt to overcome a previously 'un-druggable' target, and to provide hope for the majority of patients and their families.

In the fields of biosimilars and chemical generics, Sino Biopharmaceutical has also continued to make progress and breakthroughs. In 2024, Liraglutide Injection (Beilelin®) was approved for marketing, marking the Group's official entry into the field of GLP-1 and insulin analogs, which are significant recombinant hypoglycemic peptide drugs. In the antiviral field, Letermovir tablets and Letermovir injection were successively approved. Additionally, Rivastigmine Transdermal Patch (Suleda®) and Tulobuterol Patches (Deruituo®) were approved for marketing, continuing to secure the first generic approvals in China.

In addition to the products already approved for marketing, several new drug candidates under development by the Group also achieved breakthrough progress in 2024. Over 40 clinical projects are in the clinical application stage or beyond, 30 clinical projects are in the NDA or Phase III stage, and 13 high-end innovative drugs are in the clinical application stage or beyond. Among them, the Group's first-in-class CDK2/4/6 inhibitor, Culmerciclib, has been submitted for marketing approval for the treatment of locally advanced or metastatic breast cancer. The JAK/ROCK inhibitor, Rovadicitinib, with a novel chemical structure, has also been submitted for marketing approval for the treatment of moderate to high-risk myelofibrosis (MF). Several innovative drugs or new indications, including the bispecific ADC drug TQB2102 and the humanized monoclonal antibody targeting IL-4Rα, TQH2722, have initiated pivotal clinical studies, promising to provide better treatment options for more patients.

Global Collaboration Progress



> We firmly believe that the cause of human health knows no borders and should be a domain devoid of barriers. We look forward to establishing broader cooperation with innovative pharmaceutical companies, R&D technology platforms and leading scientists around the world, continuously enriching our innovation pipeline, developing an international R&D system, and truly unifying "innovative in the world" and " innovative in China" through global planning.
>
> —Ms. Tse, Theresa Y Y, Chairwoman of Sino Biopharmaceutical Limited

Sino Biopharmaceutical continues to focus on its "Internationalization" strategy, striving to establish a globally leading innovative R&D platform while continuously deepening cooperation and innovation in the pharmaceutical and healthcare fields. The Group leverages its strong R&D and production capabilities and extensive sales network to form strategic partnerships with domestic and overseas pharmaceutical companies, bringing innovative products to the global market and providing more medication options for patients.

As a wholly-owned overseas platform of Sino Biopharmaceutical, invoX focuses on the Group's R&D and business development activities outside China. It has completed acquisitions of several leading global innovative R&D platforms, including the Softhale soft mist delivery platform, and pHion Therapeutics' mRNA delivery platform, driving Sino Biopharmaceutical to achieve a strategic layout of multiple R&D centers worldwide.

pHion THERAPEUTICS

Progress in International and Domestic Collaboration in 2024

April 2024

Sino Biopharmaceutical reached a strategic collaboration with Boehringer Ingelheim to promote the R&D and commercialization of innovative oncology drugs

October 2024

CT Tianqing, a member company of Sino Biopharmaceutical, signed an exclusive license and collaboration agreement with Wuhan YZY Biopharma to introduce its dual-antibody category-1 new drug M701

October 2024

Sino Biopharmaceutical announced the acquisition of up to 55% of the shares of HOB Biotech Group (HOB), a company listed on the STAR Market, to expand its presence in the fields of allergy, autoimmune, and respiratory diseases

November 2024

Sino Biopharmaceutical announced the signing of an equity investment and strategic cooperation agreement with LaNova Medicines Limited. The Group will invest in LaNova Medicines with self-raised funds and establish strategic cooperation for LM-108 and potential future innovative bispecific or ADC drugs in the Mainland China

January 2025

CT Tianqing, a member company of Sino Biopharmaceutical, reached a cooperation agreement with Ping An Shionogi Co., Ltd., becoming the exclusive marketing partner for Naldemedine in China

Strategic Cooperation with Boehringer Ingelheim

On 8 April 2024, Sino Biopharmaceutical and the renowned German pharmaceutical company Boehringer Ingelheim announced the signing of a strategic cooperation agreement. Leveraging their respective strengths and resources, both parties will jointly develop and commercialize Boehringer Ingelheim's oncology drug pipeline in mainland China.

This strategic collaboration covers multiple clinical-stage assets of Boehringer Ingelheim, including Zongertinib (BI 1810631), which was announced by the Center for Drug Evaluation (CDE) of the National Medical Products Administration (NMPA) of China in August 2024 as a candidate for breakthrough therapy designation. Sino Biopharmaceutical and Boehringer Ingelheim will jointly advance the R&D and commercialization of this drug in mainland China.

Exclusive Marketing Agreement with Ping An Shionogi

On January 2, 2025, CT Tianqing, a subsidiary of Sino Biopharmaceutical, signed an exclusive marketing agreement with Ping An Shionogi Co., Ltd. (Ping An Shionogi), granting exclusive marketing rights for Naldemedine in the Mainland China.

Naldemedine is an innovative drug developed by Shionogi & Co., Ltd., the parent company of Ping An Shionogi, designed to fundamentally treat opioid-induced constipation (OIC). Through this collaboration, Naldemedine will fill the gap in OIC treatment in China, benefiting domestic patients and supporting those suffering from cancer pain.

Healthcare Accessibility

Healthcare Accessibility Management System

Sino Biopharmaceutical continuously improves its healthcare accessibility governance structure. The Board is responsible for formulating the Group's healthcare accessibility strategy and objectives, with Ms. Theresa Y Y Tse, Chairwoman of the Board, acting as the Board-level representative for the Group's healthcare accessibility management issues. Following the Board's decisions, the ESG Committee provides guidance and recommendations on the direction of the Group's healthcare accessibility initiatives, while the Strategic Decision-making Committee oversees the implementation of healthcare accessibility management efforts.

The Group has formulated a healthcare accessibility strategy centered on "exploring therapeutic areas, alleviating burden on patients, expanding channel coverage, and advancing rare disease drug development" to enhance public health and improve patients' access to medications.

Exploring therapeutic areas	Focusing on four key therapeutic areas: oncology, surgery/analgesia, liver diseases, and respiratory system. We continue to increase R&D investment to constantly launch new products with proven efficacy
Alleviating burden on patients	Adhering to the principle of fair pricing, we actively participate in health insurance negotiations, expand the coverage of drugs in medical institutions, and improve people's well-being with medications at more affordable prices
Expanding channel coverage	Continuously expanding our nationwide marketing network in China while proactively venturing into overseas markets to benefit patients worldwide
Advancing rare disease drug development	Committed to the research, development, and production of drugs for rare diseases, providing more medication options to safeguard the equal health rights and interests of patients with rare diseases

In response to the "Healthy China" strategy, we work to promote the sustainable development of the pharmaceutical industry by advancing pharmaceutical R&D, optimizing the manufacturing process and lowering medication costs. These efforts are part of our unremitting commitment to achieving the goal of health for all. Additionally, we support the Doha Declaration on the TRIPS Agreement and Public Health, recognizing its importance in helping developing countries in need to access medicines in special circumstances.

Products Benefit Patients

Over the years, Sino Biopharmaceutical has concentrated its efforts on oncology, liver diseases, surgery/analgesia and respiratory diseases. We have fully leveraged our innovative R&D capabilities, continuously expanded the disease coverage of our drugs, and committed ourselves to providing more patients with timely and effective treatment options. As of the end of the reporting period, Sino Biopharmaceutical's key products provided treatment to more than 160 million patients.

Sino Biopharmaceutical Safeguards Women's Health, Continues to Achieve Multiple Gynecological Oncology Research Results

Globally, women's diseases face significant unmet clinical needs. In June 2024, Sino Biopharmaceutical presented multiple gynecological oncology research results at the American Society of Clinical Oncology (ASCO) Annual Meeting, covering various indications such as endometrial cancer, ovarian cancer, and cervical cancer, potentially offering new treatment options for female patients.

Ovarian cancer is known as the "silent killer," with approximately 70% of patients diagnosed at an advanced stage.[3]At this conference, two studies on Anlotinib combination therapy for platinum-resistant ovarian cancer were selected for poster presentation, potentially improving survival benefits for patients with platinum-resistant recurrence following surgery + platinum-based chemotherapy + targeted therapy. Additionally, Sino Biopharmaceutical had multiple studies related to cervical cancer and breast cancer selected for poster presentations and abstract inclusion.

In recent years, Sino Biopharmaceutical has continuously invested in the women's health field, with over RMB3 billion invested and more than 10 pipelines developed. Major products such as Fulvestrant Injection (Qingkeyi®), Everolimus Tablets (Qingweishi®), and Trastuzumab Injection (Saituo®) have been launched. As multiple innovative projects under development enter the harvesting phase, they are expected to provide more inclusive and accessible treatment options for female patients.

*Chinese Society of Gynecologic Oncology, Bei-Hua Kong, Ji-Hong Liu, et al. Modern Advances in Obstetrics and Gynecology, 2022, 31(8):12.

Advancing Rare Disease Drug Development

Sino Biopharmaceutical has always paid attention to the clinical needs of patients with rare diseases and has made the enhancement of the accessibility of rare disease drugs one of the key considerations in drug development.

In 2024, Sino Biopharmaceutical made sustained progress in rare disease drug development, with the new launch of Yian® (Tafamidis meglumine soft capsules). Other rare disease pipeline candidates also advanced. As of the end of the reporting period, Sino Biopharmaceutical marketed 5 rare disease drugs and 7 rare disease drug projects under review and development.

Drug	Indication	Present stage
Yibitan® (Edaravone and sodium chloride injection)	Amyotrophic lateral sclerosis (ALS)	Launch
Fenghaiyi® (Edaravone injection)	Amyotrophic lateral sclerosis (ALS)	Launch
Taishule® (Ambrisentan tablets)	Pulmonary arterial hypertension patients with WHO class II or III symptoms Launch (WHO group 1)	Launch
Anhengji® (Recombinant human coagulation factor VIII)	Haemophilia A (congenital coagulation factor VIII deficiency)	Launch
Yian® (Tafamidis meglumine soft capsules)	Rare genetic and fatal neurodegenerative disease (ATTR-PN)	Launch
Recombinant human coagulation factor VIIa for injection	Hemorrhagic diseases	Under research
Nintedanib esilate soft capsules	Idiopathic pulmonary fibrosis	Under research
TQH2929	Generalized pustular psoriasis	Under research
TQB2928	Osteosarcoma	Under research
TDI01	Graft-versus-host disease	Under research
Deutetrabenazine tablets	Chorea and adult tardive dyskinesia (TD) associated with Huntington's disease (HD)	Under research
FHND1002	Amyotrophic lateral sclerosis (ALS)	Under research

Sino Biopharmaceutical's Rare Disease Drugs Under Research

In Sino Biopharmaceutical's pipeline of rare disease drugs under research, two major products are dedicated to tackling the treatment challenges listed in the "Rare Disease Catalog", bringing new hope to patients with rare diseases.

Generalized pustular psoriasis (GPP) is an autoinflammatory disease with an incidence rate of approximately 1.4 per 100,000. It often presents with high fever during flare-ups and can be life-threatening in severe cases. TQH2929 is a monoclonal antibody self-developed by CT Tianqing, a member company of the Group, currently in clinical development for the treatment of GPP and other diseases.

Osteosarcoma is a rare but highly malignant primary bone tumor with an incidence rate of approximately 0.4 per 100,000. TQB2928 is a fully human monoclonal antibody self-developed by CT Tianqing, currently in clinical development for the treatment of osteosarcoma and other diseases.

Beyond the "Rare Disease Catalog," Sino Biopharmaceutical has four category-1 new drugs providing new treatment options for internationally rare diseases with extremely low incidence rates.

Drug	Indication	Present stage
Anboni® (Unecritinib Fumarate Capsules)	ROS1 Mutated non-small cell lung cancer	Launch
Fukewei® (Anlotinib Hydrochloride Capsules)	Medullary thyroid cancer	Launch
Andewei® (Benmelstobart Injection) in combination with Fukewei® (Anlotinib Hydrochloride Capsules)	Alveolar soft part sarcoma	Under research
Rovadicitinib (TQ05105)	Hemophagocytic lymphohistiocytosis	Under research

Fair Pricing

Sino Biopharmaceutical is committed to providing high-quality and affordable medicines, ensuring that more patients can access superior treatments. The Group has formulated the "Fair Pricing Policy," which clearly defines the principles of fair pricing centered on legality, compliance, transparency, and accessibility. This policy ensures that drug pricing strategies are fair and transparent, with prices reasonably set and adjusted based on actual cost inputs, clinical value, and patients' affordability, continuously enhancing drug accessibility.

In the Chinese market, Sino Biopharmaceutical actively responds to national policies, continuously promoting the inclusion of products in the medical insurance catalog to benefit the public with better drug prices. During the reporting period, three products were successfully added to the "National Basic Medical Insurance, Work Injury Insurance, and Maternity Insurance Drug Catalog (2024)." Additionally, Sino Biopharmaceutical actively participates in the national centralized drug procurement program. During the reporting period, six products were awarded in the tenth batch of the national centralized drug procurement project. Since the implementation of the national centralized procurement policy, the Group has cumulatively won bids for 60 varieties in the national centralized procurement, actively reducing patients' economic burden and improving drug accessibility.

Products newly added to the national catalogue of medicines covered by medical insurance

3

Products newly awarded in national centralized procurement of drugs

6

In overseas markets, Sino Biopharmaceutical adopts differentiated pricing strategies, fully considering the economic development levels, healthcare system policies, and patients' payment affordability in different countries/regions. Drugs pricing is relatively consistent for comparable countries, regions, or markets. At the same time, more accessible drugs pricing strategies are tailored to the needs and affordability of patients in different countries/regions, aiming to serve more patients globally. For products exported to emerging markets and developing countries such as Africa and Southeast Asia, the Group comprehensively considers the affordability of local patients and sets prices according to the principles of cost coverage and low profit margins.

Supporting Global Health Initiatives

Sino Biopharmaceutical firmly implements its "Internationalization" strategy, accelerating expansion into emerging markets, promoting the inclusive use of medical resources, and contributing to the building of a global health community.

The Group focuses on the healthcare industry in developing countries and regions, actively expanding markets in Southeast Asia, the Middle East, North Africa, and other countries along the "Belt and Road." By promoting more independently innovative products overseas, we aim to benefit more patients. In Southeast Asian countries, Sino Biopharmaceutical collaborates deeply with local governments, institutions, and industry partners to facilitate rapid product deployment. In countries along the "Belt and Road," the Group capitalized the significant opportunities for synergistic development under the “Belt and Road”, advancing strategic cooperation with countries such as the Middle East to help them build up their biopharmaceutical technology infrastructure, actively introducing advanced biopharmaceutical technologies, safeguarding public health, improving healthcare service levels, and creating more local employment opportunities.

Currently, the Group has more than 10 products sold in 26 countries and regions, and is expected to further expand coverage areas and product types in the future, benefiting patients worldwide with its R&D achievements.

Sino Biopharmaceutical continues to expand product coverage in emerging markets

In 2024, Sino Biopharmaceutical continued to expand product coverage in developing countries.

CT Tianqing, a member company of the Group, exported over 270,000 units of fulvestrant injection, supplying and selling more than 65,000 units to seven emerging market countries, providing timely supply to countries such as Mexico, South Africa, Sri Lanka, the Philippines, and Brazil in emergency situations, offering high-quality medicines to patients.

CT Tianqing also continuously exports other formulation products (Fosaprepitant for Injection, Tenofovir Tablets, Diammonium Glycyrrhizinate Enteric-coated Capsules, Marine Capsules/Injection, etc.) to developing countries/emerging markets. Marine Capsules and Diammonium Glycyrrhizinate have been included in the medical insurance product catalog in some central Asian countries, with the efficacy of the products continuously recognized by local patients and healthcare workers, benefiting more overseas patients.

In additional, CT Fenghai, a member company of the Group, exported over 210,000 vials of compound amino acid Injection (18AA) to Uzbekistan, providing better treatment options for local patients.

Antibiotic Resistance Addressing

With the global issue of drug-resistant bacteria on the rise and the development of new antibiotics becoming increasingly challenging, Sino Biopharmaceutical has paid close attention and been taking continuous action to combat this problem. We are responding to initiatives to conduct fundamental research and drug development for drug-resistant bacteria, increasing our investment in new drugs and new diagnostic technologies, continuing to monitor antibiotic resistance, and combining our industrial strengths to widely disseminate scientific concepts of drug use.

As of the end of the reporting period, the Group has a number of antibiotic products available on the market and a number of antibiotic projects under research or in the process of being declared for production.

Project/Product name	Stage of research	Introduction
Tianyun® (Colistimethate Sodium for Injection)	Launch	It is intended for treating infections caused by carbapenem-resistant gram-negative pathogens and hospital-acquired pneumon
Tiance® (Biapenem for Injection)	Launch	It is intended for treating septicaemia, pneumonia, etc. caused by susceptible bacte
Tianming® (Caspofungin Acetate for Injection)	Launch	Capable of inhibiting fungal cell wall synthesis, it is intended to treat suspected fungal infections and invasive aspergillosis
Tianli® (Linezolid Tablets)	Launch	As an antimicrobial agent of the oxazolidinone class, it is intended for treating infections caused by aerobic Gram-positive bacteria
Tiantan® (Ceftazidime and avibactam sodium for injection)	Launch	As a β-lactamase inhibitor, it is intended for treating abdominal abscesses, urinary tract infections and gram-negative bacterial infections
Tianyue® (Posaconazole Injection)	Launch	Capable of inhibiting the synthesis of key components of the fungal cell wall, it is intended for treating invasive Aspergillus and Candida infections
Delamanid	Under research	As a mycolic acid synthase inhibitor, it is intended for treating Mycobacterium tuberculosis-resistant infections
Omadacycline tosilate	Under research	It is a broad-spectrum antimicrobial agent belonging to the amino-tetracycline class
Tazobactam Sodium	Under research	β-lactamase inhibitor combination agents, used for treating drug-resistant bacterial infections, such as pneumonia and intra-abdominal infections
Colistin E2 Methanesulfonate	Under research	Peptide antibiotics are used to treat infections caused by multi-drug resistant Gram-negative bacteria
Meropenem	Under research	Carbapenem combinations, targeting multidrug-resistant Gram-negative bacteria
Azithromycin	Under research	Macrolide antibiotics, used to treat respiratory/skin infections, and Mycoplasma or Chlamydia infections
Oseltamivir	Under research	Neuraminidase inhibitors, used against influenza viruses to shorten illness duration and prevent severe complications
Dalbavancin Hydrochloride	Under research	Novel pleuromutilin antibiotics, targeting Gram-positive bacteria, used for skin and soft tissue infections

02 Product Responsibility

Our principles and objectives

Sino Biopharmaceutical has always adhered to the principle of “Knowledge management and continuous improvement” in quality management to ensure the safety of medicines for patients.

KPIs in 2024

GMP conformity-domestic APIs
113

GMP compliance-Domestic drug formulations
89

Pass rate in annual GMP inspections organized by domestic pharmaceutical regulatory agencies
100%

Coverage rate of ISO9001 quality management systems certification
60%

Coverage rate of quality training for employees
100%

Average time of quality training per employee
51.25 hour/person

Honors and recognition

CT Tianqing, Beijing Tide
Top 100 Pharmaceutical Enterprises in 2023
China National Pharmaceutical Industry Information Center

NJCTT, CT Fenghai
Jiangsu Province Intelligent Manufacturing Factory
Industry and Information Technology Department of Jiangsu

NJCTT
2024 National Pharmaceutical Industry Quality Trustworthy
Jiangsu Medical Products Administration

CT Tianqing
2024 Outstanding Quality Award for Pharmaceutical Enterprises
The 2nd High-Quality Development Industry Summit & China Pharmaceutical Quality Managers Annual Conference 2024

CT Tianqing, Beijing Tide
2024 Best Pharmaceutical R&D Pipeline Industrial Enterprise in China
China National Pharmaceutical Industry Information Center

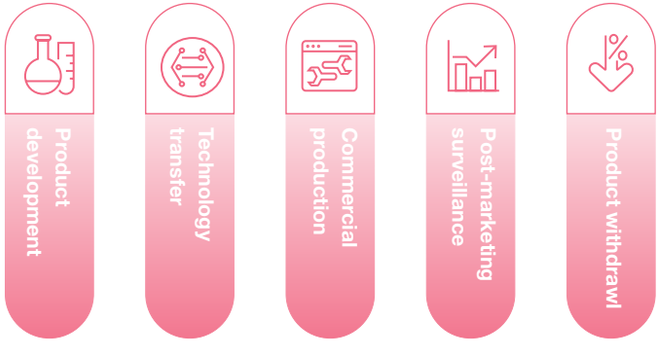
Beijing Tide
Quality Trustworthy Organization (for 8 consecutive years)
Beijing Quality Association Evaluation Center (BQEC)

Product Lifecycle Quality Management System

Sino Biopharmaceutical strictly complies with the Drug Administration Law of the People's Republic of China, the Product Quality Law of the People's Republic of China, Good Manufacturing Practice (GMP) standards, and other relevant laws, regulations, and standards in China and other operating locations. The Group upholds the quality and safety lifeline, with a firm management goal of "zero quality safety incidents, zero product recalls". The Group and its member companies have established independent quality management departments responsible for setting quality standards, guiding and supervising business activities, and fully implementing the primary responsibility for corporate quality management. During the reporting period, the Group and its member companies did not experience any major quality safety incidents or product recalls, achieving the annual quality management goals.

Sino Biopharmaceutical benchmarks against leading international quality management requirements and standards. Based on the Pharmaceutical Quality System (Q10) model of International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH), the Group has built a product lifecycle quality management system covering product development, technology transfer, commercial production, post-marketing surveillance, and product withdrawal. This system encompasses six aspects: quality assurance system, laboratory control system, production system, facility and equipment system, packaging and labeling system, and material system.

Product Lifecycle Quality Management System



In 2024, guided by the strategy of "organizational integration, comprehensive innovation, internationalization, and digitization," the Group's quality management team continued to innovate. We focused on regulatory dynamics with a forward-looking perspective, continuously improving the product lifecycle quality management system for pharmaceuticals:

Upgrades of management procedure

Sino Biopharmaceutical closely follows regulatory updates, advancing the construction and improvement of group-wide management procedures. During the reporting period, the Group formulated and upgraded several key management procedures, promoting standardized quality management across production bases.

Alignment with international sterile management systems

During the year, the Group benchmarked against increasingly stringent control requirements for sterile drugs by international regulatory agencies, establishing a sterile production management mind map and strategy, forming an expert team, and fully advancing the alignment of the sterile control system with international standards.

Digital applications

Completed nine system optimizations for the Document Management System (DMS), significantly improving compliance in document management processes and reducing human error rates. Conducted exchanges and research on the Quality Management System (QMS) to enhance the informatization level of deviation, change, corrective and preventive actions, and supplier management.

"The iterative upgrade of the quality management system is the strategic cornerstone for the high-quality development of an enterprise as well as the lifeline for safeguarding patients' medication safety. At Sino Biopharmaceutical, we adhere to the quality policy of "knowledge management and continuous improvement" to fulfill our quality responsibilities and serve patients. We are committed to developing a quality decision-making center with knowledge management and driving high-quality operations through continuous improvement.

—Huang Qing, person in charge of quality management at Shunxin Pharmaceutical, CT Tianqing"

Sino Biopharmaceutical member company awarded "Outstanding Quality Award for Pharmaceutical Enterprises"

During the year, Nanjing Shunxin Pharmaceuticals Co., Ltd. Of Chia Tai Tianqing Pharmaceutical Group, a subsidiary of Sino Biopharmaceutical, was awarded the "2024 Outstanding Quality Award for Pharmaceutical Enterprises" at the 2nd High-Quality Development Industry Summit & China Pharmaceutical Quality Managers Annual Conference 2024, thanks to its comprehensive product lifecycle drugs quality management system.

Two Sino Biopharmaceutical member companies recognized as "Jiangsu Province intelligent manufacturing factories"

Sino Biopharmaceutical actively responds to the national call for intelligent manufacturing in the industry, accelerating the pace of intelligent transformation and digitalization. The Group utilizes innovative technologies such as online monitoring and intelligent collaboration to continuously improve production efficiency and quality control levels. Meanwhile, the Group ensures online interconnection and sharing of data flows, business flows, and management flows across various business data, standardizing production and business management processes, reducing human intervention, and achieving the transformation from "manufacturing" to "intelligent manufacturing."

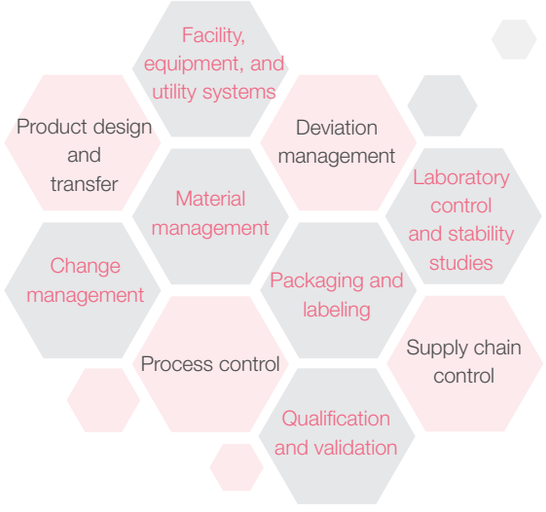
During the year, given the outstanding achievements in intelligent manufacturing, Nanjing CT Tianqing High-End Formulation Intelligent Manufacturing Factory and CT Fenghai Pharmaceutical Formulation and Food for Special Medical Purposes Intelligent Manufacturing Demonstration Factory, which are all member companies of the Group, were successfully included in the "Jiangsu Province Intelligent Manufacturing Factories" list.

Production Quality Management

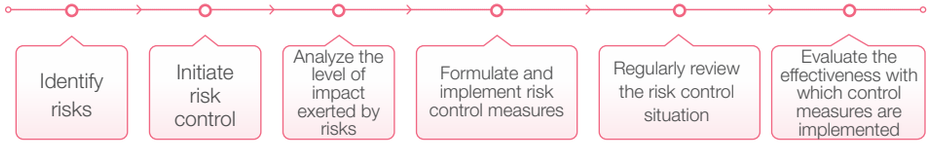
Production Quality Risk Management

Sino Biopharmaceutical's innovative transformation continued to accelerate, with ongoing updates in innovative drug R&D, production equipment, and processes. To effectively control the product quality risks and enhance operational stability, the Group has established a quality risk management and knowledge management system that spans the entire drugs product lifecycle. By implementing continuous quality monitoring and risk analysis, potential risks are promptly identified and assessed, control measures are formulated and validated for effectiveness, resulting in continuous improved quality management levels.

Quality risk management



Quality risk management process



During the year, the Group continued to enhance its quality risk prevention mechanisms by increasing the number of risk identification measures such as "frontline inspections" and alignment with FDA on-site observation report deficiencies. Additionally, a series of improvement measures were implemented, including optimizing deviation management, establishing intermediate product warning mechanisms, and organizing product quality risk assessments to proactively identify and prevent quality risks, further refining the pharmaceutical quality system.

Quality risk "Frontline inspections"

The Group focuses on topics such as sterile assurance, contamination and cross-contamination, and data reliability management. Management strategies and implementation methods for each inspection topic are dissected and clarified, project leaders are designated, and inspection teams are formed to conduct frontline inspections. By benchmarking against process and execution endpoints, potential quality risks are identified and controlled, enhancing quality management levels.

Alignment with FDA on-site observation report deficiencies

The Group closely follows FDA regulatory development, based on the FDA on-site observation report deficiencies, benchmarking the existing quality management strategies, identify key improvement areas, and reduce system control risks.

Limaprost® risk management projects

Beijing Tide, a member company of the Group, implemented the Limaprost® and AMB(N) risk management projects during the year. The team applied Failure Model and Effects Analysis (FMEA) risk assessment tools to identify critical processes and high-risk points based on business processes. Risk control measures were then formulated and implemented for each identified risk, driving the achievement of zero production waste.

Quality Certification

Sino Biopharmaceutical adheres to domestic GMP management requirements as the baseline and continuously improves its quality management system by aligning with international GMP standards, FDA certification, and other international standards. As of the end of the reporting period, the Group's GMP conformity and international certification status are as follows:

GMP conformity	113 APIs obtained GMP certificates/announcements in China; 89 chemical formulation production lines and biological products obtained GMP conformity inspection certificates/announcements in China
GMP conformity inspection pass rate	100% pass rate for GMP conformity inspections by domestic drug regulatory agencies
International certification	10 FDA certifications, 9 CE certifications, 22 international GMP certifications

The Group considered quality management system certification as a crucial criterion for evaluating quality management levels and actively promotes ISO9001 quality system certification among its member companies. As of the end of the reporting period, three member companies of the Group obtained ISO9001 quality management system certification, with an ISO9001 certification coverage rate of 60%.

Coverage rate of ISO9001 certification

60%

Member companies with ISO9001 certification

- Chia Tai Tianqing Pharmaceutical Group Co., Ltd.
- Nanjing Chia Tai Tianqing Pharmaceutical Co., Ltd.
- Jiangsu Chia Tai Fenghai Pharmaceutical Co., Ltd.

Quality Inspection

To further ensure product quality, Sino Biopharmaceutical has established a comprehensive quality inspection and control mechanism, encompassing all quality elements such as personnel, machinery, materials, methods, environment, and testing. The Group conducts full-process quality control of pharmaceuticals. Product quality testing laboratories have been set up in both production and R&D units. During the quality inspection process, strict sampling procedures, quality standards, and testing operation specifications are formulated and continuously optimized, to ensure accurate and reliable results.

The laboratories of the research institutes set up by the Group's member companies have been accredited by the China National Accreditation Service (CNAS) for laboratory accreditation, and complied with the CNAS national accreditation standard of ISO/IEC 17025:2017 "General Requirements for the Competence of Testing and Calibration Laboratories."

Enhancing paper records with the "Good Documentation Practices (GDocPs)" project

During the year, Beijing Tide, a member company of Sino Biopharmaceutical, focused on compliance issues related to the reliability of records and data during self-inspection and inspection. A special investigation and analysis were conducted to identify the sources of issues. The process management model was used to analyze the issues, and targeted improvement measures were implemented to optimize testing systems and records.

Quality Audits

Based on GMP and internal quality management system requirements, Sino Biopharmaceutical Group has established and continuously improved a quality audit mechanism integrating both internal and external audits. The internal audit team conducts comprehensive GMP self-inspections at least once a year, covering all member companies of the Group, and carries out special quality audits on a quarterly basis. During the reporting period, member companies of the Group conducted over 50 internal quality audits, focusing primarily on data reliability and sterile control. Member companies also actively cooperated with more than 15 external audits conducted by regulatory authorities and customers, with no major deficiencies found.

For issues or improvement areas identified during quality audits, improvement plans were formulated in accordance with regulatory requirements and promptly implemented. Additionally, the Group conducted extended investigations into audit findings to identify similar issues in other organizations, with the quality management departments supervising the rectification process to ensure comprehensive resolution.

Supplier collaboration to address technical issues

During the year, NJCTT, a member company, collaborated with suppliers to address the technical challenge of replacing premium glycerin. This effort resolved the issue of poor impurity control in conventional domestic glycerin extraction processes, which could not satisfy the production quality requirements, and breaking the monopoly of the international glycerin market, enabling the application of domestic glycerin in the commercial production of pharmaceutical products.

Times of supplier quality audits conducted **430**	Completion rate of supplier quality audit plans **100%**
Number of raw and auxiliary materials supplier which obtained quality management system certification **327**	Percentage of raw and auxiliary material suppliers with quality control system certification **41%**

Supply Chain Quality Management

Sino Biopharmaceutical attaches great importance to supply chain quality management to ensure the safety and controllability of product raw materials. To enhance quality standards of the supply chain, the Group has formulated the Supplier Quality Management Process, which clearly outlines the working procedures for supplier quality management and audit practices. We also adopt various methods, including training, on-site guidance, and collaboration, to improve suppliers' quality management levels.

Access evaluation	Quality Audits	Quality Training	Encouraging certification
During the access stage, the quality departments conduct strict evaluations of suppliers' product quality, certifications, and business qualifications to ensure compliance with the Group's production quality and technical standards.	The Group has established a comprehensive supplier quality audit mechanism and formulated an annual audit plan. The audit results and rectification status are key assessment items for the annual appraisals for suppliers, with reward or penalty policies applied. Require suppliers to conduct secondary supplier audits and evaluate them as part of the supplier quality audit. In 2024, the Group conducted 430 supplier quality audits, achieving a 100% completion rate for the supplier quality audit plan.	Through quality principles and skill enhancement training for suppliers, and organizing exchange seminars, we convey Sino Biopharmaceutical's quality management principles and requirements, working together with suppliers to improve quality management standards.	For key suppliers, the Group encourages them to obtain quality management system certifications (e.g., ISO9001). For major secondary suppliers, certifications should be carried out by the procurement department or commissioned by a third party. In 2024, 327 raw and auxiliary material suppliers of the Group obtained quality management system certification, accounting for 41%.

Operational Quality Management

Pharmacovigilance

Sino Biopharmaceutical strictly complies with the requirements of the Pharmacovigilance Quality Management Practice and the Measures for the Administration on Adverse Drug Reaction Reporting and Monitoring, among other laws and regulations. The Group has established a pharmacovigilance system covering the entire drug lifecycle, proactively monitoring, identifying, evaluating, and controlling adverse reactions of both pipeline and marketed products. During the reporting period, the Group reviewed and updated pharmacovigilance management policies and procedures, such as the Adverse Drug Reaction Monitoring and Reporting Management, based on regulatory requirements. These efforts continuously enhance the standardization and regulation of pharmacovigilance activities, ensuring their smooth implementation.

The Group has established a Pharmacovigilance Management Committee responsible for major risk assessment, handling significant or urgent drug events, making risk control decisions, and other major matters related to pharmacovigilance. The Group has also set up a Pharmacovigilance Department, which is responsible for the operation and continuous improvement of the pharmacovigilance system, as well as the monitoring and reporting of adverse drug reactions.

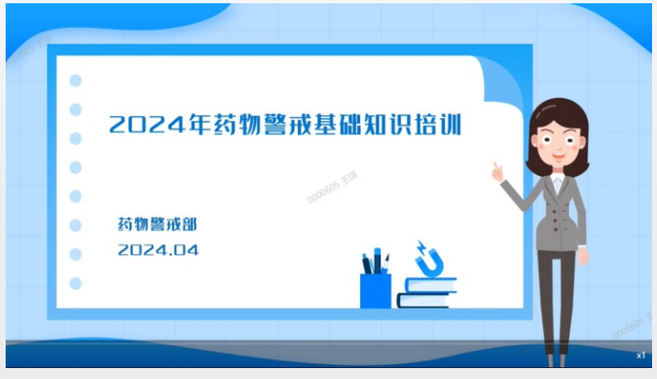
Sino Biopharmaceutical has developed a comprehensive method for retrieving information on adverse drug events. Information is collected from various sources through the national adverse drug reaction direct reporting system, public email, hotline, and literature searches. All collected drug safety information is entered, processed, evaluated, and reported in the pharmacovigilance database in accordance with the regulations.

The Group regularly organized pharmacovigilance-related exchanges and training for new employees, marketing personnel, clinical teams, and production systems. Marketing personnel are required to complete pre-service pharmacovigilance training before selling drugs. These initiatives aim to enhance the understanding of pharmacovigilance systems, workflows, and professional skills among all employees, ensuring medication safety for patients.

During the reporting period, the Group did not receive any feedback on group adverse drug reaction events.

Sino Biopharmaceutical organized pharmacovigilance training

In April 2024, Sino Biopharmaceutical conducted a pharmacovigilance training session focusing on the basics of pharmacovigilance, the importance of safety information reporting, and the essential information needed for collecting and reporting adverse reactions. This training aimed to improve employees' understanding and efficiency in handling adverse reactions. The training covered over 18,000 participants.



Emergency and Business Continuity Management

The Group identifies risk events that may affect product production quality and business continuity. For key products and operational sites, the Group has established business continuity management procedures and formed a business continuity and emergency leadership team. This team clarifies the responsibilities of each department before and after an emergency, the emergency measures to be taken, and the methods and procedures for assessing the impact of emergencies.

We have deployed backup manufacturing facilities and alternative resources such as water, electricity and steam for key products. We have conducted risk assessments for key production workshops, including extreme weather conditions caused by climate change. We have carried out sensitivity tests on major risk factors based on production demands and taken targeted measures to ensure the effective implementation of production plans.

Product Recalls

Sino Biopharmaceutical strictly follows the requirements of the Drug Administration Law of the People's Republic of China and the Measures for the Administration of Drug Recalls, among other national laws and regulations. The Group has formulated several in-house documents related to product recall management, including the Product Recall Management Procedures and the Emergency Response Plan for Drug Safety Incidents, and established a comprehensive recall management process and a tiered handling mechanism. Each production base of the Group conducts at least one simulated recall exercise annually to ensure the integrity and reliability of the recall system. In 2024, no product recall occurred within the Group.

Simulated recall exercise for printing error in expiry date

In October 2024, Sino Biopharmaceutical conducted a simulated recall exercise for a batch of Fosaprepitant dimeglumine for Injection with printing error in the expiry date. During the exercise, in accordance with the recall management procedures, CT Tianqing quickly formed a recall team, drafted a recall plan, and initiated a proactive recall. Distributors involved were required to complete feedback on shipment and inventory information within five days and to issue simulated notifications to downstream distributors.

The simulated recall was successfully completed within the stipulated time frame, verifying the operability and reliability of the drug recall process. Risky drugs were promptly recalled and controlled, ensuring the safety of public medication.

* The entity of this case is CT Tianqing, a member company of Sino Biopharmaceutical.

Customer Service Quality Management

Understanding patient and customer demands and feedback is crucial for improving service quality. Sino Biopharmaceutical has established and refined a customer-oriented service assurance system. Through channels such as telephone callbacks, questionnaires, and medical knowledge dissemination activities, we gathered opinions and suggestions, conducted review and analysis, implemented relevant rectification measures, and continuously optimized customer experience.

Sino Biopharmaceutical has set up diverse communication and complaint channels, including a 24/7 hotline, webpage-based online customer service, and intelligent customer service. These multi-channel, round-the-clock services ensure complaints and rights protection for customers. We continuously update and enrich the intelligent customer service knowledge base based on customer feedback and needs, laying a solid foundation for better customer service. We have also formulated a clear customer complaint handling process, enabling immediate internal communication to address customer complaints, provide responses, and propose appropriate solutions, thereby safeguarding the customer experience.

Customer complaints were handled at a satisfaction rate of

100%

Building a Quality Culture

Sino Biopharmaceutical continuously strengthens the construction of a quality culture. Based on relevant laws and regulations, regulatory requirements, and the Group's institutional documents on quality management, we actively carry out quality-themed activities and training to enhance the quality risk awareness and management capabilities of all employees.

The Group formulates targeted annual training plans for all employees and staff of the quality department. The training content covers policies and regulations, GMP for pharmaceuticals, management documents, skill enhancement, and basic product knowledge. Additionally, the Group promotes and strictly implements the company's quality culture and regulatory requirements through various forms such as annual quality conferences, weekly quality meetings, regular reports on pharmaceutical regulations, Quality Month, inspection skills competitions, and quality project evaluations.

"Quality Month" activities of Sino Biopharmaceutical

In 2024, member companies of Sino Biopharmaceutical actively responded to the call of the 47th National Quality Month, themed "Strengthening quality support, building a quality powerhouse", and organized "Quality Month" activities in line with the company's development strategy.

CT Tianqing, a member company, focused on the theme "Dual improvement in quality and efficiency", conducting a series of activities such as QC groups, expert lectures, and knowledge contests, covering nearly 3,000 employees. These efforts significantly enhanced the practical management capabilities of the quality system for all employees.

Beijing Tide, a member company, adopted the slogan "Drug quality is 100, 99 means zero", organizing quality forums, GMP knowledge contests, and other activities to continuously strengthen the quality awareness of all employees.

NJCTT, a member company, organized activities under the theme "Strengthening the foundation, improving quality and efficiency, seeking development through practical efforts", including quality Q&A sessions, knowledge contests, and quality improvement proposals, attracting active participation from all employees.

Coverage rate of employee quality training

100%

Average time of training per employee

51.25 hours

Sino Biopharmaceutical participated in and organized both internal and external inspection skills competitions

CT Tianqing, a member company, has held employee inspection skills competitions for six consecutive years. These competitions aim to clarify standardized operating procedures for inspections, providing precise regulatory guidance for inspection work. Additionally, to enhance industry exchange and learning, CT Tianqing encourages employees to actively participate in industry drug inspection and testing professional skills competitions, achieving numerous excellent results and verifying the company's leading strength in the inspection field.

In the 2024 Jiangsu Province Drug Inspection Skills Competition, NJCTT achieved outstanding results, fully demonstrating the solid professional capabilities of the "NJCTT quality team".

03 Responsible Employer

Our principles and objectives

Sino Biopharmaceutical always regards talent as the core driving force behind its development, committed to foster an equal, inclusive, diverse, safe working environment and excellent working experience for employees, providing them with a broad platform for personal growth and career development, continuing to empower employees to grow.

KPIs in 2024

Total number of employees
24,287 person

Average length of training hours per person
91.98hour

Supporting staff to participate in external training
500+person

Total staff tuition fee reimbursement
1,000,000RMB

Honors and recognition

Sino Biopharmaceutical
2024-2025 Healthiest Workplace
Mercer China

Sino Biopharmaceutical
2024 Top 30 Best Workplace and Outstanding Employers
FESCO & The Economic Observer

Employee Rights Protection

Employment Compliance

Sino Biopharmaceutical strictly complies with the Labour Law of the People's Republic of China and the labour rights protection laws and regulations of various domestic and overseas operating locations. We have formulated and strictly enforced a number of in-house documents such as the Recruitment Management Policy of Sino Biopharmaceutical, ensuring employment compliance and avoiding the use of child labour or forced labour. The Group conducts regular audits of employment compliance to safeguard the legitimate rights and interests of our employees.

With the consent of candidates, we conduct strict audits of candidate information through third-party background checks and other methods to avoid potential risks such as child recruitment, illegal employment, and false identities. We have developed a comprehensive emergency response mechanism for various risks in the recruitment process, including measures to handle the mistaken recruitment of children, such as contacting their families and regulatory agencies in their domiciles as soon as practicable to assist in proper placement.

During the reporting period, no incidents of child labour or forced labour occurred within the Group or its member companies.

Diversity, Equity and Inclusion

Sino Biopharmaceutical is dedicated to building a diverse and inclusive team and recognizing the potential for innovation and excellence that can result from multicultural exchanges and interactions. We uphold the principles of diversity, equality, and inclusion, and undertake not to discriminate against or treat employees differently based on factors such as race, ethnicity, gender, religion, place of origin, marital status, age, sexual orientation, and gender identity. The Group has formulated and released the Employee Diversity Policy of Sino Biopharmaceutical to promote the development of a diverse talent pipeline and foster a diverse and inclusive work environment, ensuring all employees can gain a sense of belonging, feel respected, and are valued.

Diverse team building

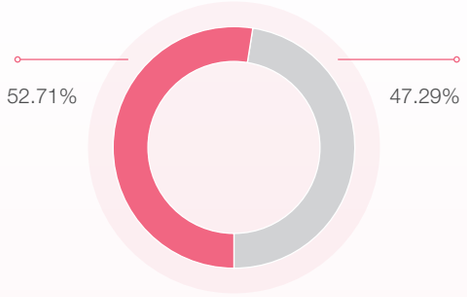
Sino Biopharmaceutical is committed to recruiting and attracting diversified talents. The Group welcomes candidates of all backgrounds and ensures a fair and equal recruitment process. We stipulate that there must be no bias or discrimination in recruitment, promotion, compensation, etc. The management should consider candidates of different backgrounds fairly and equitably.

We uphold equal pay for equal work and enter into employment contracts with all employees by law to ensure that employee compensation is not affected by race, ethnicity, gender, religion, place of origin, marital status, age, sexual orientation, gender identity or other factors.

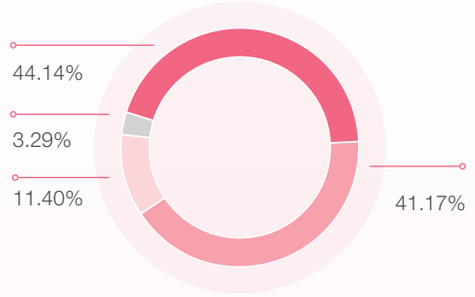
As of the end of the reporting period

Total number of employees	Employees with labour contracts
24,287 persons	19,323 persons

Proportion of employee by gender



Proportion of employee by age



Diverse team building

Percentage of employees from ethnic minorities	2.64%
Percentage of female management personnel	51.86%
Of which, percentage of female senior management personnel	20%
Percentage of female in revenue-generating functional management positions [4]	53.12%
Percentage of female in STEM position [5]	55.87%

[4] Refers to management roles in production, sales, R&D, or roles that directly contribute to the production of products or services.

[5] STEM means science, technology, engineering and mathematics, refers to the use of scientific, technical, engineering or mathematical knowledge in the daily work of an employee and the utilization of these skills in the position.

Diversified culture building

The Board oversees the building, development, and performance of the Group's diversified culture. The Group conducts internal surveys and evaluations related to diversity and inclusion, including employee satisfaction with diversity, areas for improvement in diversity and inclusion, etc., collects employee opinions, and makes targeted adjustments.

To enhance employees' awareness of diversity and promote more efficient teamwork, the Group conducts diversity training for all employees at least once a year and organizes unscheduled themed activities to help employees understand the value of a diverse workforce and their roles and responsibilities in collaborating with different teams, departments, and regions.

Anti-discrimination and anti-harassment

We maintain a zero-tolerance policy towards all forms of discrimination and harassment (including sexual and non-sexual harassment) in the workplace. The Group conducts anti-discrimination and anti-harassment training for all employees at least once a year, fostering a fair, respectful, and inclusive working environment.

We encourage relevant personnel to promptly report any instances of discriminatory or harassing behaviour. We have formulated the Employee Feedback and Complaint Management Policy of Sino Biopharmaceutical, which outlines the channels for reporting discriminatory or harassing behaviour, resolutely safeguarding the rights and interests of whistle-blowers.

Upon verification of discriminatory or harassing behaviour, we will take corrective actions and impose penalties such as warnings, demerits, or dismissal based on the severity of the misconduct, in accordance with the Employee Handbook of Sino Biopharmaceutical and relevant regulations. Suspected illegal activities will be handed over to judicial authorities for processing. During the reporting period, no lawsuits related to discrimination or harassment occurred within the Group.

For more information on the process of accepting, investigating, handling, and publicising employee complaints and reports, please refer to the "Whistle-blowing and Whistle-blower Protection" section in the "Compliance Operation" chapter of this Report.

Human Rights Protection

Sino Biopharmaceutical is committed to upholding the spirit and fundamental principles of human rights protection as outlined in international human rights conventions, including the UN's Universal Declaration of Human Rights, the UN's Guiding Principles on Business and Human Rights, the Ten Principles of the UN Global Compact, the International Labour Organisation (ILO)'s Fundamental Conventions on Core Labour Standards, and the Modern Slavery Act.

The Group has established a systematic human rights due diligence process to routinely examine human rights issues such as forced labour, child labour, human trafficking, freedom of association, right to collective bargaining, equal pay for equal work, and discrimination. This process involves assessing potential human rights risks.

Human rights due diligence process

Risk assessment	Examine and assess the impact of the Company's operations and management mechanisms on the protection of human rights
Programming	Develop a human rights protection management program
Monitoring and implementation	Implement the human rights protection management program and follow up on its effectiveness
Evaluation of effectiveness and improvement	Analyze, review and adjust human rights protection measures and improve human rights due diligence mechanisms

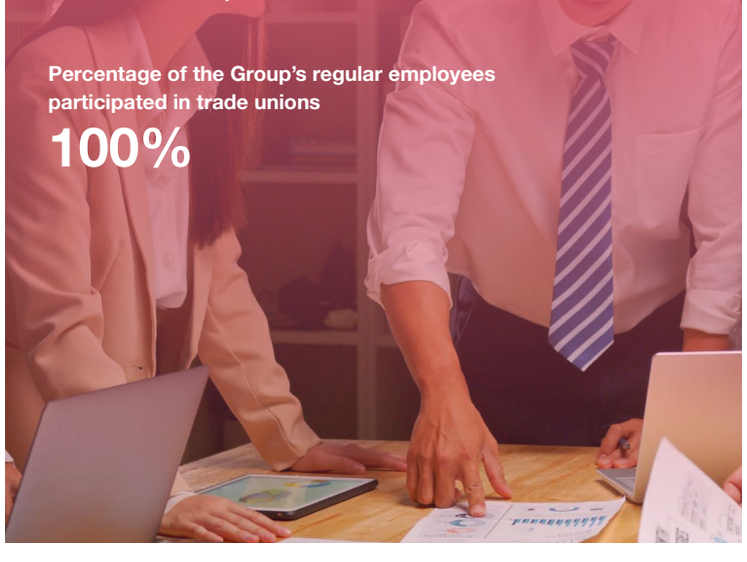
For human rights risks identified during the due diligence process, the Group will promptly investigate the incidents and take corrective measures in accordance with the Employee Handbook of Sino Biopharmaceutical and relevant regulations, aiming to mitigate and remedy the negative impacts of human rights risks.

Freedom of association

Sino Biopharmaceutical respects the freedom and rights of association of employees in accordance with the Trade Union Law of the People's Republic of China, the Constitution of the All-China Federation of Trade Unions, and other existing laws and regulations, as well as relevant laws and regulations that are newly implemented or amended. The Group and its member companies have established corporate trade unions in accordance with the law, and all employees have the right to participate in trade unions as they wish. Every year, the trade unions organize and convene staff representative meetings covering different ranks, positions, and groups to deliberate on key issues concerning employee interests. These meetings facilitate the formation of opinions and suggestions for communication and interaction with relevant companies.

Percentage of the Group's regular employees participated in trade unions

100%



Talent Development

Talent Development Strategy

Sino Biopharmaceutical has always regarded its employees as the most valuable asset and strategic resource, committed to creating excellent employee experience and continuously empowering employee growth. The Group has formulated a comprehensive human resource strategy centered on "talent attraction and retention, organization building and development, talent cultivation and development, and manpower operation and support", serving as the guiding strategy for the Group's talent management. Meanwhile, the Group has developed and released the Employee Development Policy of Sino Biopharmaceutical, systematically regulating talent development planning. This policy outlines several employee development programs to ensure the necessary resources are invested in the development of employee knowledge and skills, promoting talent attraction and retention, enriching the Group's talent pool, and fostering the development of a sustained talent pipeline.

Comprehensive Human Resource Strategy of Sino Biopharmaceutical

By continuing to build a superior employee experience and empowering employees to grow, we are helping the Company become a leading global pharmaceutical company.

Talent attraction and retention

- Talent profiling for key positions
- Pipeline of top talents
- Internal implementation of Sino Biopharmaceutical's corporate culture
- External buildup of the employer's brand and industry recognition
- Comprehensive compensation and benefit incentive optimization

Organization building and development

- Innovation platform organization building and staff deployment
- Unification of the ranking system
- Continuous iteration of performance management system to motivate employees' momentum
- Unification of overseas business platform and the Group's organization management to achieve internationalization
- Promotion of organizational integration among member companies and establishment of efficient and collaborative organizations

Talent cultivation and development

- Continuously conducting talent inventory and identification of succession and training plans
- Sorting out of the career path of key positions and clarifying their career ladder
- Optimizing and promoting talent cultivation programs of Sino Biopharmaceutical, increasing the exchange of talent among the Group and its member companies, and forming a systematic cultivation mechanism.
- Provision of empowerment learning resources to all employees

Human resource operation and support

- Strengthening human resources data control at the Sino Pharmaceutical Group level through digital tools
- Provision of timely, accurate and reliable human resource operation support to employees
- Improving employee experience by optimizing the efficiency of human resource operation

Integration | Innovation | Globalization | Digitalization

Science for a healthier world

Talent development program of Sino Biopharmaceutical

We provide a variety of on-the-job training programs based on job qualifications and actual business needs.

We will carry out annual/ semi-annual job rotation programs for different types of talents to continuously broaden their career path, review individual career development planning, and cultivate composite talents through multi-position challenges.

We carry out various types of leadership development programs for development needs of employees at different levels, including theoretical learning, practical job training, themed training camps, intelligent coaching and mini-MBA, which help us to identify and cultivate high-potential employees.

Job-specific Training Program | Job Rotation Program | Leadership Development Program

Succession Program | Continuing Education for Employees | Performance Management

We conduct a succession program for all employees to define requirements for successors and the existing talent pool. Through continuous systematic training and coaching, we will continue to improve the competence of our successors until they are fully qualified.

We encourage our employees to pursue further education, support them to participate in various types of training and learning, and provide resources for their further education programs, including academic education, certification, accreditation, skills training and attendance of forums and conferences.

We encourage employees to participate in external learning and further education by formulating and implementing support policies and measures, such as reimbursement of tuition fees and leave of absence for work time taken up by exams or classes, to obtain academic qualifications, degrees or certificates.

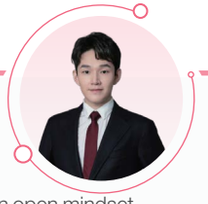
We have introduced the OKR (Objectives and Key Results) management tool that invigorates the organization and empowers employee development, to enhance work efficiency and ignite team creativity.

Talent Empowerment

Sino Biopharmaceutical places great importance on talent cultivation. Each member company designs and implements targeted talent development programs based on organizational development needs and business requirements, continuously empowering both the organization and its employees. The Group leverages the resource advantages of its core member companies to promote quality training resources throughout the Group, promoting the formation of a mechanism for staff training and talent development that is led by the advantaged enterprises, with the sharing of quality resources, and the enhancement of all employees. In 2024, the training coverage rate for Sino Biopharmaceutical employees reached 100%.

the training coverage rate for Sino Biopharmaceutical employees reached in 2024

100%



"We focus on cultivating a talent pool for the future, advocate for the creation of a more equitable and transparent platform that encourages positive development and champions meritocracy. We embrace continuous learning, an open mindset, and inclusivity."

—Mr. Tse, Eric S Y, CEO of Sino Biopharmaceutical and chairman of the board of directors of CT Tianqing

Talent development system of Sino Biopharmaceutical member companies

Training program	University of CT Tianqing	Beijing Tide	NJCTT	CT Fenghai	CT Qingjiang
Fresh graduate/ New employee Training	"Tianqing Youth Employee Empowerment"new employee learning project	New Employee 180-Day training plan	Fresh graduate talent development program "Ivy League Talent Training Camp"	"Sunshine Project" mentorship Program	Management trainee program, new employee training
Function-oriented/ Professional development training	**Marketing functions:**Marketing skills upgrading programs **R&D functions:**Research master empowerment project, thematic training workshops **Production functions:**Team leader empowerment project, excellence operations talent development	**Marketing functions:**New manager 180-Day training, regional manager advanced training camp **R&D functions:**R&D lecture hall **Production functions:**Quality production month, lean production project	**Marketing functions:**High-performance representative enhancement project **Non-marketing functions:**Technical talent development project	Annual training enhancement program for all departments	**Position-specific training, Marketing functions:**Marketing strategy seminar
High-potential talent reserve	Outstanding young employees "Star Youth" program, New regional manager special training camp, High-potential new employee "Rising Star" training camp	High-potential talent "Koi Academy"	Personal challenge Program, Ivy league reserve project	"Rain Project" junior supervisor personal growth program	Reserve talent selection and training program, team leader management skills training
Middle-to-senior management training	Middle-to-senior management leadership projects, middle-to-junior management team "Star Manager" project, newly promoted manager training camp, marketing office manager star training camp, mid-Level management production system management forum	Leadership cube, China-Europe Mini-MBA program	Middle-to-senior leadership project "Ivy League Leadership Training Camp", manager talent development project "Cadre Development Camp"	"Irrigation Project" curriculum system implementation	Core management skills training for middle-to-senior managers
Training for all employees	Corporate culture building "Six-Act Culture Workshop", systematic training based on job qualifications	Tide Cloud Lecture Hall" online training platform	Online training platform	Online training platform, annual department training enhancement plans	"Qingjiang Lecture Hall"

"Q-Shine Peer Program" High-Potential Talent Project

On 23 August 2024, CT Tianqing, a member company of Sino Biopharmaceutical, officially launched the "Q-Shine Peer Program" high-potential talent project. The project aimed to accelerate the development of high-potential talents within the regional management levels of the marketing system, creating a younger, innovative, and competitive talent supply chain with the "Tianqing DNA."

The first batch of participants in the "Q-Shine Peer Program" primarily comprised high-potential M3-level marketing executives. After multiple rounds of selection, including a six-dimensional high-potential model and recommendations from three parties, 21 high-potential candidates were chosen from over 800 applicants to take part in the program.

The first phase of the "Q-Shine Peer Program" will last for one year. Based on the company's expectations, high-potential profiles, and the needs of the candidates, the program will be implemented through customized training, systematic learning, and diverse experiences to support the comprehensive development of the candidates.

Sino Biopharmaceutical encourages its employees to pursue further education, supports them to participate in various types of training and learning, and provides resources for their further education programs, including academic education, certification, accreditation, skills training and attendance of forums and conferences. The Group encourages all employees to participate in external learning and further education by formulating and implementing support policies and measures, such as reimbursement of tuition fees and leave of absence for work time taken up by exams or classes, to obtain academic qualifications, degrees or certificates.

Total number of employees participated in external training with the support of member companies in 2024

Over **500**

Total tuition reimbursed

Over RMB **1** million

We continued to broaden the channels for employees to pursue higher education by establishing cooperative relationships with prestigious institutions. Through joint cultivation programs, we organize employees to apply for specific universities and relevant disciplines in collaboration with the company, providing a broader platform for their growth and development in their professional fields. In 2024, over 100 employees from various member companies of the Group participated in joint cultivation programs with renowned universities such as Fudan University, Nanjing University, Nanjing Tech University, and China Pharmaceutical University. Among them, more than 70 employees were pursuing undergraduate degrees, over 30 were pursuing master's degrees/MBA/EMBA programs, and 7 were pursuing doctoral degrees.

Employees of the Group's member companies in the joint cultivation programs with prestigious universities

Over **100** persons

Development and Incentives

Sino Biopharmaceutical is committed to aligning employee growth with corporate development, achieving mutual prosperity and win-win outcomes for both the company and its employees. The Group continuously optimizes its talent management model, enhances human resource management efficiency, actively engages in talent development practices, and strengthens incentive mechanisms.

The Group's return on investment in human capital

541%

Talent pipeline construction

Sino Biopharmaceutical has formulated and released the Talent Cultivation System of Sino Biopharmaceutical, with the core objective of exploring and cultivating interdisciplinary and professional talents. We adhere to a strategy of primarily internal cultivation supplemented by external selection to enrich our talent pool. The Group continuously invests resources in actively recruiting and nurturing talent, supporting the establishment of a sustained talent pipeline through diversified talent acquisition strategies, collectively driving the company's innovation and development.

Number of junior-level employees recruited

2,692 persons

Management employee

85 persons

Number of vacant positions filled by internal employees

6,749 persons

Sino Biopharmaceutical is committed to building a stable, sustainable, and dynamic workforce. We place great emphasis on nurturing young talent, encouraging and supporting more young individuals to assume core positions, thereby injecting fresh impetus into the Group's long-term development. We continue to recruit highly educated employees to provide robust support for the implementation of our "Comprehensive innovation" and "Internationalization" strategies.

Number of doctoral degree holders

170 persons

Number of master's degree holders

2,350 persons

Proportion of employees with bachelor's degree or above

60.2%

Sino Biopharmaceutical places significant emphasis on discovering and nurturing campus talent. We have established deep cooperative relationships with numerous higher education institutions in China, including China Pharmaceutical University, Jiangsu Normal University, and Zhengzhou University. Through joint initiatives such as establishing training bases and developing university-enterprise cooperation programs, we broaden the Group's talent acquisition network while providing practical platforms for these institutions.

Performance management and motivation

Sino Biopharmaceutical adheres to the performance management principles of "goal orientation, full participation, objectivity and fairness, and adequate communication". The Group has formulated and implemented the Performance Management Policy of Sino Biopharmaceutical, applicable to the Group and its member companies. A Performance Management Committee has been established, driven by the Human Resources Department, to facilitate the setting, alignment, evaluation, and application of organizational performance objectives. We have introduced the OKR management tool with the aim of enhancing organizational vitality and empowering employee development. This tool forms the basis of a comprehensive performance management system, consisting of five major components: performance objective setting, performance interviews, performance appraisal, performance results and applications, and performance feedback and review.

Performance management system

Performance objective setting	Performance interviews	Performance appraisal	Performance results and applications	Performance feedback and review
After the Group nails down the annual overall objectives, employees at all levels will set their annual performance targets based on the Group's strategic objectives, along with departmental objectives, individual job responsibilities and annual work tasks.	Performance interviews are conducted throughout the year, including, but not limited to, performance goal setting interviews, personnel change interviews, talent development interviews, and mid-year/end-of-year performance appraisal interviews.	The performance appraisal evaluates various aspects such as task completion, execution ability, communication and coordination skills and leadership. The appraisal results are categorized into five grades, including excellent, outstanding and qualified.	This covers various aspects, including performance bonus accounting, annual salary adjustment, promotion, post adjustment, talent development, and more.	Employees who have comments or objections to the performance appraisal results may communicate with their direct supervisor to resolve related issues. If there is still any disagreement, they can submit written complaints to their direct supervisors within five working days after learning about the appraisal results.

Implementation of ESOP by CT Tianqing, a member company of Sino Biopharmaceutical

To ensure the continuous attraction of core talents, Sino Biopharmaceutical implemented an Employee Stock Ownership Plan (ESOP) in 2024 for its core member company, CT Tianqing, with a total value not exceeding RMB1 billion.

The participants of this plan include middle-to-senior management personnel and professionals of equivalent levels who are employed by CT Tianqing (including its wholly-owned subsidiaries), receive remuneration, and have signed labour contracts with CT Tianqing (including its wholly-owned subsidiaries), as well as other personnel deemed eligible for incentives by the Board of CT Tianqing.

As of the end of the reporting period, CT Tianqing had purchased 3,386,900,000 shares of Sino Biopharmaceutical from the market under the ESOP, with a total purchase amount of HKD 1,268,826,270.

CT Tianqing had purchased **3,386,900,000** shares of Sino Biopharmaceutical from the market under the ESOP

with a total purchase amount of HKD **1,268,826,270**

Number of internal employees promoted

4,447

Employee promotion and development

Sino Biopharmaceutical is dedicated to offering every employee a clear career development trajectory. We have formulated the Employee Promotion Management Policy of Sino Biopharmaceutical, which clearly defines the ranking of all employees in R&D, production, sales and other positions, the qualification requirements for promotion and advancement, and the corresponding reporting process. This ensures fairness and justice in internal career development within the Company and fosters rapid talent growth.

In 2024, the Group optimized the standards and mechanisms for cadre selection. This was achieved by updating qualification standards, applying leadership models, and conducting cadre management tendency analyses to enhance the precision of cadre selection. Additionally, through measures such as questionnaire surveys and typical case interviews, the Group identified and traced issues within the selection processes and mechanisms, enabling continuous iteration and optimization. Furthermore, the Group implemented the "Bole Plan" cadre recommendation mechanism. For management positions open to the public, in addition to self-nomination, a talent recommendation channel was added. This initiative aims to activate the company's talent resources, broaden the candidate pool, and improve the quality of cadre selection.

Employee Communication

Employee Satisfaction and Dedication

Sino Biopharmaceutical attached great importance to each employee's work experience and workplace needs. The Group conducts annual satisfaction and engagement surveys among all employees to comprehensively gather feedback and suggestions, comprehend their genuine demands and expectations, and enhance organizational effectiveness through effective management measures, thereby providing superior workplace experience.

In 2024, the Group further optimized the employee satisfaction and engagement survey questionnaire, using a framework based on goals, responsibilities, mechanisms, culture, and talent. The survey also followed up on key improvement areas identified in previous years' survey results.

Employee satisfaction rate

90.2%

Composition of the questionnaire	Survey results	Planning for improvement
Objectives: shared vision, strategic direction, goal-driven, etc.	Increase the number of specialized and diversified training systems	Establish a talent pool to identify high-potential employees and develop targeted training programs to reserve talents for the enterprise
Responsibility responsibility structure, business process, teamwork, etc.	More training resources will be allocated, providing additional opportunities for external exchange and learning	Conduct regular career development interviews to help employees formulate personal development plans
Mechanism: management mechanism, knowledge sharing, incentive mechanism, etc.	Expanding and clarifying career development paths for employees	Create a culture of continuous learning and encourage employees to take the initiative to learn new knowledge and skills
Culture: values, organizational atmosphere, innovation, well-being, etc.	Optimize the process of various projects to enhance efficiency	Formulate interdepartmental communication standards, specify communication methods, frequency and responsible persons, and reduce communication barriers
Talent: ability development, development channel, pressure management, etc.	Enhance interdepartmental communication, lack of an information-sharing platform	Establish a cross-system communication platform to resolve data isolation and facilitate data exchange
		Establish a feedback mechanism to encourage employees to make improvement suggestions and submit improvement suggestions and promptly address issues

Sino Biopharmaceutical recognized as "Mercer China Healthiest Workplace 2024-2025"

In July 2024, Mercer, a globally leading HR consulting firm, announced the results of its "Healthiest Workplace 2024-2025" awards. Sino Biopharmaceutical was honored with the "Outstanding ESG Practice" award under the "Mercer China Healthiest Workplace 2024-2025".

Whistle-blowing and Complaints

Sino Biopharmaceutical highly regards and values the input of its employees. The Group has formulated and implemented employee feedback and complaint management policies, outlining communication methods and channels for lodging complaints. Additionally, we protect employees who blow the whistle on wrongdoing.

The Group has formulated and implemented the Employee Feedback and Complaint Management Policy of Sino Biopharmaceutical to promptly handle reports and complaints brought forward by employees and to thoroughly investigate any instances of noncompliance. Upon receiving a report or complaint, the Group meticulously assesses the facts and, when necessary, provides feedback on the investigation findings to the reporting individual. If misconduct is substantiated, the Group takes requisite corrective measures. Moreover, the Group accepts reports on any instances of retaliation against whistle-blowers, maintaining a zero-tolerance stance on such behaviour.

Employee feedback and complaint channels

- Reports to the supervisor or the HR department
- Employee congress, in which all employees have the right to participate independently, forming opinions and providing suggestions on key issues that directly affect them
- Helpline within the office automation (OA) system
- Anonymously accessible question answering service within the OA system
- Reporting issues to the internal audit departments via email at sjjcb@cttq.com
- Reporting issues to the Chairperson via email

For more information on the process of accepting, investigating, handling, and publicising employee complaints and reports, please refer to the "Whistle-blowing and Whistle-blower Protection" section in the "Compliance Operation" chapter of this Report.

Employee Care and Benefits

Compensation and Benefits

Sino Biopharmaceutical places great importance on employee well-being, formulating and continuously improving employee compensation and benefits policies to provide competitive remuneration within the industry and local community.

The compensation structure for Sino Biopharmaceutical employees consists of basic salary, performance bonuses, special incentives, and various allowances. We build our compensation management system on the principle of equal pay for equal work, continuously optimizing the salary structure through industry benchmarking and job value assessments to ensure fairness and equity across positions, regions, and genders. Additionally, we tailor differentiated benefits based on the specific circumstances of member companies to ensure competitive and fair compensation and benefits for employees.

The Group strictly complies with national and local laws and regulations, comprehensively protecting employees' basic welfare. All employees are entitled to "five social insurance and one housing provident fund" benefits, along with statutory holidays. In addition to the mandatory benefits stipulated by law, the Group provides a wide range of non-remuneration benefits, including various leave entitlements, allowances, supplementary insurance, and holiday benefits. These benefits cover various aspects of employees' work and life from recruitment to retirement, providing comprehensive care and support for employees and their families.

Statutory benefits

- Social insurance (including basic pension insurance, basic medical insurance, unemployment insurance, work injury insurance, maternity insurance) and housing provident fund
- Statutory holidays, including rest days, statutory holidays, paid annual leave, sick leave, marriage leave, maternity leave, breastfeeding leave, bereavement leave and work injury leave

Non-statutory benefits

I want to have a home

Housing allowance
Staff dormitory

Warm workplace

Onboarding announcements
Promotion announcements
Hot summer offerings
Birthday benefits (e-wishes and birthday gifts)
Union bereavement leave and condolence payment Care of military and medical staff
Holiday gift money

I am having a baby

Maternity leave (prenatal care checkups & statutory maternity leave)
Care lave Parental leave
Mother and baby room
Kindergarten/primary school
University bonus for children
Medical reimbursement for urban and rural residents

No one is Ironman

Basic medical plan for employees
Charity fund
Office medication kit
Work injury insurance
Union consolation money for hospitalization
Employee medical checkup (onboarding, annual, occupational disease)
Single childcare leave

I am retiring

Union retirement gift set
Holiday offering
Birthday benefits

Life in Sino Biopharm

A variety of staff activities (sports day, lake run, cloud run, various sports competitions)
A complete range of facilities (billiard room, badminton room, chess and cards room, gymnasium, library, soccer and basketball court, etc.)
Exclusive Starbucks coffee

Family happiness

Marriage leave (siblings, children)

Travel whenever you want

Paid annual leave
Departmental travel
Vacation reward for outstanding staff

Work-Life Balance and Employee Care

Sino Biopharmaceutical cares about the physical and mental well-being of its employees, encouraging them to balance work and life. The Group actively organizes a variety of employee activities to enhance their sense of belonging. Additionally, Sino Biopharmaceutical pays attention to employees in need, visiting their families during holidays and providing financial and material support, ensuring they feel the care and warmth from the Sino Biopharmaceutical family.

"In the Name of Love, Committed to Sino Biopharm" Group Wedding Event

Sino Biopharmaceutical has always upheld the principle of caring for employees and building happiness together. At the end of 2024, Sino Biopharmaceutical extended an invitation to all Group employees who obtained their marriage certificates in 2024 and their spouses to participate in the first "In the Name of Love, Committed to Sino Biopharm" group wedding event.

This group wedding was held in Guangzhou, where nine couples from Sino Biopharmaceutical and its subsidiaries participated in the ceremony. The newlyweds shared their love stories during the event. Sino Biopharmaceutical's CEO, Tse, Eric S Y, represented the Group in offering blessings and special gifts to the couples, creating a warm and loving atmosphere.

Grand Celebration of the 55th Anniversary of CT Tianqing, a Member Company of Sino Biopharmaceutical

On 26 October 2024, CT Tianqing, a core member company of Sino Biopharmaceutical, launched the 55th Anniversary "Company Celebration Month" with the theme "Passing the Torch, Building a Century of Tianqing Dream Together". The event aimed to promote corporate culture and highlight the "people-oriented" employee care philosophy.

During the month-long celebration, the company organized a series of diverse activities, including check-in and leave your blessings, story-sharing sessions, and charity bazaars. Also, there were activities such as "Fire Safety Family Day" to enhance safety awareness through theoretical and practical knowledge, the "100 Questions Cultural Challenge" to spark intellectual creativity, and flash events like afternoon tea and movie tickets. The 2024 Employee Sports Day, a highlight of the celebration, attracted over 1,000 enthusiastic participants.

The successful organization of the celebration activities effectively enhanced employees' sense of belonging and team cohesion, injecting cultural vitality into the company's sustainable development.

"Let Love Circulate, Lighting Up the World" First Charity Bazaar of the Lighting Up the World Project

On 5 November 2024, CT Tianqing, a member company of Sino Biopharmaceutical, held a unique charity bazaar event - the Lighting Up the World Project Charity Bazaar.

Under the banner of public welfare, employees enthusiastically contributed their kindness, with nearly 100 pre-loved items donated to the bazaar. At the event, each storied item was given new life - continuing to shine in the hands of new owners. Colleagues not only purchased cherished goods at fair prices but also experienced the joy of sharing and giving through every exchange.

"The Lighting up the World Project Charity Bazaar" was more than just an event; it was a chain of compassion. 30% of the total proceeds from the bazaar were donated to the Little Angels Care Program of the China Red Cross Foundation supporting medical treatment for children (ages 0-14) from underprivileged families battling leukemia, allowing employees' kindness to brighten their world.

"I'm very lucky to be able to participate in the Group's collective wedding ceremony. I'm grateful to the Group for giving us newlyweds such a grand opportunity to achieve the happiest moment of our lives in the presence of thousands of colleagues. We will cherish our relationship even more with everyone's blessings and support as we journey forward together, hand in hand, embracing each day—today, tomorrow, and beyond.

—Tian Zhen, Division of Innovative Products for Cancer, CT Tianqing

Occupational Health and Safety

Sino Biopharmaceutical is committed to providing substantial protection for employees' occupational health and safety. We adhere to the safety production policy of "safety first based on prevention and comprehensive control", strictly implementing safety production responsibilities, continuously improving the health and safety management system, and enhancing employees' health and safety awareness to ensure their occupational health and safety. In 2024, Sino Biopharmaceutical did not experience any major workplace safety incidents.

Number of work-related fatalities

0 persons

Occupational Health and Safety Management System

Sino Biopharmaceutical strictly complies with the Law of the People's Republic of China on Workplace Safety, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, and other relevant laws and regulations. We have formulated the Sino Biopharmaceutical Environmental, Occupational Health and Safety Management Policy, covering all employees, contractors, visitors, suppliers, and related organizations or individuals. During the policy formulation process, we fully solicit opinions from employees or their representatives to ensure the company's safe development.

Sino Biopharmaceutical has established and adhered to the safety production management goal of "zero incidents in safety production." We implement a mechanism for signing safety production responsibility and commitment letters by all employees, pledging to fulfill safety responsibilities. The Group has built a standardized safety management system, implemented graded control and dynamic assessment of safety risks, and established and executed priority work orders and action plans to ensure employees' health and safety.

The Group has established and continuously improved the occupational health and safety management system based on the Occupational Health and Safety Management System: Requirements with Guidance for Use (ISO 45001), strictly implementing relevant management requirements. The Group regularly organized occupational health status evaluations, completed on-site occupational health hazard factor testing, and provided occupational health examinations for employees to prevent occupational diseases. As of the end of the reporting period, three member companies of the Group have obtained ISO 45001 certification for their occupational health and safety management systems.

We conduct all-round and ongoing inspections on the current status of workplace safety management to ensure the effectiveness of our management measures and minimize risks and hidden hazards. During the reporting period, Sino Biopharmaceutical underwent 710 internal and external safety inspections, conducted by the regulatory authorities of the locations where its member companies operate, internal functional departments and professional third parties. The rectification rate of various types of safety hazards reached 100%.

Workplace Safety Culture Building

Sino Biopharmaceutical continuously strengthens the construction of a workplace safety culture. Leveraging important occasions such as "Safety Production Month" and "Fire Protection Month," we carry out a variety of cultural building activities covering all employees, including workplace safety emergency drills, safety knowledge training, and accident warning education. These activities aim to bolster employees' sense of responsibility for workplace safety and improve their emergency response capabilities.

Sino Biopharmaceutical continuously strengthens the construction of a workplace safety culture. Leveraging important occasions such as "Safety Production Month" and "Fire Protection Month," we carry out a variety of cultural building activities covering all employees, including workplace safety emergency drills, safety knowledge training, and accident warning education. These activities aim to bolster employees' sense of responsibility for workplace safety and improve their emergency response capabilities.

Number of safety emergency drills conducted

183

Workplace safety and occupational health training covered

100%

Safety and occupational health related training hours per employee

17.2 hours

Safety Production Month Event of Sino Biopharmaceutical

In June 2024, during the 23rd National "Safety Production Month", Sino Biopharmaceutical organized a series of safety production-related activities under the theme "Safety for all, emergency ready for everyone – Keeping life-saving pathways clear".

The company held a series of safety production knowledge lectures and specialized training sessions. Local emergency bureau enforcement teams were invited to the factory to conduct themed lectures, interpreting workplace safety from the perspective of regulations and policies. The company also collaborated with the Red Cross and hospitals to organize first aid training, helping employees learn CPR and the use of AED. Employees watched safety education videos and participated in quiz competitions to enhance their understanding of relevant laws and regulations. Additionally, the company launched various activities such as "Snap Fire Hazards", workplace safety speech contests, and essay competitions, encouraging employees to share their experiences and insights on workplace safety and exchange experience related to workplace safety.

Furthermore, each factory organized emergency drills, using emergency scenarios to help employees improve their emergency knowledge, strengthen evacuation and escape skills, and enhance emergency response capabilities.

* The entity of this case is CT Tianqing, a member company of Sino Biopharmaceutical.

04 Social Contribution

Our principles and objectives

Sino Biopharmaceutical integrates the concept of building a community of human health into its corporate DNA, focusing on social welfare and promoting social development and community building.

KPIs in 2024

Total contribution in public welfare

6,010.69 RMB10'000

Attendance in public welfare activities

1,428 participants

Time of employee participation

3,038 hours

Honors and recognition

Sino Biopharmaceutical

2024 NetEase Finance · Outstanding Corporate ESG Practice Case – "Pioneer of Responsibility Award (Annual)"

NetEase Finance

Sino Biopharmaceutical actively engages in social welfare activities, focusing on areas aligned with the Group's values and business operations. We concentrate on inclusive healthcare, charitable donations, rural revitalization, and other related fields, integrating and leveraging professional resources and strengths to promote community development and fulfill corporate responsibilities.

During the reporting period, Sino Biopharmaceutical's total investment in public welfare amounted to RMB60.11 million, with 1,428 employees participating in public benefit activities, contributing a total of 3,038 hours.

Total contribution in public welfare
6,010.69
RMB0'000

Disaster Relief
73.11 RMB0'000

Rural Revitalization
25.00 RMB0'000

Donation to Education
208.36 RMB0'000

Charitable Donations
4,035.21
RMB0'000

Inclusive Healthcare
1,669.02
RMB0'000

Inclusive Healthcare

Sino Biopharmaceutical fully leverages its technological platform and professional advantages, collaborating with medical institutions and public welfare organizations to actively promote inclusive healthcare through drug donations, the establishment of public welfare donation platforms, and knowledge dissemination. This ensures that more patients have access to fair and affordable health services.

"Bemmel + Safe" Immunotherapy Medication Q&A Course

In 2024, Sino Biopharmaceutical's member company, CT Tianqing, collaborated with 10 renowned oncology experts from 8 well-known hospitals across the country to launch a 10-session series of "Long-term Protection, Bemmel + Safe" immunotherapy medication Q&A courses. These courses focused on four main themes: the mechanism of action of immunotherapy, management of related adverse reactions, efficacy evaluation, and dietary guidance, providing immunotherapy medication guidance and support to tens of thousands of cancer patients.

"Dandelion Action" Pharmacist Training Program

With the improvement of drug accessibility and patients' medical knowledge, retail pharmacies have gradually evolved from single drug sales to platforms for community chronic disease consultation and management. Since 2017, CT Tianqing, a member company of Sino Biopharmaceutical, has initiated the "Dandelion Action" to promote the cultivation of professional retail talents through specialized training, guided by the needs of people's livelihood.

In 2024, the "Dandelion Program" further optimized the course content and introduced incentive mechanisms, empowering pharmacists while promoting the continuous improvement of the chronic disease patient health management system.

National Pain Care Community Outreach

In May 2024, the Beijing Health Alliance Charitable Foundation launched the "Rapid Pain Relief, Move with Confidence – National Pain Care Community Outreach" CT Tianqing, a member company of Sino Biopharmaceutical, actively responded to the "Healthy China 2030" Planning Outline's requirements to "strengthen health education" and "improve national health literacy". Together with volunteer partners, they entered communities, enhancing community residents' health awareness and help bridge the "last mile" of drug accessibility by providing a combination of "care clinics, physical therapy massages, interactive experiences, and pain science education".

晴空计划
LIGHTING UP THE WORLD

The Lighting up the World Project, jointly launched by CT Tianqing, a member company of the Group, in cooperation with Shuidi GongYi and the China Social Assistance Foundation in 2020, aims to raise funds for families of patients in need to support their follow-up treatment and help patients with serious illnesses and their families to get rid of difficulties. Meanwhile, the Lighting up the World Project focuses on the dissemination of medical knowledge, free medical consultations, and the spread of love and care. By collaborating with various sectors, the project collectively promotes the advancement of social health initiatives.

The number of participants in fundraising
Over **1.60** million

The total amount of funds raised by the platform
More than RMB
29.23 million

Lighting up the World Project - Rural Medical Rooms Supporting Campus Health

On 14 November 2024, CT Tianqing, a member company of Sino Biopharmaceutical, together with Beijing Shuidihuiju Public Welfare Foundation, donated two new "Shuidi Rural Medical Rooms" to Tongcheng Experimental Middle School and Tongcheng No. 2 Middle School in Tongcheng City, Anqing, Anhui Province. The medical rooms were equipped with medical consumables, necessary medical equipment, and automated external defibrillators (AEDs) to ensure the health and safety of the students.

In the future, CT Tianqing will further promote the development of rural healthcare, enhance the health protection level of rural students, and contribute more love and strength to rural revitalization.

Lighting up the World Project - Fuyou Newborn Public Welfare Anti-Cancer Campaign

The "Lighting up the World Project - Fuyou Newborn Public Welfare Anti-Cancer Campaign" is a care project for tumor patients jointly launched by CT Tianqing and the China Red Cross Foundation in 2022. In 2024, CT Tianqing further expanded the scale of the campaign, conducting nine public welfare anti-cancer campaigns nationwide, inviting public welfare science experts to give lectures, and encouraging celebrity patients to share inspiring anti-cancer stories.

As of the end of the reporting period, the project had gathered the strength of 88 public welfare ambassadors, held over 100 Fuyou Newborn series science education meetings, and benefited more than 100,000 tumor patients both online and offline.

"Care for Your Liver" Public Welfare Science Project

Liver diseases have long been a public health issue. To enhance public awareness of liver disease screening and prevention, and to safeguard liver health, CT Tianqing, a member company of Sino Biopharmaceutical, jointly launched the "Care for Your Liver" Public Welfare Science Project with the China Red Cross Foundation.

From April 2023 to December 2024, the project gathered the strength of medical professionals and patients, inviting several authoritative experts in the field of liver disease to disseminate knowledge on liver disease prevention and correct misconceptions through live broadcasts, short videos, and articles. On online community platforms, the project topics garnered a total of 10 million views, and interactive discussions on liver health education content exceeded 100,000 times, making a positive contribution to enhancing public awareness of liver health.

In the future, CT Tianqing will continue to promote research related to liver injury and support liver health for patients in China.

Lighting up the World Project - Spreading Love Action

The "Guarding Heroic Energy, Lighting up the World Care Action" brought care to children in the hematology ward of Jiangsu Provincial People's Hospital

The "Saluting Her Strength" care action visited hospitals to bring holiday warmth to female medical staff and patients

The "Look on the Bright Side with CT" self-media released nine episodes of short video dramas to disseminate health knowledge in the workplace

Donation to Education

Sino Biopharmaceutical is dedicated to the development of education. Through supporting the construction of rural schools and collaborating with public welfare organizations to support youth development, the Group contributes to the equalization of educational resources and the construction of a sustainable future for the next generation.

Promoting Rural Education

Linquan County in Anhui Province is a designated poverty alleviation county by the former National Medical Administration. Since 2020, Sino Biopharmaceutical has been funding Linquan Medical Hope School. In 2024, the Group established a special public welfare fund to comprehensively renovate the school's teaching building, providing students with a better learning environment.

In 2024, Sino Biopharmaceutical also included Bingzhuang Primary School in Linquan County in its support scope. Over 90% of the students at Bingzhuang Primary School are left-behind children, and the school has been in existence for over 70 years. The school's playground and other hardware facilities are significantly outdated and pose considerable safety risks. After multiple visits to understand the school's needs, the Group donated special funds to pave a new plastic track, build a high-standard basketball court, and create a safe and professional sports venue to ensure the students' physical exercise and daily learning life.

In 2024, Sino Biopharmaceutical invested a total of RMB533,600 in the two schools and raised more than RMB 60,000 in donations of lunch boxes and learning supplies, improving the students' daily learning and life.

Supporting Youth Public Welfare

In May 2024, to support the healthy development of youth public welfare, Beijing Tide, a member company of Sino Biopharmaceutical, donated RMB1 million to the Fujian Youth Development Foundation to support youth art, culture, and other public welfare activities.

Beijing Tide, a member company of Sino Biopharmaceutical, donated

RMB **1** million

to the Fujian Youth Development Foundation

Charitable Donations

Sino Biopharmaceutical is actively involved in charitable activities, continuously increasing its philanthropic investment. In 2024, the Group and its member companies made a number of charitable donations.

- CT Tianqing, a member company of the Group, donated RMB200,000 to Guannan County to support local rural revitalization
- CT Tianqing, a member company of the Group, supported agricultural procurement in Mengjiazhuang Village, Liuzhangzi Township, Chengde County, Chengde City, Hebei Province, with a total of more than RMB2.7 million
- CT Fenghai, a member company of the Group, donated RMB50,000 to the Yijun County Charity and Poverty Alleviation Association to support local development
- NJCTT, a member company of the Group, donated more than RMB20,000 to the Jiangsu Charity Federation to assist those in need
- CT Fenghai, a member company of the Group, donated RMB200,000 to the Dafeng District Charity Foundation in Yancheng City to support local public welfare
- Beijing Tide, a member company of the Group, donated RMB139,000 to employees with illnesses to alleviate their family's financial difficulties

Industry Collaboration

Sino Biopharmaceutical always adheres to the principle of "Three Benefits", supporting the Healthy China Initiative. By leveraging the Group's resources and advantages, it actively participates in and cooperates with the enhancement of national drug standards, engages in industry association collaborations, and assists in the construction of local medical capabilities, contributing to the high-quality and sustainable development of the pharmaceutical industry.

Active Participation in industry group standards by member companies of Sino Biopharmaceutical

CT Tianqing, a member company of the Group, actively responded to the call of the Shanghai Drug Review and Verification Center to establish industry group standards. Together with the Shanghai and Jiangsu Provincial Drug Administration Review and Verification Centers, it co-drafted the "Guidelines for Continuous Manufacturing of Biological Products" group standard. In April 2024, the group standard was approved and successfully released by the Shanghai Medical Quality Association, providing strong support for the standardized application of continuous manufacturing technology in the biological products industry and promoting the rapid development of emerging fields in the industry.

Sino Biopharmaceutical Promoting Orthopedic Medical Progress

In December 2024, Beijing Tide, a member company of the Group, successfully assisted in the "Orthopedic Golden Hand Award" project organized by the Chinese Journal of Bone and Joint Surgery. The project aims to promote the enhancement of the ERAS concept in orthopedics and the training and cultivation of young orthopedic physicians. As a company that has always accompanied the "Orthopedic Golden Hand Award", Beijing Tide will uphold the corporate philosophy of "caring for life, lean innovation," providing more learning opportunities and platforms for young doctors, and promoting the continuous progress of orthopedic medicine.

Appendix I: Table of KPIs

i. Tables of Environmental KPIs[1]

Indicator	Unit	2024	2023	2022
Indicators related to environmental protection operation				
Investment in environmental protection governance	RMB10,000	9,353.70	9,700.34	10,897.58
Percentage of employees who received environmental protection training	%	24	24	13
Total time of environmental protection training for employees	Hours	9,555	18,119	9,200
Average training hours of environmental protection per capita	Hours	0.50	0.85	0.41
Indicators related to GHG emissions[2]				
GHG emissions (Scope 1)	tCO_2e	18,238.62	17,046.22	16,093.26
GHG emissions (Scope 2)	tCO_2e	189,981.39	222,193.40	260,991.10
Total GHG emissions	tCO_2e	208,220.01	239,239.61	277,084.36
GHG emission intensity (RMB1 million of revenue)	tCO_2e / RMB1 million	7.21	8.89	10.40
Total renewable energy consumption	MWh	8,873.76	7,504.19	4,248.25
Increase in renewable energy consumption	%	18.25	76.64	46.15
Indicators related to energy consumption[3]				
Natural gas consumption	Cubic metres	7,434,898.97	7,129,429.00	6,900,905.00
Liquefied petroleum gas consumption	Tonnes	5.38	7.80	8.61
Gasoline consumption	Litres	260,093.61	322,963.89	306,538.67
Diesel consumption	Litres	433,996.33	213,578.12	94,548.87
Total purchased electricity	MWh	233,689.98	228,173.37	216,780.42
Purchased steam consumption	GJ	587,121.30	443,237.37	653,527.00
Comprehensive energy consumption	MWh	483,777.06	479,097.61	543,982.98
Comprehensive energy consumption intensity (RMB1 million of revenue)	MWh/ RMB1 million	16.76	17.58	20.21
Indicators related to water consumption[4]				
Total water consumption	Tonnes	3,017,531.00	3,038,272.05	3,078,142.24
Water consumption intensity (RMB1 million of revenue)	Tonnes/ RMB1 million	104.54	113.17	114.94
Recycling water of wastewater	Tonnes	8,120.80	27,455.40	15,800.00
Indicators related to use of packaging materials				
Total packaging materials consumption	Tonnes	21,647.46	19,701.29	21,323.54
Packaging materials consumption intensity	Tonnes/ RMB1 million	0.75	0.69	0.73
Total packaging materials recycled	Tonnes	66.14	295.90	58.11
Indicators related to hazardous waste discharge				
Total hazardous waste discharged	Tonnes	10,341.35	7,624.66	7,503.90
Hazardous waste discharge intensity (RMB1 million of revenue)	Tonnes/ RMB1 million	0.36	0.28	0.28
Indicators related to non-hazardous waste discharge				
Total non-hazardous waste discharged	Tonnes	3,031.43	3602.59	5,111.46
Non-hazardous waste discharge intensity (RMB1 million of revenue)	Tonnes/ RMB1 million	0.11	0.12	0.16
Indicators related to exhaust gas emissions				
Volatile organic compounds (VOCs) emissions	Tonnes	30.54	30.72	48.84
Nitrogen oxides (NOx) emissions	Tonnes	1.46	2.42	2.72
Particulate emissions	Tonnes	1.98	1.85	2.15
Sulphur oxides (SOx) emissions	Tonnes	1.44	0.23	0.11
Indicators related to wastewater discharge				
Total water discharged	Tonnes	1,603,520.21	1,435,403.26	1,209,330.03
Wastewater discharge intensity (RMB1 million of revenue)	Tonnes/ RMB1 million	55.55	52.98	42.02
Biochemical oxygen demand (BOD) emissions	Tonnes	53.94	30.19	45.88
Chemical oxygen demand (COD) emissions	Tonnes	122.04	107.83	141.88
Suspended solids (SS) emissions	Tonnes	23.61	41.17	30.82
Ammonia nitrogen (NH_3) emissions	Tonnes	15.75	11.71	11.92

Notes:

1. Unless otherwise specified, the scope of environmental data for 2024 covers CT Tianqing, Beijing Tide, NJCTT, Jiangsu CT Fenghai and Jiangsu CT Qingjiang.
2. The inventory of GHGs encompasses carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs) and other emissions. These gases are mainly derived from energy and refrigerant consumption. GHGs in 2024 are presented on a CO_2 equivalent basis and are accounted for in accordance with the CO_2 Emission Factors for Electricity in 2022 issued by the Ministry of Ecology and Environment (MEE) and the National Bureau of Statistics (NBS) of the People's Republic of China, and the Guidelines on Methodologies and Reporting of GHG Emissions from 24 Sectors in China.
3. Energy consumption is calculated according to the conversion factors set out in the General Principles for the Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020), a national standard of the People's Republic of China.
4. Sino Biopharmaceutical mainly consumes water from the municipal supply, and there is no problem in accessing suitable water sources.

Tables of Social KPIs

Indicator		Unit	2024	2023	2022
Indicators related to employment[1,2]					
Total number of employees		Persons	24,287	25,880	26,272
Employees under labour contracts		Persons	19,323	21,297	22,288
Number of employees by gender	Male	Persons	10,186	11,168	11,889
	Female	Persons	9,137	10,129	10,399
Proportion of employee by Gender	Male	%	52.71	52.44	53.34
	Female	%	47.29	47.56	46.66
Number of employees by age group	under 30 (inclusive)	Persons	8,529	10,158	10,946
	30 (exclusive) - 40 (inclusive)	Persons	7,955	8,208	8,475
	40 (exclusive) - 50 (inclusive)	Persons	2,203	2,248	2,156
	above 50	Persons	636	683	711
Percentage of employees by age group	under 30 (inclusive)	%	44.14	47.70	49.10
	30 (exclusive) - 40 (inclusive)	%	41.17	38.54	38.00
	40 (exclusive) - 50 (inclusive)	%	11.40	10.56	9.70
	above 50	%	3.29	3.21	3.20
Number of employees by geographical region	Chinese Mainland	Persons	19,197	21,134	22,212
	Hong Kong, Macao and Taiwan, and overseas regions	Persons	126	163	76
Number of employees by ethnicity	Han	Persons	18,734	20,578	-
	Ethnic minorities	Persons	510	719	-
Number of employees by job type	Management	Persons	1,984	2,080	2,386
	R&D	Persons	2,692	2,943	4,367
	Production	Persons	6,269	6,762	5,415
	Sales	Persons	8,378	9,512	14,104
Diverse team building	Percentage of employees from ethnic minorities	%	2.64	3.38	-
	Percentage of female management personnel	%	51.86	53.32	-
Diverse team building	Toal number of female senior executives	Persons	15	-	-
	Percentage of women in senior management	%	20	-	-
	Percentage of women in managerial positions in revenue-generating functions	%	53.12	-	-
	Percentage of women in STEM positions	%	55.87	58.82	-
	Number of juniorlevel employees recruited	Persons	2,692	4,551	4,439
	Number of new management personnel	Persons	85	74	522
	Number of new female employees	Persons	1,549	-	-
	Number of vacant positions filled by internal employees	Persons	6,749	-	-
	Number of doctoral degree holders	Persons	170	202	145
	Number of master's degree holders	Persons	2,350	2,489	2,427
	Proportion of employees with bachelor's degree or above	%	60.2	58.8	57.8
	Number of employees with disabilities	Persons	46	44	42
	Percentage of employees participating in trade unions	%	100	100	100
Employee turnover rate		%	15.33	18.86	16.91
By gender	Male	%	15.85	20.5	17.71
	Female	%	14.74	16.96	15.98
By age group	under 30 (inclusive)	%	20.35	23.13	19.94
	30 (exclusive) - 40 (inclusive)	%	11.44	16.24	14.51
	40 (exclusive) - 50 (inclusive)	%	8.74	8.73	10.80
	above 50	%	11.30	11.3	13.29
By geographical region	Chinese Mainland	%	15.35	18.86	16.94
	Hong Kong, Macao and Taiwan, and overseas	%	13.10	0	6.17
Indicators related to talent development					
Average length of training hours per person		Hours	91.98	41.3	45.83
Employee training coverage		%	100	100	100
Return on investment in human capital		%	541	551	-

Notes:

1. The numbers of employees in 2024 by gender, age group, region and job category in this report are derived from data on all employees under labour contracts across all entities consolidated in the Group's financial statements.
2. The turnover rates in 2024 by gender, age group, region and job category in this report are derived from the voluntary termination rates of employees under labour contracts across all entities consolidated in the Group's financial statements.

Indicator		Unit	2024	2023	2022
Average training hours per capita gender	Male	Hours	97.86	42.52	44.63
	Female	Hours	85.43	39.96	47.21
Average training hours per capita by job type	Management	Hours	21.45	43.22	60.12
	R&D	Hours	38.87	27.06	31.30
	Production	Hours	219.48	57.11	42.12
	Sales	Hours	32.22	45.64	31.84
Indicators related to occupational health and safety					
Member companies certified by the ISO 45001 occupational health and safety management system		Supplier	3	3	-
Number of lost days of work per million hours worked		Days	19.17	25.43	33.44
Lost time injury frequency rate (LTIFR)		-	0.58	0.56	-
Number of work-related fatalities		Persons	0	1	1
Percentage of work-related fatalities		%	0	0.004	0.004
Number of internal and external safety inspections		/	710	321	344
Number of security emergency drills		/	183	200	162
Percentage of employees receiving workplace safety and occupational health training		%	100	100	100
Average time of workplace safety and occupational health training received per employee		Hours	17.2	4.9	6.3
Indicators related to supply chain management					
Total number of suppliers		Supplier	3,792	3,623	3,465
Chinese Mainland		Supplier	3,760	3,576	3,407
Hong Kong, Macao and Taiwan regions of China		Supplier	1	1	6
Other countries or regions		Supplier	31	46	52
Number of raw and auxiliary material suppliers with environmental management system certification		Supplier	223	233	237
Percentage of raw and auxiliary material suppliers with environmental management system certification		%	28	28	32

Indicator	Unit	2024	2023	2022
Number of raw and auxiliary material suppliers with occupational health and safety management system certification	Supplier	198	179	226
Percentage of raw and auxiliary material suppliers with occupational health and safety management system certification	%	25	21	30
Percentage of key suppliers promoting and implementing the Supplier Code of Conduct	%	100	100	100
Percentage of key suppliers signing the Supplier Code of Conduct	%	100	90+	-
Percentage of key sub-suppliers signing the Supplier Code of Conduct	%	85	70+	-
Completion rate of supplier audit plans	%	100	100	100
Number of key suppliers	/	802	-	-
Purchases from key suppliers as a percentage of total expenses	%	43.86	-	-
Total number of key sub-suppliers	/	292	-	-
Number of suppliers with negative impacts based on audit results	/	35	-	-
Number of suppliers with negative impacts for which improvement plans have been developed	/	115	-	-
Number of suppliers with negative impacts that have been terminated	/	2	-	-
Total number of suppliers which support the implementation of improvement plans	/	85	-	-
Indicators related to product quality				
GMP conformity for domestic APIs	/	113	99	82
GMP conformity for domestic drug formulations	/	89	102	89
Pass rate in annual GMP inspections organised by domestic pharmaceutical regulatory agencies	%	100	100	100
FDA certificates	/	10	6	6
CE certificates	/	9	8	9
International GMP certificates	/	22	19	-
Number of member companies certified by ISO9001 quality management system	/	3	3	-

Indicator	Unit	2024	2023	2022
Certification rate of ISO9001 quality management system	%	60	50	-
Coverage rate of quality training for employees	%	100	90	92
Average time of quality training per employee	Hours	51.3	4.7	9.3
Number of product recalls	/	0	0	0
Number of supplier quality audits	/	430	425	430
Completion rate of supplier quality audit plans	%	100	99	100
Number of raw and auxiliary material suppliers with quality management system certification	/	327	409	341
Percentage of raw and auxiliary material suppliers with quality management system certification	%	41	39	46
Customer satisfaction rate about complaints handling	%	100	100	100
Indicators related to inclusive healthcare				
R&D expenses	RMB100 million	50.89	44.03	41.65
R&D expenses as a proportion of revenue	%	17.6	16.8	16.0
R&D expenses growth	%	15.6	5.7	9.0
Proportion of R&D investment in innovative drugs and biological drugs	%	77	77	-
Number of new products approved for market	/	38	27	-
Number of innovative drugs approved for launch	/	6	2	-
Number of innovative drugs in the clinical stage/stage of launch application	/	100+	60+	50+
Number of new patents granted	/	349	264	263
Number of new patent applications	/	1,069	841	767
Indicators related to responsible marketing				
Percentage of employees receiving responsible marketing training	%	100	88	66
Total time of responsible marketing training for employees	Hours	53,298	50,322	40,969
Average training hours of responsible marketing per capita	Hours	2.95	2.36	1.84
Indicators related to anti-fraud management				
Number of concluded legal cases regarding corrupt practices	/	0	0	0
Coverage of anti-corruption training for the management and em-ployees in key positions	%	100	100	-
Hours of anti-corruption training	Hours	16,454	20,433	46,456
Indicators related to public welfare and charity				
Amounts spent on public welfare undertakings – Disaster relief	RMB10,000	73.11	852.43	109.94
Amounts spent on public welfare undertakings – Rural revitalization	RMB10,000	25.00	36.77	67.76
Amounts spent on public welfare undertakings – Donation to Education	RMB10,000	208.36	17.00	449.13
Amounts spent on public welfare undertakings – Charitable Donations	RMB10,000	4,035.21	3,092.55	4,066.76
Amounts spent on public welfare undertakings – Inclusive Healthcare	RMB10,000	1,669.02	1,643.59	1,601.97
Amounts spent on public welfare undertakings – Total	RMB10,000	6,010.69	5,677.74	6,664.80
Attendance in public welfare activities	Participants	1,428	4,196	-
Time devoted to public welfare undertakings	Hours	3,038	5,196	38,196

Table of Governance KPIs

Indicator	Unit	2024	2023	2022
Corporate Governance Indicators				
Percentage of independent directors on the Board	%	45	42	42
Percentage of female directors	%	27.3	33.3	33.3

Appendix II: Independent Verification Statement

Verification Statement: EIV2 131438 0001 Rev.00

To the management and stakeholders of Sino Biopharmaceutical,

TÜV SÜD Certification and Testing (China) Co., Ltd. (hereinafter referred to as "TÜV SÜD") has been engaged by Sino Biopharmaceutical Limited (hereinafter referred to as "Sino Biopharmaceutical" or "the Company") to perform an independent third-party verification on 2024 Environmental, Social and Governance Report (hereinafter referred to as "the Report"). During this verification, TÜV SÜD's verification team strictly abided by the contract signed with Sino Biopharmaceutical 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 the data and information collected by Sino Biopharmaceutical and provided to TÜV SÜD. The scope of verification is limited to the given information. Sino Biopharmaceutical shall be held accountable for authenticity and completeness of the provided data and information (contains assumptions, projections, and/or historical facts).

Verification Conclusions

According to the verification, we believe that the data and information presented in Sino Biopharmaceutical's report are objective, factual and reliable, without systematic problems, and can be used by stakeholders.

At the same time, we believe that Sino Biopharmaceutical's report is also aligned with the principles of inclusivity, materiality, responsiveness and impact.

Basis for the Verification

This verification process was conducted by TÜV SÜD's expert team with extensive experience in the governance, environmental, social and other relevant areas and drew the conclusions thereof. The verification conforms to the following standards:

- International Standard on Assurance Engagements ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE3000Revised), Limited Assurance
- Sustainability report verification programme operation rule (CCB_EIV_GR_002E Rev02)

In order to perform adequate verification in accordance with the contract and provide reasonable verification for the conclusions, the verification team conducted the following activities:

- Preliminary investigation of the relevant information before the verification;
- Confirmation of the presence of the topics with high level of materiality and performance in the Report;
- On-site review of all supporting documents, data and other information provided by Sino Biopharmaceutical; tracing and verification of key performance information;
- Special interview with the representative of Sino Biopharmaceutical's management; interviews with the employees related to collection, compilation and reporting of the disclosed information; and
- Other procedures deemed necessary by the verification team.

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 26,000 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 Sino Biopharmaceutical are two entities independent of each other and both TÜV SÜD and Sino Biopharmaceutical 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 Sino Biopharmaceutical. TÜV SÜD has not been involved in preparation and drafting of the Report, except for the verification itself and issuance of the verification statement.

Signature:
On Behalf of TÜV SÜD Certification and Testing (China) Co., Ltd.

Zhu Wenjun

TÜV SÜD Sustainability Authorized Signatory Officer

Mar 31st, 2024

Note:In case of any inconsistency or discrepancy, the Chinese version "Independent Verification Statement"of this verification statement shall prevail,while the English translation is used for reference only.

Appendix III: ESG Reporting Code Context Index of HKEX

Aspect	Disclosure requirements	Index
	Governance Structure	
—	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise, and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	ESG Governance – Board's Statement
—	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods KPIs used, or any other relevant factors affecting a meaningful comparison.	About This Report
	Reporting Boundary	
—	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for change.	About This Report
	Environmental	
A1 Emissions	General Disclosure: Information relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer.	Green Development –Special Report: Sino Biopharmaceutical's Carbon Neutrality Goals and Pathway Planning – Pollutant Prevention and Control
	A1.1 The types of emissions and respective emissions data	Appendix I i. Tables of Environmental KPIs
	A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appro-priate, intensity (e.g. per unit of production volume, per facility).	Appendix I i. Tables of Environmental KPIs
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I i. Tables of Environmental KPIs
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Appendix I i. Tables of Environmental KPIs
	A1.5 Description of the emission target(s) and steps taken to achieve them.	Appendix I i. Tables of Environmental KPIs
	A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Appendix I i. Tables of Environmental KPIs

Aspect	Disclosure requirements	Index
A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	Green Development –Special Report: Sino Biopharmaceutical's Carbon Neutrality Goals and Pathway Planning –Climate Change Response –Resource Utilisation Management
	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in'000s) and intensity (e.g. per unit of production volume, per facility).	Appendix I i. Tables of Environmental KPIs
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix I i. Tables of Environmental KPIs
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Development –Special Report: Sino Biopharmaceutical's Carbon Neutrality Goals and Pathway Planning
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Appendix I i. Tables of Environmental KPIs
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit pro-duced.	Appendix I i. Tables of Environmental KPIs
A3 The Environment and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impact on the environment and natural resources.	Green Development –Environmental Protection
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Development -Environmental Protection
A4 Climate Change	General Disclosure: Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Green Development –Climate Change Response
	A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Green Development –Special Report: Sino Biopharmaceutical's Carbon Neutrality Goals and Pathway Planning –Climate Change Response
	Social	
B1 Employment	General Disclosure: Information relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer.	Responsible Employer
	B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Appendix I ii. Tables of Social KPIs
	B1.2 Employee turnover rate by gender, age group and geographical region.	Appendix I ii. Tables of Social KPIs

Aspect	Disclosure requirements	Index
B2 Health and Safety	General Disclosure: Information relating to providing a safe working environment and protecting employees from occupational hazards: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer.	Responsible Employer – Occupational Health and Safety
	B2.1 Number and rate of work-related fatalities that occurred in each of the past three years including the reporting year.	Appendix I ii. Tables of Social KPIs
	B2.2 Lost days due to work injury.	Appendix I ii. Tables of Social KPIs
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Responsible Employer – Occupational Health and Safety
B3 Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. De-scription of training activities.	Responsible Employer – Talent Development
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle man-agement).	Appendix I ii. Tables of Social KPIs
	B3.2 The average training hours completed per employee by gender and employee category	Appendix I ii. Tables of Social KPIs
B4 Labour Standards	General Disclosure: Information relating to preventing child and forced labour. (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer.	Responsible Employer – Employee Rights Protection
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	
	B4.2 Description of steps taken to eliminate violations when discovered.	
B5 Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	Compliance operation Special Report: Sustainable Supply Chain
	B5.1 Number of suppliers by geographical region.	
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	

Aspect	Disclosure requirements	Index
B6 Product Responsibility	General Disclosure: Information relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer.	Compliance operation – Business Ethics Product Responsibility
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Appendix I ii. Tables of Social KPIs
	B6.2 Number of products and service related complaints received and how they are dealt with.	Product Responsibility – Operational Quality Management
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Compliance operation – Business Ethics
	B6.4 Description of quality assurance process and recall procedures.	Product Responsibility – Operational Quality Management
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Compliance operation – Information Security
B7 Anticorruption	General Disclosure: Information relating to bribery, extortion, fraud and money laundering: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer.	Compliance operation – Business Ethics
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	
	B7.2 Description of preventive measures and whis-tle-blowing procedures, and how they are implemented and monitored.	
	B7.3 Description of anti-corruption training provided to directors and staff.	
B8 Community Investment	General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities interests.	Social Contribution
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	
	B8.2 Resources contributed (e.g. money or time) to the focus area.	

Appendix IV. GRI Content Index

Statement of use:
Sino Biopharmaceutical Limited reported the information cited in this GRI Content Index for the period from 1 January 2024 to 31 December 2024 with reference to the GRI Standards.

GRI 1: Foundation 2021

GRI standard		Disclosure	Location	Additional information and reasons for omission
GRI 2: General Disclosures 2021				
1. The Organisation and its Reporting Practices	2-1	Organisational details		Sino Biopharmaceutical Limited is a company listed on the Stock Exchange of Hong Kong (under the code of 1177). The Group operates in the PRC and is headquartered in two locations: Unit 09, 41/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong and 45/F, North Tower, CP Centre, 10 Guanghua Road, Chaoyang District, Beijing.
	2-2	Entities included in the organisation's sustaina-bility reporting	About This Report	Entities included in this Report are consistent with those in the financial report.
	2-3	Reporting period, frequency, and contact point		This Report is an annual report and covers the period from 1 January 2024 to 31 December 2024, which is the same reporting period as the financial report. For any questions and suggestions regarding this Report,please send emails to info@sino-biopharm.com.
	2-4	Restatements of information		This annual report does not contain restatements of information.
	2-5	External assurance	Appendix II: Independent Verification Statement	
2. Activities and Workers	2-6	Activities, value chain, and other business rela-tionships	Compliance operation – Special Report: Sustainable Supply Chain	See the Annual Report 2024 for more information on the activities, value chain, and other business relationships of Sino Biopharma-ceutical.
	2-7	Employees	Appendix I: Table of KPIs	
	2-8	Workers who are not employees		The types of workers who are not regular employees include those under labour dispatch, employed and retained retired staff, interns, and labour outsourcing staff, among others. The total number of such workers is 4,964.
3. Governance	2-9	Governance structure and composition	Corporate Governance – Governance Structure	See the Annual Report 2024 for more information on the governance structure of the Board.
	2-10	Nomination and selection of the highest governance body		See the Annual Report 2024 and the Articles of Association for more information.
	2-11	Chair of the highest governance body		See the Annual Report 2024 for more information.
	2-12	Role of the highest governance body in overseeing the management of impacts	ESG Governance – Board's Statement – ESG Governance Structure	
	2-13	Delegation of responsibility for managing impacts	ESG Governance – Board's Statement – ESG Governance Structure	

GRI standard		Disclosure	Location	Additional information and reasons for omission
3. Governance	2-14	Role of the highest governance body in sustainability reporting	ESG Governance – Board's Statement	The Board holds overall oversight of Sino Biopharmaceutical's ESG matters and has reviewed and approved this Report for publication.
	2-15	Conflicts of interest		See the Annual Report 2024 for more information.
	2-16	Communication of critical concerns	ESG Governance	
	2-17	Collective knowledge of the highest governance body		The Group regularly or irregularly provides directors with updated documents on laws, regulations, and regulatory requirements and conducts necessary training. The training includes but is not limited to listing compliance, ESG general knowledge, climate change, risk management, and anticorruption.
	2-18	Evaluation of the perfor-mance of the highest governance body	Corporate Governance – Governance Structure	See the Regulations of the Remuneration Committee under the Board of Directors for more information on performance evaluation.
	2-19	Remuneration policies	Responsible Employer – Development and Incentives Environmental protection – Environmental management system	See the Annual Report 2024 for more information on remuneration policies.
	2-20	Process to determine remuneration		See the Regulations of the Remuneration Committee under the Board of Directors for more information.
	2-21	Annual total compensation ratio		Confidentiality restrictions: Disclosures of such information are commercially and competitively sensitive and are considered private to employees. Therefore, it is not disclosed.
4. Strategy, Policies, and Practices	2-22	Statement on sustainable development strategy	ESG Governance – Board's Statement	
	2-23	Policy commitments	Responsible Employer – Employee Rights Protection	See the official website and the ESG Policies and Commitments of Sino Biopharmaceutical for more information on policy commitments.
	2-24	Embedding policy commitments	Compliance operation	See the official website and the ESG Policies and Commitments of Sino Biopharmaceutical for more information on policy commitments.
	2-25	Processes to remediate negative impacts	Compliance operation – Business Ethics	See the Policy for Whistle-blowing and Whistle-blower Protection of Sino Biopharmaceutical for more information.
	2-26	Mechanisms for seeking advice and raising concerns	Compliance operation – Business Ethics	See the Policy for Whistle-blowing and Whistle-blower Protection of Sino Biopharmaceutical for more information.
	2-27	Compliance with laws and regulations		The Group did not incur any major violations of laws and regulations during the year.
	2-28	Membership associations		The Enterprise Anti-Fraud Alliance of China The Trust and Integrity Enterprise Alliance
5. Stakeholder Engagement	2-29	Approach to stakeholder engagement	ESG Governance	
	2-30	Collective bargaining agreements		Sino Biopharmaceutical is not currently engaged in any collective bargaining agreements.

GRI standard	Disclosure	Location	Additional information and reasons for omission
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	ESG Governance	
3-2	List of material topics	ESG Governance	
3-3	Management of material topics		See the table below for more information.
GRI 201: Economic Performance			
GRI 3: Topic Management Disclosures	Approach to managing economic performance	About Sino Biopharmaceutical	
Topic Disclosures	201-1 Direct economic value generated and distributed		Our revenues, operating costs, em-ployee remuneration and benefits, payments to capital providers, and payments to governments are not reported due to confidentiality requirements. Such information is commercially and competitively sensitive. Therefore, it is not disclosed in this Report.
	201-2 Financial implications and other risks and opportuni-ties due to climate change	Climate Change Response	
GRI 203 Indirect Economic Impacts			
GRI 3: Topic Management Disclosures	Approach to managing indirect economic impacts	Social Contribution	
Topic Disclosures	203-1 Infrastructure investments and services supported		Sino Biopharmaceutical actively engages in various public welfare undertakings. The Group is committed to supporting community devel-opment, enhancing medical capacity within communities, and fostering industry development.
	203-2 Significant indirect economic impacts		
GRI 204: Procurement Practices			
GRI 3: Topic Management Disclosures	Approach to managing procurement practices	Compliance operation – Special Report: Sustainable Supply Chain	
Topic Disclosures	204-1 Proportion of spending on local suppliers	Compliance operation – Special Report: Sustainable Supply Chain	
GRI 205: Anti-corruption			
GRI 3: Topic Management Disclosures	Approach to managing an-ti-corruption	Compliance operation – Business Ethics	
Topic Disclosures	205-1 Operations assessed for risks related to corruption		
	205-2 Communication and training about anticorruption policies and procedures		
Topic Disclosures	205-3 Confirmed incidents of corruption and actions taken		
GRI 206: Anti-competitive Behaviour			
GRI 3: Topic Management Disclosures	Approach to managing anti-competitive behaviour	Compliance operation – Business Ethics	

GRI standard	Disclosure	Location	Additional information and reasons for omission
Topic Disclosures	206-1 Legal actions for anti-competitive behaviour, an-ti-trust, and monopoly practices		No relevant action was taken during the reporting period.
Environmental Standard			
GRI301: Materials			
GRI 3: Topic Management Disclosures	Approach to managing materials	Environmental protection –Resource Utilisation Management	
Topic Disclosures	301-1 Materials used by weight or volume	Environmental protection –Resource Utilisation Management Appendix I: Table of KPIs	
	301-2 Recycled input materials used		
GRI 302: Energy			
GRI 3: Topic Management Disclosures	Approach to managing energy	Special Report: Sino Biopharmaceutical's Carbon Neutrality Goals and Pathway Planning Climate Change Response	
Topic Disclosures	302-1 Energy consumption within the organisation	Appendix I: Table of KPIs	
	302-3 Energy intensity	Appendix I: Table of KPIs	
	302-4 Reduction of energy consumption	Climate Change Response	
	302-5 Reduction in energy requirements of products and services	Appendix I: Table of KPIs	
GRI 303: Water and Effluents			
GRI 3: Topic Management Disclosures	Approach to managing water and effluents	Environmental protection – Pollutant Prevention and Control –Resource Utilisation Management	
GRI 3: Topic Management Disclosures	303-1 Interactions with water as a shared resource	Environmental protection –Resource Utilisation Management	
GRI 3: Topic Management Disclosures	303-2 Management of water discharge-related impacts	Environmental protection – Pollutant Prevention and Control	
Topic Disclosures	303-3 Water withdrawal	Appendix I: Table of KPIs	
	303-4 Water discharge		
	303-5 Water consumption		
GRI 304: Biodiversity			
GRI 3: Topic Management Disclosures	Approach to managing biodiversity	Environmental protection – Biodiversity Conservation	

GRI standard	Disclosure	Location	Additional information and reasons for omission
Topic Disclosures	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		The Group has not managed operational sites in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.
	304-2 Significant impacts of activities, products, and services on biodiversity	Environmental protection – Biodiversity Conservation	
		GRI 305: Emissions	
GRI 3: Topic Management Disclosures	Approach to managing emissions	Climate Change Response Environmental protection – Pollutant Prevention and Control	
Topic Disclosures	305-1 Direct (Scope 1) GHG emissions	Appendix I: Table of KPIs	
	305-2 Energy indirect (Scope 2) GHG emissions		
	305-3 Other indirect (Scope 3) GHG emissions	Climate Change Response	
	305-4 GHG emissions intensity	Appendix I: Table of KPIs	
	305-5 Reduction of GHG emissions		
Topic Disclosures	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Appendix I: Table of KPIs	
		GRI 306: Waste	
GRI 3: Topic Management Disclosures	Approach to managing waste	Environmental protection – Pollutant Prevention and Control	
	306-1 Waste generation and significant waste-related im-pacts		
	306-2 Management of significant wasterelated impacts		
Topic Disclosures	306-3 Waste generated	Environmental protection – Pollutant Prevention and Control Appendix I: Table of KPIs	
	306-4 Waste diverted from disposal	Appendix I: Table of KPIs	
		GRI 308: Supplier Environmental Assessment	
GRI 3: Topic Management Disclosures	Approach to managing supplier environmental assessment	Compliance operation – Special Report: Sustainable Supply Chain	
Topic Disclosures	308-1 New suppliers that were screened using environmental evaluation criteria		
	308-2 Negative environmental impacts in the supply chain and actions taken		

GRI standard	Disclosure	Location	Additional information and reasons for omission
Social Standard			
GRI 401: Employment			
GRI 3: Topic Management Disclosures	Approach to managing employment	Responsible Employer	
Topic Disclosures	401-1 New employee hires and employee turnover	Appendix I: Table of KPIs	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Responsible Employer – Employee Care and Benefits	
Topic Disclosures	401-3 Parental leave	Responsible Employer – Employee Care and Benefits	
GRI 403: Occupational Health and Safety			
GRI 3: Topic Management Disclosures	Approach to managing occupa-tional health and safety	Responsible Employer– Occupational Health and Safety	
	403-1 Occupational health and safety management system		
	403-2 Hazard identification, risk assessment, and incident investigation		
	403-3 Occupational health services		
	403-5 Worker training on occupational health and safety		
	403-6 Promotion of worker health		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
Topic Disclosures	403-8 Workers covered by an occupational health and safety management system		
	403-9 Work-related injuries		
	403-10 Work-related ill health		
GRI 404: Training and Education			
GRI 3: Topic Management Disclosures	Approach to managing training and education	Responsible Employer	

GRI standard	Disclosure	Location	Additional information and reasons for omission
Topic Disclosures	404-1 Average hours of training per year per employee	Appendix I: Table of KPIs	
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Responsible Employer– Talent Development	
	404-3 Percentage of employees receiving regular performance and career development reviews		Percentage of employees receiving regular performance and career de-velopment reviews reached 100%.
		GRI 405: Diversity and Equal Opportunity	
GRI 3: Topic Management Disclosures	Approach to managing diversity and equal opportunity	Responsible Employer – Employee Rights Protection	
Topic Disclosures	405-1 Diversity of governance bodies and employees		
		GRI 406: Non-discrimination	
GRI 3: Topic Management Disclosures	Approach to managing non-discrimination	Responsible Employer – Employee Rights Protection	
Topic Disclosures	406-1 Incidents of discrimination and corrective actions taken		The Group did not incur any dis-crimination cases during the year.
		GRI 408: Child Labour	
GRI 3: Topic Management Disclosures	Approach to managing child labour	Responsible Employer – Employee Rights Protection	
Topic Disclosures	408-1 Operations and suppliers at significant risk for incidents of child labour		The Group did not incur any child labour cases during the year.
		GRI 409: Forced or Compulsory Labour	
GRI 3: Topic Management Disclosures	Approach to managing forced or compulsory labour	Responsible Employer – Employee Rights Protection	
Topic Disclosures	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour		The Group did not incur any forced or compulsory labour cases during the year.
		GRI 414: Supplier Social Assessment	
GRI 3: Topic Management Disclosures	Approach to managing supplier social assessment	Compliance operation – Special Report: Sustainable Supply Chain	
Topic Disclosures	414-1 New suppliers that were screened using social criteria	Compliance operation – Special Report: Sustainable Supply Chain	
	414-2 Negative social impacts in the supply chain and actions taken		

GRI standard	Disclosure	Location	Additional information and reasons for omission
		GRI 416: Customer Health and Safety	
GRI 3: Topic Management Disclosures	Approach to managing customer health and safety	Product Responsibility	
Topic Disclosures	416-1 Assessment of the health and safety impacts of product and service categories		During the reporting period, the Group was not involved in any products and services that were assessed as neces-sary to eliminate health and safety impacts.
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		
		GRI 417: Marketing and Labelling	
GRI 3: Topic Management Disclosures	Approach to managing marketing and labelling	Compliance operation – Business Ethics	
Topic Disclosures	417-1 Requirements for product and service information and labelling	Compliance operation – Business Ethics	
	417-2 Incidents of non-compliance concerning product and service information and labelling		During the reporting period, the Group was not involved in any incidents of non-compliance concerning product and service information and labelling.
	417-3 Incidents of non-compliance concerning marketing communications		During the reporting period, the Group was not involved in any incidents of non-compliance concerning marketing communications.
		GRI 418: Customer Privacy	
GRI 3: Topic Management Disclosures	Approach to managing customer privacy	Compliance operation – Information Security	
Topic Disclosures	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		