三生制药
3SBIO INC.

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 01530

2025
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CONTENTS

Our 2025: Commitment to Responsibility, Steady Progress for the Long Term

ESG Rating Results

As a responsible corporate citizen, 3SBIO (the "**Company**" or "**3SBIO**" and collectively referred to as the "**Group**" with its subsidiaries) makes environmental, social, and governance ("**ESG**") management a priority of its management agenda and has been working to improve ESG management.

The Group's ESG management efforts continued to receive high recognition from society and the capital market. In 2025, the Group achieved an A rating under the evaluation of ESG rating agency SynTao Green Finance, and topics such as business ethics, governance structure, employee development, pollutant emissions, and compliance management are all at the industry-leading level. In addition, for the sixth consecutive year, the Group has maintained its B rating (management level) in the questionnaire on climate change by the Carbon Disclosure Project (CDP), a globally renowned non-profit organization. This further proves the Group's long-term and effective management and response strategies on climate change topics.

ESG Rating Score by SynTao Green Finance

Scores in CDP Climate Change Questionnaire

ESG Key Performance in 2025

Environmental Performance

Non-hazardous waste intensity was 0.2700 kg/RMB10,000, down 40.44% year-on-year

Hazardous waste intensity was 0.3881 kg/RMB10,000, down 56.77% year-on-year

Greenhouse gas emissions intensity was 0.0380 tCO_2e/RMB10,000, down 48.49% year-on-year

Social Performance

Training hours per person averaged 21.28 hours

Employee turnover rate was 20.39%, down 9.83% year-on-year

Governance Performance

The percentage of anti-corruption training for Board members reached 100%

The percentage of anti-corruption training for employees reached 100%

1. ESG Governance

1.1 ESG Governance Concept

Driven by the mission of "making innovative biopharmaceuticals reachable", the Group has been devoted to solving medicine-related problems in clinical treatment for patients. Surmounting disease-related challenges one after another, it strives to improve patients' life quality with high-quality medicine and safeguard people's health.

The Group regards compliance operation as the foundation of its responsibility, honoring its commitments to stakeholders including shareholders and investors, the government and regulators, customers and consumers, suppliers, employees, the public and communities. The Group takes active measures to fulfill its corporate social responsibility, providing doctors with reliable treatment tools, patients with trustworthy medicines, employees with greater care, helping the government reform the medical system, and bringing hope to patients and their families.

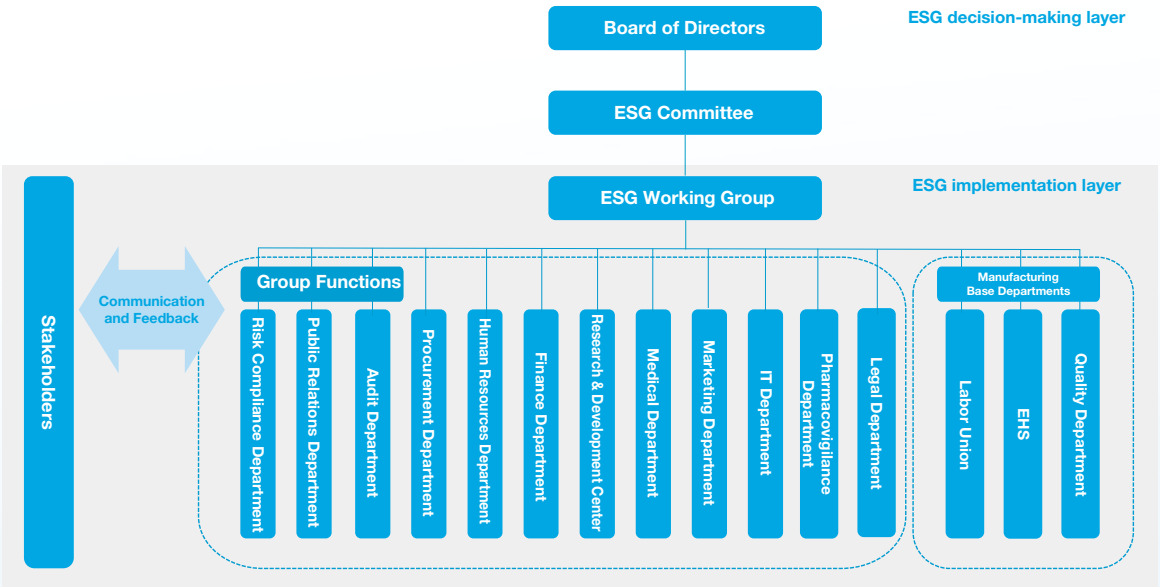
1.2 ESG Governance System

The Group has set up a top-down ESG Governance System. Board members were deeply involved in ESG governance. We established an ESG Committee with Board members as its core to coordinate and guide ESG strategic directions and matters across the Group, to make decisions regarding ESG and oversee the execution. To ensure precise execution of ESG work, the Group has established an ESG Working Group, responsible for specific daily operations and execution under the guidance of the ESG Committee.

1. ESG Governance

The ESG Committee is committed to continuously optimizing the Group's overall performance in environmental, social, and corporate governance, elevating its ESG performance standards, and driving the Group to become an ESG leader in the biopharmaceutical industry. For details on the ESG Committee's scope of duties and operation mechanism, please refer to the *Terms of Reference of Environmental, Social and Governance (ESG) Committee* published on the Group's official website.

ESG Governance Framework



The ESG Committee is responsible for guiding and reviewing the management of the Group's key ESG topics, including medical inclusion and health care accessibility, product quality and safety, human capital development, emissions management, and climate change mitigation and adaptation. The ESG Committee regularly reviews the performance on the Group's key ESG topics, including medical inclusion and health care accessibility, product quality and safety, human capital development, emissions management, and climate change mitigation and adaptation. The Committee regularly reviews the Group's performance on key ESG topics, reviews the progress in achieving the goals through quarterly reports, interim reports, annual reports, and special reports, provides recommendations on actions to be taken to achieve the goals, and reports regularly to the Board of Directors on the progress of management to ensure that the Board of Directors understands and effectively manages the Group's ESG risks and promotes continuous improvement of the Group's ESG management performance.

The Group has set goals for ESG management in respect of improving resource use efficiency, reducing greenhouse gas emissions, and reducing hazardous waste. The relevant functions rely on a professional ESG data management system to collect and compile data indicators related to the ESG targets on a quarterly or semi-annual basis, taking into account the actual management needs, and submit them to the ESG Committee for review.

1. ESG Governance

The Board of Directors performs management oversight responsibilities for important ESG topics and ESG strategies of the Group no less than twice a year, discusses and sets ESG management action goals for the following year at the beginning of each year, and provides advice and necessary support on actions to be taken to achieve management goals. The Group's Board of Directors exercises oversight responsibility for the Group's ESG performance and the remuneration performance of Board members is linked to key ESG indicators of concern to the Group.

1.3 Identifying Material Topics

Communication with Stakeholders

The Group fully recognizes the significance of stakeholders in its long-term development. We consistently adhere to the fundamental principle of stakeholder participation in the implementation of ESG governance concept, actively establish and maintain efficient and smooth communication channels with stakeholders, respect them, and get full insights into their views and demands. On this basis, the Group actively responds to reasonable concerns from all stakeholders and incorporates them in the decision-making and execution process.

Stakeholders' Key Concerns and Responses

Key stakeholders	Topics of concern	Communication and responses
Shareholders and investors	• Corporate governance • Compliance operation • Business ethics • Product quality and safety • R&D innovation	• Information disclosure as a listed company • Shareholders' meetings • Investors' meetings
Government and regulators	• Compliance operation • Business ethics • Product quality and safety	• Establishment and management of compliance system • Daily policy implementation • Participation in and giving suggestions on policy making

Key stakeholders	Topics of concern	Communication and responses
Customers and consumers	• Compliance operation • Information security and privacy protection • Product quality and safety • Responsible marketing • Medical inclusion and health care accessibility	• Establishment and management of compliance system • Quality management system • Standardized drug use training • Client service system • Sales Force Effectiveness (SFE) management system • Medical inclusion program
Suppliers	• Supply chain resilience • Intellectual property rights (IPRs) protection • Industry development	• Standardized supplier management system • Transparent and fair procurement • Industry activities, such as exhibitions and seminars
Employees	• Employees' rights, interests and welfare • Diversification, equality, and inclusiveness • Human capital development • Occupational health and safety	• Labor Union and Congress of Employees • Regular training, performance assessment, and job promotion • Environment, Health and Safety (EHS) management system
Public and community	• Community relations • Resource conservation and utilization • Climate change mitigation and adaptation • Emissions management	• Various programs for public welfare • Environmental impact analysis, plan and control

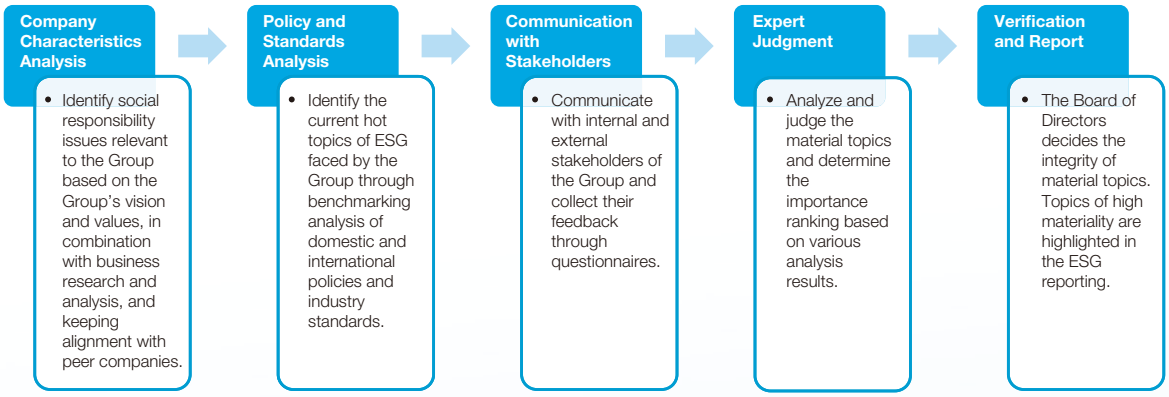
Analysis of Material Topics

The Group regularly conducts stakeholder questionnaire surveys and quantitative communication to identify and update ESG material topics, serving as the basis for carrying out ESG management. Based on the Group's vision, values and industry characteristics, the Group benchmarks domestic and international industry policy standards, combines results of communication with stakeholders and expert judgment, and comprehensively identifies ESG material topics and ranks them in terms of their importance to the Group.

1. ESG Governance

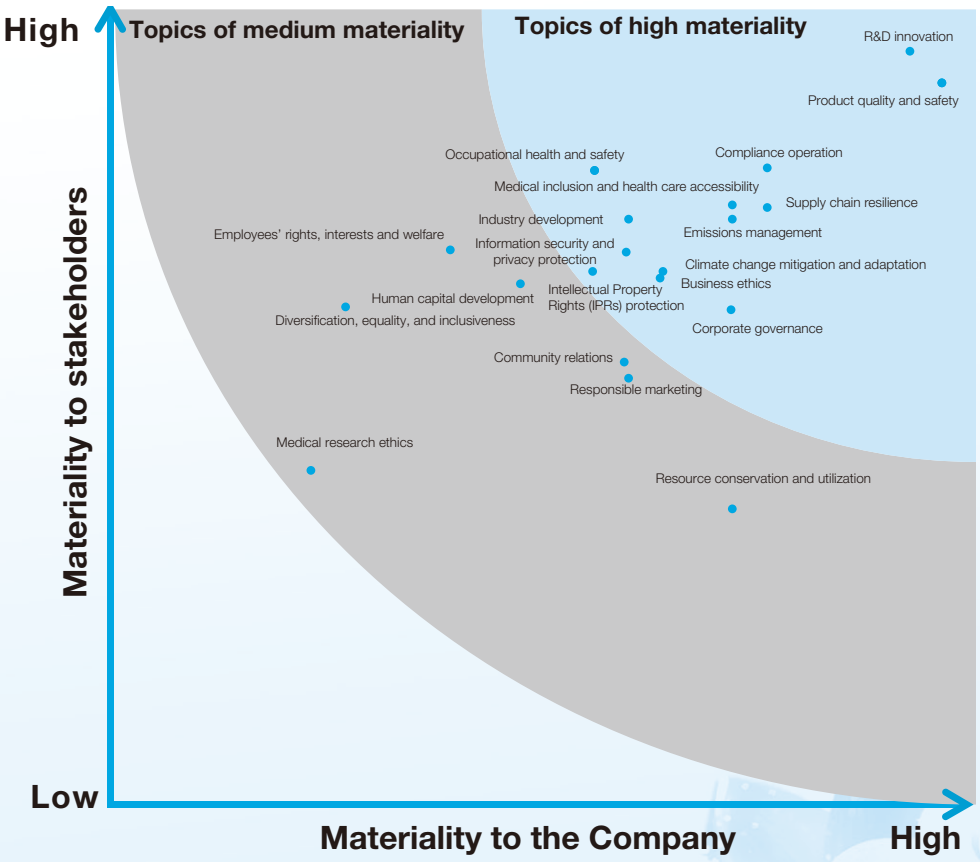
During the reporting period, the Group communicated with all stakeholders through various methods, taking into account the latest policy requirements, material topics of peers, and its work priorities for the year. Based on adherence to the rigorous procedure for the analysis of material topics, the Group updated and adjusted ESG material topics in a timely manner.

Procedure for the Analysis of Material Topics



After the identification and adjustments in the reporting period, the Group has 13 topics of high materiality, including “R&D Innovation”, “Product Quality and Safety”, “Compliance Operation”, “Supply Chain Resilience”, “Medical Inclusion and Health Care Accessibility”, “Occupational Health and Safety”, “Industry Development”, “Information Security and Privacy Protection”, “Intellectual Property Rights (IPRs) Protection”, “Corporate Governance”, “Climate Change Mitigation and Adaptation”, “Business Ethics”, and “Emissions Management”.

Matrix of Material Topics



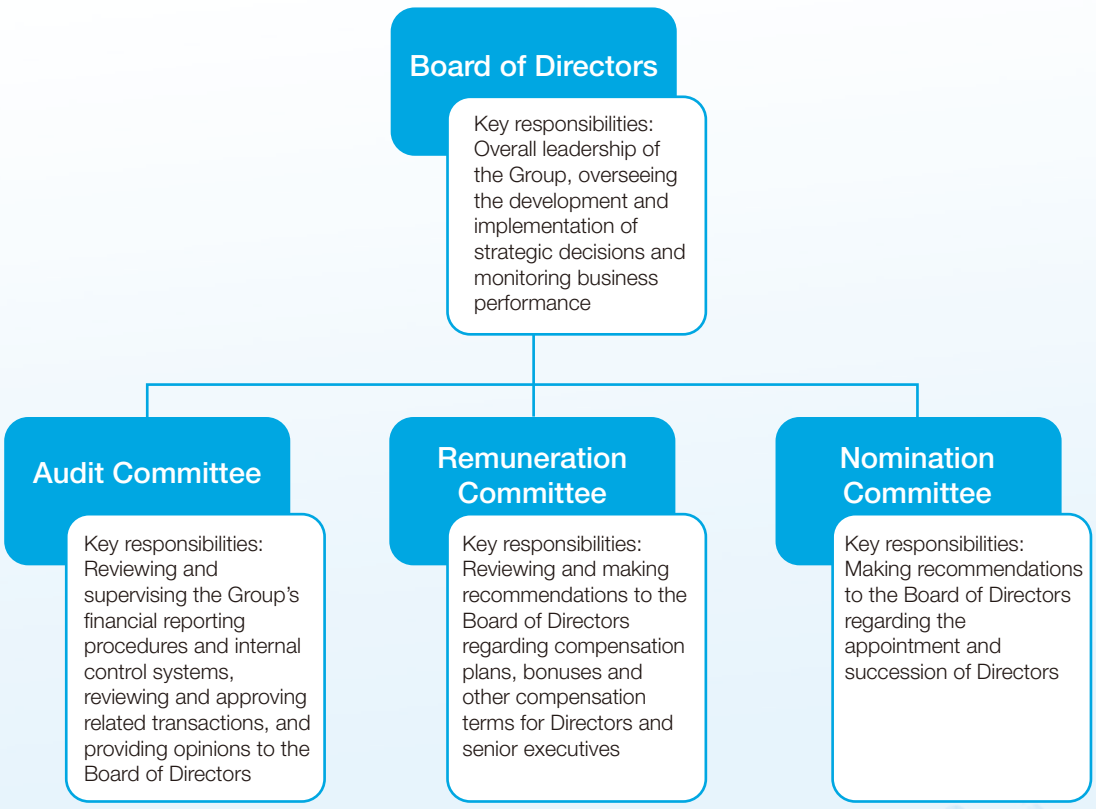
2. Corporate Governance Responsibilities

2.1 Corporate Governance

3SBio maintains rigorous corporate governance practices to safeguard shareholders' rights and interests, bolster corporate value, and foster accountability. 3SBio employs the *Corporate Governance Code* (the "Code") as set out in Appendix C1 of the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* as the principles and basis for corporate governance. It has always adhered to all applicable provisions of the Code and will continue to review and supervise the daily corporate governance of the Group to ensure compliance with the provisions of the Code.

According to the *Corporate Governance Code* (the "Code"), 3SBio has established an effective Board of Directors, tasked with leading and overseeing the Group's operations. The Board of Directors of 3SBio features the following framework and responsibilities:

Board Framework and Responsibilities



Following the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*, 3SBio appoints Directors, ensures the proportion of independent non-executive Directors in the composition of the Board of Directors, and assures that Directors possess corresponding professional qualifications and industry experience. During the reporting period, the composition of the Board of Directors of 3SBio and Board of Directors meetings are as follows:

Composition of the Board of Directors

Board of Directors
- 6

Executive Directors
- 2

Non-Executive Director
- 1

Independent Non-Executive Directors
- 3
- Percentage 50%

Director, medical expert
- 3
- Percentage 50%

Director, financial management expert
- 3
- Percentage 50%

Meeting of the Board of Directors

General Meeting of Shareholders
- 1

Board Meetings
- 5

Directors' Committee Meeting
- 7

3SBio recognizes and values the diversity of its members, considering it as one of the key elements of its competitive advantages. 3SBio has formulated the *3SBIO Board Diversity Policy*, which stipulates that the Nomination Committee of the Board of Directors reviews the framework, size, and composition of the Board of Directors annually. Taking into account factors such as gender, age, cultural and educational background, professional qualifications, skills, knowledge, industry, and regional experience, the Nomination Committee formulates quantitative targets for implementing this policy and provides effective recommendations for changes to the Board of Directors when appropriate to achieve these targets. During the reporting period, the Board of Directors optimized and adjusted the membership of the Nomination Committee in accordance with the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* and relevant corporate governance requirements. A female independent non-executive director was appointed to join the Nomination Committee, further enhancing the Committee's diversity and operational effectiveness.

Regarding gender diversity, the Board of Directors of 3SBio includes three female directors, serving as executive directors, non-executive directors and independent non-executive directors respectively, representing 50% of the total board membership. The Board of Directors will review the implementation and effectiveness of its diversity policy annually and evaluate gender diversity in case of changes in Board members to determine whether follow-up planning measures need to be taken.

2.2 Compliance Operation

The Group implements a compliance strategy of "from overarching framework to phased deepening and solidification", focusing on five key areas: anti-commercial bribery, anti-monopoly, fiscal and tax compliance, data and information security, and product promotion. Its risk compliance management system covers the entire process of risk identification, assessment, monitoring, and mitigation, employing preventive measures, in-process controls, and post-event rectification.

During the reporting period, the Group continued to advance the standardization and digitalization of compliance management, improved the risk database and early warning mechanism, strengthened monitoring of key areas and critical processes, and focused on conducting special compliance governance on anti-commercial bribery, data compliance, and supplier compliance, thereby enhancing compliance reviews and risk assessments. At the same time, by conducting compliance training and communications, advancing the development of a compliance culture, and dynamically updating compliance policies, we embedded compliance requirements throughout the entire business process and established a long-term mechanism for the Group's compliance management that operates effectively.

Compliance Management System

The Group has put in place and constantly improved a well-established system for risk identification and compliance management. The Group formulated the *3SBIO Compliance Management Regulations*, the *Compliance Guidelines for Daily Medical Interactive Communication, Standard Operating Procedures for Academic Activities and Conferences*, and other policies, standardizing compliance requirements across all operational processes. We continued to improve relevant policies to provide clear compliance guidance for business activities. During the reporting period, the Group further refined the detailed rules for managing cooperation with third-party academic associations, clarified the pre-cooperation risk assessment and qualification review procedures, strengthened monitoring of fund utilization and compliance audits, and ensured that cooperative activities complied with industry standards and regulatory requirements.

The Risk and Compliance Management Committee mainly establishes and promotes the improvement of the compliance management system, determines the organizational framework, and appoints or dismisses responsible persons of the risk and compliance management departments. It is responsible for formulating the Group's risk and compliance management policies and approving the Group's compliance management regulations, annual compliance management work plans, and regular compliance reports.

The Risk and Compliance Management Committee consists of executive members including the Chairman, and the rotating members, the Committee Secretary and base compliance execution supervisor. The Group convenes committee meetings at least once every six months and convenes ad hoc meetings as needed. During the reporting period, the Group convened two meetings to review the compliance management plan and conduct periodic reviews, so as to ensure the Group's compliant operations.

The Risk Compliance Department, as the executive department of the Group's daily compliance management, is closely connected with the compliance management of each production base. The general manager of each production base serves as the base's compliance execution supervisor. Key responsibilities include attending Committee meetings to report on the site's compliance management or respond to inquiries, providing opinions and recommendations to the Committee, and supervising the implementation of the Committee's resolutions at the site, thereby strengthening the Group's overall coordination and control over compliance management at production sites.

The Group has advanced compliance management at three levels: Group risk and compliance management, information security compliance management, and early warning and handling of crisis incidents, continuously improving the management system and strengthening the implementation of responsibilities across all departments.

Compliance Management System and Departmental Responsibilities

To further improve its compliance governance structure, the Group established a Process Project Department to manage authorization for initiating various processes, review the necessity and compliance of business processes, promote continuous process optimization, and enhance authorization management capabilities and risk prevention capacity.

Employees are the implementers of compliance management and also an important safeguard for ensuring compliance requirements are put into practice. The Group regards employee management as an important lever for advancing the development of a compliance culture. By organizing diverse compliance activities, we have continuously enhanced employees' awareness of and engagement in compliance requirements, fostering a positive atmosphere in which all employees comply with and put rules into practice.

2. Corporate Governance Responsibilities

Employee Compliance Management Measures

Management measures	Main content	Progress in 2025
Compliance training	• Board training: Provide customized compliance training during Board meetings. • All-employee training: Implement annual compliance training for all employees across the Group. • Marketing center training: Conduct dedicated responsible marketing training to strengthen compliance practices. • Third-party training: Provide a systematic series of compliance training covering partners.	• We have continued to improve a tiered and categorized compliance training system covering all employees, Board members, and third-party partners. Training content covered key areas such as anti-commercial bribery, responsible marketing, data and information security, and typical cases, and we also conducted special topic training for high-risk positions and management. • A total of 577 compliance training sessions were held, reaching more than 30,000 person-times. The training completion rate reached 100%, continuously deepening employees' recognition of the value of compliance.
Compliance leadership program	• A compliance leadership program was personally led by the Chairman with management participation, interpreting the connotation of compliance leadership (i.e., the capability to lead the enterprise toward a compliant future), and enhancing management's compliance management capabilities through a series of activities and training.	• The *3SBIO Compliance Leadership Handbook* was published, compiled by the Chairman and management, systematically elaborating on managers' roles and responsibilities in compliance governance. It covers policy interpretation, practical tools, and responses to high-risk scenarios, promoting the integration of compliance into strategic decision-making and daily operations.

Management measures	Main content	Progress in 2025
Compliance Ambassador Day	• The Compliance Ambassador Day was established to strengthen the role of Compliance Ambassadors as regional compliance partners and support regional managers in policy interpretation, compliance consultation, and guidance.	• We held the second Compliance Ambassador Day. Through crisis incident response training, the release of the 3SBIO Compliance Leadership Handbook, and recognition of outstanding ambassadors, we enhanced ambassadors' professional capabilities and sense of mission, strengthened their bridging role in regional policy interpretation and compliance guidance, and involved a total of 98 compliance ambassadors.
Daily propaganda and education on compliance	• We collaborated with departments including Procurement, Human Resources, Finance, Information Technology, Public Relations, and Legal to carry out compliance promotion initiatives. We regularly organize activities such as Compliance Culture Week and Compliance Micro-Classes, and published articles such as compliance stories to enhance employees' compliance awareness and foster a strong compliance culture across the Group.	• Centered on the theme "Compliance as the Foundation, Quality as the Soul", we worked with various functional departments and sites to conduct Compliance Culture Week. Online, we launched a compliance knowledge quiz and a Sing the Compliance Song activity. Offline, we went deep into the five major sites, using diverse interactions to enhance employees' participation and sense of identification.

2. Corporate Governance Responsibilities

Management measures	Main content	Progress in 2025
Crisis event drills	• We partnered with external law firms to conduct regular crisis simulation exercises in response to government inspections in the healthcare sector. These exercises covered key functional departments such as the Risk Compliance Department, Finance Management Department, and Marketing Center, and involved relevant departments from the four major bases to ensure that all processes complied with applicable laws and regulations.	• The exercises covered a total of 169 participant attendances.
Compliance scorecard	• We utilized an Employee Conduct Compliance Scorecard to conduct quantitative assessments of marketing personnel, covering four key modules: compliance training, spot checks, expense compliance monitoring, and pre-approval of projects. Assessment results were linked to compensation and bonuses, with management assuming joint accountability for training and evaluation. A full-process compliance evaluation system was established, spanning pre-event, in-process, and post-event stages, with indicators dynamically adjusted based on annual risk assessments.	• Based on routine compliance assessments, a responsibility dimension for approver approval was added to strengthen compliance control over the approval process and enhance performance requirements for key positions.

Continuously enhancing its compliance system and executing compliance management, the Group actively participates in the development and improvement of the industry's compliance knowledge system. During the reporting period, the Group promoted the applicability and forward-looking nature of industry standards by providing feedback to the *Medical Representative Registration Measures (Consultation Draft)* of the National Medical Products Administration, and participating in draft discussions on *Hospital-Enterprise Collaboration Compliance Guidelines* and *Standards for Financial and Tax Management in the Pharmaceutical Industry*. In addition, the Group engaged deeply with medical institutions by participating in seminars and jointly discussing issues related to medical-enterprise interactions with the Office of Industry Conduct and the discipline inspection departments, sharing compliance practices, promoting smooth information flow and joint risk assessment, and enhancing the industry's ability to identify risks.

Risk Management Mechanism

Continuously enhancing its awareness and capability in compliance risk management, 3SBIO has established a sound and robust risk management mechanism to effectively prevent and respond to compliance risks in various fields. To achieve a closed-loop compliance risk management framework, the Group, in line with our compliance strategy and industry development trends, established a compliance risk management and control system consisting of three major subsystems: risk prevention, risk monitoring, and risk response.

Compliance Risk Management and Control System

On the basis of a thorough understanding of relevant laws and regulations, the Group followed the logic that "compliance risks arise from compliance obligations, and compliance obligations stem from business conduct", and continuously enhanced its risk management capabilities. The Group regularly obtains an understanding of the risk identification capabilities and key control priorities of each business line through research and interviews, systematically reviews the types of business activities, and conducts multidimensional risk assessments based on laws and regulations, industry standards, and internal policies. Meanwhile, we have continuously tracked regulatory updates, inspection risk alerts in the medical sector, and key focus areas for anti-commercial bribery, and conducted benchmarking analysis against internal identification results to strengthen the systematic and targeted nature of the risk assessment.

2. Corporate Governance Responsibilities

The Group regularly updates the *Compliance Obligation List* and the *Compliance Risk List* on an annual basis, and conducts a special risk identification exercise at year-end to develop a new round of risk lists, driving the dynamic iteration and coverage of the closed-loop risk management process. Focusing on key areas in the pharmaceutical industry, the Group has strengthened oversight and audits of employee conduct and partners across academic conferences, sponsorships and donations, and third-party collaborations. The Group has continued to track regulatory developments, refined risk control measures, and promptly communicated industry compliance information to ensure that internal risks remained controllable.

The Group has interpreted risks and policy requirements for employees through training and compliance reviews, and inspected compliance in business execution. Meanwhile, we have conducted compliance reviews once every two months, jointly assessed periodic compliance results and issues with business management, studied improvement measures, and continuously enhanced the level of compliance in business practices. During the reporting period, the Group further integrated high-risk project controls into routine business communication and training mechanisms. During the revision of relevant policies, we organized business departments to participate in research and the solicitation of opinions. Throughout the year, we conducted three rounds of employee-wide surveys and collected a total of 876 valid feedback submissions, providing support for policy optimization and training improvements.

The Group has actively advanced the "Compliance Management Upfront" strategy by embedding compliance management early at the strategic and business levels. At the strategic level, the Group has incorporated risk identification and guidance processes during the business planning stage. At the business level, the Group has conducted risk reviews on a project-by-project basis during the project initiation stage, and implemented full-process compliance audits at the completion stage to ensure compliant project execution.

To further strengthen risk monitoring capabilities and improve management efficiency, during the reporting period, the Group continued to advance compliance digitalization initiatives by launching and rolling out an artificial intelligence (Artificial Intelligence, AI) review assistant for promotional materials, an intelligent Q&A system for compliance policies, and a sensitive-word detection assistant. These tools can review promotional materials, provide instant policy answers, and automatically identify sensitive information in text, thereby accurately identifying potential compliance risks and effectively improving business process monitoring and employee execution efficiency.

In addition, to enhance the forward-looking nature of risk management, the Group has closely tracked regulatory developments in China and abroad. By monitoring relevant regulations, we have identified emerging risks that could potentially impact the Group's business and formulated corresponding response measures in advance.

Identification of Emerging Risks and Countermeasures (Partial)

Region	Applicable laws and regulations	Risk description	Countermeasure
Chinese mainland	*Data Security Law of the People's Republic of China, Personal Information Protection Law of the People's Republic of China,* and other laws and regulations related to data and personal information protection	Against the backdrop of continuously strengthened national regulation on data security and personal information protection, there is a risk of unclear compliance boundaries in third-party data sharing and personal information processing during internet innovation projects. If regulatory requirements are not met in areas such as user authorization, scope of data collection, and third-party management, compliance risks and regulatory penalties may be triggered.	The Group promptly organized and conducted a special compliance assessment, clarified operational guidelines such as user authorization, minimum necessary data collection, and third-party audits, and simultaneously revised policies and systems related to personal information protection and data security. We added data protection responsibility clauses for third-party partners and continued to strengthen our data compliance management capabilities.
	Medical Representative Registration Measures (Consultation Draft), Notice on Further Improving the Credit Evaluation System for Pharmaceutical Pricing and Procurement and Tendering	The National Medical Products Administration and the National Healthcare Security Administration have proposed new regulatory requirements for the code of conduct for medical representatives and for the credit evaluation of drug procurement and tendering. If the Group's management, training, or business execution for medical representatives fails to remain aligned with relevant policy requirements in a timely manner, it may affect the credit evaluation results for drug procurement and tendering and may give rise to compliance and operational risks.	The Group proactively responded to regulatory requirements by organizing cross-departmental discussions and making adaptive adjustments to existing compliance policies and processes, clearly requiring that medical representatives must pass onboarding training and examinations before confirmation; meanwhile, through targeted communications and policy interpretation, we systematically integrated the requirements for drug procurement and tendering credit evaluation into business operations.

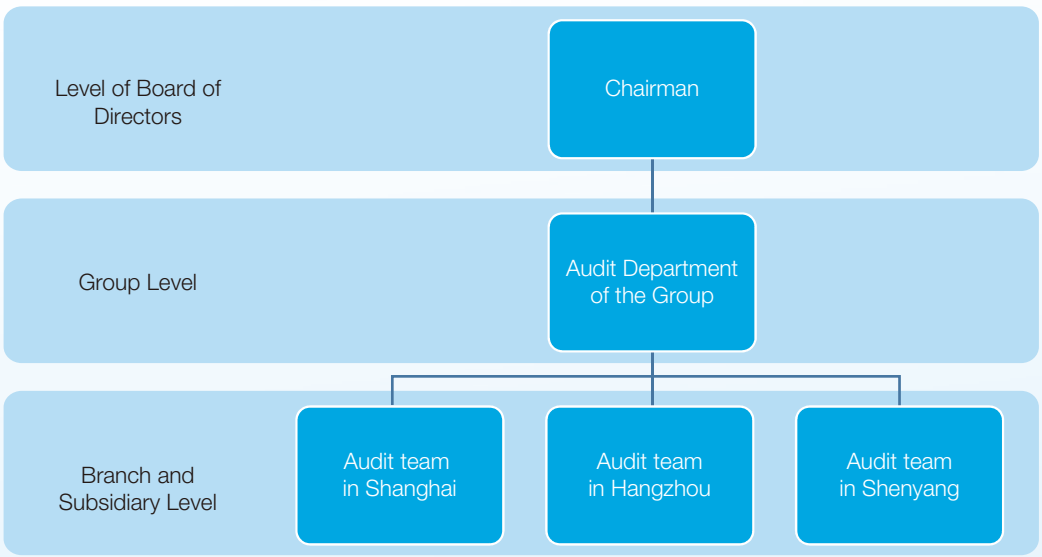
2. Corporate Governance Responsibilities

Audit and Supervision Mechanism

The Group is committed to establishing a long-term and regular audit and supervision mechanism and has formulated the *3SBIO Group System for Internal Audit, 3SBIO Group Work Flow for Internal Audit,* and other systems to complete a full internal audit procedure once every three years to improve internal control system and business management and prevent business risks.

The Group attaches great importance to the role of audits in corporate management, emphasizing the independence and significance in the design of the audit organization framework and reporting mechanism. The Group's Audit Department reports directly to the Chairman and is accountable to the Board of Directors. The Group's Audit Department has three separate audit teams, responsible for the internal control audit of Sunshine Guojian, Sunshine Mandi, as well as the manufacturing bases in Shenyang and Shenzhen, as well as other branches and subsidiaries.

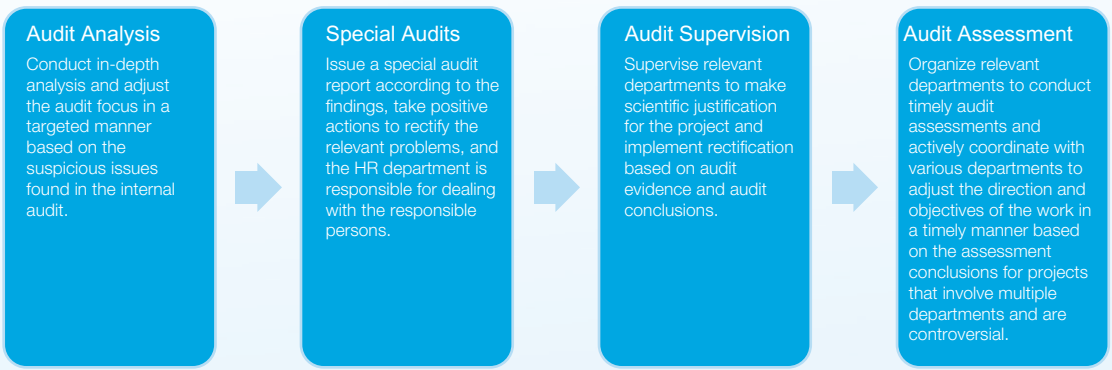
Audit Organizational Framework



During the reporting period, the Group conducted specialized training focusing on enhancing the capabilities of the audit team. The training covered the application of AI tools and audit innovation, compliance audits on personal information protection, digital audit practices, fraud investigations, as well as compliance risk prevention in pharmaceutical academic promotion and drug sales processes at non-public medical institutions, aiming to enhance auditors' capabilities in data analysis, risk identification, and business understanding. The training was conducted through a combination of online and in-person sessions, achieving 100% coverage of auditors and further strengthening the team's audit oversight capabilities and professional competence in a digital environment.

The Group's Audit Department continued to advance the development of an integrated mechanism for internal audit and internal control, and carried out audit analysis, special audits, audit supervision, and audit evaluations based on audit findings, continuously strengthening the Group's compliance operation capabilities through internal and external audits. The Group implements internal control audits every three years, while Sunshine Guojian conducts full-process audits once a year, continuously enhancing risk control and internal governance.

Internal Audit Operating Process



2. Corporate Governance Responsibilities

2025 Internal Audit Work

Audit entity	Audit scope
Group	• We adopted a look-through audit approach to extend the audit scope to third-party and fourth-party suppliers, focusing on areas such as information security and data protection, anti-corruption, and responsible marketing, thereby strengthening risk identification and compliance oversight.
Subsidiary	• We conducted internal control audits on key business cycles of subsidiaries such as Shenyang Sunshine, Guangdong Sunshine, Sunshine Mandi, and Sciprogen, covering areas including sales and receivables, procurement and payables, payroll and benefits, costs and inventory, expenses, fund management, long-term assets, R&D, and ITAC. By the end of the reporting period, the related issues had all been rectified and met the required standards. • We conducted internal control audits on 16 processes of Sunshine Guojian, including organizational structure, development strategy, social responsibility, R&D, human resources, fund activities, and procurement business, and issued the *Internal Control Evaluation Report.* By the end of the reporting period, the related issues had all been rectified.
Value chain partners	• We completed compliance audits of 66 suppliers and updated the *Supplier Code of Conduct Commitment Letter*, clarifying their responsibility requirements in legal compliance, labor and employment, environmental and social responsibility, business ethics, product quality, and data security; • We implemented full-process compliance audits for interactions with healthcare professional organizations, and assessed compliance risks through document review, walk-through testing, cross-validation, on-site observation, and interviews; • We promoted partners such as academic associations and foundations to sign compliance commitment documents, standardized sponsorship of academic conferences and support for public welfare programs, and ensured that cooperation was carried out within a compliance framework.

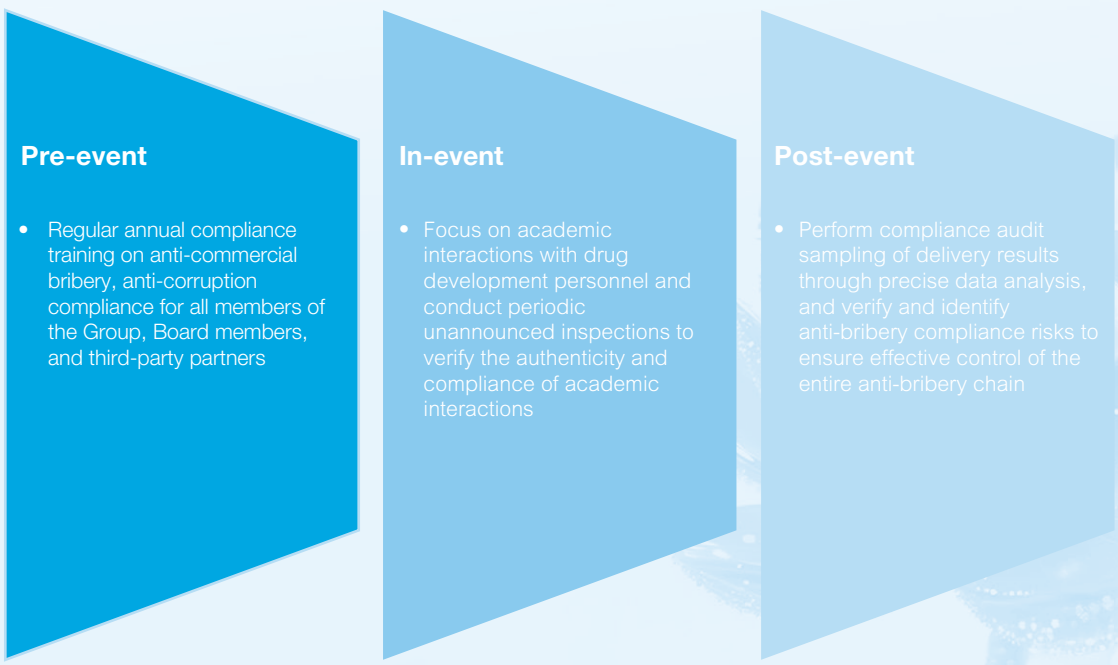
2.3 Business Ethics

Business Ethics Management System

The Group places great emphasis on the development of business ethics management system and has incorporated the *Anti-Corruption and Anti-Bribery Policies* covering all employees, Directors, and third-party representatives into the *3SBIO ESG Code of Conduct*, explicitly prohibiting the payment of facilitation fees. The Group actively followed up on national regulatory policies in the retailing of pharmaceutical products, conducted filing and training of pharmaceutical representatives in accordance with the *Management Measures for Registration of Medical Representatives (Interim)* and updated the compliance management system and procedures of the retailing line in accordance with the *Measures for Quality Supervision and Administration of Drug Distribution and Use*. During the reporting period, the Group did not engage in any corruption litigation cases against the Company or its employees.

To eliminate corrupt practices and commercial bribery, the Group has established an anti-commercial bribery compliance management system covering pre-event, in-event, and post-event stages. In addition, by leveraging big data analytics and intelligent tools, we have conducted dynamic monitoring of transaction data, expense flows, and key processes, promptly identified anomalies, and triggered tiered alerts. All third-party collaborations were required to complete project initiation approval, risk assessment, and sign anti-commercial bribery clauses. The Group regularly updates its anti-corruption risk list, focusing on high-risk areas such as procurement, sales, and bidding and tendering, and dynamically adjusts risk ratings based on internal and external audit findings to achieve proactive risk identification and active intervention in advance.

Anti-commercial Bribery Compliance System



2. Corporate Governance Responsibilities

The Group has applied rigorous pre-approval project initiation procedures and end-to-end compliance monitoring for third-party-sponsored academic conferences and other donation programs, ensuring that every step from initiation to implementation complies with regulatory requirements. In cooperation projects involving internet platforms, the Group has further strengthened compliance management of third-party platform operations, including prevention and control of commercial bribery, legality of product promotion, personal information protection, and cybersecurity measures.

For core positions such as procurement, sales, bidding and tendering, and medical R&D, the Group has implemented tiered authorization management, clarified job responsibilities and authority boundaries, and strengthened the principle of segregation of incompatible duties. The Group has strengthened behavioral constraints through measures such as regular compliance training, signing commitment letters, exit audits, and special process inspections, and conducted no fewer than two systematic training sessions for medical R&D and other highly sensitive departments involving trade secrets. In addition, the Group has leveraged its information systems to implement dynamic monitoring of key positions and initiate verification procedures, ensuring controllable risks and traceable accountability, while improving cross-departmental information sharing and the efficiency of identifying violations.

In terms of trade secret protection, the Group has established a trade secret classification system by implementing the *Trade Secret Management Policy*. We have also clarified the division of responsibilities among the Risk and Compliance Management Committee, the Risk Compliance Department, and all departments involved in confidential matters, and coordinated efforts to advance trade secret protection. On this basis, the Group has developed the *Trade Secrets Management Manual* to further refine relevant management measures, strengthen employees' awareness of confidentiality and implementation, and continuously enhance the level of trade secret protection.

Trade Secret Management Departments and Their Responsibilities

Department	Responsibility
Risk and Compliance Management Committee	• Establishing the Group's trade secret management policy and setting phased management objectives; • Reviewing and approving systems and regulations for trade secret management; • Reviewing and approving reports on trade secret management within the Group; • Evaluating the effectiveness of the Group's trade secret management policy and organizing self-inspections across departments to optimize and enhance the protection of trade secrets.
Risk Compliance Department	• Designing the trade secret management framework for the Group; • Compiling the trade secret-related management detailed rules and measures of various departments and submitting them to the Risk and Compliance Management Committee for review and approval; • Regularly organizing trade secret management working meetings and reporting to the Risk and Compliance Management Committee; • Continuously optimizing and improving the Group's trade secret protection and management.
Departments involving trade secrets	• Creating and optimizing own trade secret protection system; • Taking measures to protect trade secrets; • Reporting and coordinating to handle events related to trade secrets.

Supervision and Reporting System

The Group has put in place a business ethics supervision and reporting system. The Group's Risk Compliance Department has put through multiple reporting channels via e-mails and telephones, inviting real-name or anonymous tip-offs about existing or suspected irregularities against systems and regulations from employees, third-party representatives, and business partners. The systems and regulations include the *3SBio Group Regulations for the Group's Internal Compliance Investigation*, the *Code of Conduct and Ethics for Employees and the Grants, and the Grants, Sponsor and Donate Program Conduct Guidelines.*

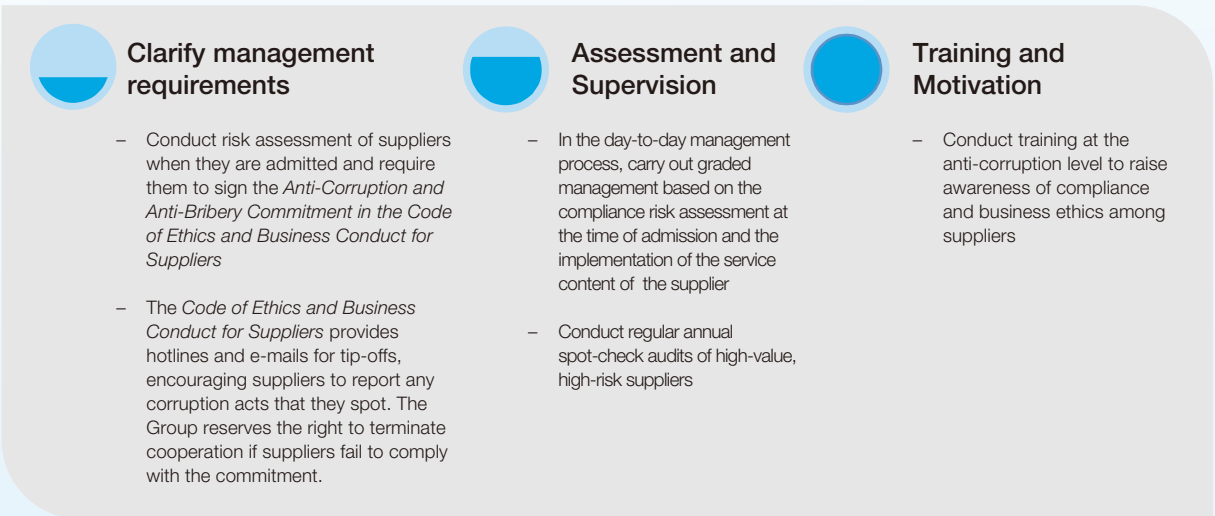
The Group will report the tip-offs to the Risk and Compliance Management Committee. A case will be filed and investigated in accordance with the *3SBio Group Regulations for the Group's Internal Compliance Investigation.* A detailed reply and confirmed investigation report will be offered to the informer (including anonymous informers) within one month, who will be protected with the following measures:

- The informers' personal information and the tip-offs will be kept completely confidential. The Group will mete out harsh punishment to those breaking confidentiality rules and hold them accountable per the law.

- Those retaliating against informers or related witnesses will face the consequences based on the severity of their behaviors, including but not limited to removal from a post, termination of labor contracts, and transfer to judicial organs for handling.

Anti-corruption Management for Suppliers

Through the *3SBIO Group Supplier Management System* and supplier management system, the Group conducts anti-corruption management on suppliers from three aspects: management requirements, assessment and supervision, training and motivation. The Group requires suppliers to develop appropriate anti-corruption policies and conduct regular internal audits, and to agree to accept audits by the Group or third parties to verify their compliance with anti-corruption principles. The Group has specified the detailed requirements and key points for the three core steps of "admission", "supervision", and "audit" in the supplier management procedures, and emphasized the authenticity and completeness of the information submitted during the admission step.



The Group has continued to deepen anti-corruption management across the full supplier lifecycle by embedding compliance clauses into every stage of cooperation and strengthening compliance audit requirements. By combining pre-emptive constraints with post-audits, we have carried out systematic reviews focusing on the authenticity, reasonableness, and standardization of deliverables, while also conducting a comprehensive assessment of suppliers' compliance management systems.

The Group strictly controls supplier access and due diligence, with a focus on business bribery risks. All key suppliers sign the *Code of Ethics and Business Conduct for Suppliers* at least once a year and regularly underwent on-site inspections; Non-key suppliers completed the signing during the onboarding stage to ensure that all suppliers were aware of and complied with relevant anti-corruption and anti-bribery requirements. As of the end of the reporting period, 98.7% of suppliers had signed the Code. At the same time, distributors conducting business with medical institutions are required to sign the *Integrity Cooperation Agreement* to clarify both parties' compliance responsibilities in business dealings, and to strictly prohibit improper conduct such as commercial bribery and false advertising.

To further enhance the precision of management, the Group has established a risk-oriented compliance review mechanism covering suppliers and their downstream partners, and, based on the review results, implemented risk rating assessments and tiered management for suppliers, driving the procurement department to continuously optimize the list of preferred suppliers. Based on risk ratings, the Group has dynamically adjusted its collaboration strategies, including measures such as strengthening oversight, limiting the scope of collaboration, or terminating collaboration, thereby enhancing the efficiency of overall compliance management across the value chain.

In terms of ongoing oversight, the Group has promptly conducted compliance audits through dynamic monitoring for abnormal or early-warning targets, carried out end-to-end audits each year for no less than 33% of frequently used suppliers covering business application, execution, and delivery, and achieved full coverage within three years. The audit scope covered anti-corruption, advertising and promotion, and personal information protection. It also reviewed suppliers' training and the implementation of their commitments. During the reporting period, the Group completed end-to-end audits in accordance with the annual plan for more than 30% of the commonly used service suppliers of the Marketing Center.

In addition, the Group has continuously strengthened suppliers' compliance awareness through training. During the reporting period, the Group conducted anti-corruption training by combining centralized training with consulting, covering a total of 43 suppliers. The training focused on interpreting key principles such as anti-bribery, conflict of interest disclosure, and trade secret protection, while also clarifying specific requirements including venue selection for academic activities, prohibiting entertainment arrangements, and compliance of expenses. For new suppliers, the Group implemented dedicated training to ensure their rapid integration into the Group's compliance management system.

2.4 Information Security and Privacy Protection

The Group attaches great importance to information security and privacy protection. We have established a sound information security and data protection management system and formulated systems including *Information System and Cybersecurity Policy*, *Measures for Personal Information Protection and Data Security Management*, *Clinical Information System Management Policy*, clarifying management and confidentiality requirements for non-public information of stakeholders such as customers, patients, employees, and partners.

For sensitive medical data, the Group developed *Patient and Medical Data Processing Specifications* as a dedicated management system for patients' medical information. It standardizes the processing of data such as clinical trial data, electronic medical records, and adverse drug reaction reports, clarifies key operational standards including informed consent and anonymization, and embeds personal information protection clauses in cooperation agreements, thereby achieving graded data management and end-to-end security protection throughout the entire process.

In addition, the Group updated and refined supporting policies and emergency response procedures, including *Data Classification and Categorization Process Management System*, *Data Backup and Recovery Management Policy*, *Data Classification and Grading and Emergency Response Operating Guidelines*, clarifying data security protection and emergency response requirements, thereby enhancing the Group's overall data management standards and risk prevention and control capabilities.

In terms of technology application, the Group has built its own on-premises AI agent. On the premise of ensuring that data are not transmitted externally and preventing the leakage of sensitive information, we leveraged AI technology to empower our operations and improve office efficiency. Meanwhile, we provided specialized training for large AI models based on different business scenarios, enabling AI to play an assisting role in compliance, IT operations and maintenance, and daily office work.

To strengthen information security system development and day-to-day management, the Group continued to improve information security management measures from the perspectives of attack prevention, incident detection, defense hardening, and security recovery. As of the end of the reporting period, the security protection level assessment of the Group's information systems was Level 2. During the reporting period, the Group was not involved in any incidents that violated laws, regulations, or rules on information security or privacy protection.

Information Security Protection System

Information Security Governance Framework

- We established an Information Security Committee as the supreme governing body for information security management and data security management. A board member serving as the Chief Information Security Officer (CISO), who is responsible for making critical decisions regarding data security management and establishing information security classification and grading requirements.
- Under this committee, an Information Security Management Team has been formed to guide the Cybersecurity Implementation Team in executing various information security measures to safeguard the Group's information security.

Information Security Emergency Plan

- We implemented the *Management System* for *Information System Emergency Plan*, *Emergency Plan for Security Drills for Webpage Tampering Scenarios*, *Emergency Plan for Encrypted Blackmail Scenarios*, *Emergency Drill Plan for Phishing Emails*, *Emergency Drill Plan for Network Attack Scenarios*, *Emergency Drill Plan for Malicious Program Scenarios*, and *Emergency Drill Plan for Information Leakage Scenarios*.
- During the reporting period, we organized emergency drills for security incidents in the financial middle-platform system, covering relevant personnel in the Information Technology Center, enabling employees to become familiar with emergency responsibilities and procedures and to master response measures for sudden security incidents.

Information Security Protection Measures

- **Access and permission management:** We reviewed user access rights and implemented the principle of least privilege. A Zero Trust system was deployed to consolidate internal applications (including the Electronic Document Management System, Office Automation System, Enterprise Resource Planning system, and Human Resources and Financial Management System). Sensitive data downloads were restricted, and access was permitted only through authorized terminals to ensure that critical data and information were not leaked.
- **System and baseline security:** We established security baselines for operating systems, middleware, and databases. Security group policies for Alibaba Cloud and on-premises environments were reviewed, network access controls were refined, and unnecessary internet ports were closed to reduce the risks of cyberattacks and data leakage.

- **Endpoint data loss prevention:** IPGuard data loss prevention software was deployed on endpoints in R&D, Information Technology, and other key departments. Measures such as document encryption, operation control, web access control, print management, and instant messaging control were implemented to protect intellectual property and sensitive information from multiple dimensions.

- **IT asset monitoring as well as operation and maintenance:** We implemented 24/7 monitoring and maintenance of all IT assets across the Group. Logs from various security devices, network equipment, and endpoints were centrally collected and analyzed to enable real-time alerting and response to abnormal events. We continuously improved security protection measures to enhance overall information security capabilities.

Information Security Risk Assessment and Audit

- **Vulnerability scanning and system security assessment:** We conducted vulnerability scanning, system security assessments, and remediation for the Group's servers, critical application systems, and Alibaba Cloud/on-premises data center environments to ensure the security of information systems. During the reporting period, we completed two reviews of the external network exposure surface and two vulnerability scans, identifying 21 critical vulnerabilities, all of which were closed-loop remediated.

- **Application system penetration testing:** We conducted penetration testing and remediation for critical application systems to assess potential system threats. During the reporting period, we completed testing for six systems, and all seven high-risk vulnerabilities were remediated.

- **Information security audit:** We conduct an internal information security audit across the Group once every two years, covering the information security management system and control measures. During the reporting period, the relevant audit was completed, verifying the effectiveness and compliance of information security management.

Information Security Feedback Channel

- We established an information security feedback channel, clarified the first contact for information security, and established a 3SBIO information security email group.

Cultivation of Employee Information Security Awareness	• **New employee training:** All new employees were required to complete information security awareness and security compliance training and pass the examination, to ensure rapid mastery of the Group's information protection policies and operational requirements. • **Annual training for all employees:** Each year, we carry out information security and compliance training and examinations covering all employees, and regularly use information technology to test employees' sensitivity risk in day-to-day compliance awareness. During the reporting period, we organized special training on data and information security and trade secret management, and established a sensitive information lexicon for real-time monitoring and risk early warning, continuously enhancing employees' information protection awareness and institutional execution capabilities. • **Quarterly communication:** Each quarter, we conduct information security communication through online and offline channels, including WeCom posts and roll-up banner promotions, covering content such as anti-leakage guidelines, phishing email alerts, endpoint security, and interpretation of information security policies. • **Routine inspections:** We regularly conduct office information security inspections at various production bases and subsidiary offices, improving employees' compliance in daily business conduct as well as their awareness of personal information protection and information security.

To safeguard business cooperation and the security of customer information, the Group has implemented information security protection measures for suppliers and customers respectively, ensuring that system development, access rights management, and confidentiality obligations were effectively implemented.

Third-Party Information Security Protection Measures

Supplier Information Security Protection	• **New system development security standards:** We clarified security standards for suppliers' new system development, provided a detailed security requirements mapping table, and standardized development processes involving host security, network security, and application security. • **Privileged account management:** We fully rolled out the privileged account system, pre-defined the scope of account usage, and effectively safeguarded suppliers' information security during collaboration. • **Confidentiality agreement signing:** We promoted suppliers' signing of project confidentiality agreements, urged the fulfillment of confidentiality obligations, and, at the same time, reviewed supplier accounts and implemented the principle of least privilege management to ensure information security and privacy protection during collaboration. During the reporting period, the signing rate for project confidentiality agreements or clauses reached 100%.
Customer Information Security Protection	• **Customer information permission management:** We collected and managed necessary customer information through the internal sales team efficiency management system. The system had strict access controls, with users at different levels having different views and data access rights. Customer-related information could only be viewed and used within the system, and any form of export was strictly prohibited.

2.5 Medical Research Ethics

Animal Welfare

The Group involves the use of laboratory animals in pre-clinical pharmacological and efficacy studies, pharmacokinetic toxicological studies and animal in vivo testing and abnormal toxicity testing during the product release stage. The Group has constructed laboratory animal centers in two manufacturing bases, namely Sunshine Guojian and Sciprogen. Shenyang Sunshine engaged a qualified third-party institution to conduct animal testing. The Group highly values medical research ethics during research and development, continuously strengthens the management of laboratory animals and safeguards their welfare.

Animal Welfare Management System

Animal Welfare System Construction	• The Group follows the *Regulations of Guangdong Province for the Administration of Affairs Concerning Experimental Animals*, *Laboratory Animal – General Requirements for Animal Experiments* (GB/T 35823-2018), *Laboratory Animal – Guideline for Ethical Review of Animal Welfare* (GB/T 35892-2018), *Laboratory Animal – General Code of Animal Welfare* (GB/T42011-2022), *Laboratory Animals – Microbiological, Parasitological Standards and Monitoring* (GB 14922-2022), *Laboratory Animal – Environment and Housing Facilities* (GB14925-2023), and other national standards. • The Group has developed and improved management systems such as the *Animal Welfare and Animal Experimentation Ethics Review System*, *Laboratory Animal Facility Operation and Management System*, *Laboratory Animal Welfare Protection System*, *Management Procedures for Cleaning and Disinfection of Animal Experimentation Center Environment and Animal Cage Equipment*, and *Standard Operating Procedures for Animal Experimentation Protocol Review*, etc., so as to safeguard the environment of animal rearing and to reduce non-necessary injuries in the course of experimentation.
Animal Welfare Management Mechanism	• The Group has established a laboratory animal management committee in the animal experimentation center of each manufacturing base. These committees are responsible for implementing laws and regulations related to laboratory animal work, establishing and improving management systems and operating procedures, overseeing compliance with permits for the use of experimental animals, coordinating the operation of animal laboratories and the development of the quality control system, reviewing and supervising the ethical and welfare compliance of applications for experimental animal use, feeding and husbandry management, and the design and implementation of experimental protocols, and enhancing the professionalism and standardization of practitioners.

2. Corporate Governance Responsibilities

The Group follows the 3Rs (Reduction, Replacement, Refinement) principle and is committed to reducing or avoiding unnecessary harm and discomfort to laboratory animals and safeguarding the five freedoms that they have.

Freedom from hunger and thirst

- Inspect the animal's dietary conditions daily to ensure sufficient, fresh food and water.

Freedom from discomfort

- Give a light environment of 12 hours light and 12 hours dark;
- Set up temperature and humidity monitoring points in the animal room to control environmental conditions;
- Set up an automatic telephone alarm function to receive information and take corrective action at the first sign of temperature and humidity exceeding limits;
- Change the bedding regularly to ensure dry bedding and reduce environmental ammonia concentration and odor;
- Ensure adequate space for movement in animal grouping.

Freedom from pain, injury and disease

- Clean and disinfect materials, cages and feeding rooms for laboratory animals regularly;
- Prepare animals according to experimental requirements before the experiment and use the minimum number of animals;
- Give animals the necessary anesthesia or analgesia during the experiment, keep them warm after the operation, and give soft chow to weak animals;
- Grasp the animals with gentle movements and comforting touch, inject with accurate injection sites and push the drugs slowly to reduce the animals' pain during the experiment;
- Perform euthanasia on animals that are dying or are evaluated by veterinarians, with carbon dioxide used wherever possible during the euthanasia, to tolerate pain to safeguard laboratory animals from unnecessary suffering.

Freedom from fear and distress

- Do not keep animals alone to avoid a sense of loneliness to the animals.

Freedom to express normal behavior

- Use group feeding and give toys such as hideout houses.

The Group has established a mechanism for reviewing animal experiments, with veterinarians conducting irregular inspections of animal facilities and testing the status of animals. The Group check whether the animal experimental process has reasonable analgesia and anesthesia, and whether it meets the requirements of national standards, etc. For non-compliance, the person in charge of the experiment will be notified for handling.

In addition, Sunshine Guojian regularly requests quality inspection reports from suppliers for feed, bedding, and laboratory animals, and monitors the health status of animal populations by setting up sentinel animals. At the same time, we have strengthened the management of laboratory animal facility use by installing pest control devices at facility entrances and exits and carrying out regular inspections, replacements, and record-keeping to ensure a safe experimental environment and standardized operations. Sciprogen stipulates that a "Laboratory Animal Certificate of Guangdong Province" must be issued for each experiment from the Guangdong Provincial Laboratory Animal Public Service Center as required to ensure traceability and ensure the accuracy and reliability of animal experiment data.

Each manufacturing base of the Group organizes employees related to laboratory animals to participate in professional training organized by local regulatory authorities and internal organizations, in a bid to ensure employees work with training post certificates for laboratory animal practitioners.

Animal Welfare Training of Manufacturing Bases in 2025

Sunshine Guojian	• Internal training: We provided seven laboratory animal management training sessions for roles related to animal facility operations management and animal experiments, with a total duration of eight hours. The content covered laboratory animal husbandry and experimental procedures, animal welfare, experimental techniques, etc. Topics included welfare optimization for rodent cancer model animals, surgical guiding principles, pain identification and assessment, and the frequency and timing of cage changes.
	• External training: We participated in five laboratory animal-related training sessions organized by external institutions, covering laboratory animal ethics and welfare, interpretation of laboratory animal-related policies, new laboratory animal operating techniques, etc., with a total duration of 12 hours.
Sciprogen	• Internal training: We conducted 12 internal laboratory animal training sessions, covering laboratory animal-related regulations, basic operations, EPO in vivo activity, abnormal toxicity procedures, laboratory safety, and the implementation status of laboratory animal use permits, with a total duration of approximately 40 hours.
	• External training: Laboratory personnel attended the advanced training and assessment for laboratory animal practitioners organized by the Laboratory Animal Society of Guangdong Province and obtained training certificates, with a cumulative duration of 17 hours per person.

2. Corporate Governance Responsibilities

Protection of the Rights and Interests of Subjects

All of the Group's clinical studies involving subjects are conducted in external research centers, each of which has an ethics committee. As the sponsor, the Group provides ethical review related materials, including clinical trial protocols, investigator manuals, informed consent forms, etc., in accordance with the law to ensure that the studies comply with ethical and regulatory requirements.

The Group attaches importance to the protection of the rights and interests of the subjects and strictly complies with relevant laws and regulations such as the *Good Clinical Practice*. The Group has set up Marketing Authorization Holder (MAH) drug safety committees at each of its manufacturing sites, and each MAH drug safety committee follows up on the conduct of clinical trial projects to maximize the protection of the safety of subjects.

Measures to Protect the Rights and Interests of Subjects

Subjects' Right-to-Know Protection	• Prior to the commencement of a clinical trial, subjects are required to sign an informed consent form, which covers key information such as potential risks and benefits of the study, alternative treatment options, subject compensation, privacy protection, and biospecimen handling. • The Group has purchased human clinical trial liability insurance for all registered clinical trials to further protect the rights and interests of subjects.
Subject Safety Monitoring	• Subject safety data is regularly reviewed through medical surveillance, and in the event of a major safety issue, a meeting will be organized to discuss the issue and formulate the next decision. • The Group conducted case-by-case reviews of serious adverse events and suspected unexpected serious adverse reactions, and maintained close communication with investigators and ethics committees to ensure timely intervention and handling. Reported to national regulatory authorities as required. • The Group provided recommendations for interventional treatment and followed up on outcomes to ensure that subjects were properly protected. • The Group annually submits a Development Safety Update Report to the Ethics Committee for filing to ensure data transparency and compliance.
Risk Management and Protection	• The Group specifies the terms of protection of the rights and interests of subjects in each project protocol. The Pharmacovigilance Department writes project risk management plans and formulates management measures according to the risk characteristics of different products.

3. Product Responsibility

3.1 Product Quality Control

The Group's key marketed products and product candidates cover a range of therapeutic areas, including nephrology (e.g., EPIAO), oncology (e.g., Cipterbin), autoimmune and other diseases (e.g., Amdokitug Injection), ophthalmology (e.g., anti-VEGF antibody 601A), and dermatological diseases (e.g., MN709).

Our products were mainly sold to hospitals and other medical institutions. As of the end of the reporting period, the Group's sales team had covered nearly 3,000 Grade III hospitals and nearly 8,000 Grade II or grassroots hospitals and medical institutions in all provinces, autonomous regions and municipalities in the Chinese mainland.

Quality Control System

The Group implements a set of unified quality management standards and has put in place a quality control system covering the entire product life cycle from raw materials to product R&D, manufacturing, testing, product release, circulation and recall. Under this framework, each manufacturing base has developed and implemented detailed operating procedures and management systems to ensure standardized and systematic quality management.

Product Quality Control System

Control links	Control measures
Material management	• Establish complete SOPs for supplier selection, procurement, receipt, acceptance, testing and release, and storage. Materials procurement, receipt and acceptance, sampling, testing, warehousing, storage, and issuance were all carried out in accordance with relevant management procedures, and complete records were retained.
Production and in process control	• In strict accordance with the production processes approved by the state, we formulated process procedures to achieve standardized management of the production process. • Through production process control, key in-process control points, and process inspections, combined with an online automatic testing system, we continuously monitored the production process to ensure product quality. • We formulated systems such as *Management Procedures for Consigned Manufacturing*, *Management Procedures for Communication and Handling of Quality Information of Consigned Manufacturing*, *Procedures for Supervision and Management of Consigned Manufacturing Bases* to clarify contract manufacturing requirements and ensure that contract manufacturing complied with pharmaceutical laws and regulations as well as technical specification requirements.

3. Product Responsibility

Control links	Control measures
Inspection and release	• We established inspection management systems for production materials, intermediates, semi-finished products, and samples. Products were released only after inspection, review, and approval by the qualified person. • We developed Standard Operating Procedures for handling non-conforming products, ensuring that abnormal or non-compliant products were managed in a standardized manner.
Label management	• We developed institutional documents such as *Regulations for the Management of Printed Packaging Materials* and *Standard Management Procedures for Label and Manual Design and Printing* to standardize end-to-end management of the design, procurement, receipt, inspection, storage, use, and destruction of labels and package inserts.
Product transportation	• We engaged qualified third-party carriers to transport products and conducted end-to-end monitoring of the shipping process. • The temperature and humidity monitoring system for refrigerated transportation and storage vehicles was required to comply with commodity supply specification requirements to ensure stable product quality during transportation.
Training and capability building	• We developed the *Employee Training Management Protocols* to specify training requirements for personnel involved in pharmaceutical production quality. These covered applicable laws and regulations, professional knowledge, and Good Manufacturing Practice (GMP) requirements; • Inspection personnel were required to complete pre-job training before assuming their roles, ensuring standardized operations and strong quality awareness.

During the reporting period, the Group's manufacturing bases continued to improve the institutional documents of the quality management system, covering multiple dimensions including laboratory management, product quality, risk and deviation management, supplier and external management, and institutional documents and training management. For example, we updated or formulated policies on contract (entrusted) manufacturing, validation management, complaint and recall management, change control, supplier management, and electronic system management, so as to enhance the effectiveness and adaptability of the quality management system and ensure the quality and safety of products throughout their full life cycle from materials to finished products.

3. Product Responsibility

The Group's quality control system has received widespread recognition from domestic and international certification systems, and all pharmaceutical subsidiaries have obtained GMP certification. In addition, Shenyang Sunshine, Sunshine Guojian, and Sciprogen Bio-Pharmaceutical have passed inspection and certification by member regulatory authorities of the Pharmaceutical Inspection Co-operation Scheme (PIC/S). As of the end of the reporting period, 100% of the Group's manufacturing bases that had commenced production and were in stable operation had obtained relevant quality management system certifications.

The Group continues to undergo domestic and international official audits and inspections, as well as audits from clients, including GMP compliance reviews, pharmaceutical production supervision inspections, production license renewal inspections, site inspections for production site changes, pharmacovigilance site inspections, and product-specific special inspections, in a bid to improve its quality management capabilities through external audits.

During the reporting period, Shenyang Sunshine received a total of 9 domestic and international official audits; Sunshine Guojian received a total of 16 domestic and international official audits and audits from customers; Sunshine Mandi received a total of 5 domestic and international official audits and commissioned manufacturing base audits; and Sciprogen received a total of 3 domestic and international official inspections. Each base promptly developed and implemented corrective measures for defects identified during inspections.

Each manufacturing base carries out regular internal audits of the quality management system, including quarterly quality management reviews, annual self-inspections, and irregular internal quality audits, to ensure the effective operation of the quality system and to promote the continuous improvement of the quality system. Sunshine Guojian has formulated the *Standard Operating Procedures for Quality Statistics and Trend Analysis*. It regularly conducts quality statistics and trend analysis on critical manufacturing control points, inspection data of drug substances and drug products, environmental monitoring data in critical manufacturing areas, and process water monitoring data. By doing so, it promptly identifies any unfavorable trends and promptly investigates and analyzes any abnormal trends, and if any, followed by the formulation of measures to identify and prevent potential quality issues.

3. Product Responsibility

Certification of Quality Control System of Each Manufacturing Base (as of the Disclosure Date of this Report)

Manufacturing base	Certification authority	Certification (inspection)	Scope of certification
Shenyang Sunshine	State Service of Ukraine on Medicines and Drug Control	GMP Certificate	Recombinant human thrombopoietin injection, Human erythropoietin injection
	Turkish Medicines and Medical Devices Agency	GMP Certificate	Recombinant human thrombopoietin injection, Human erythropoietin injection
	Brazilian Health Regulatory Agency	GMP Certificate	Biologically active ingredient of human erythropoietin, sterile preparation
	Russian State Institute of Drugs and Good Practices	GMP Certificate	Human erythropoietin injection
	Egyptian Drug Authority	GMP INSPECTION	Recombinant human thrombopoietin injection, Human erythropoietin injection
	Pakistan Drug Regulatory Authority	GMP INSPECTION	Human erythropoietin injection
	Ministry of Health of Cambodia	Manufacturer registration license	Biological products
Sunshine Guojian	Shanghai Food and Drug Administration	GMP CERTIFICATION	Recombinant anti-CD25 humanized monoclonal antibody injection
	Shanghai Food and Drug Administration	GMP CERTIFICATION	Recombinant human type II tumor necrosis factor receptor-antibody fusion protein for injection (drug substance production line C + formulation area III)
	Shanghai Medical Products Administration	GMP compliance statement	Recombinant human tumor necrosis factor receptor II-antibody fusion protein injection (drug substance production line B + finished product formulation area II)
	Shanghai Medical Products Administration	GMP compliance statement	Narlumosbart injection
	Shanghai Medical Products Administration	GMP compliance statement	Inetetamab for injection (Concentrate production line D in the concentrate production area + Formulation area III in the formulation production area)
	Shanghai Medical Products Administration	Drug GMP compliance inspection	Amdokitug injection (February 27, 2026)

Manufacturing base	Certification authority	Certification (inspection)	Scope of certification
	Shanghai Medical Products Administration	License inspection	Inetetamab for injection, Amdokitug injection, Recombinant humanized monoclonal antibody against VEGF for injection, Recombinant humanized monoclonal antibody against IL-4R α for injection, Recombinant humanized monoclonal antibody against IL-1 β for injection
	Shanghai Drug Evaluation and Inspection Center	GMP compliance statement	Packaging line IV
	Center for Food and Drug Inspection, National Medical Products Administration	Registration on-site inspection	Amdokitug injection (February 10, 2026)
	Ministry of Health of Turkey	GMP CERTIFICATION	Recombinant human type II tumor necrosis factor receptor-antibody fusion protein for injection; Recombinant human type II tumor necrosis factor receptor-antibody fusion protein injection
	National Food and Drug Surveillance Institute (Colombia)	GMP CERTIFICATION	Recombinant human type II tumor necrosis factor receptor-antibody fusion protein for injection
Sunshine Mandi	Zhejiang Medical Products Administration	GMP CERTIFICATION	Tablets, hard capsules, tinctures, creams (hormonal), sprays, granules
	Zhejiang Medical Products Administration	GMP compliance check	Tablets, tinctures (topical), ointments, foams
Sciprogen	Guangdong Medical Products Administration	Drug production license	Active pharmaceutical ingredients, small-volume injections, and therapeutic biological products
	Food and Drug Administration of the Philippines	Registration certificate	Human erythropoietin injection
	Food and Drug Administration, Myanmar	Registration certificate	Human erythropoietin injection
	Thailand Food and Drug Administration	GMP CERTIFICATION	Human erythropoietin injection

3. Product Responsibility

Quality Inspection

The Group's manufacturing bases have established systems such as *Procedures for Quality Inspection Management, General Guidelines for Inspection*, *Standard Management Procedures for Inspection Data and Audit Trail*, and *Standard Management Procedures for Reporting Inspection Results*. According to the *Standard Management Procedures for Material Release*, *Standard Management Procedures for Product Release*, and other documents, products can only leave the factory after they pass internal quality inspection, and the results are verified and approved by the quality control managers.

The Group has comprehensive internal inspection capabilities and can carry out testing at all stages from the entry of materials into the factory to the shipment of finished products out of the factory, including raw and auxiliary material inspection, packaging material inspection, product testing, stability investigation, sample retention observation, and methodological validation. Our Quality Control Department has sections such as material room, product room, microbiology room, and new product room. The laboratory is equipped with an instrument room, physical and chemical laboratory, stability investigation room, and microbiology laboratory that meet GMP requirements. Having undergone pre-service training, our inspection personnel inspect samples and assess stability according to approved operating procedures and conduct out of specification (OOS) investigations on deviations during the inspection process to ensure the accuracy of detection data.

Quality Testing Abilities of Manufacturing Bases

Shenyang Sunshine	• Have the ability to analyze and test recombinant protein biological products, including biological activity determination, protein purity test, protein content determination, identification of protein drug physicochemical properties, residual impurity test, glycosyl analysis, safety test, etc. • During the reporting period, Shenyang Sunshine added equipment such as a real-time fluorescent quantitative polymerase chain reaction (qPCR) analyzer and a total organic carbon (TOC) analyzer, expanding testing capabilities and inspection capacity for protein-based product-related items.
Sunshine Guojian	• Holding the inspection and testing institution metrological accreditation recognized by the National Institutes for Food and Drug Control (NIFDC), and possessing analytical method development and testing capabilities covering the entire process for antibody products. • Capable of conducting testing, as well as method development and validation, for various samples involved in product testing. Testing items cover physicochemical tests, identification, content, purity, activity, process-related impurities, microorganisms, and testing of other quality attributes, while also covering related testing such as raw and auxiliary materials, packaging materials, process water, and environmental monitoring.

Sunshine Mandi	• Possess testing capabilities across all stages from incoming materials to finished product release. Testing items cover physicochemical tests, identification, assay, process-related impurities, microbiology, and testing of indicators related to the physical properties of inner packaging materials, ensuring that product quality and packaging suitability meet requirements.
Sciprogen	• Have analytical testing capabilities for recombinant protein biologics and small-molecule chemical drugs, including purity characterization capabilities such as high-performance liquid chromatography and electrophoresis, as well as activity characterization capabilities such as enzyme-linked immunosorbent assay, animal testing, and potency determination based on the principle of enzymatic reactions. • Have testing capabilities for characterizing the impurity profile of pharmaceuticals, covering technical platforms such as high-performance liquid chromatography, gas chromatography, ion chromatography, thermal analysis, and real-time quantitative PCR. • Have full-process testing capabilities for intermediates and finished products of Erythropoietin Injection, Nadroparin Calcium Injection, Low Molecular Weight Heparin Calcium Injection, and other products.

For third-party testing, the subsidiaries and manufacturing bases of the Group have developed the relevant rules and policies and operation procedures.

Third-party Testing Procedures of Manufacturing Bases

Shenyang Sunshine	• Shenyang Sunshine developed the *Management Regulations for Entrusted Inspection* to clarify the selection of appropriate audit approaches based on different contracted parties, including qualification audits and document audits. • Following a compliance assessment of contracted testing matters in accordance with relevant guiding principles, approvals, filings, or reporting were completed as required.
Sunshine Guojian & Sunshine Mandi	• They developed the *Standard Operating Procedures for Entrusted Inspection Management*, specifying that qualified contractors are selected based on the requirements of outsourced testing projects. Risk level assessments were conducted for outsourced testing activities, and the audit approach for contractors was determined based on the assessment results, including on-site audits, document-based audits, and qualification reviews.

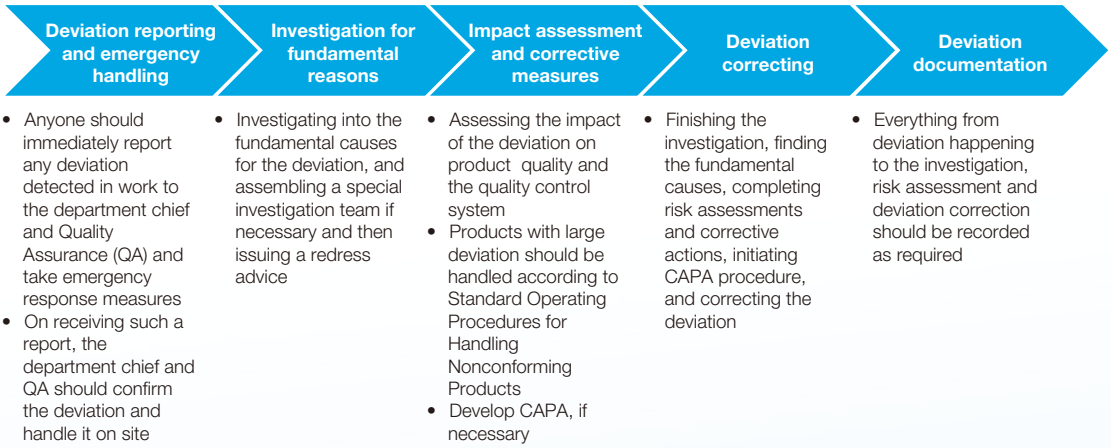
	• For outsourced testing related to commercial production, the Quality Assurance (QA) Department filed with the municipal drug regulatory authority and conducted regular audits and ongoing supervision of contractors.
Sciprogen	• Sciprogen developed the *Management System of Entrusted Inspection*, clarifying the applicable conditions and implementation process for outsourced testing, and standardizing the management of key aspects such as contractor selection, qualification review, contract execution, testing implementation, and evaluation of test results, so as to ensure the accuracy of test results and confirm that technical service providers possess the corresponding capability level; meanwhile, Sciprogen put forward clear requirements for the qualification approval of the qualified person, ensuring their effective oversight of the entire outsourced testing process.

The Group has established its systems such as the *Standard Handling Procedure for Quality Deviation, Standard Operating Procedures for Annual Product Quality Review,* and the *Standard Management Procedures for Corrective and Preventive Actions (CAPA)*, to carry out CAPA and preventive inspection for deviations, self-inspections and external audits in the production process.

During the reporting period, Sunshine Guojian, in accordance with the requirements of internationally mainstream pharmaceutical regulations and guidelines such as those of the World Health Organization (WHO) and the Pharmaceutical Inspection Co-operation Scheme (PICS), systematically upgraded its deviation procedures, strengthened control over the scope of deviation impacts and product distribution, established a risk-based graded assessment and resource allocation mechanism, standardized root cause investigation methods, clarified criteria for identifying repeated deviations and requirements for escalation management, and incorporated dimensions such as data integrity and environmental, health and safety into the final impact assessment framework. It also promoted mandatory implementation of corrective and preventive actions for major and critical deviations and closed-loop tracking, thereby comprehensively enhancing the systematicness, precision, and continuous improvement capabilities of deviation management.

The Group regulates the management of deviations in the production process, ensuring that any deviation should be reported, recorded, evaluated, investigated and disposed of according to the prescribed procedures. The Group conducts thorough investigations into all identified deviations and provides clear explanations. Only after meeting release standards as verified in the assessment can products leave the factory. Otherwise, they will be handled according to *Standard Operating Procedures for Handling Nonconforming Products*, and if necessary, corrective and preventive measures will be taken to prevent the recurrence of such deviations.

Deviation Handling Flow



The Group has formulated the *Standard Management Procedures for Defective and Waste Products*, *Standard Operating Procedures for Rework*, *Standard Management Procedures for Returns and Exchanges*, and other systems to register, isolate, and mark products that are judged as unqualified due to deviation processing, and rework, scrap or return and exchange based on the specific circumstances. For products that use computerized warehousing management, it is necessary to update their material quality status in the computer system and paste unqualified product labels to ensure accurate transmission and full-process traceability of information.

Unqualified products or expired drugs are handled in accordance with the requirements of the *Plant Waste Management Procedures* and entrusted to qualified institutions for processing. Meanwhile, the quality management personnel of each production base monitor the entire process of unqualified product processing. Materials with the same production batch number that have been treated as unqualified products will no longer be purchased, and it will be clearly stipulated in the contract or agreement with the supplier to avoid similar problems from happening again.

For consigned production, the Group, in accordance with the requirements of the quality agreement for consigned and commissioned production, clearly specified the relevant provisions on the management of non-conforming products under consigned and commissioned production scenarios in the *Standard Management Procedures for Defective and Waste Products*, so as to meet the management needs of both parties.

In terms of product label management, the Group has established a strict label management process and ensured that the content of the label complies with the requirements of the *Provisions for Drug Insert Sheets and Labels* and the *Pharmacopoeia of the People's Republic of China*, and is consistent with the information approved by the drug regulatory authorities.

3. Product Responsibility

Product Label Management Measures for Each Manufacturing Base

Shenyang Sunshine	• Shenyang Sunshine formulated institutional documents such as *Packaging Materials Management Regulations* and *Printing Packaging Materials Design and Platemaking Management Regulations* to systematically standardize management requirements for label design, plate making, approval, printing, acceptance, storage, inspection, and issuance. • Labels were reviewed by the quality management department and procured from qualified suppliers. After arrival, acceptance and inspection were completed and the labels were released batch by batch. Before use, they were counted and collected as required, and material balance control was implemented.
Sunshine Guojian	• Sunshine Guojian continued to optimize system management for label design, printing, storage, issuance, and destruction. During the reporting period, Sunshine Guojian carried out systematic revisions to *Standard Operating Procedures for Design, Review and Approval of Printing and Packaging Materials* and, through document communication and training, promoted relevant personnel's understanding of the updated requirements.
Sunshine Mandi	• Sunshine Mandi implemented the *Standard Management Procedures for Label and Manual Design and Printing*. During the reporting period, Sunshine Mandi optimized the change application process for labels and package inserts, plate-making workflows, and confirmation of implementation status, further standardizing management processes.
Sciprogen	• Sciprogen implemented management systems including *Regulations for the Management of Printed Packaging Materials*, *Standard Operating Procedures for Material Acceptance and Storage*, and *Standard Operating Procedures for Material In and Out of Warehousing*. • Sciprogen established a label management process covering all steps including acceptance, storage, inspection and release, issuance for use, and destruction. Through measures such as supplier audits, environmental and status control, approval of quality inspection, dual-person verification for issuance, and supervised destruction, Sciprogen ensured the standardization, accuracy, and traceability of label management.

Quality Training

Each manufacturing base has established an employee quality training system to clarify the coverage and frequency of quality training. All companies within the Group ensure that their employees undergo training on product quality and safety, with a minimum frequency of once per year, to enhance their awareness of quality management. During the reporting period, each manufacturing base of the Group continued targeted training on product quality and safety.

Quality Training for Each Manufacturing Base in 2025

Shenyang Sunshine	• Shenyang Sunshine updated *Employee Training Management Protocols*. In the Company-level annual training plan, Shenyang Sunshine added training content on good documentation practices and the Liaoning Province Drug Marketing Authorization Holder List of Primary Responsibilities, and introduced requirements such as absence-from-training management, quarterly document training reviews, qualification risk inspections, and annual completion status inspections. • Shenyang Sunshine conducted one training session for GMP-controlled personnel once a year. During the reporting period, a total of four product knowledge training sessions were conducted, covering 500 employees. The content covered process knowledge for each product, further enhancing employees' understanding of product knowledge.
Sunshine Guojian	• **On-the-job/resumption/transfer/new job assignment training for production quality personnel:** Sunshine Guojian completed the corresponding on-the-job training or position unit module training according to the training plan, covering 153 employees. • **Company-wide annual training on quality system:** Sunshine Guojian completed 37 training courses, with a total of 5,393 attendances. • **Departmental annual training on quality system:** Sunshine Guojian completed 18 training courses, with a total of 308 attendances. • **External training:** 14 employees participated in 9 external training courses, mainly involving laws, regulations, industry trends, verification, and professional skills. • **Special operations training:** 69 employees participated in the training for special operators involving hazardous chemicals, pressure vessels, etc.

3. Product Responsibility

Sunshine Mandi	• Sunshine Mandi improved the quality management training system, strengthened trainer management, and added requirements for employees' phased on-the-job and transfer/leave-of-post training. • Sunshine Mandi conducted a total of 2,348 quality management training sessions, covering all GMP-related employees. In addition to routine document training, we organized and implemented 14 annual training sessions, 5 audit skills training sessions, and 515 ad hoc training sessions throughout the year, enhancing employees' quality awareness and operational capabilities. • Among these efforts, Sunshine Mandi launched a training management system, optimized relevant policies, systems, and processes in conjunction with system operation, and completed via the system 515 document training items, 3 Company-level annual training items, 96 ad hoc training items, and 266 job-position training items, standardizing the training process and improving training effectiveness.
Sciprogen	• Sciprogen has established a quality training system integrating internal and external training. The internal part involves company-level, cross-departmental, and departmental training, while the external part includes training on regulations organized by drug regulators, special skills training, and technical exchange training within the industry. These training activities covered all employees of Sciprogen. • **Company-wide training:** Sciprogen organized and implemented company-wide training according to the annual plan, focusing on product quality review, qualification of clean plants and purified HVAC systems, deviation investigation and validation management, microbiology and clean area control, GMP equipment management, nonconforming product and rework/recovery management, quality risk management, regulatory and pharmacovigilance requirements, and data and record management. • **Department-wide training:** Sciprogen conducted internal training according to the annual training plans formulated by each department. Training content involved refresher training on job operation skills, deviation case analysis, cold chain and facility qualification, data integrity, supervision of contract manufacturing, contamination control strategy, batch record review, and process monitoring for biological products. • **External training:** Training content included operation of professional instruments, exchange on contamination control strategies, enhancement of pharmacovigilance capabilities, training for laboratory animal practitioners, interpretation of pharmacopoeia updates, GMP self-inspection and self-review, and training related to quality management and inspections for marketing authorization holders.

3.2 Drug Safety Management

Pharmacovigilance System

Pharmacovigilance (PV) and risk management represent an important part of the life-cycle risk management of products. To fulfill our promise to safeguard patients' safety, the Group has established a pharmacovigilance system for the entire life cycle from the development of new drugs to the post-marketing of drugs in accordance with the *Law of the People's Republic of China on the Administration of Drugs*, the *Regulations on Adverse Drug Reaction Reporting and Surveillance*, and the *Good Pharmacovigilance Practices (GVP)*. Risk management measures will be promptly taken for important safety risks of drugs found during the new drug development stage and post-marketing stage, to improve the overall safety level of drug use and ensure the safety of drug use by patients.

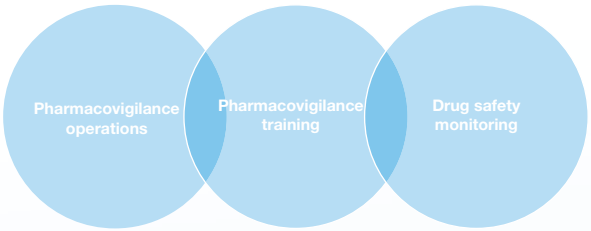
Following the documented management system, such as the *Pharmacovigilance Management System* and the *Charter of the Drug Safety Committee*, the Group has regulated pharmacovigilance throughout the life cycle of drugs and continuously optimized the pharmacovigilance quality management system. By updating and refining operating procedures such as the *Standard Operating Procedures for the Pharmacovigilance Quality Management System*, the *Standard Operating Procedures for Pharmacovigilance Document Archiving Management*, the *Standard Operating Procedures for Pharmacovigilance Corrective and Preventive Action Management*, and the *Standard Operating Procedures for Pharmacovigilance Training Management*, the Group has improved the assessment system for key pharmacovigilance performance indicators, strengthened quality system controls, ensured the timely identification of system deficiencies and related risk information, and safeguarded compliant, efficient, and high-quality operation of the pharmacovigilance system.

Each MAH of the Group has established a Drug Safety Committee and the independent Pharmacovigilance Department. The Pharmacovigilance Department is responsible for the pharmacovigilance work of each MAH, covering three major pharmacovigilance systems, i.e. pharmacovigilance operations, pharmacovigilance training, and pharmacovigilance monitoring, to establish a sound pharmacovigilance system for the entire life cycle from the development of new drugs to the post-marketing of drugs.

3. Product Responsibility

Drug Safety Committee	**Responsibilities:** Responsible for the study and judgment of major drug risks, handling of major or emergency drug incidents, risk control decisions and other major matters related to pharmacovigilance.
Pharmacovigilance Department	**Responsibilities:** Responsible for the effective operation and maintenance of the pharmacovigilance system, ensuring compliance of pharmacovigilance activities throughout the life cycle of the drug.

Pharmacovigilance System



The Group and the MAH of each manufacturing base have established effective and smooth channels for the collection of post-marketing adverse drug reaction information, including but not limited to the hotline, public mail, medical literature search, quality complaints, etc. The Pharmacovigilance Department conducts entry of adverse drug reaction/event data, quality control, and medical evaluation by relying on the pharmacovigilance database, and submits the relevant report to regulatory agencies within the period required, to ensure that collected adverse reaction information are handled in a timely, systematic, and compliant manner.

Case Report Collection Methods and Approaches

Medical institutions Mainly through medical information communication specialists	**Pharmaceutical business enterprises** Mainly through the provisions of PV clauses agreed in commercial agreements/drug quality agreements	**Literature search** Chinese databases: CNKI, Wanfang, Cqvip Foreign databases: PubMed, Embase, Ovid
Regulatory feedback report Triage daily testing and report creation	**Telephone and complaints** PV 24h hotline, 400 call center, and safety information contained in drug complaints	**Post-marketing study** Reporting requirements for studies initiated by the Group, and adverse reactions mainly specified in the study protocol
Collection of information on overseas marketed drugs Mainly by signing SDEA separately or by incorporating the PV clauses in other agreements	**Others** PV public mail and data collection project	

In clinical studies conducted for new drugs or new indications for drug applications, each MAH under the Group collects, handles and evaluates serious adverse events (except in cases where immediate reporting is not required under the trial protocol or other documents (e.g., Investigator's Manual)), adverse events of special interest and pregnancy events that meet regulatory requirements. For individual cases that meet the definition of suspected unexpected serious adverse reactions, the Group should report promptly to the drug regulatory and health departments, researchers, relevant institutions and ethics committees as required. In accordance with the terms of the commercial agreements signed for the projects, the Group clearly defined the allocation of pharmacovigilance responsibilities and the related duties and obligations, and, in conjunction with the regulatory requirements of various countries and internationally accepted procedures, drafted or reviewed pharmacovigilance agreements or safety data exchange agreements to ensure that pharmacovigilance activities for the relevant projects were conducted in a compliant and orderly manner.

3. Product Responsibility

For post-marketing drugs, the Group scientifically and normatively detects drug safety risk signals every six months or every year and forms a report. During the reporting period, the Group optimized the periodic post-marketing signal detection process and updated it to "Signal Detection, Signal Verification, Signal Prioritization, Signal Evaluation, Risk Grading, and Action Recommendations", making the process more aligned with internationally accepted practices and further enhancing the scientific rigor of signal detection and management compliance.

For the known or potential major risks of identified and confirmed drugs, the Group has established an effective communication mechanism to promptly convey drug risk information to stakeholders such as regulatory authorities, patients, and medical institutions to protect patient safety and public health. During the reporting period, each MAH continued to carry out routine pharmacovigilance work such as safety information collection and signal monitoring. Based on the collected safety information and previous accumulated data, no new safety risks related to marketed products were found.

The Group has continued to carry out routine pharmacovigilance activities, including individual safety report evaluation, regular safety data analysis and risk signal monitoring, to promptly identify and evaluate the safety risks of drugs, and taken corresponding risk minimization measures, such as revising the drug instructions to update safety information. For major safety issues identified subsequently or risks that require cross-departmental coordination, the Group will formulate and implement corresponding measures and action plans based on the characteristics of risk signals to ensure that drug safety risks are effectively controlled.

The Group regularly organizes pharmacovigilance training sessions and conducts assessments to promote relevant knowledge and enhance employees' pharmacovigilance awareness and management capabilities. During the reporting period, the main training sessions conducted by the Group included:

- We delivered nine pharmacovigilance knowledge training sessions for new employees in the marketing system and implemented online assessments, achieving a 100% pass rate.

- We provided adverse event reporting training for all employees and organized online assessments, covering a total of 6,105 person-times, with a pass rate of 98.36%.

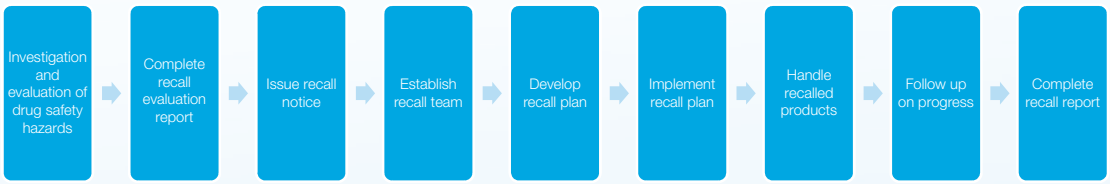
- A total of 24 pharmacovigilance knowledge and safety event reporting training sessions were conducted for project operations personnel, such as clinical monitors and clinical research coordinators, as well as clinical researchers nationwide.

Product Recall Mechanism

The Group has developed the *Procedure for Products Recall* and *Standard Management Regulations for Recall Management*, according to the *Regulations on Drug Recall*, *Good Manufacturing Practice* and *Good Manufacturing Practice of European Union* and other laws and regulations, detailing organizational structure, processes and operating procedures for recalls and specifying the levels and reporting time for product recall.

During the investigation and evaluation process, if defects involving production or quality systems are found, manufacturing bases will formulate corresponding corrective and preventive measures, and clearly specify the implementation period and responsible persons of the corrective and preventive measures in the report to ensure the lawful, accurate and quick recall of drugs with quality problems or potential safety risks marketed by the Group. During the reporting period, there was no event requiring product recall by the Group.

Product Recall Procedures



The Group conducts mock product recalls at least once every two or three years to evaluate the effectiveness of the recall system. During the reporting period, each manufacturing base organized mock recalls as required, covering the sales end through to hospitals, drugstores, and retailers. The mock process included drug safety hazard investigation and assessment, drug recall plan formulation, recall notice sending, collection of notice receipt, receipt and processing of recalled drugs, etc. The specific details are as follows:

- **Shenyang Sunshine:** Conducted mock Class I recalls, covering domestic and overseas markets, involving a total of 22 customers and more than 100,000 units of products, and achieved 100% customer outreach, with a mock recovery rate reaching 100%.

- **Sunshine Guojian:** Conducted mock recall drills, covering sales end through to hospitals, drugstores, and retailers. Throughout the drill, both product traceability and material balance reached 100%, the response timeliness met the standards, and the reliability of the existing drug traceability system was effectively validated; In addition, completed a simulated recall test in the Colombian market through a local distributor, complying with Colombian regulatory requirements.

- **Sciprogen:** Completed one mock recall of contract-manufactured products, and the relevant procedures were implemented smoothly.

3. Product Responsibility

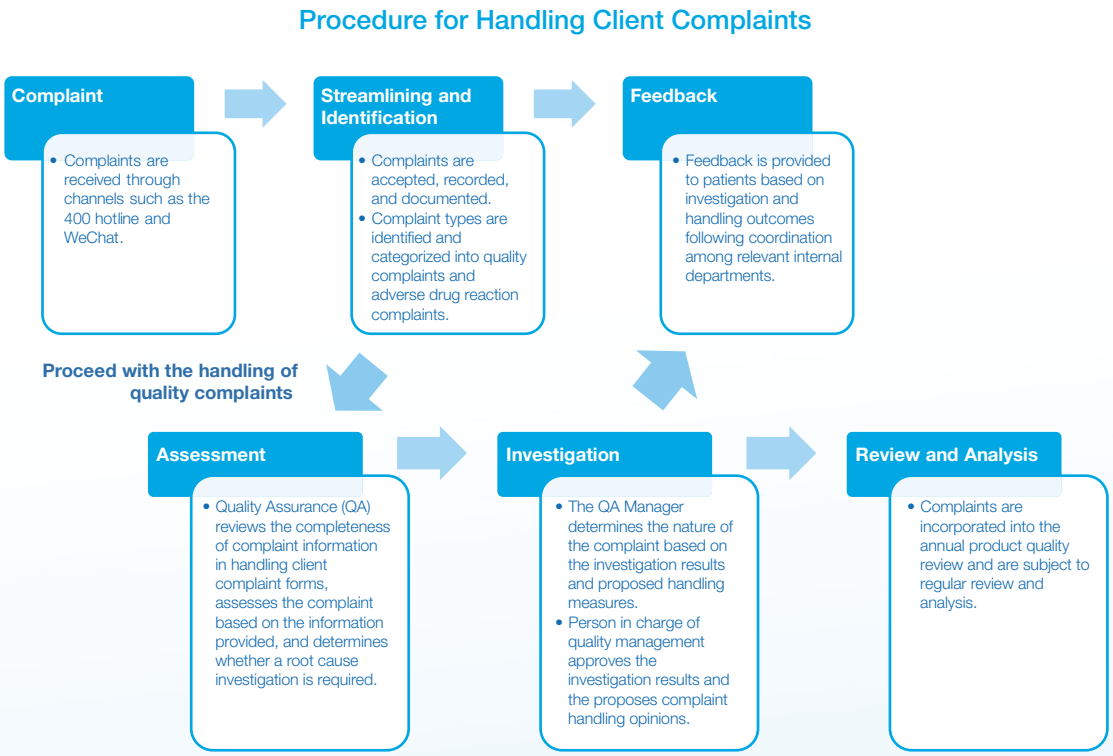
Handling Client Complaints

The Group plays high importance on services for patients, and has actively established multi-channel user communication system through the Group's 400 hotline, WeChat platform and brand service hotlines of third party calling centers as well as regular patient visits, to offer timely and efficient solutions for clients.

The Group, in line with policies such as the *Standard Management Procedures for Handling User Complaints*, *Standard Management Procedures for Complaint Management*, and *Complaint Management Procedures*, and manages the entire process of receiving, classifying, investigating and analyzing user complaints, as well as the handling of complained products and the formulation of corrective and preventive measures, to ensure that complaints can be handled promptly and properly. According to the nature of the incident, complaints can be divided into quality complaints, medical complaints, and suspected counterfeit drug complaints. At the same time, according to the severity and the risk to patient health, the Group manages complaints in a graded manner to adopt a more targeted strategy.

In response to quality complaints, the Group resolved issues through methods such as oral explanations, written responses, or replacement of medicines. Where necessary, the Group reported to regulatory authorities and incorporated complaint information into product quality reviews, regularly analyzing the number, trends, and issues of complaints to provide a basis for improving medicine quality.

Upon receiving a complaint, the Group promptly carried out internal communications, coordinated relevant departments to respond to user needs, and regularly conducted complaint risk assessments, formulated corrective and preventive measures in a timely manner, and, when necessary, initiated market recall procedures to safeguard drug quality and patient safety. During the reporting period, the Group received 93 client complaints for products and services, with a 100% complaint handling rate.



3.3 Responsible Marketing

Upholding the business philosophy of "Integrity, Standardization, Transparency and Fairness", the Group promotes drugs and medical knowledge in an ethical, scientific and objective manner; strictly observes national laws and regulations on product labeling and advertisement, and ensures that regulators, medical professionals, and patients have access to authentic and rigorous products and academic information.

The Group, in accordance with *3SBIO Group Compliance Management System*, refined management's compliance responsibilities, incorporated managers' performance of duties into the annual performance appraisal, and clarified their responsibility for compliance decision-making in marketing activities; At the same time, we implemented proactive management of marketing plans by establishing review checkpoints at key stages such as external academic speaker qualification reviews, agreement reviews, and fee payments, and incorporated the fulfillment of duties into the compliance assessment system.

3. Product Responsibility

In addition, the Group formulated the *Procedure for Approving Promotional and Educational Materials*, requiring that all marketing promotions and claims information adhere to the principles of accuracy, clarity, and transparency. In conjunction with new industry policies, regulatory developments, and past experience, the Group improved multiple systems, including the *Marketing and Promotional Materials Management Standards*, *Promotional Service Provider Qualification Procedures*, *Investigative Measures for Promotional Service Provider Violations*, and *Norms for Management of Academic Promotion Publicity and Educational Materials*. Through rigorous pre-approval review, training and communication, in-process supervision, and post-event compliance inspections, the Group ensured that the promotional and educational materials used by employees when engaging with patients, healthcare professionals, and medical institutions complied with laws and regulations, drug administration requirements, and industry standards, thereby preventing false or exaggerated publicity.

Three Major Principles of Marketing

Accuracy: Promotional information or statements should be in line with the tags approved by the government, and no advertising or promotional materials may be used without proper authorization

Clearness: All product information for public communication should be complete and clear and contain no misleading narrative

Transparency: Full description of product safety should be offered; there should be no exaggeration of a product or technology or hiding of potential risk to prevent misunderstanding in any form

Procedure for Approving Promotional and Educational Materials

Material making

- Generally, the product manager or medical manager is in charge of material making.

Filing for approval

- All promotional and educational materials can be used only after they are approved.
- Promotional and educational materials for products involving third-party cooperation can be used only after they are approved by both the Group and the competent departments of the partner.

Printing and filing

- The Procurement Department will print materials approved by the authorities with the issued approval number and validity period.

Validity management

- All employees should only use approved materials within the validity period for promotional and educational activities
- Departments using the materials should file for a new round of procedure for approving promotional and educational materials prior to the expiry of the validity period.

Recall and destruction

- When a decision for recalling promotional and educational materials is made, the relevant employees should be notified via the Group's OA system or e-mail, and distribution of the materials outside the Group should be immediately terminated.
- The product manager should make a list of materials to be destroyed and document the list for record filing.

The Group has established a responsible marketing risk assessment system, regularly updated the risk list, and implemented tiered management of risks such as false advertising, improper incentives, and commercial bribery. The Group has also incorporated the risk identification results and internal audit findings into the compliance management platform in a synchronized manner for compliance management and performance appraisal across departments, thereby achieving systematic control over compliance risks in marketing activities.

In terms of responsible marketing audits, the Group conducts an internal audit once every three years to comprehensively assess the compliance of overall marketing activities; Meanwhile, the Group conducts comprehensive audits for the marketing team every six months and implements special audits, focusing on verifying the compliance of expense usage, the standardization of execution controls, the consistency between deliverables and contracts, and the implementation of training, continuously enhancing our marketing management and compliance control capabilities.

The Group arranges responsible marketing training for all employees at least once a year, and further determines the coverage and frequency of responsible marketing training for key positions:

- For all new employees, at least three training sessions on responsible marketing topics such as product promotion specifications within 90 days after joining the Company;
- For new regional managers and area managers, at least two to three training sessions per year;
- For all employees in the marketing line, at least two training sessions per year.

During the reporting period, the Group further strengthened training and management requirements for business leaders, covering four major systems, namely R&D, production, marketing, and functions, and extending to third-party partners such as distributors and suppliers; Meanwhile, the Group organized marketing center personnel to receive more than ten compliance training sessions throughout the year. Through a combination of online and offline approaches, case analysis, and training assessments, the Group continuously enhanced employees' understanding of and ability to implement responsible marketing.

4. Supply Chain Responsibility

The Group classifies suppliers into four categories: strategic suppliers, preferred suppliers, relationship maintenance suppliers, and transactional suppliers, based on supplier substitutability and the potential impact on our business of supply disruption or quality risks. The Group focuses on the quality, safety and stability of its supply chain, continues to strengthen the environmental compliance and social responsibility management of suppliers and is committed to building a resilient and responsible supply chain.

4.1 Resilient Supply Chain

In terms of supplier quality management, the Group has built a sound supplier quality management system, and it continues to optimize and improve the supplier quality management mechanism through effective measures such as strengthening system construction, conducting quality assessments, implementing strict quality audits, conducting regular quality reviews and empowering suppliers, thereby effectively ensuring the stability of supply chain product quality.

Supplier Quality Management System

Management Dimension	Management Method
System construction	The Group has formulated the *Detailed Rules for Supplier Management*. Each manufacturing base has developed systems such as the *Standard Management Procedures for Supplier Management, the Management Procedures for Supplier Audit* and *the Standard Operating Procedures for On-Site Quality Inspection* to strictly manage suppliers' product quality. Meanwhile, based on category segmentation, the Group has specified management requirements for material and service suppliers. Suppliers are required to ensure that the products they provide meet the Group's quality requirements and can be verified through authoritative certifications or reviews by the Group's professionals, so as to ensure the safety and compliance of pharmaceuticals.
Quality assessment	The Group conducts a supplier assessment once a year, classifying suppliers into four categories: materials, services, fixed assets, and engineering. The assessment dimensions cover key indicators such as supply stability, quality, service, cost, and innovation capability. Based on the assessment results, the Group formulates corresponding management and corrective measures to continuously enhance the supply chain's quality management standards.

Management Dimension	Management Method
Quality audit	The Group has built a quality audit system that covers new and existing suppliers: • **For new suppliers,** the Group audits their qualifications and strictly reviews their business qualifications and quality standards for raw materials to ensure conformity with the standards for quality and technology in production. The Group reviewed 261 new supplier qualifications during the Reporting Period. • **For suppliers in partnerships,** regular and random quality audits are conducted, including written and on-site audits. Audit content includes suppliers' production management and quality control and on their procurement standards, their audit mechanisms for their secondary suppliers and the list of their qualified suppliers, among others. In response to the quality issues identified during the audits, the Group will issue quality improvement notices requiring suppliers to implement rectifications, provide necessary training and guidance, and establish a quality issue tracking log to continuously follow up on rectification progress. During the Reporting Period, the Group conducted audits of 464 suppliers, including 400 written audits and 64 on-site audits. • **For overseas suppliers**, audits are primarily conducted in writing, with on-site audits also commissioned from third-party organizations to ensure compliance with quality management requirements.
Quality review	We conduct quality reviews of production material suppliers and prepare review and analysis reports every year. Key indicators include inspection pass rates, deviation/complaint rates, and delivery performance. Suppliers that failed to meet evaluation requirements will be disqualified, while qualified suppliers will be incorporated into a periodic quality assessment program, and evaluated regularly in accordance with the plan.

4. Supply Chain Responsibility

Management Dimension	Management Method
Supplier empowerment	**Supplier training** The Group regularly provides quality training to qualified suppliers requiring GMP management and new suppliers every year in conjunction with management needs, and the frequency of training is no less than once a year to constantly achieve improvement of suppliers' quality management capabilities. Training methods included online courses, offline information delivery by correspondence, and on-site audit guidance. In addition, the manufacturing bases carry out training for suppliers from time to time, and train suppliers of pharmaceutical cold-chain transportation in quality control of product transportation every year. **On-site guidance** The Group provides on-site guidance and training to new suppliers during the qualification review, in order to help them correct and prevent quality problems promptly. **Suppliers' capability enhancement** The Group regularly provides on-site guidance to local suppliers. For improvement issues identified, the Group proposes improvement recommendations on quality, production, equipment management, and plant layout, and supervises the implementation of corrective actions, to promote improvements in suppliers' quality management capabilities and effectiveness.

Supplier Audit and Training Status of Each Manufacturing Base in 2025

Shenyang Sunshine	• Shenyang Sunshine conducted quality assessments of manufacturers and distributors and, together with the material procurement, inspection, and user departments, carried out on-site quality system audits of key and major manufacturers. A total of 163 suppliers were assessed, including 28 on-site audits and 135 document and qualification audits, and all results were qualified.
Sunshine Guojian	• Audits were conducted for 44 key material suppliers, including 21 on-site audits and 23 written audits. The suppliers' qualifications and their production management, quality management, and warehousing management systems all met the requirements.
Sunshine Mandi	• Sunshine Mandi required suppliers to have complete and legal qualifications, sufficient production capacity and supply lead times, products that met quality standards, and to sign a Quality Assurance Agreement. Sunshine Mandi also increased the types of qualification documents required, raised assessment requirements for off-site audits, and strengthened audits of overseas suppliers. • Sunshine Mandi completed on-site audits of 28 material suppliers and three contract manufacturers, as well as off-site audits of 14 suppliers.
Sciprogen	• Sciprogen conducted written audits of 76 material suppliers (including manufacturers and distributors) and 12 service suppliers, of which 74 material suppliers and ten service suppliers had audit conclusions that met the requirements. Sciprogen conducted on-site audits of 18 key material and service suppliers, all of which had audit conclusions that met the requirements. • Sciprogen completed qualification reviews for newly added suppliers, including 12 material suppliers (including manufacturers and distributors), one third-party pharmaceutical logistics service provider, two entrusted testing service providers, and one calibration/metrology service provider. • Sciprogen provided training to two logistics carriers on pharmaceutical cold-chain logistics-related regulatory knowledge, safety, and key points for on-site operations.

4. Supply Chain Responsibility

To further enhance supply chain resilience and reduce the risk of inventory disruption and stagnation, the Group has set up a Material Committee, which is responsible for promoting coordination and fine management of materials, as well as the development of secondary suppliers and domestic suppliers in each manufacturing base, so as to reduce risks in material supply and ensure business stability. The Group did not experience any work and production suspension due to material supply disruptions during the Reporting Period.

Measures to Enhance Supplier Resilience

Refined material management	• **Cost control:** The Group has formulated the *Procedure for Cost Control of Raw Material for Products under Development* to manage the costs of raw materials in ongoing projects starting from the material selection on the platform, covering the entire process from product launch through post-launch changes. • **Production and manufacturing management:** For the manufacturing stage, the Group has strictly followed policies related to procedures for production needs management and sluggish materials management to ensure strengthened internal communication and regular exchange of dynamic data such as order lead time and material delivery time, so as to identify potential short-supplied materials in advance and communicate with suppliers. • **Materials planning optimization:** The Group has established a business intelligence model for materials requirements planning, import offline data such as inventory, bills of materials, and the master production schedule into the system, and enable automated processing and analysis to improve the efficiency and management accuracy of materials data processing.
Supplier diversification	• **Supply source expansion:** All manufacturing bases continued to promote the development of second supply sources for key materials used in production and R&D. By increasing the number of backup suppliers, we reduced the risk of supply disruption. As of the end of the Reporting Period, all manufacturing bases carried out a total of 106 second supply source development projects, with a completion rate of 26.42%. • **Local procurement enhancement:** All manufacturing bases advanced domestic substitution for suppliers of key materials. Through localized procurement, we reduced dependence on imports, improved supply responsiveness, and ensured timely product delivery.
Long-term cooperation with suppliers	• **Supplier partnership strengthening:** The Group has clearly stated the establishment of mechanisms for establishing long-term supply agreements with important suppliers in the *Manual for Procurement Management* and the *Quality Assurance Agreement* of the GMP system. The stability of production and operations will be ensured by signing long-term supply agreements. • **Supply chain finance support:** We provided funding support to supply chain partners to enhance their liquidity and ensure stable cash flow. During the Reporting Period, we carried out financial cooperation with 100 suppliers.

4.2 Responsible Supply Chain

The Group has formulated the *Manual for Procurement Management, the Standards for Production Material Suppliers Management* and *the Standard Procedure for On-site Audit on Suppliers*, and other regulations to regulate the suppliers' social and environmental risk management. Since 2018, the Group has required all suppliers to sign the *Code of Conduct for Suppliers*, clearly specifying their responsibilities and obligations in environmental protection. In addition, the EHS departments at each manufacturing base have veto power over audit matters involving environmental risks, in order to strengthen the environmental risk prevention and control mechanism.

Also, the Group requires all suppliers to sign the *Supplier Code of Conduct Commitment Letter*, encouraging supplier partners to jointly participate in the Group's compliance management initiatives. For conduct that violates the Code, the Group will take measures such as warnings, requiring rectification within a specified time limit, termination of cooperation, or inclusion on a blacklist depending on the severity of the circumstances, continuously strengthening institutional constraints and enforcement.

The Group regularly assesses and scores our suppliers in terms of product quality and safety, environmental protection and social responsibility every year, driving continuous improvements across the supply chain in compliance, quality and safety, and environmental management, thereby fulfilling sustainable development responsibility requirements. During the Reporting Period, the Group evaluated 89.51% of our suppliers in terms of environmental, labor and business ethics assessments.

The Group used the system provided by Risk Raider to conduct due diligence investigations and monitor risks on suppliers, and implemented dynamic tracking on a monthly basis. For suppliers identified as high-risk, continuous monitoring over multiple months will be implemented to assess changes in risk. Supplier risk levels are classified as "normal", "concern", "general warning" and "special warning". For suppliers assessed as special warning, the Group will further conduct risk assessments and include those that indeed present material risks in the scope of compliance review, implement look-through reviews, and urge corrective actions and feedback. During the Reporting Period, 1,697 suppliers were subject to a cumulative number of 6,183 Risk Raider monitoring activities.

The Group has established a two-way communication mechanism with suppliers and regularly communicated requirements on legal compliance, labor standards, and environmental management to partner suppliers via telephone, email, and other means. At the same time, suppliers may provide feedback on issues to designated contacts in the procurement department and obtain support on relevant compliance knowledge, thereby promoting the Group's guidance to suppliers and their capability enhancement. In addition, the Group conducts ESG training for all suppliers of materials, services, fixed assets, engineering, etc. every year to convey the concept of sustainable development to suppliers. During the Reporting Period, the relevant training and exchange activities were carried out smoothly.

While ensuring compliance with GMP requirements, the Group has continued to focus on environmental protection, prioritized the procurement of green products, and guided suppliers to adopt more environmentally friendly practices in production, packaging, and logistics, continuously promoting the supply chain system's green and low-carbon transformation.

4. Supply Chain Responsibility

2025 Green Procurement Practices

Measure	Main Content
Development of procurement system	• Established an online procurement platform to enhance the overall operational efficiency of the supply chain through 12 major management modules, while also promoting e-procurement to reduce paper usage and waste generation.
Procurement of energy-saving products	• Procured energy-saving light tubes, implemented intelligent energy-saving upgrades to the lighting system in public areas, and installed motion sensor switches to reduce energy waste, resulting in an approximately 75% decrease in electricity costs.
Procurement of green packaging	• Recycled and reused packaging cartons, reducing the use of approximately 3,000 cartons annually; • Phased out traditional plastic blister trays in product packaging design and adopted environmentally friendly paper inserts to promote green packaging; • Encouraged suppliers to optimize packaging methods by implementing carton-free transportation for vials, reducing carton usage by approximately 20,000 units annually, while also decreasing printed material consumption and workshop environmental pollution; • Required cold chain pharmaceutical logistics providers to adopt reusable insulated containers, reducing the use of disposable insulation materials, with a cumulative use of approximately 24,087 reusable insulated boxes; • Replaced solvent-based inks with water-based inks for color-printed outer cartons to reduce volatile organic compound emissions. At the same time, adopted lightweight material designs to reduce environmental impact while maintaining unchanged packaging dimensions.
Green transformation of suppliers	• Required a propylene glycol supplier to optimize its production processes and control carbon dioxide emissions within a 5% limit; • Required an anhydrous ethanol supplier to optimize exhaust gas treatment processes in its production workshops and install additional treatment facilities, effectively reducing the concentration of air pollutant emissions.

5. Employee Development Responsibility

5.1 Employees' Rights, Interests and Welfare

Labor Management

The Group always adheres to legal employment and signs the labor contract with all employees in accordance with laws and regulations. Following the *Employee Manual* and other policy documents, the Group regulates management requirements related to recruitment, working hours, promotion, remuneration and welfare of employees. In addition, the Group has formulated the *Labor Management Policy* to ensure that the Group practices the principles of diversity and equality in recruitment and career development, to ensure that no employee is discriminated on the basis of race, religion, gender or other factors; and respects and protects the personal privacy of employees.

The Group firmly prohibits the employment of child labor and strictly verifies the age of job applicants during recruitment. It implements effective identity and age verification procedures, such as checking identity documents and conducting background checks, to ensure that no child labor is employed. In addition, the Group adheres to the principle of free choice of employment to ensure that all employees are hired voluntarily and to eliminate forced labor. In case of violation, the Group will take legal actions.

Employee Recruitment and Their Basic Rights and Interests

Recruitment, dismissal and promotion	Working hours and leaves	Remuneration
• **Recruitment:** The Group follows the principle of employment equality and prohibits the use of child labor and forced labor • **Dismissal:** The Group introduced the *Guidelines for Employee Dismissal* to regulate and improve management on employee dismissal • **Promotion:** Employees will receive their year-end bonus or get promoted or demoted based on the result of their performance evaluation; the Group offers a clear career growth path to employees in terms of professional development and management development based on their personal willingness	• **Working hours:** The Group introduced the *Guidelines for Employee Attendance and Leave*. Employees of standard working hours work 40 hours a week; employees of comprehensive working hours work and rest according to the actual situation of their departments • **Overtime:** Employees can apply for compensatory leave for overtime hours worked • **Leave:** The Group provides paid annual leave, marriage leave, bereavement leave, maternity leave, sick leave, etc., in accordance with national regulations	• **Remuneration:** The payments are in line with laws and regulations; implementing a payment system combining employees' position, performance and competence; researching remuneration and welfare provided by peer pharmaceutical companies and those in other industries to provide a reference for employees' payment adjustment; offering personalized remuneration adjustment to outstanding employees

5. Employee Development Responsibility

During the Reporting Period, the Company advanced remuneration reform for the sales system. By benchmarking against the median market remuneration level of external industry peers, we optimized the remuneration range settings for each level of sales positions. On this basis, we also considered factors such as education, major, seniority, performance, and comprehensive evaluations to implement newly adjusted remuneration plans for front-line sales personnel and front-line management personnel, continuously enhancing the fairness and incentive effect of remuneration.

The Group is committed to building a diversified employee structure and an inclusive corporate culture. The Group provides training on diversified and equal employment for all employees at least once a year, sets the diversified performance indicators such as "no illegal events in employee diversity management" and "the proportion of employees participating in diversified training every year" to regularly monitor the fulfillment of such targets. As at the end of the Reporting Period, the proportion of female employees was over 50% among new employees of the Group, and the percentage of female senior executives was approximately 40%.

Target of gender diversity:

- There should be at least one candidate with a diversified background in the interview list of positions above the director level.
- The percentage of new female employees each year should not be less than 40%.

Supporting measures for gender diversity:

- Formulate the recruitment policies based on gender equality, implement a gender equality review mechanism and strengthen gender equality training and publicity, to ensure fairness and justice in the recruitment process.
- Establish the incentive system and encourage all departments to pay attention to the training of female talents, to promote gender balance within the enterprise.
- The senior officers of the Group regularly check the recruitment data and gender ratio, and supervise and rectify the departments that fail to meet the standards, to ensure that the gender ratio of employees in enterprises meets the requirements.

The Group is committed to protecting employees from discrimination and unfair treatment at work. The Group incorporates anti-discrimination content into publicity and implementation of the corporate culture, and regularly arranges anti-discrimination training, in the forms of online courses, offline lectures, seminars and case studies to improve employees' understanding of discrimination issues, enhance team cohesion and create a fair and harmonious working environment. During the Reporting Period, the Group had no incidents of discrimination or harassment.

The Group continues to cooperate with the China Disabled Persons' Federation and third-party suppliers to build a compliant employment mechanism for persons with disabilities. After going through the recruitment and interview processes, people holding valid disability certificates can be formally employed by the Group. The Group pays remuneration and social security for these people. Moreover, the Group entrusts suppliers to provide pre-employment vocational training to improve their work skills, including product production, manual skills, behavior rehabilitation and health science, etc. During the Reporting Period, the Group continued to carry out employment of persons with disabilities, and employed 48 disabled persons in total.

In addition, on the premise of compliant employment, some manufacturing bases of the Group (such as Shenyang Sunshine) adopt temporary employment for basic auxiliary positions, which helps to promote employment in surrounding communities.

Employee Benefits

The Group provides commercial insurance for regular employees, re-employed retirees and dispatched labors, covering the insurance for death and disablement, critical illness, outpatient emergency and inpatient medical services, and offers maternity benefit coverage to women. In addition, it provides accidental medical insurance for part-time employees.

The Group implements the comprehensive employee care initiatives, providing care and benefits for employees, including assistance for difficulties, holiday care, birthday care, solicitude for female employees, etc., covering all employees (including re-employed retirees and dispatched labors).

To make the leisure life more colorful, and ensure the work-life balance of employees, the Group encourages all employees to participate in cultural and sports activities actively, and provides financial support for them. The Group has set up sports clubs for basketball, football, badminton, table tennis, etc., and regularly organizes activities and training, and various internal and external competitions for employees irregularly, providing opportunities for them to communicate with each other and strengthen team cohesion. On this basis, during the Reporting Period, the Group organized high-performance incentive travel activities to recognize employees' outstanding performance while strengthening care for employees and attention to their physical and mental health.

5. Employee Development Responsibility

Employee Welfare and Care Activities at Each Manufacturing Base in 2025 (partial)

Shenyang Sunshine	• Set up the love fund, employee hospitalization solatium, and solatium for the death of immediate family members of employees; • Provided employees with social insurance and housing fund, rental and housing subsidies, seniority allowance, health check-ups, birthday gifts, and holiday activity fees, and established 10-year and 20-year Employee Achievement Awards; • Built a caring room oriented to the needs of female employees, which was graded as a provincial-level caring room for female employees, organized screening activities for cervical and breast cancer among female employees, and provided holiday gifts to female employees on March 8th Women's Day; • Regularly arranged family activity days and employee tours; • Set up a lounge and club activity room for employees and established 17 clubs such as photography, table tennis, basketball, fitness, dance, etc., and organized the clubs to carry out employee club activities in a planned manner, with the participation of 360 employees.
Sunshine Guojian	• Set up a special fund of RMB110,000 to provide additional subsidies to employees and their families who are eligible for targeted assistance, and visited ill employees; • Distributed high-temperature labor protection products and high-temperature subsidies in summer; • Provided birthday gifts to employees and distributed holiday packages on Dragon Boat Festival, Mid-Autumn Festival and Spring Festival; • Distributed holiday gifts to 370 female employees on March 8 Women's Day; • Ensured the implementation of breastfeeding leave and childcare leave in accordance with the law, and continuously expanded the service contents of the "nursing rooms", including publicity posters, breastfeeding tips, maternity magazines and display shelves, mother and baby care treasure box and other supporting measures; • Held family day activities to help employees' families understand the corporate culture and working atmosphere.

Sunshine Mandi	• Visited employees suffering from critical diseases according to the *Sympathy System for Employees and Families in Significant Misfortune*. Added the condolence payment for critical diseases and significant family misfortunes of employees or relatives; • Organized TCM health consultation activities and arranged "Cool Summer" activities in summer, preparing and sending cooling beverages to front-line employees; • Organized birthday parties for employees on a monthly basis and distributed birthday Gratuities, and arranged a Mid-Autumn Festival family banquet for non-local resident employees; • Ensured that female employees legally enjoy extended marriage leave, maternity leave, breastfeeding leave, and childcare leave and distributed holiday gifts to female employees on March 8 Women's Day, and organized cultural activities; • Upgraded and renovated the environment of employee shift dormitories, built a safe cafeteria, established a "workers' home", and purchased books and fitness equipment and other materials; • Organized various cultural and sports activities, such as the Dragon Boat Race in the Dragon Boat Festival, the Mid-Autumn Festival Photography Competition, and the Pioneer Cup Basketball Tournament; • Built a staff activity center with comprehensive functions, integrating basketball court, badminton court, table tennis court, reading room, etc., providing software and hardware support for employees for diversified spare time activities.
Sciprogen	• Visited sick and hospitalized employees and distributed welfare materials to employees with difficulties and employees who persistently performed their duties during holidays; • Distributed red envelopes, telephone coupons, movie tickets and other membership benefits of Shenzhen Federation of Trade Unions to employees and provided birthday cash gifts, holiday gifts and shopping cards; • Paid attention to the needs of female employees, visited female employees who have given birth to children, provided maternity care gifts and breastfeeding leave, distributed holiday gifts to each female employee on March 8 Women's Day, regularly communicated to understand female employees' work-related concerns and living needs, and provided timely guidance and assistance.

5. Employee Development Responsibility

Communication with Employees

The Group has built diversified platforms for democratic communication, including the Staff and Workers' Representative Congress, online communication platform and employee grievance channels, to ensure employees' rights to know, participate, express and supervise.

All manufacturing bases of the Group have established labor unions, which represent all employees in negotiating and signing collective contracts and collective wage negotiation agreements with manufacturing bases. The labor unions of the Group actively play a key role in employee communication and organize various forms of employee communication activities to listen to the employees' opinions and suggestions on the work of the union.

Communication with Employees at Each Manufacturing Base in 2025

Shenyang Sunshine	• Shenyang Sunshine negotiated and signed collective contracts, collective wage negotiation agreements and special protection agreements for female employees with labor unions; • Shenyang Sunshine conducted five employee representative conferences, set up online communication and exchange for heads of enterprise labor union, and organized offline meetings for heads of department labor union.
Sunshine Guojian	• Sunshine Guojian negotiated and signed collective wage negotiation agreements and special protection agreements for female employees with labor unions; • Sunshine Guojian held one employee representative conference.
Sunshine Mandi	• Sunshine Mandi organized employee consultations to safeguard the legitimate rights and interests of employees in accordance with the law; • Sunshine Mandi held one employee representative conference.
Sciprogen	• Sciprogen signed a collective contract with the trade union, covering labor safety and health, special protection for female employees, vocational training, etc.; • Sciprogen conducted four employee communications, including two model worker studio exchanges and two employee discussions.

The Group has established the formal employee grievance channel and the comprehensive employee grievance handling mechanism, supporting employees to submit grievances anonymously. For the opinions raised or matters appealed by employees, the Group will establish a working group for investigation actively, to ensure the independence, objectivity and impartiality of the investigation process, properly address concerns from employees, and resolve relevant conflicts in a timely manner. Meanwhile, the Group will maintain communication with employees on the progress and results of the handling to safeguard their legitimate labor rights and interests in accordance with the law.

The Group strictly keeps confidential the complainant's personal information and all complaint materials provided. Those violating the confidentiality provisions will be severely punished by the Group. Those retaliating against complainants or relevant witnesses will be subject to appropriate disciplinary measures in accordance with the severity of their behaviors, including but not limited to removal from the post and termination of labor contracts. Where the behaviors are serious and a crime is suspected, criminal liability will be pursued in accordance with the law.

The Group has systematically introduced the grievance mechanism and feedback channels to new employees during on-boarding training. In case of compliance problems, the employees can report to their superiors, labor unions, the Human Resources Department or the Risk Compliance Department. In case of incidents that may be suspected of disciplinary violations, they can report via OA system, email, phone or other methods to the Audit Department.

3SBIO Compliance Complaint and Reporting Channel

- Hotline: 4008445110
- Email: fxhgb@3sbio.com

The employee satisfaction survey is another important method for the Group to listen to employees' voices and get to know their perception and opinions on the operation management of the Group as well as their work experience. The Group organizes the employee satisfaction survey among all the employees once a year to systematically collect employees' opinions and suggestions. During the Reporting Period, the Group conducted a satisfaction survey for employees of all age groups, with over 3,500 participants in total. The results showed that more than 80% of the employees held positive views on the Group's working atmosphere, management approach, and career development opportunities, and overall employee satisfaction remained at a relatively high level.

Leveraging continuous investment and achievements in employee management, during the Reporting Period, the Group received the "Best Employers 2025" and "Best HR Leaders 2025" awards issued by HRoot.

5.2 Human Capital Development

Talent Introduction and Retention

The Group continuously expands its talent pool through external recruitment and internal development, and has comprehensively upgraded its recruitment system to achieve online visual management throughout the process and improve recruitment efficiency. At the same time, the Group has introduced third-party platforms to optimize the talent management system, ensuring that resume information is archived in a timely manner and reducing management costs arising from employee turnover or duplicated system operations.

Externally, the Group expands talent sources through headhunter recruitment, university-enterprise cooperation, etc., and has established a talent pool benchmarking against external core enterprises to dynamically track the backgrounds and mobility of relevant talent. During the Reporting Period, the Group established a standardized headhunter collaboration management mechanism, organized quarterly performance assessments of partner headhunters, and implemented tiered management based on the assessment results. The Group prioritized cooperation with high-performing suppliers and terminated cooperation with suppliers that consecutively failed to meet the assessment standards.

The Group actively develops its talent pool by establishing talent development bases through university-enterprise cooperation to continuously collaborate with colleges and universities and recruit fresh undergraduates and postgraduates. The Group has carried out university-enterprise cooperation with some medical-related colleges and universities in Tianjin, Jinan, Sichuan, Anhui and Guangdong, and has co-built a “Practical Education Base” with Shenyang Pharmaceutical University for six consecutive years. We regularly organize internship and practical training activities, build a communication platform between the Group and undergraduates and postgraduates, promote industry-academia-research interaction, and provide students with more development opportunities for internships, practical training, and employment. During the Reporting Period, the Group attracted 200 fresh graduates to join us through recruitment activities such as online and offline campus recruitment.

In addition, it gives full consideration to employees’ individual career growth demands and wishes, provides them with counseling and personal development platforms and gives priority to the possibility of promotion or rotation of internal employees when there are suitable job vacancies.

The Group has introduced a series of diversified incentives to retain employees, including setting up the “Talent Scout Award” to commend internal recommendations of excellent talents, offering the “Talent Retention Award” and “Long-term Service Award” to affirm and reward employees who remain loyal to the Company, and implementing an equity incentive plan so that employees share the fruits of company growth and strengthen employees’ sense of belonging. For core management team and talent in key positions, the Group has established a tiered retention mechanism covering the short, medium, and long terms. This mechanism enhances talent retention through performance bonus incentives, career planning and promotion development, and equity incentives.

During the Reporting Period, the Group regularly conducted interviews and exchanges with middle-to-senior level management personnel and high-performing front-line employees, systematically collected information related to organizational operations and talent management, promptly identified potential issues and risks, and provided support for relevant management decision-making.

The Group conducts in-depth analysis and study on departing employees so as to continuously optimize its talent management system and ensure that its talent resources form an important and lasting force driving the Group's development. During the Reporting Period, the Group developed an AI agent for departure alerts to identify and provide early warnings of the risks of employees' departure. By strengthening communication and management interventions, the Group promptly addressed employees' concerns and reduced the employee turnover rate.

Employee Incentives and Retention Measures

Measure	Main Content	Progress in 2025
Talent Scout Award	• The Group's Research & Development Center ("R&D Center") sets up the "Talent Scout Award" to encourage employees to recommend outstanding professionals. All employees can recommend candidates based on job descriptions. After the candidates are recruited and pass the probationary period, the one recommending the new recruitment will be eligible for the "Talent Scout Award".	• A total of eight employees won the "Talent Scout Award".
Talent Retention Award	• To retain core employees, the Group has introduced a talent retention program. Over a three-year period, bonuses will be granted based on the year of service with a ratio of 30%, 30%, 40%, respectively.	• A total of 12 employees won the Talent Retention Award.
Long-term Service Award	• Every year, the Group awards long-term service incentive prizes to employees who have served for ten and 20 years.	• A total of 77 employees won the Long-term Service Award.
Equity incentive	• The Group has established an equity incentive mechanism, granting equity to executives, middle-level management personnel, and key employees in crucial positions within the Group.	• The number of the Group's equity incentive grants was 405, accounting for 6.7% of all employees.
In-depth analysis of departing employees	• Every year, the Group selects departing employees from different sectors, analyzes the reasons for their departure, and implements improvement measures.	• Leavers in the Sales sector were sampled for analysis, and interviews were conducted to understand the underlying reasons for their departure, and improvement measures were carried out based on the reasons in order to retain the existing outstanding talents.

5. Employee Development Responsibility

To enhance employee cohesion and stability, the Group continues to promote corporate culture development. Adhering to the philosophy of "Culture in the Heart, Culture in Action", it has launched the "3SBIO Unity" series of cultural promotion activities combining online and offline formats to facilitate the implementation and inheritance of corporate culture. During the Reporting Period, the Group organized a total of 13 offline cultural activities covering 874 employees. Meanwhile, it released 33 episodes of promotional videos featuring cultural ambassadors under the series "Light Chasers" and "Youth Talk" via online platforms, with a cumulative reach of 34,650 visits.

Employee Selection and Promotion

The Group adopts an integrated performance management system to standardize talents selection and management, and the performance appraisal is carried out fairly and transparently. All employees of the Group participate in performance target setting, and each business system implements differentiated appraisals in combination with its own characteristics, including monthly, quarterly, semi-annual, and annual cycles. The appraisal results are taken as the basis for bonus distribution, job promotion, and other management decisions. During the Reporting Period, the Group completed performance appraisals of all employees, conducted one-on-one performance communications with them after the appraisals, summarized work performance, and formulated a development plan to support their continuous growth.

On this basis, focusing on core functions such as R&D, production and sales, the Group has established a tracking and analysis mechanism for human resources efficiency. By regularly monitoring key indicators including business unit performance and per capita efficiency, combined with internal comparisons and external industry benchmarks, it dynamically assesses organizational operations, promptly identifies efficiency shortcomings and drives improvements. Meanwhile, the Group encourages managers to further clarify job responsibilities and competency requirements, with a focus on identifying talents with management potential. Through a combination of selection and continuous development, the Group steadily enhances organizational management effectiveness and overall human resources efficiency.

The Group makes clear career growth plans for employees who are free to choose to pursue a path for professional development or management development. Manufacturing bases formulate the *Measures for Job Promotion*, making clear promotion principles and career growth paths so as to provide a strong guarantee for employees' career growth and development. To expand development opportunities for sales positions, the Group has established professional and technical paths for sales personnel and implemented the *Marketing Center Functional Support System Employee Career Development Management Measures* and the *Marketing Center Functional Support System Performance Management Measures* to provide strong guarantees for the career growth and development of employees.

Employee Performance and Talent Development Mechanism

The Group has developed a succession plan to identify potential candidates for key positions through job and talent evaluations. It carries out "post evaluation" by dividing organizational levels, identifying post value contributions, judging post-problem-solving processes and other processes, and carries out "person evaluation" from the perspectives of strategic thinking, compatibility of values with corporate culture, performance appraisal, leadership and other perspectives to select and promote talents suitable for the Group's strategy and culture.

5. Employee Development Responsibility

During the Reporting Period, the Group conducted a talent review across its functions, R&D, manufacturing bases, and marketing center. Using the nine-zone grid model combined with talent mapping tools, it systematically assessed employees' development potential and identified high-potential talents from multiple dimensions, including basic competencies, performance, leadership evaluation, academic qualifications, and innovation capabilities, thereby supporting the implementation of the succession plan. For the marketing product manager positions, the Group partnered with external professional institutions to develop a customized competency assessment scheme. It completed sandbox simulation assessments for nearly 50 product managers and finally completed the nine-zone grid positioning to select and identify a number of outstanding successors.

To ensure scientific selection and promotion of middle-to-senior level management personnel, and to strengthen alignment with the organizational culture, the Group has introduced a values assessment mechanism, incorporating values compatibility as a key criterion for promotion. The assessment focuses on three core shared values of the Group: integrity, holistic perspective, and win-win cooperation. Tailored evaluation criteria are also established based on the characteristics of manufacturing bases and business lines, ensuring that promoted personnel align with the Group's culture in both performance and character. During the Reporting Period, the Group completed values assessments for 27 management personnel, with a total of 219 participants in the assessment process, providing decision support for the Group's talent planning.

Talent Training and Support

The Group pays close attention to talents training and regards employees' development as an essential driving force for business growth. The Group has established a 3S (Standard, Specific, Self-management) training system covering all employees, including those from contractors. Under the system, standard, specific and self-management personalized training programs are offered to employees through online and offline channels.

Employee Training System

Training for New Employees	Training for Employee Growth	Management Training
• Corporate culture training • New employee development training camp • Germination initiative: Public courses, position basic knowledge (including EHS and quality management) training, etc. • On-job training: Tailored development plans, industry expert sharing sessions, seminars, etc.	• Defeating the Workplace Monster Series • Office professionals • Training tailor-made by departments • Advanced competency training for specialists	• Project Management Training • Mini-MBA program by China Europe International Business School • Dawn Leadership Training • New manager training camp • Situational leadership training

During the Reporting Period, the Group continuously increased the frequency and coverage of training, with 163 training sessions implemented, 6,530 people trained and a training coverage rate of 100%.

Training Activities for 3SBIO Employees in 2025 (Partial)

Type of Training	Training Content	Training Programs and Coverage
Leadership improvement	The Group, based on business needs and system planning, internalizes and iteratively refines internal leadership courses designed for personnel from to-be-promoted front-line employees to medium and senior executives to meet the training needs of different levels. During the Reporting Period, besides regularly conducting systematic training for front-line business personnel and the management, the Group focused on conducting management-level practical programs and talent training programs.	• **Situational Leadership Program:** Implementing combat-style training, targeting regional and district manager levels, systematically enhancing management awareness, competencies, and leadership capabilities to support the retention and development of core management talents, and launching the Situational Leadership Management Team Capability Enhancement Program, covering approximately 140 people. • **WBU Management Capability Training:** Aligning with business development needs, providing customized training for management personnel, conducting a combat-style training program for outstanding cinema management personnel, focusing on enhancing efficient coaching capabilities, sales strategy formulation, and regional management levels; meanwhile, in combination with the current business situation, designing a special training session on "Coaching and Targeted Talent Selection" for e-commerce retail management personnel, covering a total of 41 participants. • **EBU Management Team Training:** Targeting supervisors and manager-level management personnel, focusing on strengthening regional market management capabilities and systematically enhancing the management team's market mindset and business planning capabilities, with a total of two training sessions completed, covering 98 participants.

5. Employee Development Responsibility

Type of Training	Training Content	Training Programs and Coverage
Professional skill improvement	With the actual needs of business departments as the focus, the Group conducts online professional skill improvement programs to help business departments quickly improve professional skills in a complex and changeable environment and meet the needs of Group development and personal growth.	• **TBU-Drug Clinical Trial Quality Management Training:** Providing special training on drug clinical trial quality management for R&D-related personnel, helping R&D improve operational efficiency during the clinical trial stage, covering a total of 200 participants. • **Marketing Specialist Advanced Competency Training:** Focusing on enhancing professional marketing capabilities, systematically promoting advanced training for specialists, with emphasis on strengthening micro-market analysis and business planning capabilities, covering a total of approximately 400 participants.

The Group continues to refine its new employee training and integration mechanism while systematically advancing cultural integration programs. During the Reporting Period, the Group facilitated rapid team integration and deepened cultural comprehension through various channels, including cultural check-ins, cultural experience events, the distribution of cultural products, and online live streams. Integrating gamified and experiential design, it guided new employees to understand the Group's core products and development journey. Through team collaboration practice activities, core values such as cooperation and responsibility were conveyed, further enhancing new employees' cultural identity and sense of belonging.

In order to introduce and cultivate excellent talents that meet the Group's strategic development needs, the Group has launched a management trainee program in e-commerce talent development, systematically cultivating reserve talent for each module within the e-commerce segment in line with the development of the Company's e-commerce business. In addition, the Group implemented a Marketing & Medical Management Trainee Program, focusing on master's and PhD talent in medicine-related majors, and cultivated reserve talent in marketing and medical fields through job rotations, mentoring, and other methods.

To systematically enhance management capabilities, the Group launched the "3SBIO Management Personnel Growth Training Camp". Adopting a training model combining "online learning, offline flipped classroom, and practical implementation," the program covered multiple bases and functional segments, with 87 trainees participating. Driven by a dual-wheel approach of management competency development and digital empowerment, the program designs a curriculum closely centered on real business pain points. It effectively improves trainees' core management competencies in communication, coaching, planning, and innovation. Through this program, the Group identified and reserved 25 outstanding talents with comprehensive management potential, and accumulated over 70 reusable management cases. This further optimizes the leadership cultivation and talent pipeline development systems, injecting sustained momentum into business development.

The Group supports employees to upgrade their academic and vocational skills, opens up a channel for all employees including part-time employees and employees dispatched to apply for financial assistance under the academic and vocational skill upgrade program and supports and funds employees to obtain academic upgrading or vocational skills certificates.

Academic/Vocational Skill Certificate Support Measures

Project type	Support Measure
GCP certificate examination	• The Group encourages employees who have been employed for more than three months to participate in the GCP certificate examination, and advances GCP training and certification programs in the TBU to strengthen collaboration between marketing and R&D, and help R&D improve operational efficiency during clinical trials. During the Reporting Period, the program covered a total of 190 personnel from the sales and marketing lines of the TBU, of whom 173 have already obtained the GCP certification.
Continuing education	• **Education funding program:** The Group collaborates with Shenyang Pharmaceutical University to fully waive the tuition of the top ten students by entrance examination results. By the end of the Reporting Period, 39 employees were successfully admitted to Shenyang Pharmaceutical University through the adult college entrance examination. • **Industry-university-research cooperation program:** Through industry-university research cooperation with the School of Pharmacy, Guangdong Medical University, the Group introduces the university's education resources to provide employees with on-the-job continuing education, covering diploma education, degree education and the Master of Engineering program. In addition, the university also offers classes for advanced studies of postgraduate courses and short-term training to meet employees' diversified learning and teaching needs.

5. Employee Development Responsibility

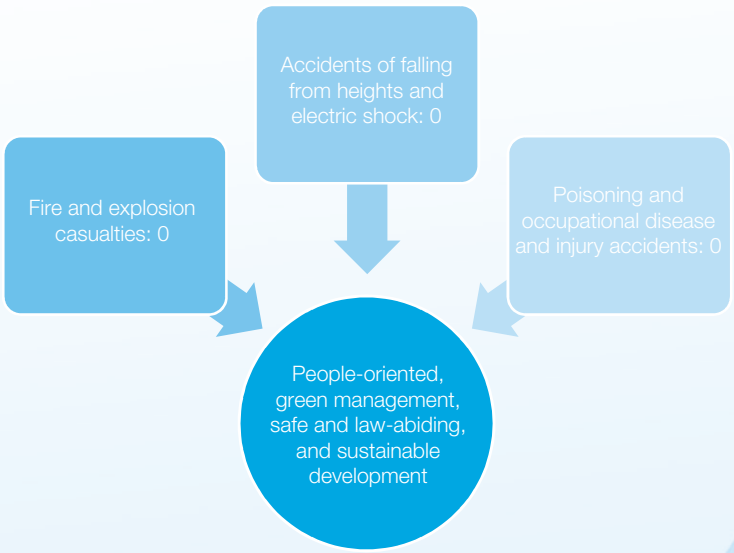
Project type	Support Measure
Professional title evaluation	• In terms of high-end talent training, Shenyang Sunshine has formulated the *Postdoctoral Work Management Measures* to attract more high-end talents that meet the company's R&D needs based on the postdoctoral research workstation, thereby realizing the cultivation of high-end talent R&D capabilities. • In terms of professional and technical talent training, Shenyang Sunshine actively participates in the "Fast Track" service for a professional title evaluation provided by the Shenyang Municipal Human Resources and Social Security Bureau, opening a "green channel" for enterprise personnel to apply for professional title. During the Reporting Period, a total of five people passed the review for senior pharmacy engineer in the pharmacy field. • In terms of skilled talent development, Shenyang Sunshine, as an authorized vocational skill certification evaluator, has obtained accreditation to independently assess qualifications for two occupational categories: Pharmaceutical Inspector and Pharmaceutical Preparations Technician. The Company provides targeted training and assessment for employees in these specialties. Trainees who successfully complete all skill training modules and pass the evaluations will receive official vocational skill certification, thereby achieving professional competency advancement.
Vocational skill level certification	• Sunshine Mandi fully utilizes governmental resources to apply for independent recognition of vocational skill levels in accordance with the *Measures of Zhejiang Province for the Pilot Program of Vocational Skill Level Certification by Enterprises*. After the application is approved, Sunshine Mandi will have the authority to independently arrange the professional skill level certification of employees every year.

In response to digitalization and intellectualization trends, the Group continuously empowers employee training with digitalization and AI technologies and has upgraded and iterated its online learning platform to create a digital learning system oriented toward business empowerment and talent development. During the Reporting Period, the Group introduced the new learning platform "Development Academy 2.0", adding functions such as AI data statistical analysis, direct supervisor reminders for new employee training, "Companion Reading for Children", and AI question generation, effectively improving the efficiency of learning management and assessment. As of the end of the Reporting Period, the platform had a cumulative total of 7,738 learners, 6,073 courses, and 8,452 sets of exam papers. During the Reporting Period, total learning hours for all employees recorded 87,256.7 hours, with an average of 11.3 hours per employee, and 219,398 learning participants.

Sunshine Guojian has built the Boya Academy as a training venue. The academy has more than 1,000 square meters of teaching area and is equipped with professional teaching equipment such as computers, projectors, audio and page-turning laser pens. Sunshine Guojian invites part-time training teachers with professional expertise to help employees enhance their knowledge and skills by integrating theory with practice. During the Reporting Period, Boya Academy conducted training courses focusing on laws and regulations, management policies, product knowledge, and job skills, and continuously introduced interpretations of new regulations and content for enhancing professional capabilities. A total of 23 training courses were delivered, with an accumulated total of 5,507 attendances.

5.3 Occupational Health and Safety

Safety Production



The Group adheres to the occupational health and safety and environmental (EHS) policy of "People-oriented, green management, safe and law-abiding, and sustainable development" and sets occupational health and safety objectives.

The Group has established the Safety Production Management Committee, which takes overall responsibility for the Group's EHS management, formulates and implements EHS policies and objectives, promotes the development of relevant rules and regulations, reviews and approves the safety production responsibility system, and supervises the implementation of EHS-related publicity, education and training to continuously enhance the safety and compliance awareness of all employees. Under the guidance of the Safety Production Management Committee, each manufacturing base regularly carried out the evaluation of the current status of safety production, identified and managed safety hazards in the workplace, and implemented measures such as identification and rectification of potential safety hazards, identification and classified control of hazard sources, regular safety training and emergency drills, to ensure the safety of the personnel and workplace with all efforts.

5. Employee Development Responsibility

The Group has formulated the safety management mechanism, including the *Production Safety Management Regulations*, the *Safety Inspection Management Regulations*, the *Safety Hazards Detecting and Correcting Regulations*, and the *Emergency Rescue Regulations, Provisions on Fines and Penalties for Production Safety Accidents, Guidelines for the Reporting and Investigation of Accidents in Special Equipment, and Guidelines for the Determination of Major Accident Hazards in Special Equipmen*t to guide its work on safety management.

In addition, the manufacturing bases have developed the *Regulations for Hazardous Chemicals Management* and *Regulations for Highly Toxic Products* for hazardous chemicals such as ethanol and hydrochloric acid involved in production and business operation, and specified the procedures for warehouse management, and the responsibilities of the personnel for purchasing, using and management of hazardous chemicals, to ensure safety in using hazardous chemicals.

Production Safety Work of Each Manufacturing Base in 2025 (Partial)

Shenyang Sunshine	• Engaged a third-party professional agency to conduct a safety assessment of the hazardous chemical usage, confirming that production conditions meet safety requirements; • Updated the emergency response plan for production safety incidents and completed its filing, including a comprehensive plan, specialized plans for fire accidents, pressure vessel explosions, boiler explosions, and on-site disposal plans for production safety incidents; • Conducted monthly safety inspections across the factory, and regularly identified, investigated, and rectified safety hazards; • Carried out hazardous chemical leakage drills to enhance employees' emergency response capabilities in handling safety incidents; • Revised the *Management Procedures for MSDS of Toxic and Hazardous Chemicals*, and distributed the relevant documents to all departments involved in chemical use for online training; • Conducted company-wide environmental safety training, covering topics such as environmental safety knowledge, health first aid, emergency response, and occupational health prevention, to deepen employees' understanding of safety and health management systems, occupational hazards, and occupational health knowledge.

Guangdong Sunshine	• Implemented the *Hazardous Chemical Safety Management System*, established a standardized safety production documentation framework, refined fire safety management documents and inspection checklists, and formulated safety work plans and inspection schedules to standardize safety production management; • Controlled the delivery of hazardous chemicals in accordance with the warehouse's safe storage limits and standardized hazardous chemical management to ensure storage safety; • Conducted daily inspections of hazardous chemical storage areas, promptly reported and documented any issues, performed irregular safety spot checks in key areas, and completed explosion hazard rectification; • Conducted hazard identification activities, identifying 1,082 hazards, and implemented risk control measures to reduce risk levels. It completed the "Three Simultaneities" acceptance for safety, environmental protection, and occupational health, with 100% signing of safety production responsibility agreements covering safety, environmental, and occupational health objectives; • Developed and completed the drill plan and training plan as scheduled, organized 34 emergency drills, held Safety Month and Fire Safety Month activities, and conducted safety knowledge and firefighting skills competitions with 29 participants; • Conducted various safety training sessions: Provided three-level safety education for 82 new employees, held hazardous chemical safety training for 123 employees, and ensured each department holds at least one safety training session a month as planned.
Sunshine Guojian	• Conducted emergency drills for biological laboratory container leakage, emergency drills and fire safety drills for chemical leakage in hazardous waste storage room; • Conducted hazard identification activities, identifying 1,261 hazards, including 14 medium- and high-risk items; • Achieved 100% signing of safety production responsibility agreements, covering safety objectives, responsibilities, and reward/penalty details at the Company, departmental, and individual levels; • During Safety Month, held a knowledge Q&A competition with a total of 144 participants; provided occupational health and safety training to all employees, with 403 participants in system-related content and 434 participants in safety protection training.

5. Employee Development Responsibility

Sunshine Mandi	• Formulated the *Safety Operation Procedures for Underground Tanks, the Operation Procedures for Unloading Tank Trucks,* and the *Hazardous Waste Management System*; • For hazardous chemical storage areas, tank zones, and production workshops, additional combustible gas and oxygen concentration detection alarms were installed. The emergency ventilation system was upgraded with interlocking activation, and a standalone centralized gas detection and alarm system was implemented to enhance the safety of hazardous chemical storage and usage; • Monthly inspections were conducted to verify employee compliance with PPE (Personal Protective Equipment) requirements. Non-compliant behaviors were corrected and addressed through coaching. During these inspections, the Company engaged with employees to gather feedback on PPE effectiveness and ergonomic usability, which provides advice on equipment upgrades or replacements; • Conducted 18 safety-related training sessions covering topics such as special operation safety, controlled chemicals safety, construction site safety, and fire safety, reaching a cumulative total of 492 employees; • Organized a total of nine safety drills for chemical leakage, anti-theft and anti-robbery, electric shock accidents, and workshop fire accidents, with a cumulative total of 117 participating employees.
Sciprogen	• Performed hazard identification, identifying 805 risks. It implemented control measures (elimination, substitution, engineering controls, policies, training, and emergency response) to reduce hazards and lower risk levels; • Strengthened end-to-end safety supervision of hazardous chemicals, assigning dedicated personnel to oversee procurement, transportation, storage, usage, and disposal; • Implemented multiple safety upgrades including: anti-static epoxy self-leveling floor treatment in the API workshop's alcohol precipitation centrifuge area, equipotential bonding updates, and installation of combustible gas detectors; addition of automated pre-fill packaging lines to enhance production efficiency; and engagement of third-party testing agencies to inspect secondary circuit electrical safety across the facility; • Conducted a comprehensive emergency drill for production safety incidents, primarily covering initial fire suppression, employee evacuation and escape, and search and rescue of trapped personnel; • Held the Work Safety Month campaign, during which the Group organized online occupational health and safety training for all employees, with 238 participants. The training mainly covered relevant laws and regulations, fire safety, hazardous chemical safety, electricity safety, labor protection, and accident case analysis.

No safety accidents such as fire and explosion, chemical poisoning, injury from occupational diseases occurred, nor death of employees of the Group due to work-related injuries during the Reporting Period.

Occupational Health

Committed to creating a healthy and safe working and living environment for its employees, the Group has formulated the *Manual for Environmental and Occupational Health and Safety Management and the Regulations on Occupational Health Management* in strict accordance with national and local laws and regulations, and established the occupational health management department, to improve the management of employee occupational health continuously. By the end of the Reporting Period, all the manufacturing bases of the Group in China (Shenyang Sunshine, Guangdong Sunshine, Sunshine Guojian, Sunshine Mandi and Sciprogen) have passed the certification and review for ISO 45001:2018 occupational health and safety management system. All identified non-conformities from the audit have been promptly addressed and effectively closed out.

The risks of occupational diseases involved in manufacturing bases mainly include dust, noises, and acid and alkali corrosion. The Group continues to strengthen the deployment of safety warning signs and daily inspection and supervision at the production site, and continuously regulates the production and operation processes, and provides employees with full sets of protective measures for occupational diseases. The manufacturing bases regularly conduct on-site detection of occupational hazardous elements and publish the results in accordance with the law. For employees working in the positions with the risks of occupational disease, the Group provides adequate protective articles and organizes annual physical check-ups for occupational diseases, to ensure their occupational health. During the Reporting Period, the Group provided health check-ups for employees in relevant positions, and no occupational disease hazards occurred.

Occupational Health Work of Each Manufacturing Base in 2025 (Partial)

Shenyang Sunshine	• Conducted occupational hazard testing and inspection, and conducted special inspections for purification positions, liquid dispensing positions and lab technician positions involving occupational hazards, and checked the safety sign layout, on-site protective facilities, ventilation facilities, and the deployment and use of labor protection equipment. The inspection results met the compliance rate of 100%; • Occupational health examinations were conducted for workers exposed to toxic and hazardous substances, with a total of 96 employees in occupational health-related positions undergoing examinations, all showing normal results.

5. Employee Development Responsibility

Guangdong Sunshine	• An occupational disease control effectiveness evaluation was performed, where the Company engaged a third-party certification agency to test for occupational hazard factors, and successfully passed the occupational disease control effectiveness assessment; • Upgraded 18 occupational health management systems and operational procedures, enhanced employee training on occupational health, requiring at least eight training hours for each worker in positions with occupational hazards, organized occupational health examinations, and conducted hazard inspections to safeguard employees from occupational disease risks; • Based on job requirements, supplied emergency materials and PPE while implementing supervision and inspection protocols. For packaging, added shielding covers. For positions involving occupational hazards, provided qualified PPE and supervise employees for correct wearing; • Focused on employees' mental health and established an online "Workplace Monster" course series covering multiple dimensions such as emotional stress, communication, and conflict, to help employees reduce generalized social anxiety and occupational stress.
Sunshine Guojian	• Conducted regular detection of occupational disease hazard factors, with a 100% pass rate; • Implemented comprehensive occupational health examinations, including 119 pre-employment check-ups, 256 check-ups for on-the-job employees, and 63 check-ups for people who left the positions, achieving 100% coverage for all workers exposed to occupational hazards; • Provided all employees with and required them to use proper PPE.
Sunshine Mandi	• Conducted occupational hazard testing in the workplace and implemented technical measures such as ventilation and isolation to reduce or eliminate production-related hazards; • Provided pre-employment, on-the-job, and post-employment health check-ups for employees exposed to occupational hazards; • Equipped employees with protective earplugs and protective masks and required them to use the appliances properly, strengthened awareness of personal protection, and promoted good occupational health practices; • Carried out special training sessions on occupational disease prevention and occupational health week activities to promote occupational health and safety-related laws and regulations through the distribution of brochures, posters, multimedia scrolling, etc.

Sciprogen	• Conducted regular detection of occupational disease hazard factors, and added noise testing of Packaging Room II on the second floor of the production building to the testing of occupational hazard factors; • Confirmed that raw materials meet environmental protection, safety and occupational health requirements before purchasing them; • Uniformly purchased and distributed labor protection appliances to employees in positions at risk of occupational diseases; • For noise sources from production equipment, implemented measures such as isolation protection and engineering controls to reduce employees' time exposed to noisy environments, and required employees to wear PPE such as earplugs and earmuffs; for positions involving hazardous chemicals, strengthened workplace ventilation and provided protective measures such as gas masks and protective gloves; • Provided ongoing education and appraisals for employees in all positions involving risks of occupational diseases, required and supervised them to correctly wear PPE during operations; reasonably arranged their working hours to improve operational efficiency and, while ensuring production, minimized employees' exposure to risks of occupational diseases as much as possible; • Frequently conducted occupational health and safety training for all employees; during the Safety Production Month, invited local labor union to conduct first aid training for safety officers from various departments; • Organized and carried out a series of labor competition activities, such as job operation skills competitions, enterprise product quality, safety and production knowledge competitions, etc.

During the Reporting Period, the Group carried out a series of employee health care activities. We provided free 7×24-hour online medical consultation services for employees and their families to help them obtain professional medical advice in a timely manner. Meanwhile, to ensure the mental health of employees, we opened the "Diligent Heart" public welfare hotline to provide employees with professional psychological support and external assistance.

6. Social Contribution Responsibility

6.1 Supporting Healthcare Development

R&D Innovation and IPRs Protection

The Group boasts a professional R&D team of nearly 800 experienced scientists and the national engineering research center of antibody medicine constructed under the approval by the National Development and Reform Commission. With four Research & Development Centers in Shenyang, Shanghai, Shenzhen, and Hangzhou, the Group has established a dual biological and chemical drug R&D platform, covering the whole process of drug development ranging from basic research, pre-clinical research, clinical trials to new drug registration for marketing. The Group's subsidiaries Shenyang Sunshine, Sunshine Mandi, Sunshine Guojian, NERC and Sciprogen have been recognized as "National High-Tech Enterprises".

As of the end of the Reporting Period, the Group had a total of 30 key products under development, 27 of which were developed as innovative drugs in the Chinese mainland, covering therapeutic areas such as nephrology, oncology, autoimmune diseases, dermatology and ophthalmology.

The Group attaches importance to intellectual property rights (IPRs) protection. Upholding the principle of "Innovation-driven research and development, future-oriented management" in IPR management, the Group has developed and put in place regulations, including the *Guidelines for IPR Management*, the *Guidelines for Commercial Secrets Management* and the *Manual for Business IPR Management*. While effectively managing and protecting IPRs, including patents, trademarks and commercial secrets, these regulations have protected the Group's competitive advantages and brand reputation and prevented risks of infringement on others' IPRs.

The Group incorporates IPR risk control into the project review process and implements full-process management measures. The Group conducts due diligence on IPR for products or key technologies involved in the project before the project is launched, reviews relevant patent applications and their legal status, and issues a patent investigation report to provide risk alerts. After project launch, the Group continuously conducts tracking and monitoring of patent information, promptly identifies potential risks, and effectively strengthens the intellectual property rights (IPRs) protection.

3SBIO Patent and Trademark Applications and Grants in 2025

Field	Progress in 2025
Patent	• 65 patent applications • 27 patents granted
Trademark	• 48 trademark applications • 25 trademarks registered

During the Reporting Period, the Group conducted patent search and patent database training for research and development personnel, helping them to understand how to obtain information on their own and others' IPRs through patent searches, so as to avoid infringement risks, enhance their ability to utilize the patent information, and promote the creation and protection of their own IPRs.

Supporting the Development of Biopharmaceutical Industry

The Group also takes an active part in industry standards studies to boost the development and progress of the biopharmaceutical industry, with a number of the Group's products included in various medical guidelines as recommended drugs.

Inclusion of Products in Medical Guidelines as Recommended Drugs in 2025

Product Names	Guidelines
TPIAO®	• *Interpretation of CSCO Guidelines for Diagnosis and Treatment of Thrombocytopenia Induced by Tumor Treatment (2025 Edition)* • *Guidelines for the Management of Adverse Reactions to Drug Therapy for Gynecologic Tumors (2025 Edition)* • *Guidelines for the Diagnosis, Treatment, and Management of Liver Cirrhosis (2025 Edition)* • *Chinese Guidelines for Integrated Diagnosis and Treatment of Tumors (CACA): Liver Cancer (2025 Edition)* • *Chinese Guidelines for the Diagnosis and Treatment of Systemic Lupus Erythematosus (2025 Edition)* • *Expert Consensus on Out-of-Hospital Management of Tumor Therapy-Related Myelosuppression (2025 Edition)*
EPIAO®	• *KDIGO 2025 Clinical Practice Guidelines for Anemia in Chronic Kidney Disease*
Cipterbin®	• *CSCO Breast Cancer Diagnosis and Treatment Guidelines (2025 Edition)* • *Guidelines and Standards for the Diagnosis and Treatment of Breast Cancer of the Chinese Anti-Cancer Association (CACA) (2025 Edition)*
Remitch®	• *Chinese Expert Consensus on the Management of Chronic Kidney Disease-Associated Pruritus (2025 Edition)*

6. Social Contribution Responsibility

To encourage young Chinese physicians to contribute to basic research and clinical application in the area of Thrombocytopenia (TCP), the Group launched and set up "Sunshine TCP R&D Fund for Young Physicians" jointly with Shenyang Pharmaceutical University in 2015 to continuously support related scientific research innovation. As of the end of the Reporting Period, regarding TCP fund projects, 36 high-quality articles were published and 13 research topics among the projects were completed, three articles were published, and three international conference abstracts were completed. The research results have made progress in multiple clinical application scenarios and explorations of mechanisms of action, forming important clinical references and scientific data.

Introduction to the 2025 Research Achievements of Sunshine TCP R&D Fund for Young Physicians (Partial)

Article Title	Main Achievements
Phase II Study of Prophylactic Recombinant Human Thrombopoietin Combined with MRI-Guided Hematopoietic Bone Marrow Protection-Enhanced Radiotherapy and Concurrent Chemotherapy for e16116 Thoracic Esophageal Cancer	• The results demonstrate that prophylactic administration of recombinant human Thrombopoietin (rhTPO) can significantly reduce the risk of acute TCP in patients with thoracic esophageal cancer during concurrent chemoradiotherapy, improve treatment tolerance, and enhance the efficacy of supportive care. • These findings further supplement evidence-based medical evidence for the preventive application of TCP in cancer treatment, providing a reference basis for clinical medication.
EP0753 rhTPO Promotes Platelet Levels and Liver Function Recovery in Patients with Slow-Onset Acute Liver Failure via PF4 Protein-Related Signaling Pathways	• The results show that in patients with slow-onset acute liver failure, the application of rhTPO can significantly increase platelet counts, improve liver function, and reduce bleeding events. Mechanistically, this effect may be associated with upregulating the level of Platelet Factor 4 (PF4) and activating the Rho-associated coiled-coil containing protein kinase (ROCK) signaling pathway, as well as the phosphatidylinositol 3-kinase/protein kinase B (PI3K/Akt) signaling pathway. • These findings provide theoretical and clinical reference for the application of rhTPO in liver protection, platelet maintenance, and liver function stabilization.

The Group took an active part in medical academic exchanges, held and participated in various academic conferences and forums, and engaged in the compilation, revision, and promotion of the application of industry diagnosis and treatment guidelines, so as to promote the development of standardized diagnosis and treatment and support progress in the biopharmaceutical industry. During the Reporting Period, the Group actively participated in domestic and international academic conferences, covering rheumatology, oncology, nephrology, hematology, hepatology, ICU, orthopedics, gynecology, surgery, radiotherapy, dermatology and other fields, where we continuously shared experience and exchanged expertise with domestic and international counterparts.

Progress of Academic Exchanges in 2025 (Partial)

Field	Conferences	Participation
Rheumatology	The 25th Annual Conference of the Rheumatology Branch of the Beijing Medical Association	• 3SBIO hosted a special session titled *The Rise of the Discipline and the Far-Reaching Impact of Drugs*, systematically reviewing the 20-year development journey of YISAIPU® alongside the rheumatology discipline since its launch, and promoting academic experience exchange and clinical practice sharing.
Oncology	2025 CSCO National Conference on Clinical Oncology	• 3SBIO attended the conference and co-organized a special session on tumor-related TCP. The session conducted academic exchanges on topics including interpretations of relevant CSCO guidelines, full-course management of tumor therapy-related TCP, and the preventive application of rhTPO in tumor treatment.
	The 9th Hangzhou Xianghu International Breast Cancer Summit	• 3SBio hosted a sub-forum on anti-HER2 therapy for breast cancer, systematically presenting the overall treatment strategy by focusing on key clinical studies in China, real-world evidence, and new chemotherapy regimens.
Nephrology	The Congress of the Chinese Society of Nephrology 2025	• 3SBIO participated in the sub-forum thematic session and shared insights on the innovative application of erythropoiesis-stimulating agents (ESAs) and the management of chronic kidney disease-related complications, providing new ideas for comprehensive treatment for patients with chronic kidney disease.
Hematology	The 19th Annual Meeting of Hematologists of the Chinese Medical Association and the 2025 China Hematology Conference	• 3SBIO supported the pre-conference issue-based exchange. The meeting focused on topics including new advances in hematopoietic stem cell transplantation, prevention and treatment of acute graft-versus-host disease (aGVHD), and the use of rhTPO to promote post-transplant platelet engraftment, with academic sharing and discussions to advance exchanges between frontier research and clinical practice in the hematology field.

Field	Conferences	Participation
Orthopedics	The 34th Annual Meeting of the Asian Pacific Association for the Study of the Liver (APASL 2025)	• 3SBIO supported the hosting of the symposium, where participants exchanged views on topics such as the clinical management and platelet-raising treatment of cirrhosis and liver disease-related thrombocytopenia, promoting the sharing of clinical experience in rhTPO-related applications.
Orthopedics	The Second National Health Commission Orthopedic Accelerated Rehabilitation Promotion Conference and the 10th National Orthopedic Accelerated Rehabilitation Academic Exchange Conference in 2024	• 3SBIO hosted a themed session on ERAS anemia management in orthopedics. The session shared insights on perioperative blood management in orthopedics and the clinical application of erythropoietin, providing practical reference for accelerating recovery in orthopedic patients.

6.2 Enhancing Accessibility to Medicines and Medical Services

Adhering to the professional competence and the spirit of assistance in the pharmaceutical field, the Group has incorporated "healthcare accessibility" into the long-term strategy for development. In addition, the Group also supports the *Doha Declaration on the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement and Public Health* and the provisions of the *Patent Law of the People's Republic of China* for compulsory licensing of relevant drug patents for purposes of public interest or in cases of emergency.

As the highest responsible body for the issue of health care accessibility, the Board of Directors is responsible for supervising the overall implementation of the strategy in the Group, and the ESG Committee is responsible for daily management and advancement of this issue. The Group is committed to continuously improving the accessibility of healthcare by means of R&D innovation, fair pricing, social donations, and training of primary care physicians, to advance the realization of inclusive health care. For information on relevant performance, such as the amount of charitable donations in 2025, see the Group's announcement of annual results.

Medical Inclusion

The Group stays concerned about the impact of drug pricing on the affordability and accessibility of pharmaceutical products. As of the end of the Reporting Period, TPIAO®, EPIAO®, YISAIPU®, Cipterbin®, Remitch®, and Liporaxel® of the Group have been included in the National Reimbursement Drug List (NRDL), further enhancing the accessibility of relevant medicines and alleviating patients' financial burden. Among them, since Cipterbin® was launched, it has cumulatively covered nearly 30,000 patients. While ensuring efficacy, it has reduced overall treatment costs, benefiting a broader population.

In order to promote the wide accessibility of health resources, the Group developed different pricing strategies, comprehensively considering factors such as the purchase and payment capabilities in locations where pharmaceutical products were sold, the speed of disease spread, and the specific market demand, and is committed to providing fair, affordable and quality pharmaceutical products and services for patients. Drug pricing complies with the international pricing standards of CBP and MRP. The Group takes into comprehensive consideration the price of brand-name drugs, market competitiveness and relevant policies in pricing of biosimilar products, and the retail prices in China, local purchasing power, patient demand and market development potential in pricing of innovative pharmaceutical products.

Supporting Development of Primary Care

Centered on the vision of becoming a leader of global biopharmaceutical industry and, guided by this vision, the Group has continued to dedicate itself to promoting the improvement of medical services in China. The Group has promoted the Ankylosing Spondylitis-Based Healthy Village Program nationwide and actively fulfilled our social responsibilities, providing support and assistance for the development of healthy villages.

During the Reporting Period, the Ankylosing Spondylitis-Based Healthy Village Program got the following achievements:

- 121 new designated treatment hospitals;
- 396 additional physician training sessions and charity screening and treatment sessions, with 15,100 trainees;
- 10,582 screened patients and 5,045 treated patients;
- Additional grants for medical treatment: RMB8,131,352.92

6. Social Contribution Responsibility

To promote early screening and standardized treatment of ankylosing spondylitis patients in rural areas, the Group continues to deepen the implementation of the Ankylosing Spondylitis-Based Healthy Village Program, focusing on the training mainly for grassroots doctors, with the training including early identification and standardized diagnosis and treatment of common rheumatic and immune diseases such as ankylosing spondylitis, full-course patient management, and relevant programs, policies and operating procedures. During the Reporting Period, a cumulative total of over 210 online and offline training sessions were carried out under the program, reaching over 15,100 grassroots medical personnel, effectively enhancing the service capacity of grassroots healthcare institutions in the prevention and treatment of rheumatic and immune diseases.

Based on this program, the Group officially launched the *Real-World Study on the Effectiveness and Economy of Interventions for Patients with Active Ankylosing Spondylitis (AS) in China Based on the "Ankylosing Spondylitis-Based Healthy Village Program"* in 2022. During the Reporting Period, this topic completed the collection and statistical analysis of six-month post-treatment follow-up data for enrolled patients, and advanced the drafting of related papers, providing data support for optimizing grassroots diagnosis and treatment models and the rational allocation of medical resources.

7. Environmental Protection Responsibility

7.1 Environmental Management System

The Group mainly consumes electricity, steam, heat, natural gas, LNG, gasoline and diesel directly or indirectly in its production and business operation. It uses water from the municipal water supply system and there are no risks in seeking appropriate water sources. The main emissions generated by the Group are greenhouse gases, wastewater, waste gas, and solid waste, and the Group works strictly in accordance with the requirements of the emission permit, and pollutants such as effluents, waste gases and noise at the factory boundary are discharged in accordance with the requirements of the emission permit. During the Reporting Period, Sunshine Guojian was awarded the national-level Green Factory title.

The Board of Directors of the Group performs the responsibility of supervising environmental management. Under the guidance of the Board of Directors, the Group has set up a leading group for environmental protection, headed by the Senior Vice President (also a Board member) of the Group. To complete environmental management tasks smoothly, the Group has incorporated environmental performance assessment indicators in the salary assessment and incentive system for the head of the leading group for environmental protection, accounting for 20% of the total. The Group follows the GMP requirements to establish and continuously improve the environmental management system, which manages and implements the environmental protection agenda. The leading group directs the environmental management of each manufacturing base under the guidance of the *Environmental Management Regulations*.

The Group's manufacturing bases, which are responsible for implementing environmental protection responsibility, set up EHS departments, put in place guidelines for the environmental management of manufacturing bases, and formulate regulations, including the *EHS Management Manual,* the *Wastewater Management System,* the *Waste Gas Management System,* the *Noise Management System,* the *Hazardous Waste Management System and* the *Contingency Plan for Emergency Response*.

During the Reporting Period, each manufacturing base conducted its own annual environmental monitoring, and the pollutant emissions were in compliance with national environmental protection requirements. Based on ISO 14001 management requirements, all of the Group's manufacturing bases in China (Shenyang Sunshine, Guangdong Sunshine, Sunshine Guojian, Sunshine Mandi and Sciprogen) conduct third-party audits covering all operational aspects at a frequency of no less than once every three years. As of the end of the Reporting Period, 100% of the manufacturing bases of the Group in China with stable operation and certification qualifications had passed the ISO 14001:2015 environmental management system certification.

The Group conducts environmental impact audits on manufacturing bases every year and targeted audits based on management demands of different projects. Meanwhile, each manufacturing base actively conducts training related to environmental protection for all employees to enhance their environmental compliance awareness and their ability to handle environmental emergencies.

7. Environmental Protection Responsibility

Environmental Training of Each Manufacturing Base in 2025 (Partial)

Shenyang Sunshine	• Provided all employees with environmental safety training that mainly introduced environmental safety knowledge, emergency response, occupational health prevention and other content; • Provided hazardous waste disposal training for production departments, covering hazardous waste disposal requirements, disposal principles, daily collection considerations, emergency disposal, etc.; • Conducted emergency drills for hazardous waste-related environmental incidents to enhance capabilities to safely and effectively handle various types of sudden environmental accidents.
Guangdong Sunshine	• Organized environmental protection awareness training for new employees. • Organized training in environmental management system-related documents for all employees. • Organized environmental factor identification and solid waste classification training for safety officers; • Organized emergency drills for sudden environmental incidents; • Organized environmental protection management personnel to participate in external training, such as special training on the safety of environmental treatment facilities and emergency management for sudden environmental incidents, hazardous waste knowledge training, education on wastewater treatment processes, and enterprise management training for automatic monitoring systems for water pollution sources.
Sunshine Guojian	• Organized training in environmental management system-related documents, including training on emergency plans, environmental hazards, and environmental policies, objectives, and responsibilities, covering 403 attendances.
Sunshine Mandi	• Updated the *Contingency Plan for Emergency Response* and, in accordance with the plan requirements, conducted special emergency drills, including emergency drills for hazardous waste leakage, abnormal operation of environmental treatment facilities on-site, and chemical leakage, with 26 participating employees; • Organized laboratory-related personnel to conduct training on the management of laboratory hazardous waste, with 42 participating employees; • Collected typical environmental penalty cases and organized education and training for employees, in which the cases were used in the explanation of related environmental protection laws and regulations.

Sciprogen	• Organized training in safety knowledge about pollution prevention and control facilities; • Organized capability improvement training for environmental protection officers; • Organized environmental protection training in wastewater and waste gas treatment for related operators, and training on the operation of pollution prevention and control facilities; • Organized training in standard management of hazardous waste for related department personnel, with the training content including classified collection of hazardous waste, hazardous waste storage management, hazardous waste transfer and disposal, and relevant legal and regulatory requirements.

During the Reporting Period, the Group continued to conduct environmental management around the established goals for energy utilization, water resource utilization, greenhouse gas emission and hazardous waste discharge.

ESG Management Goals for 2025	Unit	Progress in 2025
Reducing energy consumption per revenue unit by 40% by 2025, compared to 2017	MWh/RMB million	9.34
Reducing water consumption per revenue unit by 30% by 2025, compared to 2017	m^3/RMB million	66.04
Reducing greenhouse gas emissions per revenue unit by 20% by 2025, compared to 2017	Ton of CO_2e/RMB million	3.80
Reducing hazardous waste per revenue unit by 30% by 2025, compared to 2018	kg/RMB million	38.81

Note: The Group sets ESG quantitative goals based on data from manufacturing bases that operate continuously and stably. The Group may adjust the goals in the future owing to business expansion needs.

7.2 Resource conservation and utilization

Energy Management

The Group follows the principle of green development and continuously optimizes the energy structure in its production operations, actively promoting the recycling of energy, vigorously developing and utilizing new energy sources and accelerating the innovation and application of clean technologies. Meanwhile, the Group systematically advances various energy-saving and consumption-reduction projects, comprehensively enhances energy utilization efficiency across all manufacturing bases, and promotes the achievement of high-efficiency operations and sustainable development goals. During the Reporting Period, the Group's energy consumption per revenue unit was 9.34 (MWh/RMB million).

7. Environmental Protection Responsibility

Energy Management Measures for Each Manufacturing Base in 2025 (Partial)

Shenyang Sunshine	• Adopted a waste heat recovery system that supplies heating with part of the waste heat; • Purchased 3,500 MWh of green electricity, with the clean electricity use accounting for 24.31% of the base's total electricity consumption; • Upgraded and renovated the lighting facilities in offices, factories, warehouses and other auxiliary areas and upgraded the original fluorescent lamps to energy-saving, low-wattage, high-illuminance LED energy-saving lamps, with approximately 200 megawatt-hours of electricity saved each year.
Guangdong Sunshine	• Utilized boiler waste heat recovery to preheat the water supply to the Clayton boiler and to store condensate in a temporary water tank, saving 38,325 cubic meters of natural gas and RMB170,000 in costs each year; • Optimized zone control of air conditioning: changed air conditioning of rooms on different floors and equipment rooms from centralized to independent control and turned off the corridor air conditioning to save electricity. It is expected to save 150 MWh of electricity and RMB120,000 in electricity bills each year; • Implemented an energy-saving operation project for the cold water chiller to achieve cooling on demand, saving approximately RMB290,000 in electricity bills each year; • Built a distributed photovoltaic power generation project using the building rooftop, with an estimated annual power generation of 1,041.80 MWh; • Carried out an intelligent energy-saving retrofit of the lighting system by installing occupancy sensor switches and replacing conventional tubes with LED lights, expected to save RMB68,000 in electricity bills each year; • Provided hot water for washing of employees in the dormitory building and for dining hall use through the solar water heating system, which can save 239.9 MWh of electricity and about RMB191,900 in electricity bills each year; • An ice storage system is adopted, which uses the cold water chiller and cold storage pool to store cold during the off-peak electricity price period, and uses the cold storage pool to release cold during the peak electricity price period, thereby saving the difference in electricity prices between peak and off-peak periods. It is estimated that the electricity bill can be saved by about RMB353,300.

Sunshine Guojian	• A total of 3,800 energy-saving lighting fixtures were installed in the Eco-Center, saving approximately RMB400,000 in electricity costs each year; • Identified high-energy, low-efficiency equipment and completed equipment replacement, with an estimated annual electricity savings of RMB1 million; • Retrofitted the existing street lighting system by replacing it with solar street lights to improve energy utilization efficiency and reduce operating costs, cutting energy consumption by approximately 90.89 MWh each year; • Replaced the heat pumps with energy-efficient modular air-cooled heat pumps, saving 91.54 MWh of electricity year-on-year and reducing costs by RMB88,796; • Dynamically optimized the operation and switching of natural gas boilers based on steam demand, effectively reducing natural gas consumption while ensuring steam supply for production and achieving safe, efficient, and energy-saving operation; • Optimized the centrifugal speed and slag discharge time of post-processing to reduce production energy consumption.
Sunshine Mandi	• Conducted an electricity storage capacity expansion transformation to upgrade the energy consumption level to Level II, which is expected to save 40 MWh of electricity per year; • Conducted a street light energy-saving transformation by replacing them with solar street lights, reducing about 12 MWh of lighting electricity each year; • Promoted the centralized air supply transformation of air compressors by adjusting from requiring multiple units to operate at night to requiring only one air compressor to operate at night, effectively reducing electricity consumption; • Carried out Phase II renovation for transformer capacity expansion to upgrade the energy consumption level of two old transformers to Level 1, which is expected to save approximately 60 MWh of electricity per year; • Implemented Phase I renovation of the cold water chiller system in Building 2, in which one screw cold water chiller was replaced with a Level 1 energy consumption variable-frequency screw unit, saving about 150 MWh of electricity per year; • Promoted automatic control renovation for certain air-conditioning systems, eliminating manual recording, improving energy utilization efficiency, and saving labor costs and energy costs.
Sciprogen	• Comprehensively reduced the consumption intensity of major energy sources through measures such as optimizing the workshop production structure, reasonably arranging the operating hours of energy-consuming equipment, enhancing the maintenance of steam generators and power supply systems and continuing to train and publicize energy conservation and consumption reduction; • Implemented a campaign to improve the conservation of gas used for industrial steam, reduced no-load losses by operating one boiler during valley periods and two during peak periods and regularly maintained boiler furnaces to improve steam generation efficiency; • Launched a campaign to enhance the heat exchange efficiency of water chillers by cleaning and maintaining the liners of the heat exchangers thereof.

7. Environmental Protection Responsibility

Water Resources Management

The Group places emphasis on the conservation and utilization of water resources and reduces water consumption through water recycling and water-saving technology renovation. During the Reporting Period, the Group's water consumption per revenue unit was 66.04 (m^3/RMB million).

Water Resources Management Measures for Each Manufacturing Base in 2025

Shenyang Sunshine	• Recycled about 15,030,000 m^3 of water, with a water recycling rate of 99.9%; • Discharged about 7,200 tons of wastewater from the sewage station each year for irrigation of the park's greenery.
Guangdong Sunshine	• Carried out steam condensate recovery, collected it in the boiler room for deoxidation, and then reheated it for use, effectively saving water resources and natural gas consumption, saving RMB38,656.8 per year; • Recycled the concentrated water discharged from the water treatment system and used it for garage flushing and landscaping watering, with an average of 20 tons of recycled reclaimed water every day.
Sunshine Guojian	• Added a three-way collection pipe to the bottom drainage pipes of the multi-media tank and activated carbon tank to collect the water to the backwash water recovery tank. The backwash water is filtered through quartz sand and activated carbon and supplied to the greening irrigation and factory facility cleaning in the park. • Mainly used circulating water for purified water system, air conditioning system cooling, and refrigeration unit cooling, with a total annual circulating water consumption of about 20,000 tons; • Implemented a reclaimed water recovery project. By recovering RO concentrate, saved approximately 28,900 tons of water throughout the year, significantly reduced wastewater discharge, and lowered the pressure on the exploitation of natural water resources.
Sunshine Mandi	• Renewed old ABS water pipes to effectively reduce current phenomena of water running, spraying, dripping and leaking and prevent long-term leakage of concealed pipes; • Built an energy management platform to enable accurate collection and remote monitoring of water-use data, improving water resource utilization efficiency and safety assurance capabilities.
Sciprogen	• Supplied treated sewage that meets discharge standards for internal landscaping irrigation, hazardous chemical warehouse sprinkling and cooling, various external cleaning, cooling tower water supply, building rooftop cooling, and other purposes after temporary storage, and cumulatively recycled water of 7,038 cubic meters.

7.3 Climate Change Mitigation and Adaptation

Climate Governance

The Group closely monitors global climate change trends, incorporates climate change mitigation and adaptation into our corporate social responsibility and environmental management systems, and continues to improve our climate governance mechanism to strengthen the identification and management of climate-related risks and opportunities.

The Group has established a climate governance structure of the Board of Directors, the ESG Committee, the ESG Working Group, and the EHS Department. As the highest supervision body for climate issues, the Board of Directors is responsible for overseeing the Group's climate strategy and related targets, and regularly reviewing material ESG issues and the implementation of ESG strategies. The ESG Committee coordinates and advances the Group's climate management efforts, regularly reviews ESG performance, and reports it to the Board of Directors. The ESG Working Group is responsible for specific implementation and cross-departmental coordination, and the EHS departments of each subsidiary are responsible for implementing relevant management measures at the operational level.

The Board of Directors reviews management strategies related to climate change mitigation and adaptation on an annual basis, and provides guidance and support for the actions required to achieve climate management objectives. At the same time, the Board assumes oversight responsibility for the Group's overall sustainable development performance, and incorporates climate-related management targets and progress into performance evaluation and incentive mechanisms to strengthen accountability for climate governance.

To enhance the Group's capabilities in identifying and responding to climate-related risks and opportunities, the Group engages external experts to provide training to improve the understanding of the Board of Directors and the ESG Committee of climate issues and potential financial effects, and conducts training on climate policies and decarbonization pathways to continuously strengthen internal management capabilities.

Climate Strategy

In accordance with the requirements of the HKSE's ESG Code and *International Financial Reporting Standard for Sustainability Disclosure No.2-Climate-related Disclosures (IFRS S2)*, the Group systematically identifies the risks and opportunities brought about by climate change.

7. Environmental Protection Responsibility

Climate-related Risks and Opportunities

Risks/Opportunities	Risk/Opportunity Type	Key risks/Opportunity Drivers
Physical risks	Acute physical risk	Typhoons, extreme cold
	Chronic physical risk	Water resource shortages, ecological environmental damage
Transition risks	Policy and legal risk	Carbon emissions trading mechanism, environmental regulation, and low-carbon policy requirements
	Technology risk	Enhanced energy efficiency standards, clean energy utilization requirements, and upgrades to production equipment and processes
	Reputation risk	Enhanced requirements for climate information disclosure, stakeholders' focus on climate performance
Transition opportunities	Adaptability opportunity	Energy efficiency management enhancement and development of a green supply chain
	Resource efficiency opportunity	Improvement of the efficiency of energy and water resource utilization
	Energy source opportunity	Increase in the proportion of clean energy use, and optimization of the energy mix
	Product and service opportunity	Changes in public health needs and R&D demand for innovative drugs
	Market opportunity	Growth in demand for green pharmaceutical products and sustainable healthcare

To assess the potential impacts of climate change on the Group's operations and assets, during the Reporting Period, the Group conducted climate scenario analysis. Seven subsidiaries, namely Shenyang Sunshine, Guangdong Sunshine, Sunshine Guojian, NERC, Sunshine Mandi, Sciprogen, and Sirton, were selected as sample assets to systematically assess potential physical risks and transition risks.

The Group divides the risk assessment period into short term (1 to 3 years), medium term (3 to 10 years), and long term (more than ten years), and uses 2050 as a key time node for long-term scenario analysis. By identifying the climate hazard risks at the locations of the sample assets and the future trend of carbon price changes, we assess the potential impact of climate change on the Group's operations and financial performance.

The Group has incorporated climate scenario analysis into its normalized management mechanism. Building on the analysis conducted for the first time during the Reporting Period, we will regularly update the assessments in the future and promptly review them when there are significant changes in the Group's strategy, operating environment, or external regulation, so as to continuously track changes in climate-related risks and opportunities.

In terms of physical risks, this analysis covers nine types of climate risks, including high temperatures and heatwaves, extreme cold, drought, water scarcity, heavy rainfall, typhoons, wildfires, sea level rise, and ecological and environmental degradation. It also selects the SSP2-4.5 and SSP1-2.6 scenarios proposed by the Intergovernmental Panel on Climate Change (IPCC) for analysis, representing an intermediate emission scenario and a strict emissions-reduction scenario, respectively.

Physical Risk Scenario Selection and Scenario Assumptions

Scenario	IPCC SSP2-4.5	IPCC SSP1-2.6
Projected global temperature rise by 2100	Approximately 2.7°C above pre-industrial levels	Approximately 1.8°C above pre-industrial levels
Characteristics	Intermediate scenario	Low temperature rise scenario
Scenario assumptions	An intermediate emission scenario with a certain degree of climate change policy intervention. Under this scenario, global greenhouse gas emissions generally remain at current levels until around the middle of this century and then decline, with the global average temperature rising by approximately 2.7°C above pre-industrial levels by the end of the century.	Climate change policy interventions are relatively strong. Under this scenario, global greenhouse gas emissions peak in the near term, then decline, and approach net-zero emissions around the middle of this century. By the end of the century, the global average temperature increases by approximately 1.8°C compared with pre-industrial levels.
Analysis timeframe	Long term (2050)	

Scenario analysis results showed that under long-term scenarios, typhoons and water scarcity were the main physical risks commonly faced by the Group's assets. This was mainly due to some of the Group's production and operational facilities being located in coastal areas of eastern and southern China and in regions with high water demand. In terms of risk exposure, Shenyang Sunshine and Sunshine Guojian showed relatively high levels of physical risk exposure in the scenario analysis, mainly involving risks of typhoon and water scarcity. In addition, influenced by regional climate characteristics, the area where Shenyang Sunshine is located may face relatively high risks of extreme cold and, to a certain extent, risks of ecological and environmental changes in the future. Some coastal areas may also be potentially affected by sea level rise, while the overall risk of drought is relatively low.

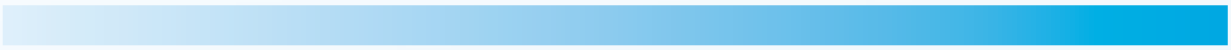
7. Environmental Protection Responsibility

Climate Physical Risk Exposure[1]

Risk Type	2050 SSP2-4.5	2050 SSP1-2.6
High temperatures and heatwaves	4.04%	4.04%
Extreme cold	64.46%	64.46%
Drought	0.00%	0.00%
Heavy rainfall	11.54%	11.54%
Sea level rise	25.10%	25.10%
Water scarcity	87.61%	87.61%
Typhoon	99.15%	99.15%
Wildfire	0.00%	0.00%
Ecological and environmental degradation	65.31%	65.31%

Legend:

Impacts of climate-related risks



Lower impact — Higher impact

In response to the four physical risks with relatively high material impacts identified through scenario analysis, namely typhoons, water scarcity, ecological and environmental degradation, and extreme cold, the Group further conducts an impact assessment across the full value chain, maps the risk transmission pathways, and assesses their potential impacts on production and operations, supply chain stability, and cost structure.

On this basis, we have formulated targeted response measures in line with the business characteristics, and gradually incorporated the results of climate risk assessments into the corporate risk management system and operational decision-making processes. We have also integrated the relevant management measures into our sustainable development strategy and day-to-day risk management system, so as to enhance overall operational resilience.

[1] Physical risk exposure is measured as the proportion of medium-high and high-risk assets, calculated based on the value of assets held.

Analysis of Material Physical Risk Impacts and Responses

Risk Type	Specific Description	Impact Duration	Scope of Impact	Anticipated Financial Effect	Current Financial Effect[2]	Countermeasure
Typhoon	Severe typhoons and accompanying extreme weather, such as heavy rainfall and flooding, may damage production facilities, cause power outages and waterlogging in factory areas, affect production operations, warehousing, and logistics transportation, and in turn affect pharmaceutical manufacturing and supply chain stability.	Short term	Upstream of the value chain Own operations Downstream of the value chain	Increased risk of production disruptions, higher equipment maintenance costs, and higher warehousing and logistics costs	Increased emergency management and disaster prevention investments	• Establish a business continuity management plan • Assess flood control and drainage and backup power supply capabilities at manufacturing bases • Promote alternative transportation plans for key logistics nodes
Water scarcity	Water scarcity may intensify regional competition for water use, increase industrial water costs, and impose higher requirements for ensuring water supply for production and operations, thereby affecting production stability.	Medium term Long term	Upstream of the value chain Own operations	Increased water costs, as well as production and operating costs	Increased investment in water-saving retrofits and water resources management	• Develop a production water-use efficiency improvement plan • Promote the application of water-saving production processes and recycled water-use technologies • Carry out monitoring of production water use and optimize management
Ecological and environmental degradation	Ecological and environmental changes such as soil erosion may trigger secondary disasters such as landslides or floods, thereby potentially affecting production facilities and logistics transportation.	Medium term Long term	Upstream of the value chain Own operations Downstream of the value chain	Increased infrastructure maintenance costs and supply chain operating costs	Increased investment in environmental monitoring and risk management	• Conduct ecological and environmental risk assessments in the areas surrounding manufacturing bases • Establish a natural disaster risk monitoring and early warning mechanism
Extreme cold	Extreme cold weather may affect chemical reactions and synthesis processes in production, and impose higher requirements on pharmaceutical storage and transportation. At the same time, low-temperature conditions may also impact the operation of production equipment.	Short term	Own operations Downstream of the value chain	Increased equipment maintenance costs and temperature control and energy costs	Increased investment in cold-weather protection measures and equipment management	• Develop an emergency plan for extreme low temperatures • Strengthen cold-weather protection and maintenance management of production equipment • Optimize temperature control management for pharmaceutical storage and transportation

[2] Given the high uncertainty and difficulty in reliably quantifying climate-related financial impacts at present, the Group has not disclosed quantitative financial data. Instead, it provides a qualitative analysis of the potential impacts of climate-related risks on financial statement items and related risk factors.

7. Environmental Protection Responsibility

In terms of transition risks, the Group selects the Delayed Transition scenario and the Net Zero 2050 scenario proposed by the Network for Greening the Financial System (NGFS) of central banks and regulatory authorities for analysis, representing a disorderly transition pathway and an orderly transition pathway, respectively. The analysis uses carbon prices as the core variable, and assesses the potential financial effects of changes in climate policies by calculating the carbon value at risk. Under the NGFS scenario framework, carbon prices reflect the marginal abatement cost required to achieve emissions reductions under different stringent policies. Therefore, they can be used to measure the potential impact of future climate policies on corporate operating costs.

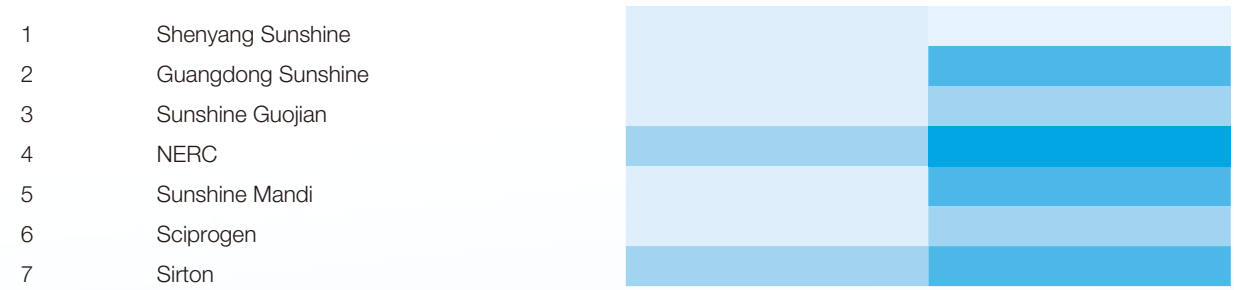
Transition Risk Scenario Selection and Scenario Assumptions

Scenario	NGFS Delayed Transition	NGFS Net Zero 2050 Scenario
Projected global temperature rise by 2100	2°C above pre-industrial levels	Within 1.5°C above pre-industrial levels
Characteristics	Disorderly transition scenario	Orderly transition scenario, strong transition policies
Scenario assumptions	Governments introduce low-carbon transition policies at a later stage, usually after 2030, and abruptly, with policy intensity increasing rapidly year by year, ultimately achieving the Paris Agreement's 2°C temperature control target.	The NGFS Net Zero 2050 scenario assumes that effective climate policies are introduced globally at present, enabling an orderly global transition, achieving net-zero emissions by 2050, and meeting the Paris Agreement's 1.5°C temperature control target by the end of the century.
Analysis timeframe	Long term (2050)	

The scenario analysis results showed that under the NGFS Delayed Transition scenario, the Group's assets had overall low transition risks before 2050, and climate policies had a limited impact on operating costs. Under the NGFS Net Zero 2050 scenario with higher carbon prices and stronger policies, some subsidiaries may face certain carbon emission costs. Among them, Guangdong Sunshine, Sunshine Mandi, and Sirton would incur certain carbon emission costs under this scenario. In contrast, NERC had a relatively higher carbon value at risk under the Net Zero 2050 scenario, mainly because its baseline revenue carbon intensity was higher than that of other assets, and without considering emission reduction measures and carbon management targets, its future potential emission costs would be higher.

Results of the Climate Transition Risk Scenario Analysis

No.	Asset Abbreviation	NGFS Delayed Transition Scenario	NGFS Net Zero 2050 Scenario
1	Shenyang Sunshine		
2	Guangdong Sunshine		
3	Sunshine Guojian		
4	NERC		
5	Sunshine Mandi		
6	Sciprogen		
7	Sirton		



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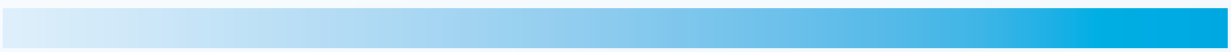
Impacts of climate-related risks



Lower impact — Higher impact

Overall, the transition risks of the Group's assets remained within a controllable range. In the future, the Group will continue to monitor domestic and overseas carbon emission reduction policies and climate transition trends and, in conjunction with business development, gradually advance energy conservation, emission reduction, and carbon emission management. We will incorporate climate factors into strategy and operational management to reduce potential transition costs and enhance long-term competitiveness in the low-carbon economy.

7. Environmental Protection Responsibility

Analysis of Material Transition Risks and Opportunities and Responses

Risk/Opportunity Type	Specific Description	Impact Duration	Scope of Impact	Anticipated Financial Effect	Current Financial Effect[3]	Countermeasure
Policy and legal risk	As carbon emissions regulation and carbon trading mechanism are progressively advanced, some manufacturing bases may be required to participate in the carbon market or fulfill management requirements for carbon emissions, thereby imposing higher requirements on production and operations management.	Medium term Long term	Own operations	Increased carbon emission management costs and compliance costs	Increased investments in carbon emission management and related management efforts	• Continuously monitor changes in carbon emissions policies • Explore the carbon emission management mechanism and gradually improve the greenhouse gas emission management system
Technology risk	In the context of a low-carbon transition, if relevant policies require improvements in energy efficiency or an increased proportion of clean energy usage, existing equipment or processes may need to be upgraded or adjusted.	Medium term Long term	Own operations	Increased costs for equipment upgrades and technological transformation	Increased investment in technical assessments and energy-saving retrofits	• Monitor low-carbon technology development trends • Conduct energy-saving technology assessments • Gradually advance production process optimization
Reputation risk	As a company listed in Hong Kong, we are required to disclose greenhouse gas emissions and climate management information. Such information may attract attention from investors and other stakeholders.	Medium term Long term	Own operations Downstream of the value chain	Fluctuations in financing costs	Increased investment in climate information disclosure and management	• Continuously improve climate information disclosure • Strengthen the ESG management and communication mechanism

[3] Given the high uncertainty and difficulty in reliably quantifying climate-related financial impacts at present, the Group has not disclosed quantitative financial data. Instead, it provides a qualitative analysis of the potential impacts of climate-related risks on financial statement items and related risk factors.

Risk/Opportunity Type	Specific Description	Impact Duration	Scope of Impact	Anticipated Financial Effect	Current Financial Effect[3]	Countermeasure
Resource efficiency opportunity	Resource consumption in production and operations can be reduced by improving the efficiency of energy and water use.	Medium term Long term	Own operations	Decline in production and operating costs	Increased investment in energy-saving retrofits and management	• Advance energy and resource efficiency improvement plans, and optimize production management
Energy source opportunity	Increasing the share of clean energy or low-carbon energy use helps reduce the risk of future energy price fluctuations.	Medium term Long term	Own operations	Reduced risk of energy cost fluctuations	Increased investment in clean energy use and assessment	• Explore opportunities to use clean energy, and proactively optimize the energy mix
Product and service opportunity	Changes in public health needs and advances in biopharmaceutical technology have brought potential market opportunities for innovative drug R&D and product upgrades.	Medium term Long term	Own operations Downstream of the value chain	Opportunities for revenue growth	Increased R&D investment	• Continue to advance R&D for innovative drugs and closely monitor changes in health needs
Adaptability opportunity	Optimizing supply chain management and selecting partners with stronger environmental performance can enhance the overall resilience of corporate operations.	Medium term Long term	Upstream of the value chain Downstream of the value chain	Supply chain management cost optimization	Increased investment in supply chain assessment and management	• Incorporate environmental factors into supplier assessments to enhance supply chain collaboration

7. Environmental Protection Responsibility

Climate Risk Management

The Group has incorporated climate-related risks and opportunities into the corporate risk management system. We identify climate-related risks and opportunities relevant to our business through policy research, industry benchmarking, and expert consultations, and assess their potential impacts on operations and financial position. During the assessment process, the Group prioritizes climate-related risks and opportunities in terms of the likelihood of occurrence and the impact severity, and conducts a comprehensive analysis in conjunction with our business characteristics.

During the Reporting Period, the Group introduced climate scenario analysis into its risk assessment and conducted resilience testing on physical risks and transition risks that may be faced under different climate scenarios. On this basis, we further identified potential transition opportunities, such as developing a green supply chain and improving operational energy efficiency.

The Group continues to advance improvements in energy efficiency, the application of energy-saving technologies, and green operational measures. In conjunction with industry policy research, we carry out resource conservation and emission reduction actions, while gradually integrating climate risk management into the overall risk management system and day-to-day operations management to enhance our capability to address climate change.

Climate Metrics and Targets

The Group has formulated greenhouse gas emissions management targets and regularly compiles statistics on total greenhouse gas emissions and emissions intensity, continuously promoting green and low-carbon operations and assessing progress in advancing climate targets to ensure the steady achievement of the relevant targets. As of 2025, we had achieved the established phased targets for emission reduction. In the future, the Company will, in light of business development and climate management requirements, further establish new targets for the management of greenhouse gas emissions and continue to advance the low-carbon transition.

Metric	Target	Progress in 2025
Greenhouse gas emissions per revenue unit	Reducing 20% by 2025, compared to 2017	Down 41.54% from 2017

7.4 Emissions Management

Wastewater Management

Wastewater generated by the Group mainly includes domestic sewage, industrial effluents and production wastewater. Among them, production wastewater is small in generation amount and is not toxic. After treatment with alkali, it can be discharged by manufacturing bases in compliance with the relevant requirements. Domestic sewage and industrial effluents can be discharged into the municipal pipeline network after they are treated in the wastewater treatment center of the factory or industrial park and reach discharge standards.

In line with national and regional emission standards, manufacturing bases issue and implement internal pollutants discharge and emission control requirements. They control pollutants both at the workshop and in the effluent treatment center to reduce the discharge of effluents and pollutants. On the basis of meeting national and regional discharge standards, manufacturing bases further control the discharge concentrations of major pollutants within the range of internal standards that are more stringent than statutory requirements.

Wastewater Discharge Standards and Major Control Indicators

Discharge Standards	Major Control Indicators
• *Integrated Wastewater Discharge Standard* (GB8978-1996) • *Wastewater Quality Standards for Discharge to Municipal Sewers* (GB/T31962-2015) • *Discharge Standards of Water Pollutants for Pharmaceutical Industry Bio-Pharmaceutical Category* (GB21907-2008) • *Indirect Discharge for Emission Limitation of Nitrogen and Phosphorus for Industrial Wastewater* (DB33/887-2013) • *Self-monitoring Technology Guidelines for Pollution Sources – Pharmaceutical Industry Chinese Traditional Medicine Category, Biological Pharmaceutical Products Category, Chemical Pharmaceutics Preparations Category* (HJ 1255-2022) • *Liaoning Provincial Integrated Discharge Standards for Wastewater* (DB21/1627-2008) • *Guangdong Provincial Discharge Limits of Water Pollutants* (DB44/26-2001) • *Shanghai Municipal Discharge Standard of Pollutants for Bio-pharmaceutical Industry* (DB31/373-2010)	Five-day biochemical oxygen demand (BOD5), chemical oxygen demand(COD), suspended solids, ammonia nitrogen, nitrogen, phosphorus, animal and vegetable oil, pH, etc.

7. Environmental Protection Responsibility

Wastewater Discharge Reduction Measures of Each Manufacturing Base in 2025

Guangdong Sunshine	• Implemented a drainage pipeline renovation project by adjusting the discharge method of disinfection water in the water preparation room from pipeline discharge to the sewage treatment center to discharge into the condensate collection device, which then enters the boiler room for recycling, so as to reduce sewage discharge while saving water; • Optimized the CIP cleaning process of each workshop to the optimum state, to reduce water consumption and wastewater discharge; • Consolidated the factory's discharge outlets for industrial effluents to promote pollution source reduction and centralized control.
Sunshine Mandi	• Implemented a sewage dosing system transformation project by adding agent level alarms and incorporating existing reflux pump and fan operation status information into the scope of monitoring alarms to ensure the normal operation of the sewage treatment system; • Implemented sludge filter press transformation by increasing the capacity from about 200 kg per frame to about 500 kg per frame to improve sludge pressing efficiency and discharged water quality; • Carried out equipment dismantling and electromechanical installation and renovation of the traditional Chinese medicine extraction workshop. After the reconstruction, the amount of wastewater will be reduced by 30,837 tons per year, COD will be reduced by 1.234 tons, and ammonia nitrogen will be reduced by 0.0624 tons; • Adjusted the functions of the production line for biological agents and converted it into a warehouse. After renovation, wastewater discharge is expected to decrease by 160 tons per year, COD by 0.006 tons, and ammonia nitrogen by 0.0003 tons.
Sciprogen	• Controlled the source of workshop cleaning wastewater discharge and reduced the rinsing and drainage frequency in the cleaning procedure by changing the process flow of cleanroom garment cleaning equipment; • Changed the cleaning procedure of instrument cleaning equipment, separately cleaned instruments not in contact with protein and eliminated alkaline-containing wastewater generated by alkaline washing; • Conducted on-site disposal of an unexpected wastewater exceedance at a wastewater treatment station; • Appropriately adjusted the cleaning method based on the production needs of EPO original liquid workshop from the automatic cleaning by equipment to manual cleaning, reduce cleaning wastewater discharge.

Waste Gas Management

The main line of business of the Group is biopharmaceutical. The chemical drugs and Chinese patent medicine produced by Sunshine Mandi are a small part of its business scale. Among them, the waste gas generated by the biopharmaceutical business mainly comes from the discharge and replacement of culture media during the fermentation preparation process, producing a small amount of malodorous gases mainly consisting of ammonia and alcohol substances. After filtration and purification treatment through supporting facilities, the pollutant concentration is relatively low, and the impact on the surrounding environment is minimal.

Waste gases from the chemical drugs are mainly non-methane hydrocarbons and odor odor, and the Group has entrusted a third-party agency with testing the relevant indicators, ensuring they are emitted up to standards. In addition, the Group uses boiler equipment during production, generating air pollutants such as nitrogen oxides and sulfur oxides during operation, and implements standardized management and control in accordance with relevant requirements.

Waste Gas Emission Standards and Major Control Indicators

Discharge Standards	Major Control Indicators
• *Integrated Emission Standard of Air Pollutants* (GB16297-1996) • *Emission Standards for Odor Pollutants* (GB14554-1993) • *Emission Standard of Air Pollutants for Pharmaceutical Industry* (GB37823-2019) • *Discharge Standard of Pollutants for Bio-pharmaceutical Industry* (DB31/373-2010) • *Guangdong Provincial Emission Standard of Air Pollutants for Boilers* (DB44/765-2019) • *Guangdong Provincial Emission Limits of Air Pollutants* (DB44/27-2001) • *Shanghai Municipal Emission Standard for Air Pollutants from Boilers* (DB31/387-2018) • *Hangzhou Municipal Emission Standards for Major Industrial Enterprises' Volatile Organic Compounds* (DB3301/T 0277-2018)	Non-methane hydrocarbons, odor, particulate matter, hydrogen sulfide, sulfur oxides, nitrogen oxides, etc.

7. Environmental Protection Responsibility

Waste Gas Emission Reduction Measures of Each Manufacturing Base in 2025

Guangdong Sunshine	• Reduced the concentration of NO_x emissions by replacing the low-NO_x burners in steam boilers, optimizing the cyclone blades in the boilers, modifying the burner control system, and modifying the furnace ports to reduce the concentration of NO_x emissions to less than 50 milligrams of NO_x per cubic meter of boiler exhaust gas emissions; • Optimized and adjusted the boiler combustion operating conditions to reduce heat loss from exhaust gas and improve combustion efficiency, controlling carbon monoxide in boiler exhaust gas at 138 mg/m^3.
Sunshine Mandi	• Removed the exhaust gas outlet of the traditional Chinese medicine workshop and improved the exhaust gas treatment process, reducing the emission of volatile organic compounds by 7.478 tons per year.
Sciprogen	• Adjusted the steam supply to the evaporators in real time based on the production plan, implemented alternating operation of two evaporators to reduce exhaust gas emissions, while strengthening daily equipment maintenance and upkeep to lower the failure rate and reduce steam waste, achieving a balance between steam use and exhaust gas generation; • Added Ringelmann smoke density to the pollutant control indicators for the combustion exhaust gas emission outlet.

Solid Waste Management

Non-hazardous solid wastes generated by the Group mainly include domestic wastes, wasted packaging generated in production, wasted rubber plugs, wasted aluminum caps, and a small amount of wasted active carbon produced in water-making and treatment centers. Hazardous wastes mainly include wasted organic solutions, dregs of a decoction, wasted penicillin bottles, harmful sludge generated in water treatment centers, raw and auxiliary materials passing expiration date and wasted phenol. During the Reporting Period, the Group generated 38.81 (kg/RMB million) of hazardous waste per revenue unit, a decrease of 56.77% year-on-year. In addition, the Group continues to advance green packaging initiatives. By implementing measures such as reducing packaging and recycling packaging materials, we reduce the amount of packaging waste generated and decrease related carbon emissions.

Major Measures for Solid Waste Treatment

Non-hazardous solid waste	• Domestic waste: handed over to the sanitation department; • Other solid wastes generated in production (e.g., wasted silica sand, wasted aluminum foil, wasted paperboard and uncontaminated packaging) are collected and handed over to qualified facilities for unified treatment according to the requirements of environmental protection regulations.
Hazardous solid waste	• Hazardous solid wastes (e.g., waste drugs produced in production and inspection processes, medicines passing the expiration date, toxic wasted packaging) are handed over to qualified facilities for unified treatments.

Solid Waste Reduction Measures for Each Manufacturing Base in 2025

Guangdong Sunshine	• Developed documents to strengthen waste management; • Identified hazardous wastes and classified and stored the hazardous wastes produced; • Reduced the use of non-renewable materials and used materials strictly according to process requirements; • Strengthened the operation and management of production equipment to ensure stable production and reduce the generation of hazardous waste; • Reasonably utilized waste, for example, by cleaning waste liquid containers and reusing them to hold waste liquids of similar nature.
Sunshine Mandi	• Used discarded empty material drums to contain liquid hazardous waste, reducing the amount of waste generated; • Reconstructed the traditional Chinese medicine workshop and reduced the amount of sludge generated by adjusting the operation mode of the sewage station.

8. Appendix

8.1 ESG Datasheet and Note

Compliance Operation

The Group takes compliance as the cornerstone of sustainable enterprise development. During the Reporting Period, the Group reported no confirmed irregularities or wrongdoings in respect of business ethics and anti-corruption, information security and privacy protection, product quality and client services, responsible marketing, child and forced labor, occupational health and safety, intellectual property rights (IPRs) protection, and environmental protection.

Field	Name of Main Laws and Regulations
Business ethics	*Anti-Unfair Competition Law of the People's Republic of China, Anti-Monopoly Law of the People's Republic of China, Interim Provisions on Prohibiting Commercial Bribery, Welfare Donations Law of the People's Republic of China, and Regulations on Recording Commercial Bribery in Pharmaceutical Purchases and Sales, etc.*
Information security and privacy protection	*Cybersecurity Law of the People's Republic of China, Information Protection Law of the People's Republic of China, etc.*
Animal welfare	*Regulations for the Administration of Affairs Concerning Experimental Animals, Guidelines on the Ethical Treatment of Experimental Animals, etc.*
Product quality and safety	*Law of the People's Republic of China on the Administration of Drugs, Pharmacopoeia of the People's Republic of China, Good Manufacturing Practice, Measures for the Supervision over and Administration of Pharmaceutical Production, Provisions for Drug Registration, Information Protection Law of the People's Republic of China, Regulations for the Administration of Post-Marketing Drug Changes (Trial), Drug Good Laboratory Practices, Good Clinical Practice, Provisions for Drug Insert Sheets and Labels, ICH-Q10 Pharmaceutical Quality System, U.S. FDA Guidance for Industry Quality Systems Approach to Pharmaceutical CGMP Regulations, and EU Guidelines for Good Manufacturing Practice for Medicinal Products for Human and Veterinary Use, etc.*
Responsible marketing	*Advertisement Law of the People's Republic of China, Anti-Unfair Competition Law of the People's Republic of China, Anti-Monopoly Law of the People's Republic of China, Law of the People's Republic of China on the Administration of Drugs, Provisions for Drug Advertisement Examination, and Standards for Drug Advertisement Examination, etc.*

Field	Name of Main Laws and Regulations
Supply chain resilience	*Good Manufacturing Practice, Contract Law of the People's Republic of China, and Sarbanes-Oxley Act, etc.*
Employees' rights, interests and welfare	*Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, Special Provisions on Labor Protection of Female Employees, Provisions on the Administration of Social Insurance, Social Insurance Law of the People's Republic of China, and Labor Union Law of the People's Republic of China, etc.*
Occupational health and safety	*Law of the People's Republic of China on Work Safety, Law of the People's Republic of China on Prevention and Control of Occupational Diseases, Fire Prevention Law of the People's Republic of China, and Regulations on the Safety Administration of Dangerous Chemicals, etc.*
Intellectual property rights (IPRs) protection	*Patent Law of the People's Republic of China, Rules for the Implementation of the Patent Law of the People's Republic of China, and Trademark Law of the People's Republic of China, etc.*
Community relations	*Welfare Donations Law of the People's Republic of China, and Charity Law of the People's Republic of China, etc.*
Environmental protection	*Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on Promoting Clean Production, and Regulations on the Administration of Construction Project Environmental Protection, Water Pollution Prevention and Control Law of the People's Republic of China, Atmospheric Pollution Prevention and Control Law of the People's Republic of China, and Solid Waste Pollution Prevention and Control Law of the People's Republic of China, etc.*

8. Appendix

Business Ethics

Performance Indicators	Unit	2023	2024	2025
Number of concluded legal cases regarding corrupt practices brought against the Group or its employees	/	0	0	0
Anti-corruption training coverage for employees	%	100	100	100
Anti-corruption training hours for employees per capita [1]	Hour	1.11	1.15	1.00
Anti-corruption training coverage for Board members	%	100	100	100
Anti-corruption training hours for directors per capita [1]	Hour	0.50	0.50	0.50

Notes:

1. Per capita hours of anti-corruption training received in a category = total hours of anti-corruption training received in the category/number of participants in anti-corruption-related training in the category.

Product Responsibility

Performance Indicators	Unit	2023	2024	2025
Percentage of products sold subject to recalls for safety and health reasons	%	0	0	0
Number of product- and service-related complaints received	/	78	89	93
Handling rate for product- and service-related complaints	%	100	100	100
Total number of irregularities arising from health and safety, labeling, and customer privacy of products and services	/	0	0	0

Supply Chain Responsibility

Performance Indicators	Unit	2023	2024	2025
Total number of suppliers	/	3,017	4,026	4,242
Number of suppliers from the Chinese mainland	/	2,639	3,632	3,823
Number of suppliers from Hong Kong, Macao, Taiwan and foreign countries	/	378	394	419
Number of suppliers subject to evaluation in terms of environment, labor and ethics	/	2,638	3,529	3,797
Number of suppliers passing evaluation in terms of environment, labor and ethics	/	2,638	3,529	3,797

Employee Development Responsibility

Performance Indicators	Unit	2023	2024	2025
Employee Employment [1]				
Total number of employees	Person	5,411	5,577	6,109
Male	Person	2,569	2,611	2,816
Female	Person	2,842	2,966	3,293
Number of employees under labor contracts	Person	5,365	5,485	6,027
Number of employees subject to labor dispatching	Person	38	45	43
Number of part-time employees	Person	5	6	5
Other forms of employment [2]	Person	3	41	34
Number of employees aged below 30	Person	2,131	1,838	1,939
Number of employees aged 30-50	Person	3,126	3,564	3,964
Number of employees aged above 50	Person	154	175	206
Number of employees from the Chinese mainland	Person	5,309	5,465	5,991
Number of employees from Hong Kong, Macao, Taiwan and foreign countries	Person	102	112	118
Number of grassroots employees	Person	4,394	4,582	4,970
Number of employees at middle management level	Person	869	839	963
Number of employees at senior management level	Person	148	156	176
Employee turnover rate[3]	%	16.11	22.62	20.39
Turnover rate of male employees	%	17.40	25.04	22.34
Turnover rate of female employees	%	14.91	20.35	18.65
Turnover rate of employees aged below	%	19.65	28.06	26.66
Turnover rate of employees aged 30-50	%	13.67	19.62	17.07
Turnover rate of employees aged above 50	%	12.99	19.72	17.60
Turnover rate of employees from the Chinese mainland	%	16.35	22.80	20.67
Turnover rate of employees from Hong Kong, Macao, Taiwan and foreign countries	%	0.97	12.50	3.28
Employee Health and Safety				
Number of working days lost due to work injury [4]	Day	424	117	70
Work-related death toll	Person	0	0	0

8. Appendix

Performance Indicators	Unit	2023	2024	2025
Employee Training				
Employee training coverage	%	99.67	99.73	100.00
Training coverage of male employees	%	99.84	99.85	100.00
Training coverage of female employees	%	99.51	99.64	100.00
Training coverage of grassroots employees	%	99.64	99.64	100.00
Training coverage of middle management	%	99.88	100.00	100.00
Training coverage of senior management	%	99.32	99.36	100.00
Training time per employee [5]	Hour	20.90	23.15	21.28
Training time per male employee	Hour	19.46	23.45	23.33
Training time per female employee	Hour	22.49	22.89	18.90
Average hours of training for grassroots employees	Hour	19.91	21.45	20.47
Average hours of training for middle management	Hour	26.87	33.44	26.99
Average hours of training for senior management	Hour	15.24	17.89	12.98

Notes:

1. Employee employment statistics are all consistent with the scope of the current year's consolidated financial statements.

2. Other forms of employment are mainly retirees rehired after retirement.

3. Turnover rate of employees in a category = number of employees in that category lost during the Reporting Period/(number of employees in the category at the end of the Reporting Period + number of employees lost in the category during the Reporting Period) × 100%.

4. In 2025, the Group experienced a reduction in the number and severity of workplace injuries, and experienced a decrease in the number of days lost from work due to workplace injuries.

5. Training hours per employee in a category = hours of training received by employees in that category/number of employees.

Social Contribution Responsibility

Performance Indicators	Unit	2023	2024	2025
Number of people contributing to volunteer services	/	200	400	500
Total hours of volunteer services[1]	Hour	200	11,000	14,000

Notes:

1. Total hours of volunteer services = number of volunteers × average service times × average service hours per person. In 2023, our employee volunteer activities mainly focused on supporting medical insurance and centralized procurement to help improve drug accessibility. From 2024 to 2025, the focus of employee volunteer activities shifted to assisting the Ankylosing Spondylitis-Based Healthy Village Program with screening, free clinics, and training for grassroots physicians.

Environmental Protection Responsibility [1]

Performance Indicators	Unit	2023	2024	2025
Use of Resources				
Gasoline consumption of self-owned vehicles for official use	L	75,788.63	65,903.82	58,555.40
Gasoline consumption intensity of self-owned vehicles for official use	MWh/RMB10,000	0.0009	0.0006	0.0003
Diesel consumption of self-owned vehicles for official use	L	13,473.80	16,267.28	15,587.79
Diesel consumption intensity of self-owned vehicles for official use	MWh/RMB10,000	0.0002	0.0002	0.0001
Natural gas consumption	m^3	5,244,289.00	6,047,810.00	6,094,418.00
Natural gas consumption density	MWh/RMB10,000	0.0726	0.0718	0.0372
Consumption of liquefied natural gas	Ton	8.45	7.85	7.00
Power consumption	MWh	70,960.72	81,932.88	81,838.17
Power consumption intensity	MWh/RMB10,000	0.0908	0.0900	0.0462
Steam consumption	Ton	32,694.80	34,028.53	35,231.92
Steam consumption intensity[2]	MWh/RMB10,000	0.0323	0.0288	0.0154
Heat consumption[3]	MWh	25,795.80	26,860.25	27,789.45
Heat consumption intensity	MWh/RMB10,000	0.0330	0.0295	0.0157
Power consumption	MWh	154,393.82	175,054.74	165,251.63
Non-renewable energy use	MWh	151,933.82	171,554.74	161,742.76
Renewable energy use	MWh	2,460.00	3,500.00	3,508.87
Power consumption intensity	MWh/RMB10,000	0.1975	0.1922	0.0934
Water consumption	Ton	985,475.00	1,077,715.00	1,168,637.00
Water consumption density	Ton/RMB10,000	1.2609	1.1833	0.6604
Total packaging material used for finished products	Ton	2,050.61	2,161.33	2,142.53
Emissions				
Waste gas emissions[4]	m^3	58,678,432.78	71,692,273.37	105,680,479.00
Total non-methane emissions[4]	kg	780.00	586.46	1,096.60
Industrial wastewater discharge	m^3	496,217.00	502,199.00	499,349.00
Chemical oxygen demand (COD) emissions	Ton	6.75	6.82	6.93
Ammonia nitrogen (NH_3-N) emissions	Ton	0.34	0.43	0.29
Total hazardous waste	Ton	1,018.02	817.63	686.73
Hazardous waste intensity	kg/RMB10,000	1.3025	0.8977	0.3881
Total non-hazardous waste	Ton	504.93	412.90	477.83
Non-hazardous waste intensity	kg/RMB10,000	0.6460	0.4533	0.2700
Scope I GHG emissions	Ton of CO_2e	11,663.45	13,304.07	13,435.32
Scope II GHG emissions (based on location)	Ton of CO_2e	48,986.08	53,966.80	53,889.49
Scope II GHG emissions (based on market)	Ton of CO_2e	–	55,832.05	57,884.17

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Performance Indicators	Unit	2023	2024	2025
Total GHG emissions (Scope I + Scope II) (based on location)[5]	Ton of CO_2e	60,649.53	67,270.87	67,324.81
Greenhouse gas emissions intensity (Scope I + Scope II) (based on location)[5]	Ton of CO_2e/RMB10,000	0.0776	0.0739	0.0380
Total GHG emissions (Scope I + Scope II) (based on market)[5]	Ton of CO_2e	–	69,136.12	71,319.49
Greenhouse gas emissions intensity (Scope I + Scope II) (based on market)[5]	Ton of CO_2e/RMB10,000	–	0.0759	0.0403
Scope III GHG emissions[6]	Ton of CO_2e	–	–	548,202.18

Notes:

1. We use operating revenue as the calculation basis for intensity indicators in the environmental performance. In 2025, our operating revenue increased, and all intensity indicators in the environmental performance declined.

2. Shenyang Sunshine and Sunshine Mandi are involved in the use of steam. During the Reporting Period, the Company uniformly referred to the *Steam Heat Calculation Method (GB/T 34060-2017)*. Shenyang Sunshine uses saturated steam with a pressure value of 0.3 to 0.85 MPa, and takes the maximum value of 0.85 MPa, so the calculated specific enthalpy value is 2,779.76 kJ/kg; Sunshine Mandi uses saturated steam at a temperature of about 168°C, so the calculated specific enthalpy value is 2,765.89 kJ/kg.

3. The heat consumption is the sum of steam and hot water consumed. Shenyang Sunshine purchased hot water. The consumption of purchased hot water is converted based on price and the conversion coefficient between the heating cost and heat consumption of Shenyang Sunshine is determined to be RMB95.16/GJ according to applicable documents such as the *Notice on Adjusting Heating Prices* (SJSP [2008] No. 92) and the *Notice on Adjusting Residential Heating Prices* (SJF [2015] No. 25).

4. In 2025, as our digital factories were gradually put into use and production activities increased, exhaust gas emissions and total non-methane emissions increased year-on-year.

5. The greenhouse gas-related parameters for Scope I and Scope II come from the *Accounting Method and Reporting Guidelines of Corporate GHG Emissions Power Generation Facilities* and the *China Energy Statistical Yearbook*. In the calculation of Scope II GHG emissions, the steam emission coefficient came from the *Accounting Methods and Reporting Guidelines for GHG Emissions of Industrial Enterprises in Other Industries (Trial)* (2015) issued by the National Development and Reform Commission of China. The Group selected 0.5703 kg CO_2/kWh (according to the Ministry of Ecology and Environment's *Notice on the Management of Greenhouse Gas Emissions Reporting by Enterprises in the Power Generation Industry from 2023 to 2025*) for the electricity emission factors in 2023. Also, the Group selected 0.5366 kg CO_2 equivalent/kWh (based on location) and 0.5856 kg CO_2/kWh (based on market) (according to the Ministry of Ecology and Environment's *Notice on the Release of CO_2 Emission Factors for Electricity in 2022*) for the electricity emission factors in 2024. It selected 0.5306 kg CO_2 equivalent/kWh (based on location) and 0.6096 kg CO_2/kWh (based on market) (according to the Ministry of Ecology and Environment's *Notice on the Release of CO_2 Emission Factors for Electricity in 2023*) for the electricity emission factors in 2025.

   In addition, referring to the national level greenhouse gas emission intensity data released by the European Environment Agency, Italy's greenhouse gas emission intensity in 2023 was 0.252 ton of CO_2e/MWh (https://www.eea.europa.eu/data-and-maps/daviz/co2-emission-intensity-14/#tab-googlechartid_chart_41), and the greenhouse gas emission intensity in 2024 to 2025 was 0.225 ton of CO_2e/MWh (https://www.eea.europa.eu/en/analysis/indicators/greenhouse-gas-emission-intensity-of-1/greenhouse-gas-emission-intensity-of-electricity-generation-country-level).

6. In 2025, our Scope III GHG emissions were calculated in accordance with the GHG Protocol *Corporate Value Chain (Scope 3) Accounting and Reporting Standard*. Based on our actual business operations, we identified and accounted for the relevant emission categories, including: Category 1 – Purchased goods and services, Category 2 – Capital goods, Category 3 – Fuel- and energy-related activities, Category 4 – Upstream transportation and distribution, Category 5 – Waste generated in operations, Category 6 – Business travel, Category 7 – Employee commuting, Category 8 – Upstream leased assets, Category 9 – Downstream transportation and distribution, Category 15 – Investments.

8.2 Description of Topics of High Materiality

Based on the screening thresholds and impact assessment of the material topics for 2025, the Group has identified topics of high materiality to 3SBIO for 2025 (see the "Analysis of Material Topics" for details). The Group has explained the definition and boundaries of these topics in the table below and indicated the location of relevant information in the report. Among them, "material topic boundaries" refer to the links that may have a significant impact on the Group's value chain, which can be tentatively divided into three links: "supply chain", "production and operation", and "product and service".

Topics of High Materiality	Topic Description	Topic Boundary			Location
		Supply Chain	Production & Operation	Products and Services	
R&D Innovation	The Group's innovations and R&D achievements in drug discovery and biotechnology.			√	Supporting Healthcare Development
Product Quality and Safety	The Group ensures that its products and services comply with applicable laws, regulations, and industry standards, and meet requirements related to human health, personal safety, and property safety by establishing and improving management systems and implementing relevant measures. This also covers the Group's management and practices in customer service, complaint acceptance and handling, including customer satisfaction performance as well as the disclosure of related service and complaint data.		√	√	Product Quality Control Drug Safety Management
Compliance Operation	The Group strictly complied with laws and regulations in conducting various business and operating activities.		√		Compliance Operation

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Topics of High Materiality	Topic Description	Topic Boundary: Supply Chain	Topic Boundary: Production & Operation	Topic Boundary: Products and Services	Location
Supply Chain Resilience	The Group's assessment and management of suppliers' environmental, labor and social responsibility performance, and the Group's efforts to improve the stability of the supply chain, such as increasing the proportion of local suppliers.	√	√		Resilient Supply Chain Responsible Supply Chain
Medical Inclusion and Health Care Accessibility	The Group enhances accessibility to medicines and products for impoverished patients in developed and developing countries through innovative approaches, while also strengthening corporate reputation, brand influence, and the market penetration of products and services.			√	Enhancing Accessibility to Medicines and Medical Services
Occupational Health and Safety	The Group provides a safe working environment and the necessary protective measures for its employees, including establishing an occupational health management system, conducting risk identification and assessment, and implementing safety training.		√		Occupational Health and Safety
Industry Development	The Group promotes coordinated industry development and strengthens collaboration with industry peers as well as upstream and downstream partners, including participation in the development of industry standards and industry conferences.			√	Supporting Healthcare Development
Information Security And Privacy Protection	The Group standardizes its data processing activities and implements management approaches and actions to ensure data security and privacy protection.		√		Information Security and Privacy Protection

Topics of High Materiality	Topic Description	Topic Boundary: Supply Chain	Topic Boundary: Production & Operation	Topic Boundary: Products and Services	Location
Intellectual Property Rights (IPRs) Protection	The Group's management systems, measures and results in protecting its IPRs and preventing infringement of others' IPRs.		√		Supporting Healthcare Development
Corporate Governance	The Group establishes an effective governance structure of "General Meeting of Shareholders, Board of Directors, Board of Supervisors, and Senior Management" and promotes the diversity and independence of the Board of Directors to ensure its standardized operation and scientific, standardized and transparent corporate governance.		√		Corporate Governance
Climate Change Mitigation and Adaptation	Measures adopted by the Group in carbon emissions management of its operations and carbon footprint management of its products, including management methodology and data disclosure.	√	√		Climate Change Mitigation and Adaptation
Business Ethics	The Group's management actions and results in the prevention of commercial bribery, corruption, fraud, extortion and conspiracy.		√		Business Ethics
Emissions Management	The Group classifies and treats wastewater, waste gas, hazardous waste, and non-hazardous waste, reduces emissions through relevant management measures, and discloses management methodology and emissions data.		√		Emissions Management

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

Part B: Mandatory Disclosure Requirements

Mandatory Disclosure Requirements	Chapters
Governance Structure	ESG Governance
Principles of Reporting	About the Report
Reporting Boundary	About the Report

Part C: "Comply or Explain" Provisions

Subject Areas, Aspects, General Disclosures and KPIs	Chapters
A. Environmental	
A1 Emissions	Environmental Management System Emissions Management
A1.1	ESG Datasheet and Note
A1.3	ESG Datasheet and Note
A1.4	ESG Datasheet and Note
A1.5	Environmental Management System Emissions Management
A1.6	Emissions Management
A2. Use of Resources	Environmental Management System Resource Conservation and Utilization
A2.1	ESG Datasheet and Note
A2.2	ESG Datasheet and Note
A2.3	Environmental Management System Resource Conservation and Utilization
A2.4	Environmental Management System Resource Conservation and Utilization
A2.5	ESG Datasheet and Note
A3. The Environment and Natural Resources	Environmental Management System Resource Conservation And Utilization
A3.1	Environmental Management System Resource Conservation And Utilization
B. Society	
Employment and Labor Practices	
B1. Employment	Employees' Rights, Interests and Welfare Human Capital Development

Subject Areas, Aspects, General Disclosures and KPIs	Chapters
B1.1	ESG Datasheet and Note
B1.2	ESG Datasheet and Note
B2. Health and Safety	Occupational Health and Safety
B2.1	ESG Datasheet and Note
B2.2	ESG Datasheet and Note
B2.3	Occupational Health and Safety
B3. Development and Training	Human Capital Development
B3.1	ESG Datasheet and Note
B3.2	ESG Datasheet and Note
B4. Labor Standards	Employees' Rights, Interests and Welfare
B4.1	Employees' Rights, Interests and Welfare
B4.2	No Violations
Operating Practices	
B5. Supply Chain Management	Responsible Supply Chain
B5.1	ESG Datasheet and Note
B5.2	Resilient Supply Chain Responsible Supply Chain ESG Datasheet and Note
B5.3	Responsible Supply Chain
B5.4	Responsible Supply Chain
B6. Product Responsibility	Product Quality Control Drug Safety Management Responsible Marketing
B6.1	ESG Datasheet and Note
B6.2	Drug Safety Management ESG Datasheet and Note
B6.3	Supporting Healthcare Development
B6.4	Product Quality Control
B6.5	Information security and privacy protection
B7. Anti-corruption	Business Ethics
B7.1	ESG Datasheet and Note
B7.2	Business Ethics
B7.3	Business Ethics
Community	
B8. Community Investment	Enhancing Accessibility to Medicines and Medical Services
B8.1	Enhancing Accessibility to Medicines and Medical Services
B8.2	Enhancing Accessibility to Medicines and Medical Services ESG Datasheet and Note

8. Appendix

Part D: Climate-related Disclosures

Climate-related Disclosures	Chapters
(I) Governance	
19. Governance	Climate Change Mitigation and Adaptation
(II) Strategy	
20. Climate-related risks and opportunities	Climate Change Mitigation and Adaptation
21. Business model and value chain	Climate Change Mitigation and Adaptation
22-23. Strategy and decision-making	Climate Change Mitigation and Adaptation
24-25. Financial position, financial performance and cash flows	Climate Change Mitigation and Adaptation
26. Climate resilience	Climate Change Mitigation and Adaptation
(III) Risk Management	
27. Risk management	Climate Change Mitigation and Adaptation
(IV) Metrics and Targets	
28-29. Greenhouse gas emissions	ESG Datasheet and Note
30. Climate-related transition risks	Climate Change Mitigation and Adaptation
31. Climate-related physical risks	Climate Change Mitigation and Adaptation
32. Climate-related opportunities	Climate Change Mitigation and Adaptation
33. Capital deployment	* During the Reporting Period, the Group did not incur any capital expenditure relating to climate-related risks and opportunities, nor did it engage in any climate-related investment or financing activities.
34. Internal carbon prices	* During the Reporting Period, the Group had not established an internal carbon price.
35. Remuneration	Climate Change Mitigation and Adaptation
36. Industry-based metrics	* This item is not applicable to the Group.
37-40. Climate-related targets	Climate Change Mitigation and Adaptation
41. Applicability of cross-industry metrics and industry-based metrics	Climate Change Mitigation and Adaptation

8.4 About the Report

The ESG report is the 10th released by 3SBIO. It discloses to key stakeholders the actions the Group has taken in promoting sustainable economic, environmental and social development and the achievements it has made.

Basis of the Report

The report is prepared in line with the *Environmental, Social and Governance Reporting Code* of the Hong Kong Stock Exchange.

Scope of the Report

Organizational coverage: This Report covers 3SBIO and its subsidiaries, consistent with the coverage of consolidated financial statements in the annual report. Among them, environmental performance data come from the subsidiaries mainly engaged in manufacturing and R&D, excluding subsidiaries mainly engaged in investment holding and project management.

Time scope: January 01, 2025 to December 31, 2025.

Full and Short Names of Affiliates in the Report

Major Subsidiaries	Name in Short
Shenyang Sunshine Pharmaceutical Company Limited	Shenyang Sunshine
Guangdong Sunshine Pharmaceutical Company Limited	Guangdong Sunshine
Sunshine Guojian Pharmaceutical (Shanghai) Co., Ltd.	Sunshine Guojian
National Engineering Research Center of Shanghai Antibody Medicine	NERC
Zhejiang Sunshine Mandi Pharmaceutical Co., Ltd.	Sunshine Mandi
Shenzhen Sciprogen Bio-pharmaceutical Co., Ltd.	Sciprogen
Sirton Pharmaceuticals S.p.A.	Sirton

Notes:

1. As NERC is a subsidiary of Sunshine Guojian, the information disclosed in this Report in regard to Sunshine Guojian include the information of NERC.

Data description

Data and cases in this Report come from the original records of business operation or financial reports of the Group.

Financial data in this Report are denominated in RMB. In the event of any discrepancy in financial data between this Report and the Group's annual financial statements, the latter shall control.

8. Appendix

Principles of reporting

The Report follows the reporting principles of the Environmental, Social and Governance Reporting Code by the Hong Kong Stock Exchange. They include:

- **Materiality principle**

  In line with the principle, the Report determines ESG issues that should be responded to in reporting through surveys on stakeholders and analysis of materiality. ESG issues that are sufficiently important to investors and other stakeholders are highlighted in the Report.

- **Quantitative principle**

  By this principle, the Report discloses KPIs which are accompanied by a narrative, explaining the calculation basis and assumptions.

- **Balance principle**

  By this principle, the Report provides an unbiased picture of the Group's performance, with both positive and negative indicators.

- **Consistency principle**

  By this principle, the Report explains the KPI numbers as well as the corresponding calculation basis and assumptions. Meanwhile, it manages to use consistent KPIs in different Reporting Periods to reflect the performance trend.

Reporting responsibility and assurance

The Board of Directors of the Group has overall responsibility for ESG strategy and reporting of the Group. To the best knowledge of the management, there are no falsified information, nor material misleading statements or material omissions in this Report.