



Jiangsu Hengrui Pharmaceuticals Co., Ltd.

Environmental Protection Policy

1. Introduction

This Policy aims to encourage Jiangsu Hengrui Pharmaceuticals Co., Ltd. (hereafter “the Company” or “We”) to implement requirements for low-carbon development, continually improve environmental stewardship, conserve energy and reduce emissions, optimize management of pollutants, respond to climate change, minimize its operational impact on the surrounding environment, build a resource-efficient and environment-friendly enterprise, achieve harmony between the enterprise, society and nature, and protect the ecology.

2. Scope

This Policy applies to all the Company’s and its subsidiaries’ full-time, part-time, and temporary employees. Our business partners are encouraged to comply with this Policy.

3. Compliance with External Laws and Regulations

The Company complies with the *Environmental Protection Law of the People’s Republic of China*, the *Energy Conservation Law of the People’s Republic of China*, the *Water Law of the People’s Republic of China*, the *Water Pollution Prevention and Control Law of the People’s Republic of China*, the *Air Pollution Prevention and Control Law of the People’s Republic of China*, the *Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes*, the *Soil Pollution Prevention and Control Law of the People’s Republic of China*, the *Law of the People’s Republic of China on the Prevention and Control of Pollution from Environmental Noise*, the *Law of the People’s Republic of China on Environmental Impact Assessment*, the *Law of the People’s Republic of China on Promoting Clean Production*, the *Measures for the Environmental Emergency Response Management*, the *Administrative Measures for the Filing of Emergency Plans for Environmental Emergencies of Enterprises and Institutions (For Trial Implementation)*, and other applicable laws, regulations, and regulatory requirements.

4. Compliance with Internal Rules and Regulations

The Company has developed the following internal rules and regulations to manage the whole production and



operation process: the *Environmental Protection Management System*, the *Environmental Health and Safety Plan*, the *Environmental Health and Safety Inspection Plan*, the *Environmental Health and Safety Expectations and Performance Assessment*, the *Environmental Factor Identification*, the *Risk Assessment and Risk Control Procedures*, the *Hengrui Pharma 2021-2025 EHS Plan*, the *Procedure for Resource and Energy Management*, the *Emergency Plans for Environmental Emergencies*, the *EHS Group Management Charter (For Trial Implementation)*, the *Measures for EHS Management Assessment (For Trial Implementation)*, and the *Solid Waste Management Regulations*.

5. Improving Environmental Governance

The Strategy Committee, under the Board of Directors, is in charge of the Company's ESG work, including proposing and evaluating corporate environmental strategies, plans, and environmental management objectives, overseeing the implementation of environmental-related policies, and reporting to the Board on various environmental management matters.

6. Developing and Refining an Environmental Management System

- The Company strengthens the ISO 14001 environmental management system and reduces its operational impact on the surrounding environment;
- The Company engages an external third party in system certification and assessment, establishes an audit team composed of external third-party auditors and internal EHS auditors, and conducts environmental management system audits in April every year;
- The Company sets a goal of "at least three manufacturing operation companies will have passed the environmental management system certifications by 2025" to continually expand the coverage of its environmental management systems;
- The Company conducts environmental impact assessments and addresses environmental risks and hidden dangers in accordance with the *Environmental Health and Safety Expectations and Performance Assessment*.

7. Enhancing Management of Environmental Objectives

- The Company has developed the *Hengrui Pharma 2021-2025 EHS Plan*, outlining its EHS priorities between 2021 and 2025;



- The Company is committed to promoting clean production, reducing the discharge of pollutants and the generation of hazardous waste. By 2025, no less than 70% of the Company's hazardous waste will be recycled.

8. Strengthening Management of Environmental Performance

- The Company lists environmental performance as an important component in determining executive compensation, considers environmental protection management when assessing the performance of senior executives, signs an annual KPI responsibility letter, implements a one-vote veto mechanism concerning major environmental matters, and links the attainment of emission reduction goals with executive compensation;
- The Company provides material and spiritual rewards to those with an outstanding environmental performance and imposes performance punishments to those that violate the relevant regulations.

9. Improving Management of Resource Use and Pollutant Discharge

- The Company improves the management of energy, water and packaging material, to regulate and standardize the supervision and management of energy conservation;
- The Company enhances the management of waste by regulating the disposal of wastewater, exhaust gas, and solid waste.

10. Taking Heed of Climate Change

- The Company identifies the negative impact caused by its decision-making and activities on the environment and climate;
- To address potential production halt, asset loss, and casualties, the Company establishes an emergency response system and creates a contingency plan to mitigate the adverse effects of climate change.

11. Advocating Green Office Practices

The Company encourages all its employees to adopt green and low-carbon practices in the office, enhances the management of water and electricity use, reduces resource waste, and gradually raises employees' awareness of conserving resources and protecting the environment.



12. Availability and Revision

This Policy is available to all the Company's employees. The Company reserves the right to revise, alter or repeal the Policy at any time for any reason. The Company will review this Policy regularly and revise it when necessary. When this Policy is updated, the Company will notify its employees in time. The latest version of the Policy will be available on the official website of the Company: <https://www.hengrui.com/>.