

2024 Environmental, Social and Governance Report

Jiangsu Hengrui Pharmaceuticals Co., Ltd.

Contents

- 02 About This Report
- 03 Management's Statement
- 04 About Hengrui Pharma
- 08 Honors and Awards Received by Hengrui Pharma in 2024
- 11 ESG Performance Highlights

- 114 List of Major Applicable Laws and Regulations
- 117 Index of Shanghai Stock Exchange Guidelines
- 118 GRI Index



01 Enduring in Effective Governance to Lay a Solid Foundation for Development

- 14 1.1 Enhancing Governance Effectiveness
- 19 1.2 Reinforcing the Compliance Baseline

02 Enduring in Green Development to Open a New Chapter in Ecology

- 26 2.1 Ensuring Environmental Compliance
- 31 2.2 Improving Resource Efficiency
- 36 2.3 Stringent Pollution Control
- 40 2.4 Green Office Practices
- 42 2.5 Addressing Climate Change

03 Enduring in Innovation to Forge Excellence in Product Quality

- 48 3.1 Innovation as the Foundation for the Future
- 56 3.2 Pursuing Excellence in Quality
- 64 3.3 Demonstrating Leadership in Industry Responsibility

04 Enduring in People-Centered Values to Cultivate a Thriving Talent Ecosystem

- 71 4.1 Implementing Diversified Employment Diversity
- 76 4.2 Empowering Talent Development
- 87 4.3 Caring for Employee Wellbeing
- 93 4.4 Safeguarding Occupational Health

05 Enduring in Doing Good for Lasting Growth through Responsible Action

- 98 5.1 Advancing Accessible Medical Services
- 107 5.2 Creating Social Value



About This Report

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

Reporting Period

This report covers the period from January 1, 2024 to December 31, 2024. Note that some information may be from a previous time period.

Data Sources

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

Reporting Scope

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

Note on Language

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

Basis of Preparation

This report is prepared in compliance with the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* and with reference to the *GRI Sustainability Reporting Standards*.

Confirmation and Approval

After confirmation by the Company's management, the Board of Directors approved the publication of this report on March 27, 2025.

Reference Description

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

Access to this Report

This report is available in simplified Chinese and English versions. Please go to our official website for online browsing and download: <https://www.hengrui.com/>

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

Investor Hotline: 021-61053323 | Email: ir@hengrui.com
Address: Securities Affairs Department, No. 1288 Haike Road, Pudong New Area, Shanghai

Management's Statement

In 2024, amid an evolving and complex global landscape, the pharmaceutical industry encountered both challenges and opportunities. Hengrui Pharma remained steadfast in its convictions and forged ahead with determination on a new journey, achieving remarkable accomplishments. As an innovation-driven and global pharmaceutical enterprise dedicated to the R&D, production and promotion of high-quality drugs, Hengrui Pharma resolutely advanced its sustainable development strategy. The Company not only achieved outstanding economic performance while making comprehensive progress in green production, social responsibility, and corporate governance, thereby contributing more to human health and sustainable development.

Enduring in effective governance to lay a solid foundation for development. Hengrui Pharma regards robust governance pivotal to its sustainable growth and long-term prosperity. The Company strictly adheres to compliance standards, continuously enhances its internal management mechanisms, and proactively addresses stakeholder concerns, thereby consolidating the foundation for sustainable development through high-quality governance. Furthermore, ESG principles have been deeply integrated into daily operations by embedding key performance indicators, such as safety, environmental protection, and quality into management evaluations, thereby ensuring that compliance and sustainable development advance in tandem.

Enduring in green development to open a new chapter in ecology. In active response to China's "Dual Carbon" Goals strategy, Hengrui Pharma has deeply integrated green and low-carbon development into every aspect of its operations and production. The Company continuously optimizes its environmental management system, enhances resource efficiency, and innovates in energy conservation and emission reduction, actively exploring pathways for a green transition. In 2024, three of the Company's core manufacturing sites obtained ISO 14001 Environmental Management System Certification, achieving this target ahead of schedule. Additionally, the Company implemented multiple energy-saving initiatives and promoted the use of clean energy, demonstrating unwavering commitment to energy transition. Upholding environmental protection as a cornerstone of sustainability, the Company strives to build a resource-efficient and eco-friendly enterprise that contributes to a greener future.

Enduring in innovation to forge excellence in product quality. Hengrui Pharma remains committed to technology-driven innovation, with a strong focus on pharmaceutical R&D, aiming to provide safe and reliable therapies for patients worldwide. The Company has established 14 R&D centers across the globe and built an innovative pipeline that spans multiple therapeutic areas spanning oncology, metabolic and cardiovascular diseases, immune and respiratory disorders, and neurosci-

ence. Adhering to the most stringent global quality standards, Hengrui Pharma continuously improves its quality management system to ensure product safety and compliance throughout the entire product lifecycle. With a steadfast commitment to delivering excellent products and services, the Company collaborates with industry partners to advance the high-quality development of the pharmaceutical industry and safeguard the health and well-being of patients around the world.

Enduring in people-centered values to cultivate a thriving talent ecosystem. Hengrui Pharma firmly believes that talent is the core driver of high-quality development. Upholding the philosophy that "talent is our primary resource", the Company continues to improve its talent development system and optimize career development pathways. A dual-track career development framework has been established, complemented by a customized training system that supports employees in achieving their professional growth. Hengrui Pharma also prioritizes employee well-being, with comprehensive benefit programs and health care support that aim to foster an environment for mutual growth.

Enduring in doing good for lasting growth through responsible action. Hengrui Pharma remains true to its original mission to "promoting a healthier life for humankind through advancements in science", striving to make high-quality Chinese medicines accessible globally. In 2024, the Company expanded our international footprint to over 40 countries, with significant growth in emerging markets. Hengrui Pharma actively participated in national medical insurance negotiations, with a cumulative total of 106 products included in the national reimbursement list, which has substantially reduced the medication burden for patients. The Company also partnered with various sectors of society to improve medicine accessibility in underserved regions through drug donations, patient assistance programs, and other public welfare initiatives, contributing to an inclusive and equitable global healthcare ecosystem.

Enduring in long-term development to fulfill our social responsibility to enhance the health and well-being of more people. In 2024, Hengrui Pharma achieved significant progress in innovation and R&D, green development, and social responsibility. However, we remain acutely aware of the challenges ahead. Moving forward, we will continue to uphold our core values of "Innovation, Pragmatism, Focus, Diligence", remaining true to our original aspiration of serving patients, driven by scientific innovation and guided by sustainable development. Collaborating with partners, we will advance the high-quality development of the pharmaceutical industry and contribute to Healthy China 2030.

Sun Piaoyang
Chairman of Hengrui Pharma

About Hengrui Pharma



As one of the most innovative leading pharmaceutical companies in China, Hengrui Pharma is deeply rooted in the values of "Innovation, Pragmatism, Focus, Diligence". Guided by science and technology, we are committed to the R&D, production, and commercialization of high-quality medicines, safeguarding human health through innovation and relentlessly pursuing our vision of "becoming a global biopharmaceutical group".

Founded in 1970 and listed on the Shanghai Stock Exchange in 2000, Hengrui Pharma is a global innovative pharmaceutical leader rooted in China. Since 2019, the Company has been ranked among Pharm Exec's Top 50 Global Pharmaceutical Companies for six consecutive years. In 2024, Hengrui Pharma secured 8th place in Citeline's "Top 25 Global Pharmaceutical Companies by Pipeline Scale".

Hengrui Pharma focuses on therapeutic areas with significant unmet medical needs and strong growth potential, including oncology, metabolic and cardiovascular diseases, immune and respiratory disorders, and neuroscience. The Company continues to increase its investment in innovation, with cumulative R&D investment exceeding RMB 44 billion, ranking among China's pharmaceutical leader. It has independently built internationally leading technology platforms such as antibody-drug conjugates (ADCs) and formed a highly differentiated, industry-leading innovative product portfolio. By the end of 2024, **17 new molecular entity drugs (Class 1 innovative drugs) and four Class 2 novel drugs** had been approved for marketing in China. In addition, over 90 self-developed candidates are under clinical development, supported by approximately 400 ongoing trials globally.

with Cumulative R&D investment exceeding

RMB 44 billion

As a leading pharmaceutical R&D company in China, Hengrui Pharma earnestly fulfills its corporate social responsibilities by continuously improving medicine accessibility. The Company actively supports national healthcare initiatives, **with 106 products included in the national reimbursement list**, including 15 innovative drugs such as Camrelizumab and Rezvilutamide, ensuring affordable access to new and high-quality medicines. Adebrelimab, the first domestically developed anti-PD-L1 monoclonal antibody approved for small cell lung cancer, was rapidly included in Huiminbao (inclusive insurance programs) in Beijing and Shanghai, and other regions, effectively easing patients' financial burdens.

Hengrui Pharma also regards internationalization as a long-term development strategy and actively promotes the global availability of its innovative products. The Company has initiated **over 20 overseas clinical trials in countries including the United States, Europe, Australia, Japan, and South Korea, with products commercialized in more than 40 countries**. Proprietary drugs including Camrelizumab and Pyrotinib have been licensed globally. The Company has also obtained more than 20 marketing approvals in the United States, Europe, and Japan for injectables, oral formulations, and inhalational anesthetics, improving global patient access.

Enduring in long-term development to fulfill our social responsibility to enhance the health and well-being of more people

Remaining committed to its mission to "promote a healthier life for humankind through advancements in science", and its vision of "becoming a global biopharmaceutical group through innovation", Hengrui Pharma will continue to strengthen its technological innovation, strive to develop more new and high-quality medicines, advancing the Healthy China 2030 initiative and benefiting patients worldwide.



Corporate Culture

Development History



Honors and Awards Received by Hengrui Pharma in 2024

With excellent corporate governance practices, Hengrui Pharma has continued to enhance its sustainability performance and has received wide recognition and commendation across society, earning honors and certifications in areas including corporate governance, human resources, product quality, brand innovation, and social responsibility.

Corporate governance

<p>Taxpaying Enterprises in the Development Zone (2023)</p> <p>Top 15</p> <p>CPC Lianyungang Economic and Technological Development Zone Working Committee; Lianyungang Economic and Technological Development Zone Administration Committee</p>	<p>Public Security Governance (2023)</p> <p>Outstanding Enterprise</p> <p>CPC Lianyungang Economic and Technological Development Zone Working Committee; Lianyungang Economic and Technological Development Zone Administration Committee</p>	<p>Legal Compliance Construction (2022-2023)</p> <p>Lianyungang's Exemplary Enterprise</p> <p>Political and Legal Affairs Commission of the CPC Lianyungang Municipal Committee; Office of the CPC Lianyungang Municipal Committee for Comprehensive Law-Based Governance; Lianyungang Bureau of Industry and Information Technology</p>
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Product qualities

<p>Environmental Protection (2023)</p> <p>Excellence Award</p> <p>Lianyungang Economic and Technological Development Area Administration Committee; Lianyungang Bureau of Ecology and Environment</p>	<p>Jiangsu Science & Technology Innovation Association</p> <p>Council Member</p> <p>Jiangsu Science and Technology Innovation Association</p>	<p>"Best Chinese Industrial Enterprises in Pharmaceutical R&D Product Lines"</p> <p>Topped the List for 12 consecutive years</p> <p>China National Pharmaceutical Industry Information Center</p>
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Human resources

<p>2024</p> <p>China Outstanding Employer Certification</p> <p>Top Employers Institute</p>

Social responsibility

<p>Jiangsu Red Cross</p> <p>Dedication Award</p> <p>Jiangsu Red Cross Society</p>	<p>2023</p> <p>Outstanding Contribution Enterprise</p> <p>CPC Lianyungang Economic and Technological Development Zone Working Committee; Lianyungang Economic and Technological Development Zone Administration Committee</p>
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Brand innovation

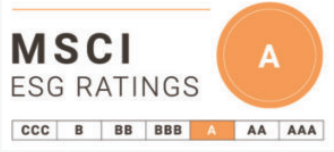


<p>National Science and Technology Awards (2023)</p> <p>Second Prize</p> <p>The Central Committee of the Communist Party of China; The State Council of the People's Republic of China</p>	<p>Top 200 Private Enterprises in Jiangsu (2024)</p> <p>No. 98</p> <p>Jiangsu Federation of Industry and Commerce</p>	<p>Top 100 Private Manufacturing Enterprises in Jiangsu (2024)</p> <p>No. 68</p> <p>Jiangsu Federation of Industry and Commerce</p>
<p>Top 500 Chinese Private Manufacturing Enterprises (2024)</p> <p>No. 366</p> <p>All-China Federation of Industry and Commerce</p>	<p>Fortune China in Technology (2024)</p> <p>Top 50</p> <p>Fortune Magazine</p>	<p>the Hurun Global 500 (2024)</p> <p>No. 23</p> <p>Hurun Research Institute</p>

<p>Top 100 Chinese Pharmaceutical Enterprises (2023)</p> <p>The 41st National Pharmaceutical Industry Information Annual Conference (2024)</p>	<p>Leading Force: Achievements in High-Quality Development of China's Pharmaceutical Industry (2023)</p> <p>National Pharmaceutical Economic Information Conference of China</p>
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<p>Global Top 100 Innovation Momentum (2024)</p> <p>LexisNexis</p>	<p>Business Model Innovation Award of the Year - Commercial Expansion with Impact</p> <p>2024 China Biopharmaceutical Industry Chain Innovation Awards</p>	<p>Best Business Return Award (Chemical Drug) for Herombopag Olamine in the Third Year of Listing</p> <p>2024 China Biopharmaceutical Industry Chain Innovation Awards</p>
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Award / Honor	Awarding Organization(s)
Top 50 Global Pharmaceutical Companies by <i>Pharm Exec</i> for six consecutive years	<i>Pharm Exec</i>
Top 25 Global Pharmaceutical Companies in Citeline's List by R&D Pipeline Size -- No.8 (2024), a new record for Chinese Pharmaceutical Enterprises	Citeline
Top 10 of the Global Pharmaceutical Invention Index by IDEA Pharma, Highest Ranking Among Chinese Pharmaceutical Companies	IDEA Pharma

Hengrui Pharma remains committed to delivering long-term value to its shareholders and investors by pursuing excellence in environmental, social, and governance (ESG) performance, enhancing the quality and transparency of information disclosure, actively engaging in capital market ratings and sustainability certifications, and transforming ESG outcomes into a lasting driving force for corporate growth.


 <p>MSCI ESG</p> <p>MSCI ESG Rating: A (for the second consecutive year)</p>	 <p>Shanghai Stock Exchange</p> <p>Information Disclosure Evaluation: A</p>	 <p>Jiangsu Far East International Appraisal and Consulting Co., Ltd.</p> <p>Credit Rating Certificate AAA (Valid from Dec. 2024 to Dec. 2025)</p>
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Outstanding Practice of the Office of the Board of Directors among Listed Companies (2024)




China Association for Public Companies (CAPCO)

2024 Best Listed Company




New Fortune

ESG Golden Dawn Award



Capital Week

Shanghai Securities News Golden Quality ESG Award (2024)



Shanghai Securities News


ESG Performance Highlights

Enduring in Effective Governance 

- Held **3** General Meetings of Shareholders, **6** meetings of the Board, and **4** meetings of the Board of Supervisors
- No incidents of corruption or related violations were reported
- Initiated training on business ethics, corporate moral standards, and anti-corruption for **200,519** hours, with **10** hours of training per employee on average

Enduring in people-centered values 

- Obtained the "Top Employers China Certification" for 2024
- 20,238** employees were employed globally
- Employee training coverage reached **99%**, with a total of **1,523,240** hours of training and an average of **76** hours per employee
- Passed the ISO 45001 Occupational Health and Safety Management System Certification

Enduring in green development 

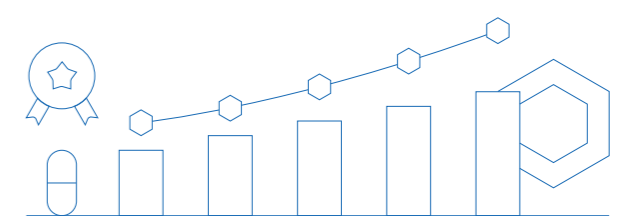
- 3** core production sites passed the ISO 14001 Environmental Management System Certification
- Direct energy consumption: **4,697** tonnes of standard coal; Indirect energy consumption: **68,191** tonnes of standard coal
- Energy consumption targets have been fulfilled by **140%**
- Greenhouse gas (GHG) emission totaled **257,897.24** tonnes of CO₂ equivalent
- 23,200** cubic meters of organic solutions have been recycled, generating approximately **RMB 110.7782** million of economic benefits
- 130** EHS audits on suppliers have been conducted

Enduring in doing good for lasting growth

- Hengrui Pharma's products have entered over **40** countries, with more than **20** marketing approvals obtained in Europe, the United States, and Japan; product registration is underway in over **55** countries
- 106** of Hengrui Pharma's drugs have been included in the national medical insurance program, including **15** marketed innovative drugs
- No fewer than **10** drugs have adopted equitable pricing strategies in countries such as Vietnam, Pakistan, and Bolivia
- The price of albumin-bound Paclitaxel products in developing and underdeveloped countries such as Pakistan and Vietnam is about **60%** lower than in developed countries
- Over **20** generic drugs have been approved and marketed in more than **40** countries
- In recent years, the Company has donated more than **RMB 300** million to public welfare and charity

Enduring in innovation 

- Over **10** orphan drugs and drugs for rare diseases are undergoing the process of R&D
- In 2024, **2** Class 1 innovative drugs have obtained the approval for marketing in China
- 694** product quality management training programs have been organized for all employees
- Annual supplier quality audits were carried out, with a corrective action completion rate of **91.4%**





01

Enduring in Effective Governance to Lay a Solid Foundation for Development



Hengrui Pharma regards robust governance as the cornerstone of sustainable growth and long-term prosperity. We strictly adhere to the compliance standards, continuously enhance internal management mechanisms, and actively respond to stakeholder concerns to strengthen the foundation for sustainable development through high-quality governance.

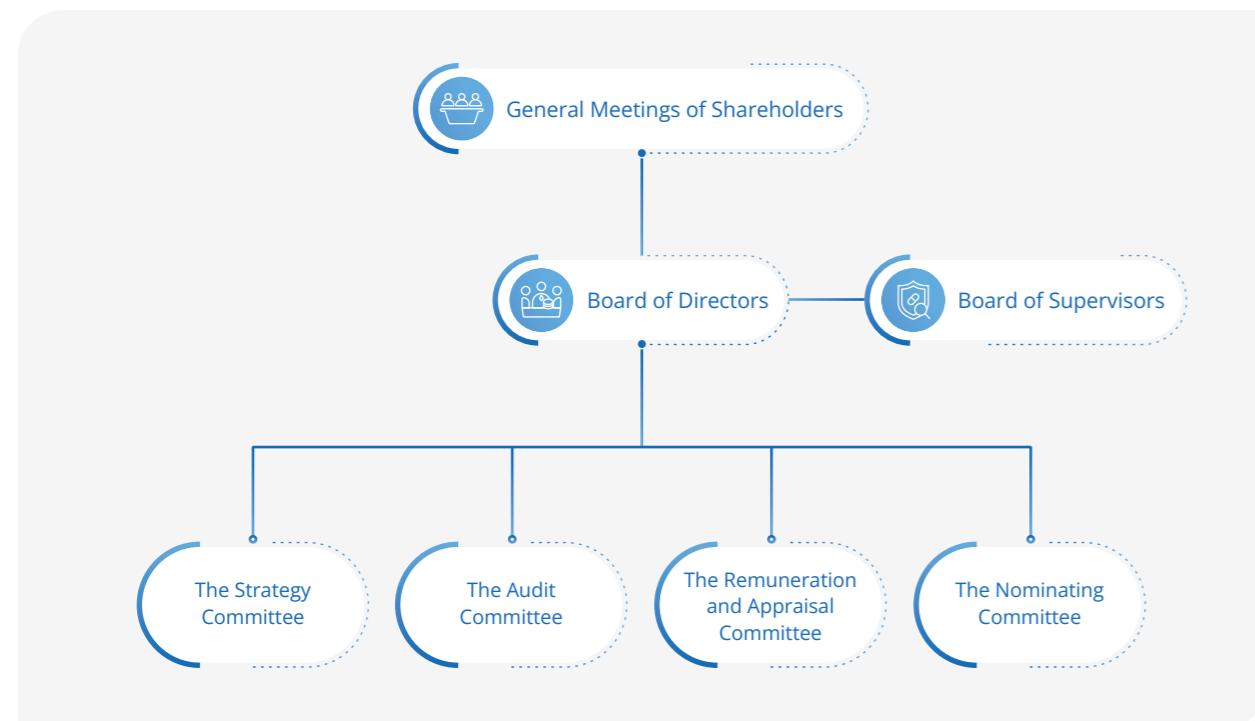
1.1 Enhancing Governance Effectiveness



Hengrui Pharma balances economic performance with proactive fulfillment of social responsibility. The Company continues to strengthen its internal governance and ESG management framework, maintains close engagement with stakeholders, and incorporates sustainability into daily operations as a lasting driver of steady corporate growth.

1.1.1 Corporate Governance

In accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and other applicable laws and regulations, as well as internal policies such as the *Articles of Association*, Hengrui Pharma actively improves its internal governance structure to ensure efficient and standardized operations.



Hengrui Pharma's Corporate Governance Structure

Board Development

The Board of Directors comprises four specialized committees: the Strategy Committee, Audit Committee, Remuneration and Appraisal Committee, and Nominating Committee. These committees provide advisory support and diversified perspectives for scientific and efficient decision-making.

Hengrui Pharma prioritizes board diversity by comprehensively evaluating candidates across gender, educational background, professional expertise, geographic origin, management experience, and competency in the selection of board members. The Company is dedicated to building a forward-looking and professional board and executive team, laying a solid organizational foundation for a compliant and transparent business environment.

Information Disclosure and Investor Relations

The Company continuously improves the quality and transparency of its disclosures by complying with regulatory information disclosure requirements such as the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*, the *Guidelines No. 3 of the Shanghai Stock Exchange on the Application of Self-Regulation Rules for Listed Companies—Industry Information Disclosure*, and internal rules such as the *Management System of Information Disclosure Matters* and the *Internal Reporting System for Material Information*, underpinned by a sound ESG information disclosure management framework. In order to clarify information disclosure requirements and ensure on-time reports and submission of information, the Securities Affairs Department started a new round of communications, exchanges and promotions with various business departments and significant subsidiaries during the reporting period. In order to guarantee the accuracy of the disclosed information, the Company has also stepped up its cross-checking procedures before making announcements and evaluated the performance of specific responsible personnel. Additionally, the Company hires expert consulting firms to regularly train directors, managers and senior management on information disclosure to increase their compliance awareness. While doing so, we keep stepping up our compliance auditing of external publicity to ensure the fairness of information disclosure.

Hengrui Pharma prioritizes investor relations management. In accordance with the *Regulatory Guidelines for Listed Companies No. 3—Distribution of Cash Dividends of Listed Companies* issued by the China Securities Regulatory Commission and internal rules such as the *Investor Relations Management System*, the Company continuously strengthens its communication and engagement with shareholders and investors through regular KPI review meetings, analyst meetings, on-site visits, the SSE E-Interactive platform, phone calls, emails, and other means, in order to consistently convey the Company's investment value. Throughout the Reporting Period, the Company conducted over 240 investor communication activities, and achieved a 100% response rate to questions raised via the SSE E-Interactive platform as well as a 100% telephone call answer rate.

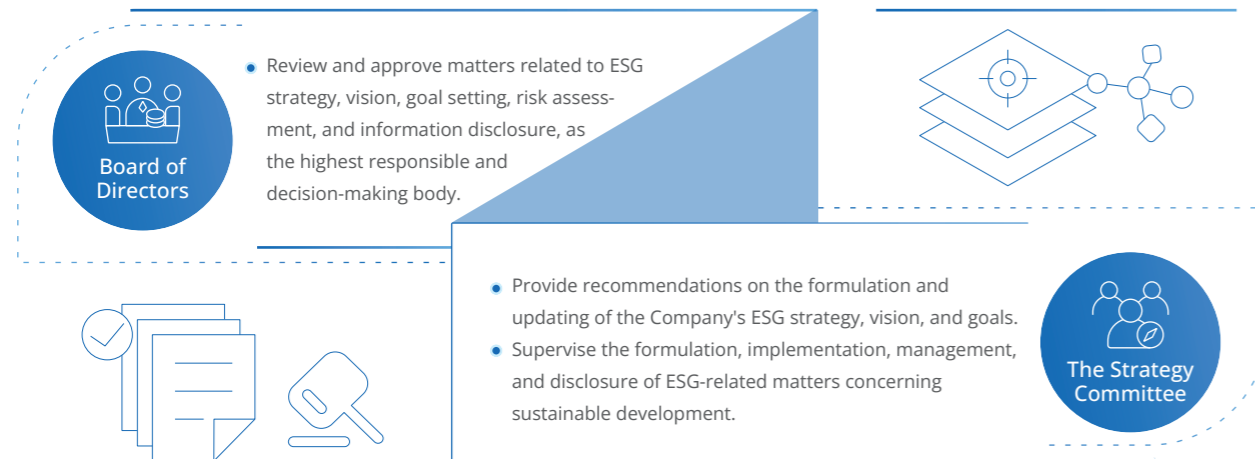
During the Reporting Period, Hengrui Pharma was recognized for its outstanding corporate governance performance, receiving honors such as the "Best Practice Case for Board Office" and the "5A Rating of Board Secretary Performance" from the China Association for Public Companies (CAPCO).



Corporate Governance-Related Awards of Hengrui Pharma

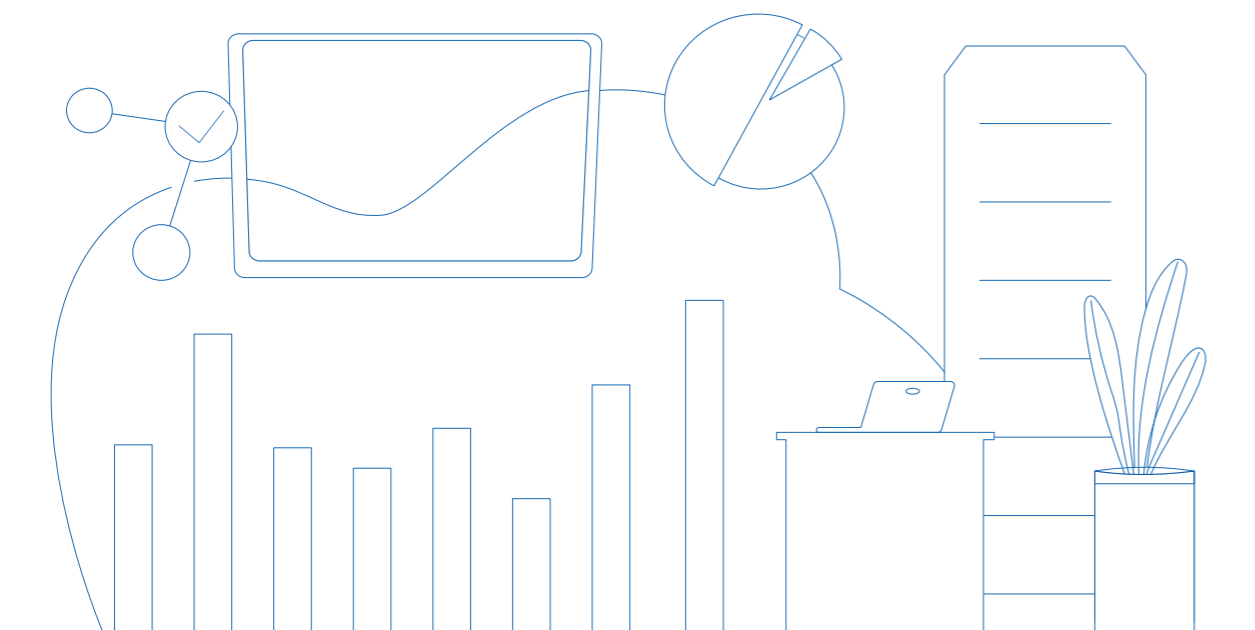
1.1.2 ESG Governance

Based on its business development needs, Hengrui Pharma has continuously optimized its ESG governance structure, with the Board of Directors serving as the highest responsible and decision-making body, and the Strategy Committee acting as the executive body. ESG management has been deeply integrated into all aspects of the Company's daily operations and decision-making, laying a solid organizational foundation for long-term sustainable development.



Hengrui Pharma's ESG Governance Structure and Responsibilities

We have incorporated ESG-related performance indicators—such as safety, environmental protection, quality, and compliance—into the executive compensation policies and performance evaluation system, assigning a weight of 5% to 20% to these non-financial metrics. In addition, ESG metrics are linked to assessment thresholds for different management positions. If any compliance issue arises, it may lead to the deduction of performance bonuses, equity incentives, and eligibility for salary adjustments.



1.1.3 Stakeholder Engagement

Hengrui Pharma is committed to fostering mutually beneficial partnerships with all stakeholders by building communication channels to fully understand and address their concerns and expectations, listening to their voices, and collaborating with internal and external stakeholders to promote shared prosperity.

Stakeholders	Expectations and demands	Major communication channels
Government and Regulator	<ul style="list-style-type: none"> Operational compliance Tax payment 	<ul style="list-style-type: none"> Policy directive Work briefing Information submission On-site Inspection
Shareholder and Investor	<ul style="list-style-type: none"> Operational compliance Risk management Transparent operations Stable return 	<ul style="list-style-type: none"> General Meeting of Shareholders KPI briefing Investor exchange meeting Research roadshow Information disclosure of listed companies Communication via phone call and email
Customer and Consumer	<ul style="list-style-type: none"> Product and service quality R&D and Innovation Protection of consumers' rights and interests Client privacy protection Intellectual property protection Responsible marketing 	<ul style="list-style-type: none"> Regular interviews Conferences and meetings Discussions with customers Customer satisfaction survey
Employee	<ul style="list-style-type: none"> Safeguarding employees' rights and interests Employee pay and benefits Employee training and development Occupational health and safety 	<ul style="list-style-type: none"> Labor union and employees' representatives conference Employee satisfaction survey Performance evaluations and communications Filing a complaint and giving feedback Irregular visits and interviews
Supplier and Partner	<ul style="list-style-type: none"> Responsible procurement Fairness and transparency Fulfilling a contract honestly Win-win cooperation 	<ul style="list-style-type: none"> Bidder's conference Field research and visits Exchanges and cooperation Industry forum
Environment	<ul style="list-style-type: none"> Climate change response Greater energy conservation and emissions reduction efforts Greening the office 	<ul style="list-style-type: none"> Implementing environmental policy Disclosing environmental information
Community	<ul style="list-style-type: none"> Promoting inclusive medical services Holding charity events Boosting community development 	<ul style="list-style-type: none"> Volunteerism Public welfare activity

Hengrui Pharma Stakeholders' Demands and Corresponding Communication Channels



All-China Federation of Industry and Commerce Conducted Research Visit to Hengrui Pharma on the Development of New Productive Forces

In April 2024, a research team from the All-China Federation of Industry and Commerce (ACFIC) conducted a thematic visit to Hengrui Pharma under the theme of "developing new productive forces and fostering strategic emerging industries". During the visit, Hengrui Pharma provided a detailed introduction to its business development, new drug R&D, and market expansion efforts. The exchange deepened mutual understanding and facilitated in-depth discussions on the development of new productive forces.

1.1.4 Double Materiality Issues

Hengrui Pharma fully considered the characteristics of its business operations and industry development trends. In alignment with the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* issued by the Shanghai Stock Exchange, and taking into account stakeholders' concerns, the Company identified and refined its list of ESG issues based on the 21 ESG-related issues outlined in the guidelines. Relying on this list, we conducted internal interviews and management meetings to carry out a double materiality assessment across impact materiality and financial materiality. The Company consolidated the conclusions of the double materiality assessment and produced a list of material ESG issues, providing direction and guidance for enhancing management effectiveness and advancing sustainable development. In 2024, Hengrui Pharma identified a total of 26 ESG-related issues, among which R&D and innovation was classified as financially material. Moving forward, we will continue to strengthen the management of financial material issues, utilize a materiality matrix to identify and evaluate issues, and establish a closed-loop management cycle of "monitoring – decision-making – disclosure". In accordance with the requirements set forth in the stock exchange guidelines, we conducted management analysis and disclosure on financial material issues across four areas: governance, strategy, risk and opportunity management, and metrics and targets. Hengrui Pharma has established a systematic management framework deeply integrated with its strategic direction and incorporated target-tracking mechanisms to effectively manage related risks. For more information on the management of the financial material issue of R&D and innovation, please refer to Section 3.1 "Innovation as the Foundation for the Future" of this Report.

Dimension	No.	ESG Issue	Dimension	No.	ESG Issue
Environment	1	Pollutant Discharge and Management	Social	14	R&D and Innovation
	2	Use of Water Resources		15	Accessible Healthcare
	3	Energy Management		16	Responsible Marketing
	4	Biodiversity Conservation		17	Customer Service
	5	Climate Change and Greenhouse Gas Emissions		18	Promotion of Industry Development
	6	Environmental Compliance Management		19	Product and Service Quality and Safety
	7	Circular Economy		20	Data Security and Customer Privacy Protection
Social	8	Employees' Rights and Interests	Governance	21	Community Welfare and Rural Revitalization
	9	Employee Remuneration and Benefits		22	Operational Compliance
	10	Employee Training and Development		23	Stakeholder Communication
	11	Occupational Health and Safety		24	Corporate Governance
	12	Supply Chain Sustainable Management		25	Anti-Commercial Bribery and Anti-Corruption
	13	Intellectual Property Protection		26	Anti-Unfair Competition

Hengrui Pharma Double Materiality Issues List in 2024

1.2 Reinforcing the Compliance Baseline



At Hengrui Pharma, we uphold a firm commitment to compliance standards by continuously improving our internal risk management mechanisms, deepening the implementation of ethical standards, and fostering a culture of compliance to ensure governance practices benefit all stakeholders.

1.2.1 Business Ethics

Hengrui Pharma strictly adheres to business ethics and maintains stable operations through a systematic compliance management system. In accordance with applicable laws and regulations, and internal policies such as the *Measures for Compliance Management of Jiangsu Hengrui Pharmaceuticals Co., Ltd.*, the Company has built a clearly defined accountability framework to reinforce its risk response capabilities.

We have established a comprehensive governance framework for business ethics issues. The Strategy Committee, a Board-level committee, is responsible for managing business ethics and corruption issues, while the Compliance Management Committee serves as the executive body for implementation.



Hengrui Pharma's Compliance Management Structure

The Company timely identifies laws and regulations closely related to compliant operations and accordingly improves the compliance management system. During the Reporting Period, we formulated and issued 11 internal management documents, including the *Notice on Further Clarifying Compliance Responsibilities*, *Compliance Guidelines for Academic Activities*, *Compliance Guidelines for Medical Programs*, and the *Notice on Reiterating Compliance Bottom Lines*, to further define the compliance responsibilities for management and employees, standardize daily operations, and provide institutional guidance for effective compliance management.

 <h3>Data Security</h3> <ul style="list-style-type: none"> Provisions on Promoting and Regulating Cross-Border Data Flow Regulations on Network Data Security Management 	 <h3>Antitrust</h3> <ul style="list-style-type: none"> Anti-monopoly Guide for the Pharmaceutical Sector Guidelines for the Review of Horizontal Concentrations of Undertakings 	 <h3>Anti-Money Laundering</h3> <ul style="list-style-type: none"> Anti-Money Laundering Law of the People's Republic of China
 <h3>Tax and Financial Management</h3> <ul style="list-style-type: none"> Accounting Law of the People's Republic of China Opinions on More Effectively Conducting the Comprehensive Punishment and Prevention of Financial Fraud in the Capital Market Answers to Questions about Handling Financial Fraud Cases 	 <h3>Anti-Bribery and Anti-Corruption</h3> <ul style="list-style-type: none"> Amendment (XII) to the Criminal Law of the People's Republic of China Notices of Issuing the Key Work Points for Correcting Unhealthy Tendency in the Field of Purchase and Sale of Medicinal Products and Medical Treatment Services in 2024 Compliance Guidelines for Pharmaceutical Enterprises on Prevention of Commercial Bribery Risks (Exposure Draft) Administrative Measures for Medical Representatives (Exposure Draft) Anti-Unfair Competition Law of the People's Republic of China 	

List of Laws and Regulations Followed by Hengrui Pharma

In 2024, Hengrui Pharma remained committed to the goal of "comprehensive compliance" by intensifying reviews of policies related to data compliance, export controls, and economic sanctions, while continuing to advance its overall compliance management. The Company also linked compliance performance with executive pay, reinforcing top-down accountability and effective and stable implementation.

Hengrui Pharma focused on building a regularized training mechanism for all employees (including part-time) and contractors on ethical standards. Through diversified training programs and compliance culture initiatives, the Company continuously enriched the core of its business ethics and compliance framework. Ethical training is mandatory for all employees prior to onboarding, with a dedicated "Compliance Hub" training section established on the internal learning platform. Compliance performance is assessed based on training outcomes, with the aim of embedding integrity and ethical values into the mindset of all employees. In 2024, employees failing to complete or pass the compliance training were disqualified from annual awards.

During the Reporting Period, Hengrui Pharma's business ethics and anti-corruption training achieved **100%** coverage, including both permanent and part-time employees. A total of **200,519 training hours** were delivered, averaging **10 hours** per employee. The pass rate for assessments under the "Compliance Hub" training section reached **92%**.

- In February 2024, the Company conducted compliance training on academic activities through a combination of online and on-site sessions, clarifying compliance declaration procedures and requirements for conducting academic activities to employees involved in relevant business functions.
- In April 2024, a mandatory training program on employee compliance obligations was launched for all employees, along with a required compliance assessment. The training was compulsory for employees across departments, including those in marketing and functional roles.
 - Two compliance assessments were conducted throughout the year, with a total of 18,400 participants and a pass rate of 92%.
- In July 2024, Hengrui Pharma held a dedicated compliance training program for all new employees. Topics included "What is compliance?", "Why compliance matters?", and "The Company's compliance bottom lines."
 - Two training sessions were held, with 600 employees in attendance.

Hengrui Pharma's Key Ethics and Compliance Training Initiatives in 2024

Participation in the 4th LCOUNCIL Pharma Legal & Compliance Summit 2024

In 2024, Hengrui Pharma actively participated in the 4th LCOUNCIL Pharma Legal & Compliance Summit 2024, and took part in a compliance advancement meeting jointly held by the Lianyungang Federation of Industry and Commerce and the Municipal Procuratorate. Hengrui Pharma was appointed as a professional member of the third-party oversight and evaluation mechanism for compliance of enterprises involved in legal cases in Lianyungang. The Company engaged in in-depth exchanges with peer companies and experts from authoritative institutions, further deepening its understanding of corporate compliance practices.



On-site Photo

1.2.2 Anti-Corruption

Hengrui Pharma strictly complies with laws and regulations related to business ethics and anti-corruption. The Company conducts its daily operations in accordance with internal policies such as the *Anti-bribery and Anti-corruption Policy of Jiangsu Hengrui Pharmaceuticals Co., Ltd.*, and maintains a zero-tolerance stance toward all forms of corruption, bribery, money laundering, and fraudulent behavior. During the Reporting Period, no violations related to corruption occurred, nor were there any legal proceedings involving the Company or any of its directors, management, or employees due to corruption, unfair competition, antitrust, or monopoly-related misconduct.

Whistleblowing Channels

To strengthen integrity and anti-corruption efforts, Hengrui Pharma has established a diversified and sound whistleblowing and communication mechanism, encouraging employees, suppliers, and other stakeholders to report any violations or misconduct in the Company's operations—either anonymously or under their real names—and jointly foster a culture of business integrity. To protect the rights and interests of whistleblowers, the Company strictly follows the provisions of the *Anti-Bribery and Anti-Corruption Policy*, ensuring confidentiality of the whistleblower's identity and evidence. According to our policy, retaliation against whistleblowers is not tolerated under any circumstances.

	Whistleblowing Channels:	Hotline: 0518—85108796	Email: compliance.report@hengrui.com
		Corporate WeChat: Complaint/Whistleblowing Module	

1.2.3 Risk Management

Hengrui Pharma recognizes that robust risk management is essential to the long-term success and resilience of the Company. We have established and continue to refine our internal risk management systems and operational risk control mechanisms, ensuring effective implementation of risk identification, monitoring, response, and audit processes. These efforts are aimed at minimizing risks throughout our operations and supporting the Company's sustainable and efficient development. In 2024, Hengrui Pharma issued a series of internal risk management policies, including the *Disciplinary Mechanism for Non-Marketing Departments (Trial Version)*, the *Notice on the Implementation of Hierarchical and Categorized Decision-Making*, and the *Management Guidelines for the Hengrui Pharma Expert Database*, providing institutional guidance for improving business decision-making and management effectiveness across daily operations.

Procurement	The Company collects and analyzes annual procurement expense data with a focus on supplier management, bidding process, payment and execution process, and other aspects. Based on the analysis, procurement risk factors such as price transparency and temporary purchase increases are graded by risk level and managed accordingly. Ongoing audits help refine risk identification dimensions and assessment results.
Marketing	An early warning mechanism has been established and is in operation to monitor the Company's sales activities, payment of various expenses, and risk-related projects. Key risks are promptly addressed and rectified to ensure operational compliance.
Legal affairs	The Company closely follows up on major projects such as investment and financing, patent introduction and authorization, deploying legal review and argumentation, participating in consultation meetings, and conducting due diligence to minimize potential legal risks during operations.
Finance	The Company performs routine internal financial inspections on issues such as the security of monetary funds and the compliance of accounting practices, with special inspection reports issued accordingly.

Hengrui Pharma's Risk Control Mechanisms for Each Business Line

Hengrui Pharma also uses risk audit projects as a tool to systematically manage potential risks during business operations and ensures a full-coverage audit of business ethics across all operations at least once every three years. In 2024, the Company developed its annual audit plan, organized audits of high-risk operations and compliance inspections, and gradually advanced risk management training to improve management efficiency and ensure corporate vitality.

	Compliance Inspection – Business Ethics Review The Office of the Compliance Management Committee, in collaboration with various functional departments, organized business ethics reviews covering all business lines—including R&D, manufacturing, and sales—focusing on the enforcement of anti-corruption policies, business ethics compliance, and fundamental operational practices. As of the end of the Reporting Period, the Company has completed compliance inspections in sales regions such as Sichuan, Hebei, and Chongqing. Building on this foundation, Hengrui Pharma continues to implement its triennial full-coverage ethics review mechanism across all business areas.
	Audit of High-Risk Operations Audits were conducted on high-risk areas including solid waste management, transportation, and maintenance and technical upgrades. The Company also rectified deficiencies identified during the audits, particularly in process and system management. By the end of the Reporting Period, major risks identified included bidding and award management, contract management, settlement of maintenance and technical upgrade projects, and supplier management, with 80% of identified risk items already addressed and rectified.
	Risk Management Training The Company continued to provide targeted training in areas such as audit practices, procurement procedures, EHS operations, and maintenance and technical upgrade management, with the goal of reinforcing the Company's risk awareness and control capabilities.

Hengrui Pharma's Risk Management Highlights in 2024

1.2.4 Information Security

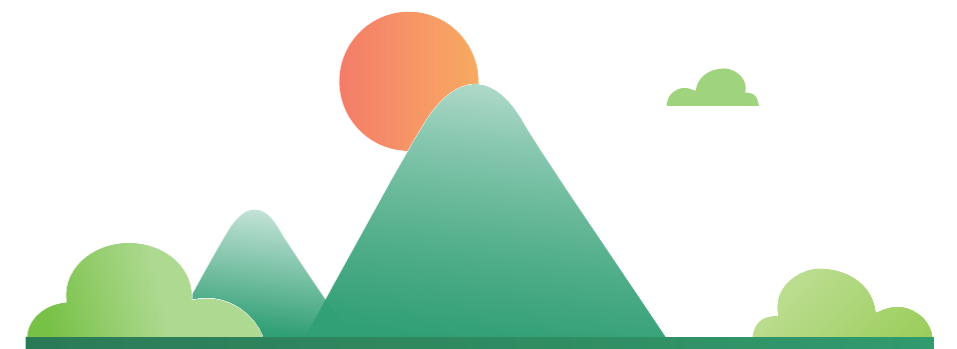
Hengrui Pharma prioritizes the protection of both corporate and personal information security and privacy. In line with the Company's development needs, a series of internal regulations have been established and optimized, including the *Application System Operation and Maintenance Management Procedures*, the *Access Control Management Policy*, and the *Endpoint Security Control Guidelines*, to ensure effective information security management.

To safeguard its information assets, the Company has implemented security measures such as network isolation to protect sensitive data and enhance operational efficiency. In 2024, Hengrui Pharma launched the Code of Conduct on Information Security and Confidentiality for Hengrui Employees training program, aiming to embed a strong sense of information security awareness across the organization.

	Code of Conduct on Information Security and Confidentiality for Hengrui Employees
1 content session	1 interactive module

02

Enduring in Green Development to Open a New Chapter in Ecology



Hengrui Pharma adheres to the philosophy of sustainable development and actively responds to the national "Dual Carbon" (carbon peak and neutrality) Goals strategy by embedding green and low-carbon practices into every aspect of corporate operations and production. We continuously improve our environmental management systems, enhance resource utilization efficiency, and drive technological innovation in energy conservation and emissions reduction. Committed to exploring green transformation pathways, we strive to build an environmentally friendly and resource-efficient enterprise, and collaborate with all sectors of society to promote ecological civilization and contribute to a greener future.

2.1 Ensuring Environmental Compliance



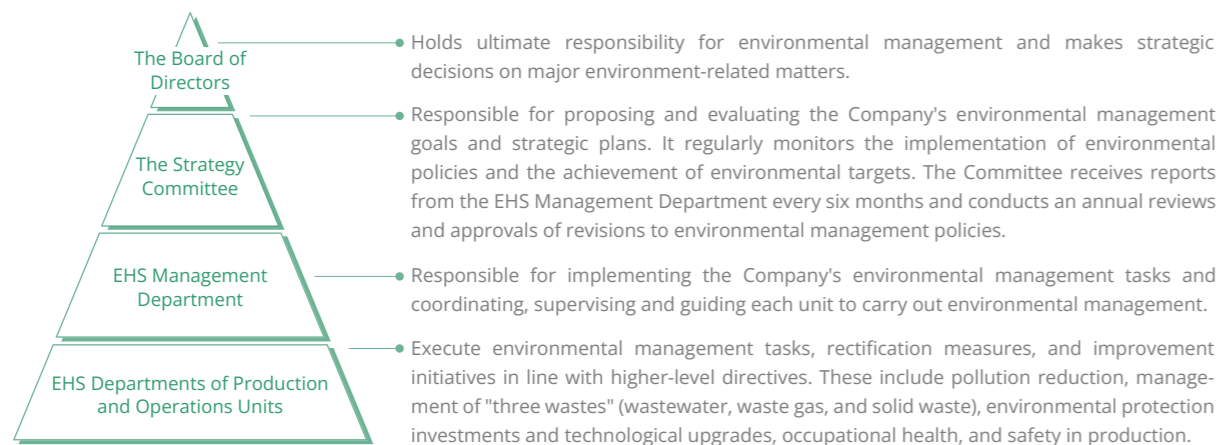
Hengrui Pharma strictly complies with applicable environmental laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Water Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Atmospheric 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 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 Noise Pollution Prevention and Control*, and the *Law of People's Republic of China on Environmental Impact Assessment*. The Company also adheres to relevant industry standards to regulate environmental management and discharge practices and continuously improve its environmental performance.

In 2024, Hengrui Pharma comprehensively identified and assessed key environmental management areas, such as the use and storage of hazardous substances and critical environmental pollutants. Management targets, strategic actions, and performance indicators for these areas were established and publicly disclosed. The Company formulated and implemented the *Environmental Management Policy of Jiangsu Hengrui Pharmaceuticals Co., Ltd.*, a comprehensive policy in all key areas to address environmental impact. This policy clarifies environmental management responsibilities and division of labor, sets full-process environmental management goals, and strengthens oversight and collaboration before, during, and after the event stages to ensure effective and compliant environmental management. The policy applies to all employees of the Company and its subsidiaries—including permanent, part-time, and contracted personnel—and is intended to clarify responsibilities while encouraging all stakeholders to adhere to improved environmental management practices.

During the Reporting Period, Hengrui Pharma experienced no internal or external environmental pollution incidents caused by operations and received no administrative penalties for environmental violations.

2.1.1 Environmental Management System

Hengrui Pharma has established a top-down environmental management structure to ensure the effective implementation of its environmental policies and procedures. The Strategy Committee, a Board-level body, serves as the ultimate supervisory authority for environmental management, responsible for reviewing and overseeing environment-related matters and fulfilling its corresponding duties. The Strategy Committee regularly reports to the Board of Directors on the progress, risks, and improvement recommendations related to environmental management, ensuring the Board maintains oversight of the Company's overarching direction in environmental protection.

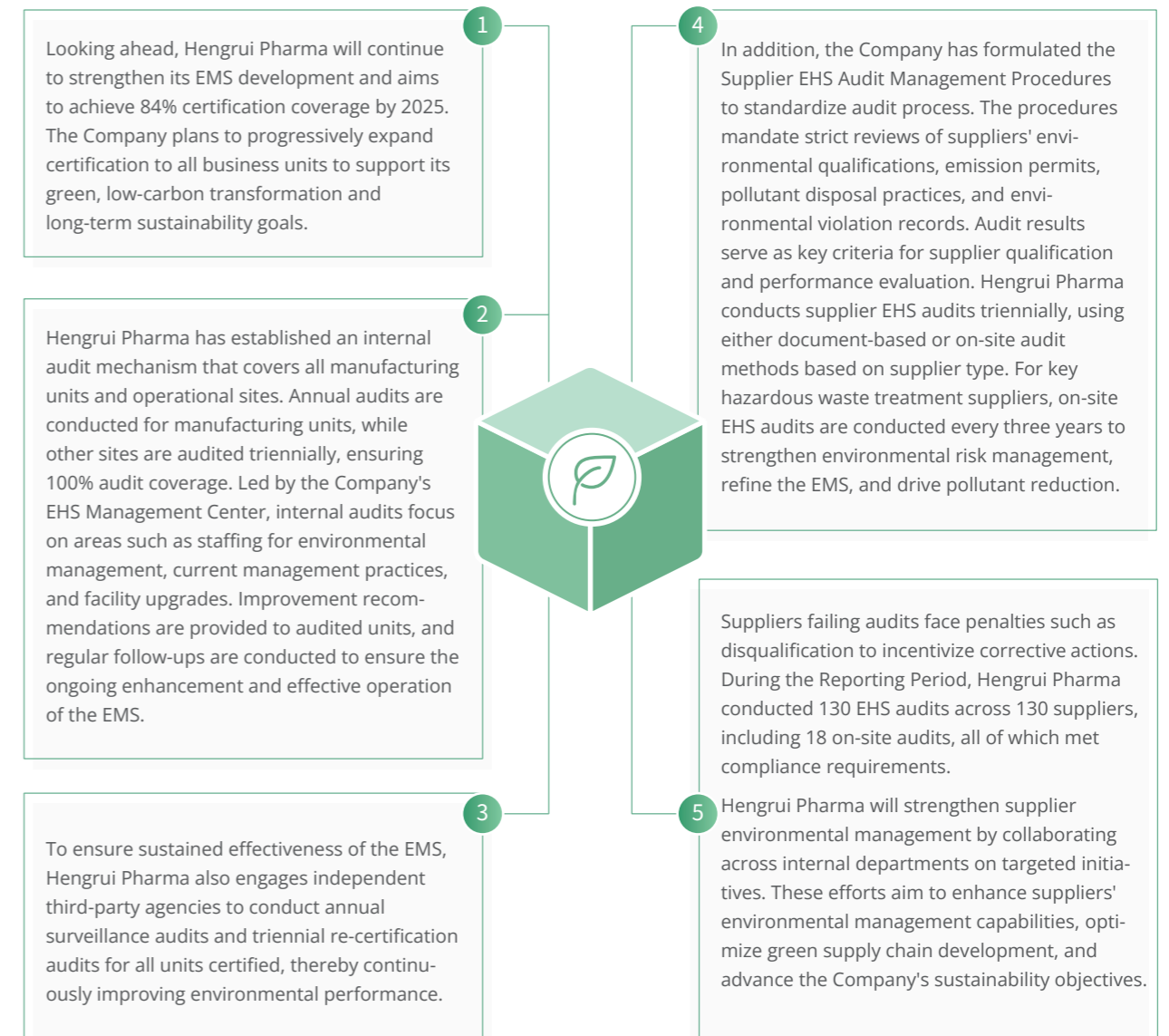


Hengrui Pharma's Environmental Management Structure

Hengrui Pharma continues to advance the establishment of an environmental management system (EMS) and mechanisms that are standardized, science-based and rational, with a focus on enhancing such systems across all manufacturing operations and actively mandating relevant units to obtain certifications for environmental management systems, clean production qualifications and green factory.

The Company has set a strategic target to have no fewer than three manufacturing units certified under an environmental management system by 2025. As of the end of the Reporting Period, one additional unit obtained ISO 14001 Environmental Management System Certification, achieving this target ahead of schedule.

Currently, **3** core production units of Hengrui Pharma are certified under ISO 14001, accounting for **63%** of its production coverage and nearly **80%** of the Company's total operating revenue.



Collaborating with Suppliers to Reduce Toxic Emissions in the Supply Chain




Hengrui Pharma partnered with its supplier, Tianyu Pharmaceutical, to conduct a comprehensive review of the production processes for their co-developed active pharmaceutical ingredients (APIs). This initiative included process wastewater concentration testing and biotoxicity analysis, which ultimately identifying wastewater streams suitable for treatment via biological wastewater treatment systems.




Drawing on Hengrui Pharma's own experience in building new production facilities, the supplier also invested in the construction of biological pretreatment units, successfully achieving biodegradation of high-concentration toxic production wastewater. This significantly reduced the burden on end-of-pipe wastewater treatment systems and reduced annual outsourcing of over 2,000 tonnes of hazardous liquid waste for incineration.

2.1.2 Environmental Management Targets

Hengrui Pharma has established long-term environmental management priorities and set clear performance targets based on the Hengrui Pharma 2021–2025 EHS Plan.

Environmental Targets and Progress

Indicator	2023 Status	Target	2024 Progress
 Environmental Management System	Two units certified under ISO 14001; certification coverage rate: 57%	At least three manufacturing units certified under the environmental management system by 2025	Target achieved ahead of schedule: three core production units certified under ISO 14001; Coverage increased to 63%
 Wastewater, Air Emissions, and Noise Management	100% wastewater and air emissions discharged in compliance; 100% control of noise within required limits	Maintain 100% compliant discharge of wastewater and air emissions annually by 2025; 100% control of noise levels	Target achieved
 Solid Waste Management	100% compliant disposal of hazardous waste	Maintain 100% compliant disposal of hazardous waste annually by 2025	Target achieved

Indicator	2023 Status	Target	2024 Progress
 Solid Waste Management	Recovery and treatment rate: 74.76%	Achieve a hazardous waste recovery rate of no less than 70% through licensed third-party service providers by 2025	Phase target achieved: 60.16% recovery and treatment rate in 2024
 Ammonia Nitrogen (NH ₃ -N) Emissions	Total NH ₃ -N emissions: 5,159.62 kg	1.2% reduction in NH ₃ -N emissions in 2024 compared to 2023	Target achieved
 Volatile Organic Compounds (VOCs) Management	Total VOC emissions: 33.67 tonnes	3.0% reduction in VOCs emissions in 2024 compared to 2023	Target achieved

Hengrui Pharma incorporates environmental performance as a key factor in executive compensation assessments. Based on quantitative EHS metrics, the Company sets annual target responsibility agreements and incorporates environment-related performance into executive assessments through a reward and penalty mechanism. The annual bonuses and equity incentives for Hengrui Pharma's executives are closely tied to their performance in areas such as safety and environmental protection. In the event of a significant environmental incident, responsible management personnel will face downgraded annual performance ratings, disqualification from year-end awards, and loss of promotion eligibility. In addition, under the *Disciplinary Mechanism for Non-Marketing Functions (Trial)*, the Company classifies violations into six severity levels and imposes corresponding disciplinary actions. In serious cases, up to 5% of the executive's annual performance evaluation score may be deducted, and their annual compensation reduced accordingly.

2.1.3 Emergency Management Measures

Hengrui Pharma has formulated and implemented a series of emergency management policies, including the *Emergency Plans for Environmental Emergencies* and the *Preventive Measures and Emergency Plans for Hazardous Waste Incidents*, to ensure that all units regularly conduct emergency drills in accordance with the plans, thereby enhancing preparedness for environmental emergencies. The Company continues to strengthen its environmental risk management system. During the Reporting Period, three production sites completed the formulation, revision, and filing of their *Emergency Plans for Environmental Emergencies*.

2.1.4 Environmental Awareness Training

Hengrui Pharma continues to deepen environmental awareness among all employees and is committed to building a long-term mechanism for green development. Guided by the *Environmental Health and Safety Training Program*, the Company innovates in environmental education by combining both online and on-site methods. Regular training programs and practical activities are conducted to promote environmental laws and regulations, strengthen thematic knowledge, and organize practical initiatives to enhance employee engagement and responsibility in environmental protection. The Company also works to integrate environmental awareness into day-to-day operations, encouraging employees to adopt green practices in both their work and personal lives.



Hazardous Waste Management Training

Shanghai Hengrui fully leveraged its online training platforms to conduct two training sessions on hazardous waste management, covering all laboratory and production personnel within the site. The training content included key topics such as basic knowledge of hazardous waste, applicable laws and regulations, waste generation and classification, storage areas, disposal methods, and penalties for non-compliance. A total of 982 employees participated during the Reporting Period. The training helped employees gain a deeper understanding of hazardous waste management requirements and further improved the Company's compliance and standardization in hazardous waste handling.

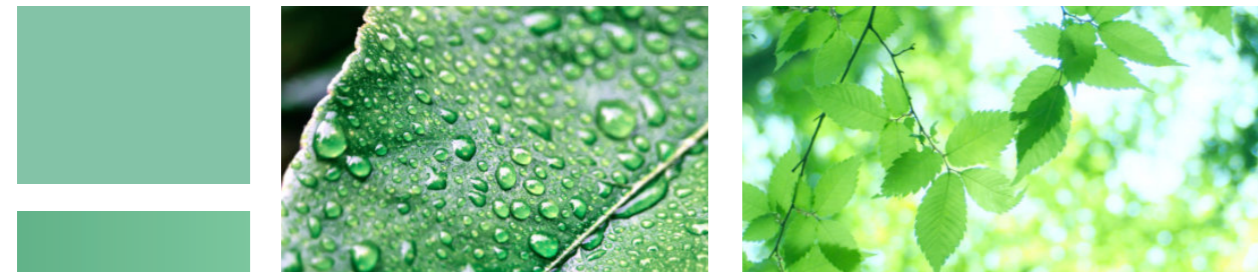


On-site Environmental Knowledge Training

During the Reporting Period, Shandong Suncadia Medicine Co., Ltd. conducted two on-site environmental training sessions focused on the hazardous waste management process and basic environmental knowledge. The training covered personnel from production workshops and the EHS Department, ensuring that relevant employees had a comprehensive understanding of environmental management procedures. These efforts enhanced employees' knowledge of hazardous waste control and environmental protection, further strengthening the Company's environmental management capabilities.

2.1.5 Biodiversity Conservation

Hengrui Pharma incorporates biodiversity conservation into its sustainable development governance framework. The Company strictly complies with ecological protection laws and regulations, including the *Forest Law of the People's Republic of China*, and conducts project construction in accordance with the *Environmental Impact Assessment Law of People's Republic of China*, aiming to minimize the ecological impact of its operations. Adhering to the principle of ecological priority, Hengrui Pharma optimizes site selection, production, and supply chain management, and encourages its partners to engage in biodiversity conservation. The Company regularly maintains green spaces within its factories and advances ecological restoration through permeable pavement designs to preserve surface structure integrity and support natural water circulation. These efforts are aimed at preserving local biodiversity, reducing surface runoff, and promoting ecological balance. In November 2024, in response to the national call for ecological civilization and as part of its corporate social responsibility, the Company's labor union organized an environmental public welfare campaign titled "Leave No Trace: Mountain Cleanup", involving employees and their families to promote environmental awareness and contribute to biodiversity conservation.



Enduring in Effective Governance to Lay a Solid Foundation for Development

Enduring in Green Development to Open a New Chapter in Ecology

Enduring in Innovation to Forge Excellence in Product Quality

Enduring in People-Centered Values to Cultivate a Thriving Talent Ecosystem

Enduring in Doing Good for Lasting Growth through Responsible Action



2.2 Improving Resource Efficiency

Hengrui Pharma prioritizes the sustainable use of energy, water resources, and production materials, and regard energy conservation and consumption reduction as a key part of our environmental management. We continuously optimize our energy structure by increasing the use of renewable energy, enhance water recycling efficiency through water-saving technological upgrades, and refine production resource management to minimize waste. Through systematic measures, we remain committed to driving a green transformation of its operations and supporting the achievement of sustainable development goals.

2.2.1 Energy Management

Energy Management System

Hengrui Pharma strictly complies with the *Energy Conservation Law of the People's Republic of China* and has established a comprehensive energy management system focused on two core indicators: total energy consumption and energy intensity. In 2024, the Company continued to strengthen its energy management efforts under internal policies such as the *Procedure for Resource and Energy Management*, clarified departmental responsibilities, and enhanced energy conservation awareness among all employees.

To coordinate energy management across the organization, Hengrui Pharma established an Energy Management Office and a Leadership Group tasked with setting energy management objectives and plans, and collecting and evaluating energy consumption data across all factories and departments. To enhance energy allocation and utilization efficiency, the Company launched an Energy Control System project covering five key operational sites. This project aims to realize refined energy management through smart and digital technologies. **As of the end of the Reporting Period, Hengrui Pharma had obtained ISO 50001 Energy Management System Certification.**

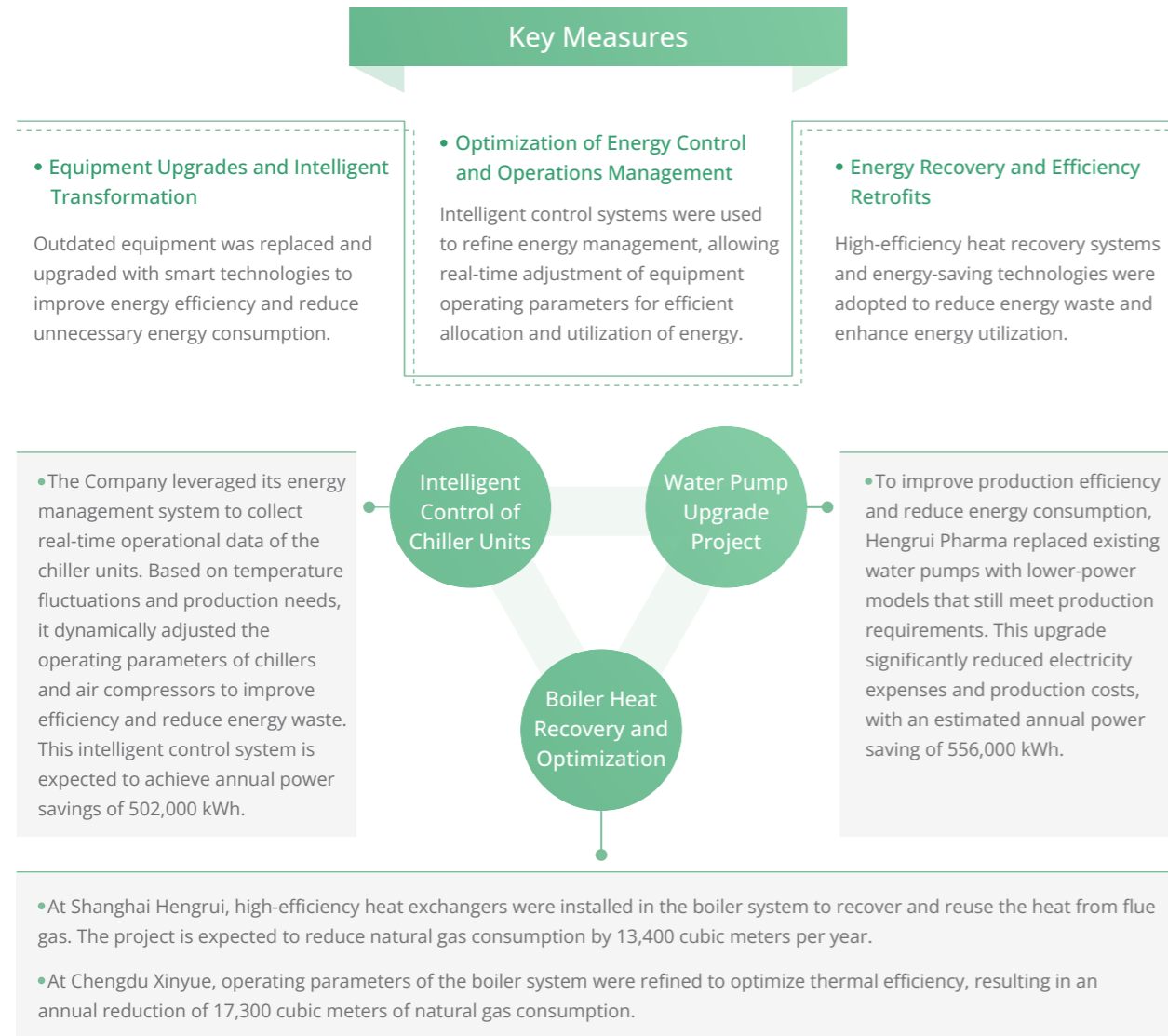
In 2024, Hengrui Pharma set energy-saving targets for its major production sites and conducted rigorous performance evaluations.



The Company also carried out internal energy management audits. During the Reporting Period, audits were conducted at seven operational sites to analyze energy consumption across various processes, identify potential conservation, and provide targeted recommendations. Each site plans to further reduce energy consumption and carbon emissions through system optimization and equipment upgrades, contributing to greener production.

Energy Conservation and Emissions Reduction

To promote efficient energy utilization and reduce emissions, Hengrui Pharma has implemented a series of energy-saving initiatives through equipment upgrades, intelligent management, and energy recovery.



Clean Energy

Hengrui Pharma actively embraces the concept of green development and continues to optimize its energy mix and advance low-carbon transformation through a dual approach of "Regional Clean Energy Utilization + Distributed Photovoltaic Power (PV) Generation Projects".

Utilization of Regional Clean Energy Advantages

The Company's subsidiary in Chengdu has leveraged the region's clean energy mix, with over 60% of its operational electricity sourced from clean hydropower resources. This has significantly reduced the site's operational carbon emission intensity.

Distributed Photovoltaic Power Generation Projects

Shanghai Hengrui installed smart photovoltaic panels on available rooftop space, with an installed capacity of approximately 541 kW. The project was connected to the grid in May 2024. By the end of the Reporting Period, it had generated a total of 402,300 kWh of electricity, which is expected to reduce carbon dioxide emissions by 216¹metric tonnes.

The table below presents Hengrui Pharma's energy consumption data for 2024.

Indicator	Unit	2022	2023	2024
Total direct energy consumption ²	Tonnes of Standard Coal	3,366	2,751	4,697
Total indirect energy consumption	Tonnes of Standard Coal	52,054	53,884	68,191
Comprehensive energy consumption	Tonnes of Standard Coal	55,420	56,635	72,888
Comprehensive energy consumption intensity	Tonnes of Standard Coal/ million RMB revenue	/	2.48	2.60

¹This figure was calculated based on the national average electricity emission factor of 0.5366 kgCO₂/kWh, as specified in the *Notice on the Release of the 2022 Electricity CO₂ Emission Factors*.

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

2.2.2 Water Resource Management

Hengrui Pharma strictly complies with the *Water Law of the People's Republic of China* and continuously improves the efficiency of water resource utilization. Through rigorous management systems and measures, the Company ensures that water usage in production and office operations is well controlled and regulated. Regular water-balance tests are conducted to identify water-saving potential and enhance water management.

During the Reporting Period, all operational sites sourced water from municipal supply systems, mainly for production and office use. Each site is required to proactively submit water usage plans, control consumption volumes, and implement water-saving retrofits. In 2024, a total of 11,400 tonnes of water were saved across all operational sites.


Water Conservation Measures

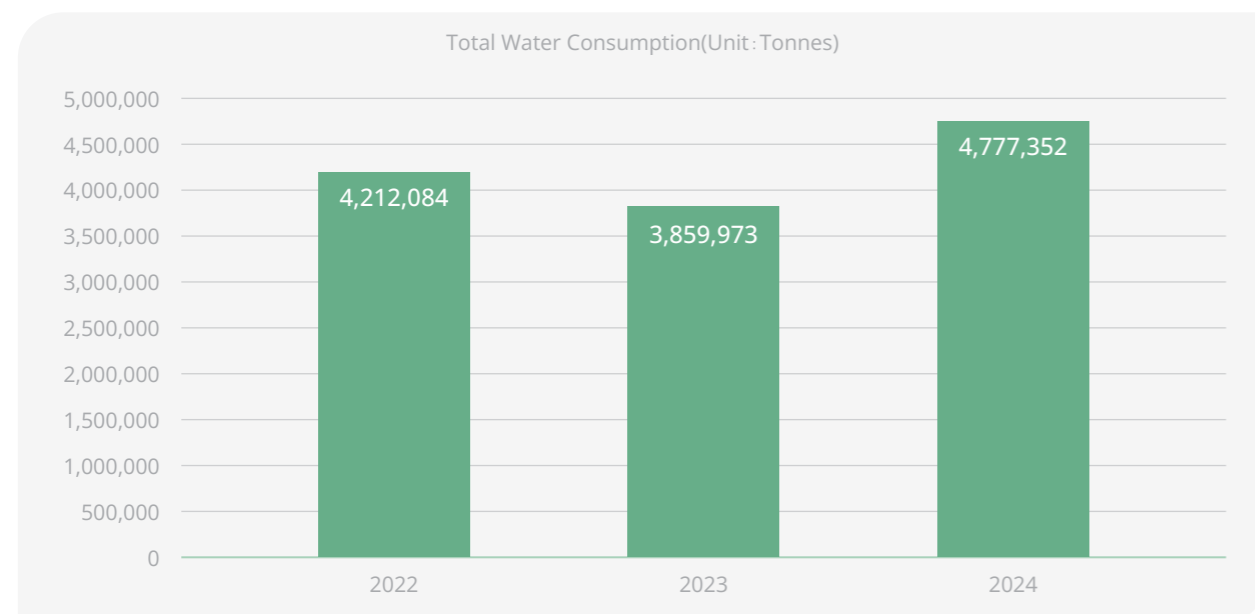
• Water Recycling

Tianjin Hengrui reused the concentrate water generated by its water purification systems for cleaning animal rooms and flushing toilets, saving approximately 4,000 tonnes of fresh water annually.

• Equipment Upgrade

At the Dapu Industrial Park, Lianyungang, Hengrui Pharma replaced seven water-jet pumps with six oil-free vacuum units and one screw vacuum pump. The upgraded system is expected to save 7,400 tonnes of water annually by significantly reducing water consumption in the original workflow.

Indicator	Unit	2022	2023	2024
 Total Water Consumption	tonnes	4,212,084	3,859,973	4,777,352






2.2.3 Production Resource Management

Hengrui Pharma integrates green principles throughout the entire process of production resource management, with systematic innovation and technological upgrades applied to areas such as packaging materials and pharmaceutical raw materials. By adopting eco-friendly packaging and promoting the recycling of raw materials, the Company significantly reduces resource consumption and environmental pollution, achieving a win-win outcome of economic and ecological benefits. Looking ahead, Hengrui Pharma will continue to explore low-carbon processes and clean technologies to drive a comprehensive green transformation in production, setting a benchmark for sustainable development within the industry.


📦 Packaging Materials Management


Hengrui Pharma prioritizes the environmental friendliness of packaging materials and has integrated green packaging attributes into the full product lifecycle. During product packaging R&D, design, and procurement, the Company leverages innovative technologies to optimize packaging material performance and minimize environmental impacts.

	Innovation in outer packaging printing	Replaced traditional inkjet coding with corner stickers and digital printing technologies to eliminate potential health hazards from ink exposure.
	Changes in packaging specifications	Shifted solid dosage products from small to large packaging formats to reduce packaging material consumption.
	Product packaging upgrades	Promoted degradable paper trays to replace plastic trays for vials, significantly reducing plastic consumption and advancing green packaging transformation.

🧪 Raw Material Management

Hengrui Pharma continues to advance the reduction and substitution of toxic and hazardous materials and promotes the resource utilization of production waste. Through process optimization and technological innovation, the Company effectively mitigates adverse environmental impacts from production.

	Solvent substitution and recovery	In the quality control process, water-based alternatives are used to replace organic solvents, reducing the use of hazardous substances. Advanced technologies such as membrane distillation, supergravity separation, and continuous distillation columns have been adopted in production sites to enhance solvent recovery efficiency. During the Reporting Period, 46,500 cubic meters of solution were processed, among which 23,200 cubic meters were reused, generating an estimated economic benefit of RMB 110.7782 million.
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Indicator	Unit	2022	2023	2024
 Major Raw Material Consumption	Tonnes	15,504	18,114	21,820

2.3 Stringent Pollution Control



Hengrui Pharma always regards environmental protection as a cornerstone of sustainable development and has established comprehensive programs to reduce toxic emissions and waste across all operations, including a complete management system covering "waste gas, wastewater, and solid waste", while implementing stringent controls over noise pollution.

The Company has established a pollutant impact identification process to systematically evaluate the significance of different pollutants across four key dimensions: discharge concentration, frequency, potential environmental impact, and compliance requirements. Based on this evaluation, processes and areas associated with high-volume or high-risk discharges are designated as key management priorities. These areas receive preferential allocation of treatment resources, facility upgrades, and increased monitoring intensity.

The Company has identified key areas for environmental governance, including air emissions, with key pollutants being VOCs; wastewater discharges, primarily consisting of production wastewater and clean sewage, with chemical oxygen demand (COD) as the key emission indicator; and solid waste, mainly hazardous waste.

The assessment results are regularly reviewed and updated through internal audits and environmental monitoring to ensure that the Company's pollution control strategies remain effective and forward-looking.

2.3.1 Waste Gas Emission Management

Hengrui Pharma consistently upholds the principle of green development and strictly complies with national and local environmental protection laws and regulations. The Company has formulated and rigorously implemented internal management documents such as the *Waste Gas Discharge Management Procedures*, the *Waste Gas Discharge Management System*, and the *Environmental Operation Guidelines* to standardize emission control. Through technological innovation and management optimization, Hengrui Pharma strives to minimize the environmental impact of waste gas emissions, ensure compliance with emission standards, and continuously promote emission reduction.

Hengrui Pharma adopts targeted management measures tailored to the distinct characteristics of waste gas generated in production workshops and laboratories, ensuring scientific and effective treatment.

Waste Gas Management Measures

Waste Gas Management in Production Workshops

- The Company upgrades waste gas treatment facilities and adopts advanced technologies to enhance treatment efficiency and reduce VOC emissions.
- Routine operation and maintenance of treatment systems are reinforced to ensure optimal performance and improve the VOC removal rate.

Waste Gas Management in Laboratories

- Laboratory management is strengthened by adopting measures such as using specialized sealed bottle caps to reduce reagent volatilization and minimize fugitive VOC emissions.
- Regular monitoring of laboratory waste gas emissions is carried out to ensure that treatment effectiveness meets environmental protection requirements.



Dichloromethane Waste Gas Treatment System at the Lin-gang Industrial Park Site

During the Reporting Period, Hengrui Pharma installed a new dichloromethane waste gas treatment system at its Lin-gang Industrial Park site. The system adopts the latest technology of "compressed air condensation + gas separation membrane + resin adsorption" with a treatment capacity of 150 m³/h and a removal efficiency of up to 99%. This system effectively addresses the control of newly identified pollutants and significantly reduces the potential environmental impact of operational waste gas.



Dichloromethane Waste Gas Treatment System at the Lingang Industrial Park Site



Waste Gas Treatment System Upgrade at the Dapu Industrial Park, Lianyungang

To improve workshop waste gas treatment efficiency and reduce the impact of VOC emissions on surrounding areas, Hengrui Pharma invested RMB 8.5 million during the Reporting Period to upgrade the waste gas treatment facilities at its Dapu Industrial Zone site in Lianyungang. The project involved dismantling three existing systems—mainly based on spraying and white oil absorption—and installing three new waste gas treatment systems adopting "alkaline spray + water spray + demisting system + activated carbon adsorption and desorption system". This upgrade significantly improved waste gas treatment efficiency and reduced VOC emissions by approximately 0.9 tonnes per year.



Waste Gas Treatment System Upgrade at the Jinqiao Road Site of the Dapu Industrial Park

2.3.2 Wastewater Discharge Management

Hengrui Pharma has formulated and implemented the *Wastewater Discharge Management Procedures*, the *Wastewater Discharge Management System*, and the *Environmental Operation Guidelines*, which define standardized processes and management requirements for wastewater treatment. The Company strictly follows the principles of "separate collection of rainwater and sewage, clean water and sewage, and separate treatment based on wastewater quality" and categorizes and treats production wastewater, sewage in living areas, initial rainwater and clean sewage accordingly.

Key Wastewater Discharge Measures

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

Upgrading Wastewater Treatment at Chengdu Xinyue

To improve the treatment efficiency of high-concentration wastewater, Chengdu Xinyue, a subsidiary of Hengrui Pharma, upgraded the Fenton process at its wastewater treatment station by adding a new Fenton treatment system. This technical enhancement provides a replicable solution for high-concentration wastewater treatment, significantly improving the station's capacity and ensuring 100% compliance with discharge standards.

2.3.3 Solid Waste Management

Hengrui Pharma adheres to the principle of "Reduce, Reuse and Recycle" in managing solid waste. By improving its internal systems, optimizing management processes, and strengthening technological innovation, the Company has comprehensively enhanced its waste management capabilities and promoted green and low-carbon development. A suite of internal policies, including the *Solid Waste Management Regulations*, the *Waste Management Procedure* and the *Hazardous Waste Disposal Measures for Highly Toxic Substances*, provides systematic guidance for waste disposal.

Key Solid Waste Management Measures

- Enhanced Classification Management**
 - Developed and implemented targeted procedures for the management of non-hazardous and hazardous waste, specifying requirements for storage, transportation, and treatment, along with emergency response plans to reduce safety risks.
- Improved Hazardous Waste Handling**
 - Conducts regular training on hazardous waste management to strengthen employees' full-process oversight and emergency response capabilities.
 - Established specialized temporary storage rooms equipped with anti-seepage flooring, drainage ditches, and leak-proof pallets to ensure safe interim storage of hazardous waste.
- Promoted Resource Utilization of Waste**
 - Categorizes and collects waste precious metal catalysts generated during laboratory and production processes, and engages qualified third parties for recycling, significantly improving the utilization rate of hazardous waste while promoting resource conservation and economic efficiency.

Recycling of Precious Metals and Valuable Elements

During the Reporting Period, Hengrui Pharma further optimized its recycling process for waste containing precious metals and valuable elements at the Lin-gang Industrial Park site:

- Developed and validated a recovery process for platinum-containing waste and partnered with qualified third-party entities to carry out recycling, achieving resource reutilization.
- Transitioned from incineration to third-party iodine recovery for iodine-containing waste, reducing incinerated solid waste by 69.76 tonnes and recovering 8.6 tonnes of iodine over the year. This not only minimized resource waste and environmental pollution but also delivered economic value to the Company.

The statistics of our major waste emissions in 2024 are as follows.

Indicator	Unit	2022	2023	2024
Total Hazardous Waste	Tonnes	14,032.16	18,493.75	21,749.47
Total Non-hazardous Waste	Tonnes	423.16	437.34	673.94
Nitrogen Oxides Emissions	Tonnes	2.25	2.09	1.76
Sulphur Oxides Emissions	Tonnes	0.06	0.12	0.08
Organic Compound Emissions	Tonnes	23.18	33.67	22.27
Total Other Significant Gas Emissions	tonnes	1.33	2.43	1.43
Total Volume of General Domestic Waste Disposed	Tonnes	/	/	1,510.15
Total Wastewater Discharge	10,000 tonnes	/	/	384.98
Hazardous Waste Intensity	Tonnes/ million RMB revenue	/	/	0.78
Non-Hazardous Waste Intensity	Tonnes/ million RMB revenue	/	/	0.02

2.4 Green Office Practices



Hengrui Pharma strives to be a pioneer and advocate of green operations. The Company integrates green and low-carbon principles into all aspects of office operations, consistently enhancing energy and resource control across office facilities, advancing energy conservation and emissions reduction in company vehicles, and putting green office practices into action.

Green Office Management

Hengrui Pharma has formulated a series of internal policies and regulations, including the *Administrative Building Management Regulations* and the *Vehicle Fueling and Maintenance Management Process*, and conducts regular supervision, inspections, and evaluations to ensure effective implementation of green office initiatives. In 2024, the Company further advanced energy-saving and emission reduction practices in office operations by carrying out self-inspections of energy-consuming equipment, routine maintenance, and energy consumption analysis to improve the efficiency of energy and resource use.

Energy conservation

- Conducting seasonal inspections of water pump electrical components, valves and pipelines, and cleaning coil filters to reduce maintenance costs and avoid abnormal energy consumption due to equipment malfunction
- Monitoring weather conditions and indoor temperatures to adjust equipment run times in real time; performing daily electricity consumption comparisons and analyzing optimal shutdown timing by tracking post-shutdown temperatures changes to reduce unnecessary energy waste

Water conservation

- Employing rainwater for green irrigation by using a rainwater collection system

Paper conservation

- Implementing double-sided printing and encouraging paperless office practices
- Recycling waste paper and cardboard in a centralized manner and use the recycling fees as procurement funds for cleaning supplies
- Promoting online visitor entry system by scanning QR code to streamline the application process, thus enhancing the efficiency

Green Workplace Practices

Vehicle Energy Saving and Emissions Reduction

Hengrui Pharma prioritizes energy consumption and emissions in the transportation of company-owned vehicles. By adopting a dynamic and scientific fuel management mechanism, the Company continuously optimizes vehicle routes, actively introduces new energy vehicles, and enhances fuel efficiency through rational vehicle allocation and dispatch scheduling. During the Reporting Period, the average fuel consumption per 100 kilometers decreased year-on-year, with annual fuel costs reduced by 9.65%.

Strict fuel consumption management

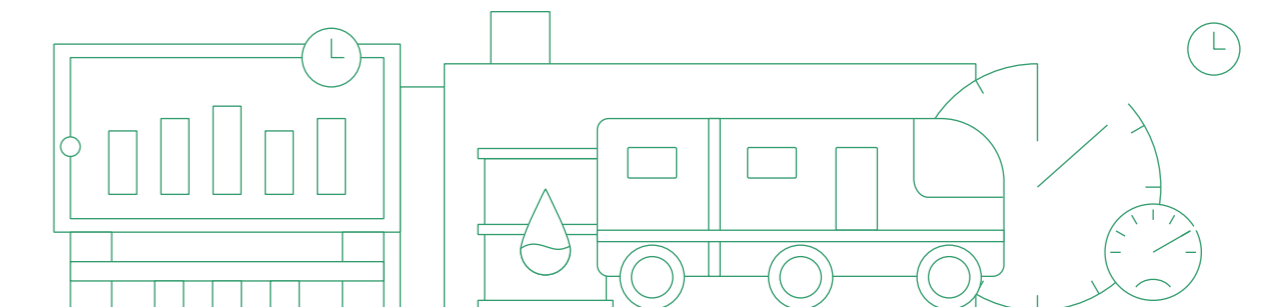
- Setting strict fuel consumption standards for drivers based on vehicle age, horsepower, and vehicle model to ensure fuel efficiency
- Establishing an incentive mechanism to reward drivers with regulated driving behaviors and low fuel consumption, based on monthly fuel consumption assessments and performance reviews

Enhanced vehicle maintenance

- Reducing fuel consumption caused by vehicle malfunctions by strengthening maintenance practices, including routine yard inspections, daily fault reporting, seasonal servicing, throttle cleaning, and spark plug replacement

Flexible dispatching

- Minimizing empty and underloaded vehicle trips by scientifically scheduling vehicle dispatches, rationally setting pickup points within the industrial park, and implementing integrated transport models
- Reducing vehicle trips and fuel consumption by optimizing shuttle bus routes and departure sequences



2.5 Addressing Climate Change



Hengrui Pharma fully recognizes the significant impact of climate change on its operations. We continue to strengthen our climate governance framework, actively identify and analyze climate-related risks and opportunities, and implement a range of energy conservation and emission reduction initiatives to support sustained reductions in GHG emissions and contribute to global climate governance.


2.5.1 Governance




Hengrui Pharma has formulated the *Environmental Management Policy of Jiangsu Hengrui Pharmaceuticals Co., Ltd.*, which identifies climate change as a key environmental governance issue and has established an ESG governance structure led by the Board of Directors and the Strategy Committee to oversee climate-related matters.

On this basis, we have further defined the roles and responsibilities at all levels for monitoring and managing climate-related issues, ensuring the orderly implementation of climate strategies, policies, and targets. The Board of Directors is responsible for setting the climate strategy, reviewing and confirming climate-related risks and opportunities, and regularly monitoring the implementation of relevant policies and goals. The Strategy Committee, regularly receives climate-related updates from business units, leads the identification and analysis of climate-related risks and opportunities, and develops appropriate response plans.

2.5.2 Strategy

We actively monitor climate information, external regulatory policies, and industry developments to maintain forward-looking insights. Climate-related risks and opportunities are identified and analyzed proactively to understand their potential impact across different categories. Based on these insights, Hengrui Pharma has formulated a comprehensive set of response measures, which serve as the foundation of its climate action plan. The Company continues to refine its climate strategy and strengthen its climate resilience. The key climate risks and opportunities identified during the Reporting Period, along with the corresponding mitigation measures, are presented in the table below.

Type	Description	Potential Impact	Response Measures
 Physical Risks	Acute Risks Typhoons and heavy rainfall	Infrastructure may be damaged, resulting in additional repair or replacement costs; logistics and transportation may be disrupted, causing order delays and potential breach-of-contract penalties.	Strengthen the disaster resilience of production facilities and build a more flexible supply chain; establish detailed and effective emergency response plans and conduct regular drills.

Type	Description	Potential Impact	Response Measures
 Physical Risks	Chronic Risks Extreme heat and drought	Extreme temperatures may challenge transportation conditions for pharmaceuticals, potentially affecting product quality; higher electricity consumption in workspaces and cold chain systems may increase energy costs.	Adopt advanced cold chain technologies to ensure temperature control throughout the logistics process; procure and utilize renewable energy (e.g., solar power) to optimize energy structure.
	Rising sea levels	Coastal plants and offices may face risks of seawater intrusion and flooding, increasing maintenance and infrastructure repair costs.	Strengthen protective measures in coastal areas and improve drainage and flood prevention systems at plant sites.
 Transition Risks	Policy Risks Stricter regulations on carbon emissions, energy efficiency, etc.	To meet environmental and climate compliance requirements, the Company may need to increase investment in pollution control and energy-saving projects, leading to higher operational costs.	Advance technological improvements in pollution control and energy-saving projects to enhance efficiency and reduce overall costs.
	Market Risks Growing demand for green, low-carbon pharmaceutical products	Failure to meet market and customer expectations for green, low-carbon products may result in decreased market share and revenue.	Strengthen R&D of green pharmaceutical products and launch offerings aligned with low-carbon expectations, such as biodegradable packaging.
	Reputational Risks Failure to effectively implement environmental management may undermine the Company's brand image among the general public and investors.	Reputational damage may erode public and investor trust, negatively impacting customer loyalty and revenue.	Strengthen climate-related risk management and proactively disclose data and progress on pollutant control, carbon emissions, and climate targets.
 Opportunities	Emerging Health Demands and Market Expansion Emerging disease challenges driven by climate change are fueling increased demand for specific therapeutic solutions.	Global public health challenges arising from climate change may drive demand for new drugs, vaccines, and therapies.	Accelerate R&D of treatments targeting climate-related diseases to respond to emerging public health demands.

Climate-Related Risks and Opportunities

We have also defined key priorities and strategic directions for addressing climate change, focusing on energy efficiency, GHG emissions reduction, and climate emergency response, with the aim of enhancing our overall climate resilience.

Key Strategic Actions in Response to Climate Change

<p>Enhancing energy efficiency</p> <ul style="list-style-type: none"> Promoting energy-saving technical upgrades: Continuously improving the energy performance of production equipment and facilities through technological retrofitting. Deploying clean energy: Advancing distributed PV projects to optimize the energy mix and reduce reliance on traditional fossil fuels. 	<p>Reducing GHG emissions</p> <ul style="list-style-type: none"> Implementing scientific carbon management: Systematically monitoring, measuring, and analyzing energy consumption and GHG emissions, and making improvements to high-consumption and high-emission scenarios based on data insights to lay a solid foundation for achieving emission reduction targets. 	<p>Strengthening climate emergency response</p> <ul style="list-style-type: none"> Refining emergency response plans: Continuously refining emergency plans for extreme weather events such as typhoons, floods, and heatwaves, enabling proactive management of physical climate risks and minimizing their impact on operations.
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2.5.3 Climate Risk and Opportunity Management

Hengrui Pharma has preliminarily established a climate risk management process to enable more scientific and accurate identification of climate risks related to its business operations, thereby enhancing the efficiency of climate-related risk management.

Based on its business characteristics, operational footprint, and external policies and industry trends, Hengrui Pharma identifies climate-related risks and opportunities through internal discussions, evaluating potential impacts, response measures, significance, and priority ranking of risks. Implementation progress is tracked and reviewed on a regular basis. Furthermore, climate risk management is increasingly integrated into the Company's overall risk management framework to enable regular assessment and management of identified climate-related risks and opportunities, thereby strengthening organizational climate resilience.



2.5.4 Indicators and Targets

Hengrui Pharma sets strict requirements for climate governance and GHG emissions management and has established long-term GHG reduction targets. To monitor progress, we engage the China Quality Certification Centre each year to analyze and verify our GHG data, ensuring comprehensive auditing to validate the effectiveness of energy conservation and GHG management initiatives.

Goals for Addressing Climate Change

- Continue to reduce GHG emissions from operations through enhanced energy efficiency and scientific emissions management.
- Continuously strengthen climate emergency preparedness through regular internal training and emergency drills; ensure 100% training coverage on climate emergency awareness among production site employees by 2030.

GHG Emissions Data during the Reporting Period

Indicator ³	Unit	2022	2023	2024
Scope 1 GHG emissions	Tonnes of CO ₂ equivalent	5,993.70	4,898.00	8,516.60
Scope 2 GHG emissions	Tonnes of CO ₂ equivalent	197,519.22	203,382.08	249,380.64
Total GHG emissions (Scope 1 + 2)	Tonnes of CO ₂ equivalent	203,512.91	208,280.09	257,897.24
GHG emissions intensity	Tonnes of CO ₂ equivalent/ million RMB revenue	/	9.13	9.22

³The Scope 1 emissions are calculated with reference to the *Accounting and Reporting Guidelines for Greenhouse Gas Emissions of Enterprises in Other Industrial Sectors (Trial)* (NDRC Document No. 1722 [2015], Appendix 10 issued by the National Development and Reform Commission), the low heating values of fuels as published in the *China Energy Statistical Yearbook 2013*, as well as the carbon content per unit of calorific value and carbon oxidation rates of fuels as provided in the *Guidelines for Provincial Greenhouse Gas Inventories (Trial)*. The Scope 2 emissions are calculated based on the national average grid emission factor of 0.5366 kgCO₂/kWh, as specified in the *Announcement on the Release of the 2021 Grid Emission Factor for Carbon Dioxide* issued by the Ministry of Ecology and Environment of the People's Republic of China.

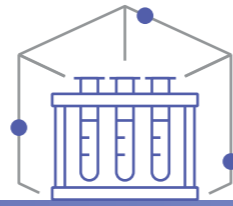
03

Enduring in Innovation to Forge Excellence in Product Quality



Delivering excellent products and services is fundamental to Hengrui Pharma's long-term and steady growth. The Company remains committed to internationalization and prioritizes scientific and technological innovation to strengthen its R&D capabilities and enhance the quality management system, thereby providing safe and reliable products to patients worldwide. At the same time, Hengrui Pharma actively fosters close collaboration across the industry value chain to jointly advance sustainable development strategies and promote coordinated growth and mutual benefits throughout the supply chain.

3.1 Innovation as the Foundation for the Future



Guided by healthcare needs, Hengrui Pharma leverages technology to empower innovation and drive growth. The Company continues to strengthen its innovation and R&D system, accelerate the commercialization of scientific achievements, and deliver more novel and effective drugs for patients globally.

3.1.1 Governance

Hengrui Pharma has established a sound governance framework for innovation and R&D to ensure the effective functioning of its innovation system.



The Strategy Committee, as the highest governing body of the innovation and R&D system, is responsible for reviewing the Company's innovation and R&D strategies, making data-driven decisions on major strategic adjustments and investments. It also oversees the implementation of the annual strategic plan, conducts fair performance evaluations, and safeguards the interests of the Company and its shareholders.



The Company has consolidated internal resources and refined its innovation governance mechanism by establishing four R&D management committees tailored to different stages of drug development: the Project Initiation Committee, the PCC Decision Committee, the Clinical Development Program Management Committee, and the Clinical Products and Portfolio Management Committee. These bodies help regulate decision-making processes, clarify responsibilities, and oversee areas such as schedule adjustments, risk compliance, performance, cross-functional collaboration, and alignment with strategic goals. They also enhance resource allocation by evaluating unmet clinical needs and commercial value, maximizing pipeline value and integrating R&D strategies into overall corporate strategy.



In parallel, Hengrui Pharma has established R&D Centers of Excellence and deployed dedicated R&D teams across the globe to ensure effective implementation of work plans, resource allocation, and risk management measures associated with innovation.



To meet strategic development needs, the Company has implemented a comprehensive set of management policies to support innovation. A systematic, standardized, and scientific project management process is adopted to improve decision-making quality and ensure that R&D projects are completed on schedule and to standard. Hengrui Pharma has also enhanced the digital lifecycle management of innovative drugs by deploying a Project Management Platform (PMP) system, which enables multi-dimensional tracking of project progress and dynamic budget management, reduces resource waste and duplication, regulates project initiation, and improves project oversight—shifting the focus from quantity to quality.

3.1.2 Strategy

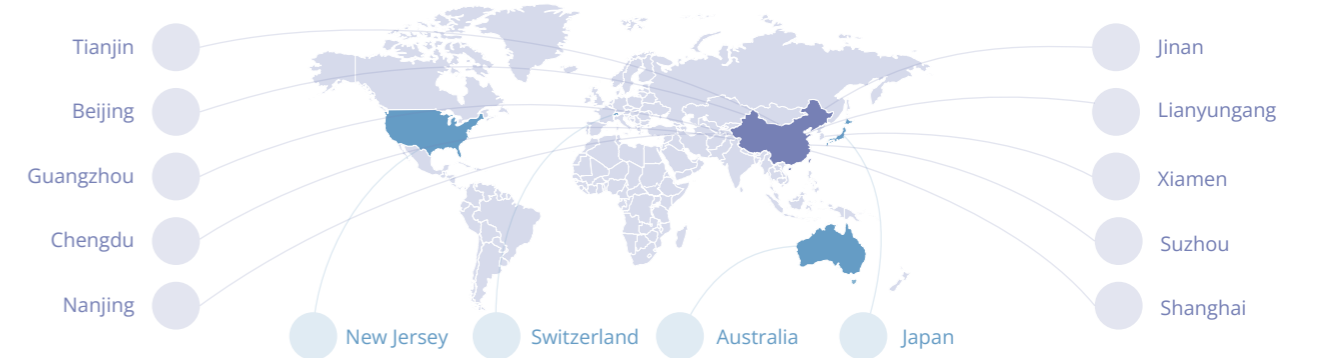
Innovative R&D is a key driver of Hengrui Pharma's industry leadership and has a critical impact on the Company's business performance and financial standing.

Through continuous innovation, Hengrui Pharma launches high-quality products that meet market and patient needs, thereby enhancing its market competitiveness, expanding market share, and driving improvements in both revenue and overall profitability. Innovation also serves as a cornerstone for advancing the Company's internationalization strategy, with globally competitive products supporting the deepening of its global business footprint.

Hengrui Pharma regards innovation and R&D as a primary engine for growth. With a solid innovation framework and a highly capable talent team, the Company implements a technology-driven development strategy. With the vision of "placing patients' needs at the center", Hengrui Pharma focuses on its areas of strength and pursues a "differentiation" strategy, aiming to address unmet clinical needs. During the Reporting Period, R&D investment totaled RMB 8.228 billion, accounting for 29.4% of revenue, ranking among the highest in the industry.

Global Team Deployment

Hengrui Pharma has established a global R&D network with 14 research centers across the United States, Europe, Australia, Japan, and various regions in China, forming a globally integrated innovation system characterized by differentiated strengths and complementary functions. The Company also actively engages in joint research and technical collaboration with renowned international research institutes, universities, and enterprises to strengthen its R&D capabilities and enhance international competitiveness.



Hengrui Pharma's Global Centers of Innovation Excellence

The Company has built a comprehensive, large-scale, and specialized R&D team, supported by cross-disciplinary collaboration among experts in biology, translational medicine, and clinical science. Leveraging a range of cutting-edge technology platforms, the team works collectively to address complex biological mechanisms and treatment challenges of various diseases. In parallel, Hengrui Pharma has introduced a variety of innovation incentive mechanisms and fostered a resource-rich, innovation-friendly environment to provide strong support for its R&D workforce.

Focusing on Advantageous Areas

Hengrui Pharma is deeply rooted in China while maintaining a global perspective, firmly driving the pharmaceutical industry toward high-quality development. The Company has established a robust R&D pipeline in tumors, and is also actively expanding into key areas of chronic disease management, including metabolic diseases, cardiovascular diseases, autoimmune diseases, respiratory diseases, and neuroscience, aiming to provide patients with broader treatment options. In addition, the Company continues to invest in innovative drugs for rare diseases, focusing on multiple conditions listed in both China's and international rare disease catalogs, with the goal of addressing unmet clinical needs on a global scale.

Oncology and Chronic Disease Management

In response to the "Healthy China 2030" Outline, Hengrui Pharma remains focused on the R&D of drugs for high-incidence and specific cancers. Its oncology pipeline spans multiple modalities, including kinase inhibitors, ADCs, tumor immunotherapy, hormone receptor modulation, DNA repair and epigenetics, and supportive care, striving to improve survival and quality of life for tumor patients.

At the same time, recognizing the challenges posed by accelerated aging and the rising prevalence of chronic diseases, the Company continues to strengthen its capabilities in chronic disease management. It has built a forward-looking and systematic layout across priority areas such as metabolic diseases, cardiovascular diseases, autoimmune diseases, respiratory diseases, and neuroscience.



NDA Approvals for Apatinib and Fluzoparib Expand Treatment Options for Breast Cancer Patients

During the Reporting Period, the New Drug Applications (NDAs) for Apatinib and Fluzoparib for new indications were approved, specifically for the treatment of HER2-negative metastatic breast cancer patients with *gBRCA* mutations. These approvals provide new treatment options for HER2-negative metastatic breast cancer and further expand the clinical beneficiary population of the approved therapies.

In addition to Fluzoparib and Apatinib, Hengrui Pharma is also developing several innovative breast cancer therapies with diverse mechanisms of action. Multiple indications related to breast cancer have been designated as Break-through Therapies by the Center for Drug Evaluation (CDE) of NMPA. Moving forward, Hengrui Pharma will remain committed to a patient-centric approach, continue to advance R&D in breast cancer and other oncology areas, and benefit more patients through innovation.



Successful Launch of Vunakizumab Provides New Treatment Option for Psoriasis Patients

During the Reporting Period, Vunakizumab, a Class 1 novel drug developed by Hengrui Pharma, was approved for marketing for the treatment of plaque psoriasis. The launch of Vunakizumab marks a major milestone for original Chinese anti-IL-17A monoclonal antibodies in the treatment of psoriasis, offering a new therapeutic option for over 4 million patients with moderate-to-severe psoriasis in China.

In addition, Vunakizumab is currently being studied for the treatment of ankylosing spondylitis, adult active non-radiographic axial spondyloarthritis, adult active psoriatic arthritis, and moderate-to-severe chronic plaque psoriasis in pediatric and adolescent patients aged 6 to under 18. These ongoing studies are expected to benefit a broader population of patients with chronic conditions.

Innovative Drug Development

Hengrui Pharma focuses on addressing clinical needs by engaging closely with leading clinical experts, patients, and regulatory authorities to identify therapeutic areas with urgent demand for innovation. The Company is committed to delivering precision therapies that offer better efficacy and fewer side effects, ultimately improving patients' quality of life.

As of now, a total of 19 new molecular entities (Class 1 innovative drugs) and four other innovative drugs (Class 2 novel drugs) developed by Hengrui Pharma have been approved for marketing in China, continuously improving the accessibility and affordability of innovative therapies. Meanwhile, over 90 self-developed innovative products are undergoing clinical development, with approximately 400 clinical trials being conducted both domestically and internationally.

Hengrui Pharma also addresses the needs of patients with rare diseases. To date, more than ten marketed and pipeline products have been developed targeting rare diseases or orphan drugs, and the number of relevant diseases addressed by the company's research and development has reached 15.

Introduction to Hengrui Pharma's Marketed and Pipeline Products for Rare Diseases/Orphan Drugs

No.	Product Name	Indication
1	Camrelizumab	<ul style="list-style-type: none"> • Glioblastoma • Liver cancer
2	Hetrombopag	<ul style="list-style-type: none"> • Chemotherapy-induced thrombocytopenia
3	Apatinib	<ul style="list-style-type: none"> • Osteosarcoma (including chordoma)
4	Linperlisib	<ul style="list-style-type: none"> • Follicular lymphoma
5	CRC-IIT-umbrella (involving Camrelizumab, Aderbrelimab, Pyrotinib, Fluzoparib, Irinotecan Liposome)	<ul style="list-style-type: none"> • Rare mutations in colorectal cancer (CRC)
6	SGC-IIT-umbrella (involving SHR-A1811, SHR-A1921, Rezvilutamide)	<ul style="list-style-type: none"> • Salivary gland cancer
7	SHR2554 (EZH2 inhibitor)	<ul style="list-style-type: none"> • Peripheral T-cell lymphoma • Follicular lymphoma
8	Ivarmacitinib	<ul style="list-style-type: none"> • Graft-versus-host disease (GVHD)
9	SHR-1703(IL-5)	<ul style="list-style-type: none"> • Eosinophilic granulomatosis with polyangiitis (EGPA)
10	SHR-1918(ANGPTL3)	<ul style="list-style-type: none"> • Homozygous familial hypercholesterolemia (HoFH)
11	HRS-5965 (Factor B)	<ul style="list-style-type: none"> • Paroxysmal nocturnal hemoglobinuria (PNH)
12	HRS-9813 (LPA1)	<ul style="list-style-type: none"> • Idiopathic pulmonary fibrosis (IPF)
13	HRS-3738 (cereblon)	<ul style="list-style-type: none"> • Multiple myeloma
14	SHR-9539	<ul style="list-style-type: none"> • Multiple myeloma

3.1.3 Risk and Opportunity Management

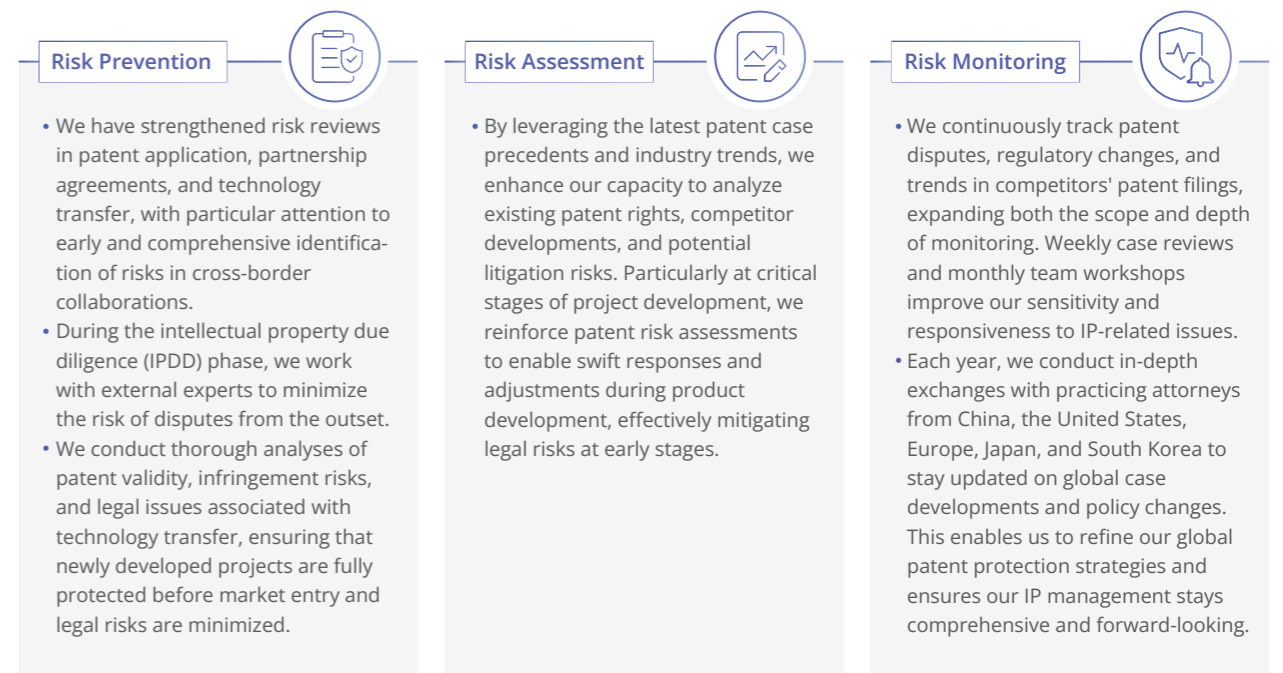
Hengrui Pharma places strong emphasis on the impact of innovation-related risks and opportunities on its operations and development, and incorporates them into the Company's overall risk management framework. We systematically assess their likelihood and potential impact while formulating targeted response strategies and implementing work plans aligned with market dynamics and corporate strategy.

We have established a systematic and scientific risk management process for product development. For key R&D projects, product management teams (GPTs) are formed to identify potential risks throughout the development cycle and incorporate them into the risk management workflow. Risk response plans are continuously refined based on actual conditions, and through regular reviews and post-project evaluations, gaps in risk management are identified and addressed. This enables us to enhance the efficiency and effectiveness of future risk management. By implementing robust risk controls, we reduce uncertainty during the R&D process, improve development efficiency, lower costs, ensure on-time project delivery, and maximize the value of R&D outcomes.

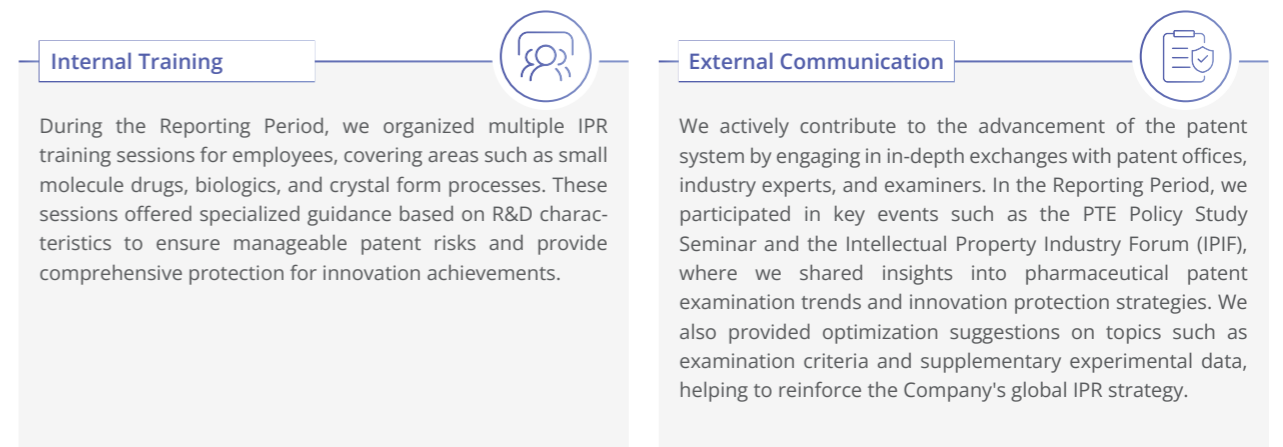


IP Protection

Hengrui Pharma strictly complies with the *Patent Law of the People's Republic of China* and, during the Reporting Period, established a dedicated IP Management Center. The Company has continued to optimize internal policies such as the *Management Measures of Patent Application of Hengrui Pharma* and the *Regulations on Patent Maintenance Process of Hengrui Pharma* to ensure the effective development, protection, and utilization of IP. A comprehensive IP risk management system has been established, covering risk prevention, assessment, and monitoring to ensure timely identification, analysis, and response to potential IP-related risks.



At Hengrui Pharma, we regularly organize IPR training tailored to specific job functions and actively engage in a variety of external communication activities. These efforts aim to continuously enhance employees' awareness and professional capabilities in intellectual property rights (IPR), thereby safeguarding the Company's innovation outcomes.



During the Reporting Period, Hengrui Pharma filed **456** new patent applications in the Greater China region and **66** international PCT applications. The Company was granted **123** patents in Greater China and **91** patents overseas. As of the end of the Reporting Period, the Company had filed a total of **2,609** invention patent applications in the Greater China region and **704** PCT patent applications, with 1,084 invention patents granted in Greater China and **753** patents granted overseas (including in Europe, the United States, and Japan).

Ethics in R&D

Hengrui Pharma strictly adheres to regulatory compliance and ethical standards in clinical trials. All activities are conducted in accordance with the guidelines of the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH) and the Declaration of Helsinki, ensuring full compliance with local regulatory requirements while upholding the highest ethical and scientific standards.

Animal Welfare Protection

Hengrui Pharma is committed to the 3R principles (Replacement, Reduction, and Refinement) in the use of laboratory animals. A series of rigorous management systems and standards have been established to ensure animal welfare. We continue to optimize experimental design and laboratory procedures to improve animal living conditions, including temperature and humidity monitoring, clean water and feed supply, and adequate activity space. In addition, we provide regular training on animal welfare regulations to employees and suppliers to raise awareness of compliance and foster a strong sense of responsibility in animal protection.

Antibiotic Resistance

Hengrui Pharma is fully aware of the potential global public health risks posed by antibiotic resistance and is proactively developing new antibiotics to meet clinical needs for novel, effective, and low-resistance antibacterial therapies. At present, the Company has established a robust pipeline of antibiotics, striving to offer new solutions to the growing challenge of antibiotic resistance.



Antibiotic Resistance R&D

During the Reporting Period, Hengrui Pharma has been advancing the R&D of the following self-developed chemical Class 1 novel drugs: cephalosporin HRS-8427, echinocandin HRS-9432, and the ultra-broad-spectrum antibacterial agent HRS-2183.

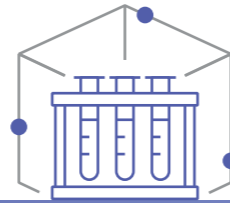
- HRS-8427 can effectively overcome infections caused by carbapenem-resistant Gram-negative bacteria. It has now entered Phase III clinical trials, with its indication targeting complicated urinary tract infections (including acute pyelonephritis).
- HRS-9432 is a next-generation long-acting antifungal agent currently undergoing Phase II clinical trials. It is intended for the treatment of candidemia and/or other forms of invasive candidiasis. Given the challenges of drug resistance and recurrence in treating Candida infections, HRS-9432 aims to extend dosing intervals, reduce dosing frequency, and improve patient compliance.
- HRS-2183 has received approval from the National Medical Products Administration (NMPA) to initiate Phase I clinical trials in China. It is intended for the treatment of serious infections caused by Gram-negative bacteria with limited or no available treatment options, including carbapenem-resistant bacterial infections.

3.1.4 Indicators and Targets

Hengrui Pharma has established a robust innovation R&D management and evaluation system, striving to deliver more novel and effective therapies to patients worldwide. The Company regularly monitors the progress and performance indicators of its innovation projects and ensures transparent information disclosure, providing key updates on project milestones, financial status, and outcomes to internal and external stakeholders in a timely manner.

Target		Progress in 2024
Patient-centric approach to support Healthy China and benefit patients globally	Completed submission and acceptance of 6 new drug applications (including new indications) in 2024	Annual target achieved
Patient-centric approach to support Healthy China and benefit patients globally	Obtained IND approvals for 12 new molecular entities in 2024	Annual target achieved
Continued investment in innovation and capacity building	Built and enhanced innovative technology platforms in line with strategic priorities and established high-performing teams	Established platforms in PROTACs, peptides, monoclonal antibodies, bispecific antibodies, multispecific antibodies, ADCs, and radioligand therapies, providing a strong foundation for innovative R&D

3.2 Pursuing Excellence in Quality



Hengrui Pharma remains committed to its corporate mission to "promote a healthier life for humankind through advancements in science", continuously strengthening its quality management and customer service systems. By reinforcing quality and safety control across the entire product lifecycle and enhancing customer service capabilities, the Company strives for excellence in quality and safeguards patient health.

3.2.1 Strengthening Quality Management

Hengrui Pharma strictly complies with all applicable drug quality laws, regulations, and administrative standards in its operating regions. Centered on the Good Manufacturing Practices (GMP), the Company continuously improves its quality management system to ensure product quality and safety.

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

Quality Management System

To ensure the compliance and effectiveness of its quality management system, Hengrui Pharma has established a comprehensive set of quality management policies. During the Reporting Period, the Company updated its Quality Manual based on changes in external regulatory requirements and the internal operation of the quality system. A series of procedural documents—such as the *Job Responsibilities Management*, *Drug Safety Incident Handling Procedure*, *Equipment Qualification Operation Procedures*, and *Non-conforming Material Handling Procedures*—were implemented to effectively mitigate quality risks and enhance the overall standard of quality management.

At the same time, the Company has established a well-defined quality management structure to ensure the stable operation of the system. A Chief Quality Officer (CQO) has been appointed to take full responsibility for overseeing quality management. The independent Quality Management Center is responsible for quality-related management, coordination, audits, and performance assessments at the corporate level, and regularly reports progress to the CQO. In addition, each subsidiary is staffed with dedicated quality management personnel and equipped with both Quality Assurance (QA) and Quality Control (QC) departments to carry out respective quality functions.

Hengrui Pharma sets annual quality objectives covering areas such as quality compliance, product risk control, and daily operations. These targets are linked to performance evaluations for relevant positions to improve the efficiency of quality management. During the Reporting Period, all quality objectives were successfully achieved.

Product Testing Capacity

Hengrui Pharma has established a dedicated quality testing laboratory with comprehensive in-house testing capabilities and standardized quality control procedures. We regularly conduct precautionary testing on all products to identify potential and emerging quality or safety issues, covering raw and auxiliary materials, packaging materials, in-process controls, intermediate products, and final product release testing, achieving 100% testing coverage. The laboratory strictly records and verifies all testing results, issues formal testing reports, and evaluates result compliance, thereby ensuring product quality and safety throughout the entire process.

Meanwhile, we continue to enhance our digital management capabilities by advancing the development of an information-based quality testing system. We utilize the Laboratory Information Management System (LIMS) to record and manage testing data and results, further improving the reliability and accuracy of quality-related data.

Quality Audits

Hengrui Pharma has formulated quality audit plans and procedures covering major departments, subsidiaries, and suppliers to ensure full compliance with applicable laws, regulations, and industry standards. As of the end of the Reporting Period, all of the Company's production lines had passed GMP certification.

Our Quality Management Center is responsible for conducting routine internal audits, coordinating external audits, and facilitating regulatory inspections. During the Reporting Period, Hengrui Pharma underwent a total of 104 quality audits, including 60 inspections by regulatory authorities such as the National Medical Products Administration (NMPA) and the U.S. Food and Drug Administration (FDA), and 44 customer audits. We place great importance on addressing any issues identified during inspections or audits, and take all necessary corrective and preventive actions to continuously improve our quality systems and ensure product quality.

3.2.2 Promoting Quality Culture

Hengrui Pharma places great emphasis on fostering a quality culture that engages all employees. Each year, we develop a comprehensive annual quality training plan based on quality risk assessments, and deliver in-depth and diversified quality training programs.

All employees—including permanent, part-time, and contract workers—are required to integrate into the Company's quality culture and participate in annual quality training to continuously enhance quality awareness. We also provide systematic training programs for personnel in quality, R&D, production, and related functions. These programs cover Good Manufacturing Practices (GMP), job-specific skills, product processes, and standard operating procedures, with assessments conducted after each session to ensure the effectiveness of the training. During the Reporting Period, we conducted a total of 694 quality training sessions, achieving 100% coverage of all employees.





"Integrity and Quality First" Quality Month Campaign

Focusing on the theme of "Integrity and Quality First", Hengrui Pharma organized a Quality Month campaign that featured a variety of activities including expert lectures, closed-book exams, and knowledge competitions to promote a strong culture of quality across the Company.

As part of the campaign, we held a Microbiological Data Deviation (MDD) case analysis competition to strengthen employees' capabilities in handling testing abnormalities through enhanced analysis, investigation, and resolution. This initiative played a significant role in reinforcing our commitment to quality excellence and advancing quality management across the Company.

During the Reporting Period, Hengrui Pharma received multiple industry accolades in recognition of its outstanding quality management capabilities, underscoring the Company's unwavering commitment to quality excellence. Moving forward, we will continue to uphold the principle of "Quality First", strengthen quality control across all processes, and lay a solid foundation for the Company's sustainable development.

Presenting Organization	Award	Project Name
China Quality Association for Pharmaceuticals	Outstanding Achievement Award	QC Team-Lean
	First-Class Achievement Award	QC Team-Peak Climbing
Jiangsu Quality Association for Pharmaceuticals	Excellent Presentation Award for Quality Management Teams in Jiangsu's Pharmaceutical Industry	QC Team-Lean QC Team-Peak Climbing
	Jiangsu Association for Science and Technology	2024 Jiangsu Think Tank Award for Scientific and Technological Achievements

3.2.3 Ensuring Drug Safety

Hengrui Pharma fully recognizes the critical role of drug safety management in advancing R&D innovation and ensuring product quality. To this end, the Company has established a comprehensive pharmacovigilance system and set up a dedicated drug safety department responsible for overseeing full lifecycle safety management for both the Company and its subsidiaries holding marketing authorizations.



Hengrui Pharma's Drug Safety Management Structure

Life-cycle Management of Drug Safety

Hengrui Pharma has established a comprehensive safety management system that covers the entire life cycle of its drugs. From new drug R&D and clinical trials to marketing authorization and post-marketing surveillance, robust safety measures are implemented at every stage to prevent and reduce adverse drug reactions, thereby ensuring product quality and safety.



Pre-Marketing Safety Management

Conducting preclinical safety testing and formulating a risk management plan for each investigational product before its first-in-human study. Key potential risks identified during preclinical studies or observed in similar drugs are managed through targeted safety controls.

During clinical trials, a dedicated safety management plan is developed for each study. All serious adverse events are handled, assessed, and reported in strict accordance with GCP requirements.



Safety Management in Marketing Applications

Only products that undergo rigorous testing and safety evaluations are approved for marketing.

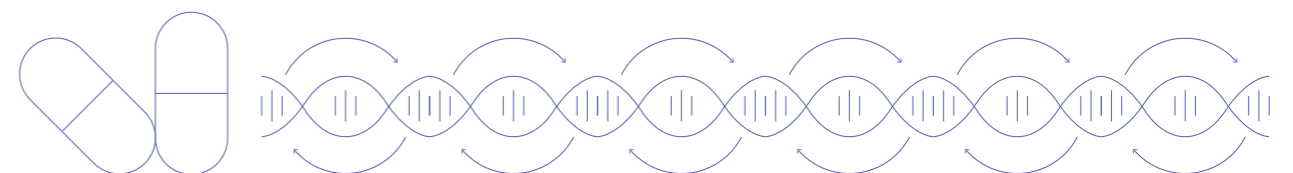
Based on non-clinical and clinical data, as well as safety information from similar products and characteristics of the indicated patient population, we define key identified risks, potential risks, and important missing information. We assess whether these factors may impact the product's benefit-risk balance or pose public health concerns.



Post-Marketing Safety Management

A robust pharmacovigilance system has been established to continuously monitor the safe use of marketed products. Adverse event reports are collected from patients, consumers, and healthcare professionals through channels such as the pharmacovigilance hotline 400 and a designated safety reporting email. We also regularly review medical journals and academic literature and input relevant safety data into the global safety database "Argus Safety" to better review and evaluate adverse reaction information.

Post-marketing safety studies are proactively conducted to identify emerging safety signals and evaluate risk severity and causality. When new safety issues are identified, we promptly implement risk control measures such as updating product instructions, ensuring the continued safe use of our medications.

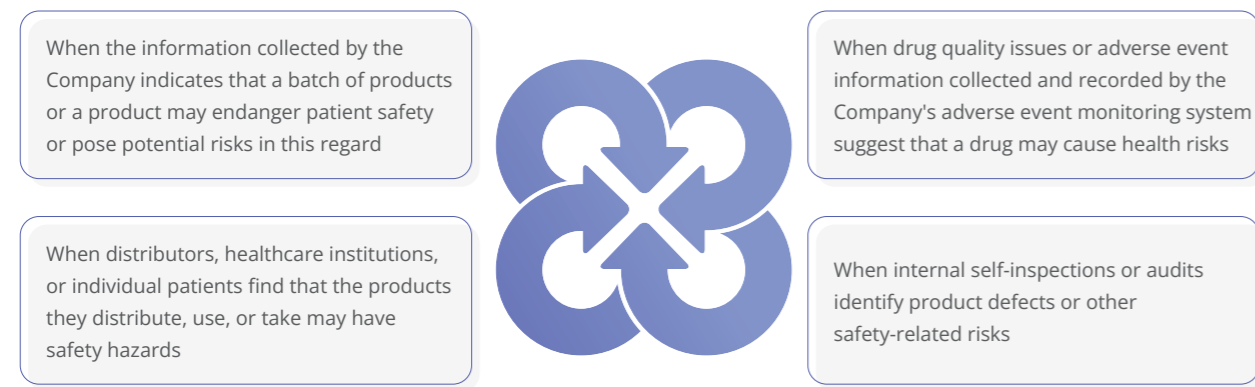


Product Tracing and Recall Mechanism

Hengrui Pharma conducts product release inspections in strict accordance with product approval standards to prevent products with quality issues or potential safety risks from entering the market. The Company has established a drug tracing platform supported by stringent management protocols and a traceability code operating system to ensure the traceability of marketed drugs.

Meanwhile, a comprehensive product recall mechanism has been established, with the *Product Recall Procedures* specifying the scenarios that trigger recalls, the recall process, and the handling of recalled products. Simulated recalls are conducted once every two years for finished dosage forms and once every three years for APIs to ensure the effective operation of the recall mechanism.

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



Scenarios where product recall may be triggered

Industry Engagement and Knowledge Sharing

As an industry leader, Hengrui Pharma actively engages in forums and the development of industry standards to promote pharmacovigilance capacity building, working with partners across sectors to safeguard public health. During the Reporting Period, Hengrui Pharma, together with the Shanghai Center for ADR Monitoring of Drugs and Medical Devices, led the formulation of the group standard *Structured Data Processing of Individual Case Safety Reports through Automatic Extraction Using Large Language Models*, which provides strong support for enhancing risk signal detection and enabling evidence-based decision-making.

Participation in the 6th CMAC Pharmacovigilance Annual Meeting in Suzhou

In May 2024, Hengrui Pharma participated in the 6th China CMAC Pharmacovigilance Annual Conference in Suzhou. Under the theme of "Crafting Regulatory Strategies for New Drug Launches and Safeguarding Patient Safety", the Company held in-depth discussions with attending experts and industry peers, contributing insights into pressing pharmacovigilance challenges and helping to ensure safe medication use among the public.



3.2.4 Enhancing Customer Service

Hengrui Pharma is committed to delivering high-quality products and exceptional service experiences to global customers in accordance with the highest quality standards. We actively listen to customer feedback and remain dedicated to protecting customer rights while continuously improving customer experience and satisfaction.

Responsible Marketing

Hengrui Pharma is firmly committed to safeguarding the legitimate rights and interests of consumers and practicing responsible marketing. We have formulated and publicly released the *Responsible Marketing Policy of Jiangsu Hengrui Pharmaceuticals Co., Ltd.*, which ensures that all sales and marketing practices comply with applicable laws, social norms, and ethical standards. This policy applies to all employees—including permanent, part-time, and outsourced personnel—and encourages business partners to follow its provisions.

At the same time, we are also implementing a set of internal regulations, including the *Regulations on Marketing*, the *Regulations on the Conduct of Marketing Executives*, and the *Guidelines for Basic Responsibilities of Sales Representatives*, which collectively ensure full-process and comprehensive oversight of sales and marketing activities. During the Reporting Period, we further released the *Compliance Guidelines for Academic Activities* and the *Compliance Guidelines for Engagement with Social Organizations*, providing clear compliance principles and requirements through training programs.

We conduct regular responsible marketing audits covering all business divisions, product lines, and supporting departments. The scope and depth of our audits have continued to expand in order to prevent compliance risks. A dedicated responsible marketing audit task force has been established. For each audit project, an audit plan, report, and recommendations are prepared, and audited departments are required to respond with corrective actions within three business days, thereby promoting compliant and sustainable business development. In 2024, a total of 117 audits were completed.



Routine Inspection Audits

Monthly audits are conducted to oversee marketing activities before, during, and after implementation. Different functional departments are required to supervise the process, and corrective actions must be taken promptly to eliminate potential compliance risks.



Sales Territory Adjustment Audits

These audits cover all product lines and business divisions within the sales system, examining market operations, sales conduct, expense management, and personnel management to identify and mitigate potential risks.



Special Audit

Based on data analysis and market feedback, special audits are conducted on key concerns and priority projects. A dedicated response mechanism has been established to ensure that all sales and marketing activities are conducted in a lawful and compliant manner.



Complaint/Whistleblower Audits

We have established accessible complaint and whistleblower channels. Investigations and audits are promptly initiated in response to reports received, and any violations of rules or disciplinary misconduct are strictly handled.

Types of Responsible Marketing Audits

In response to risks and issues identified through audits, Hengrui Pharma regularly updates its compliance and responsible marketing training programs and requires all employees to complete the relevant training. During the Reporting Period, the responsible marketing training covered 100% of employees, with a total of 765,072 training hours.



Awareness Training on Responsible Marketing

- All employees are required to participate in and pass a compliance assessment, which is conducted at least once per year.
- The training promotes relevant laws, regulations, and internal policies on responsible marketing. Employees are explicitly instructed not to exaggerate or misrepresent products or services, not to engage in commercial bribery, and not to make false or misleading statements about competitors' products or services. Employees are also required to safeguard the Company's business confidentiality and protect customer privacy.



Specialized Responsible Marketing Training for the Marketing System

- All personnel within the marketing system are required to participate in and pass specialized assessments.
- During the Reporting Period, multiple targeted training sessions were conducted on responsible marketing practices across specific business scenarios, including social media communications and academic events. In addition, all marketing personnel were required to sign the *Commitment to Compliance and Integrity*, further enhancing compliance awareness and a sense of responsibility across the team.

Diverse Responsible Marketing Training Programs



Delivering Responsible Marketing Training Across the Company and Marketing System

In November 2024, Hengrui Pharma organized comprehensive training sessions on the *Compliance Guidelines for Academic Activities (202409 Edition)* for employees across marketing, functional, and other departments through a combination of online and offline formats. The training covered key areas of corporate responsibility in marketing practices, including sales integrity, fair competition, and consumer health and safety. A total of 139 training sessions were conducted, covering 10,127 participants, with a pass rate of 92%.



Compliance Assessments for Field Sales Managers

Hengrui Pharma continues to strengthen compliance training and assessments for sales managers. In July 2024, the Company launched a high-quality compliance pilot program in Hubei and Northeast China,

In September 2024, compliance knowledge assessments were conducted for 49 field-based sales managers in Nanjing and Chengdu.

delivering **19** special training sessions to **557** key employees

conducted for **49** field-based sales managers

This "assessment-driven training" approach not only comprehensively evaluated compliance awareness among sales personnel but also enhanced their ability to identify and manage risks in real-world business settings. These efforts help Hengrui Pharma better fulfill social responsibilities and reinforce market competitiveness.

Improving Customer Satisfaction

Hengrui Pharma remains "placing patients' needs at the center" and continues to enhance customer communication and service procedures, striving to deliver exceptional service experiences and care to all stakeholders.

A comprehensive customer service management system has been established, incorporating diverse communication channels such as the 400 hotline and adverse event complaint mailbox to receive inquiries and complaints regarding product and service quality from medical institutions, pharmacies, patients, and clients. A well-defined complaint resolution mechanism and workflow are in place, supported by a cross-functional collaboration platform that brings together Manufacturing, Quality, Pharmacovigilance, R&D, Clinical Medicine, Logistics, and Sales. This structure ensures effective internal coordination and continuous service quality improvement.

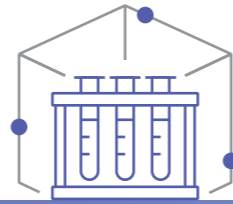
Each year, satisfaction surveys are conducted among consumers and clients. Feedback is reviewed systematically to inform targeted improvement actions. During the Reporting Period, 24 clients were randomly selected from over 400 to participate in the survey, which covered dimensions such as product variety, quality, service attitude, sales policy, and delivery timelines. The overall satisfaction rate reached 95%.

Consumer Privacy and Security

Hengrui Pharma strictly complies with applicable laws and regulations in its operating regions, including the *Personal Information Protection Law of the People's Republic of China*, the *General Data Protection Regulation (GDPR) of the EU*, and the *Health Insurance Portability and Accountability Act (HIPAA Act) of America*. The Company has formulated internal policies such as the *Management System of Trade Secret Carriers (For Trial Implementation)* and the *Personal Data Privacy Protection Policy* to safeguard consumer privacy and information security. During the Reporting Period, Hengrui Pharma issued the Notice on Including Three Types of Behavior, Including the Infringement of Patient Personal Information, as Compliance Red Lines, which reaffirmed the Company's commitment to protecting patients' personal data.

Adhering to the principle of data minimization, Hengrui Pharma collects sensitive consumer information only when necessary. Clear explanations of data usage and handling are provided on the Company website and customer service hotline, ensuring informed consent is obtained from data subjects. To safeguard consumer privacy, a security platform is installed on sales personnel's devices, and strict access controls are enforced across information systems. In addition, cross-border data security management has been strengthened to ensure that the collection, analysis, and transmission of data are fully compliant with regulatory requirements, thereby addressing evolving external risks and preserving data integrity.

3.3 Demonstrating Leadership in Industry Responsibility



A stable, healthy, and environmentally responsible supply chain serves as a cornerstone of sustainable development. Hengrui Pharma aims to build trustworthy, mutually beneficial, and long-term partnerships with suppliers. By continuously improving its supplier management system, the Company is committed to jointly fostering a sustainable supply chain and promoting responsible practices across the industry.

3.3.1 Comprehensive Supplier Management

Hengrui Pharma strictly complies with all applicable laws and regulations in its regions of operation and incorporates key regulatory documents—such as the *Medicinal Product Administration Law of the People's Republic of China*, the *Measures for the Administration of Drug Registration*, the *Measures for the Supervision and Administration of Drug Production*, and the *Good Manufacturing Practices for Pharmaceutical Products*—into its supplier management system. Internal policies are continuously refined to ensure effective and compliant supplier governance. During the Reporting Period, several new or revised regulations were introduced across areas such as supplier admission requirements, performance evaluation, and complaint management, further improving the standardization and efficiency of supplier management while providing strong support for business development. As of the end of the Reporting Period, Hengrui Pharma had a total of 5,803 suppliers. A breakdown by region is shown in the table below. Hengrui Pharma has established a full life-cycle supplier management system and built an integrated digital procurement platform through the Supplier Relationship Management (SRM) system. This platform connects all key functions—supplier management, sourcing, contracts, orders, delivery, and financial coordination—bridging digital gaps across the procurement process. It enables refined, digitalized management across all categories and scenarios, significantly enhancing the efficiency and transparency of the supply chain.

Distribution and Quantity of Hengrui Pharma's Suppliers

Distribution	Quantity
East China	3,668
South China	432
Central China	235
North China	778
Northwest China	71
Southwest China	490
Northeast China	85
Hong Kong, Macao and Taiwan	3
Overseas	41
Total	5,803

Supplier Evaluation and Approval

To standardize the supplier onboarding process, Hengrui Pharma has developed specialized management systems tailored to different business scenarios, including the *GMP Material Supplier Approval Management System*, the *Non-GMP Material Supplier Approval Management System*, the *Customized R&D Material Supplier Approval Management System*, the *Clinical Service Supplier Approval Management System*, and the *Integrated Service Supplier Approval Management System*. These systems define the principles and criteria for supplier approval across various categories, effectively identifying and mitigating potential risks associated with the onboarding of key material and outsourced service suppliers. Hengrui Pharma has also established a multi-dimensional supplier evaluation system that integrates ESG-related factors such as innovation and R&D capabilities, product quality control, occupational health and safety, and environmental protection into supplier assessment criteria. In addition, a cross-functional evaluation mechanism has been put in place, enabling departments such as Procurement, Quality, and EHS to jointly assess supplier qualifications and capabilities. This ensures the rigor of the approval process and supports the continuous optimization of the supplier portfolio.

Integrity Procurement

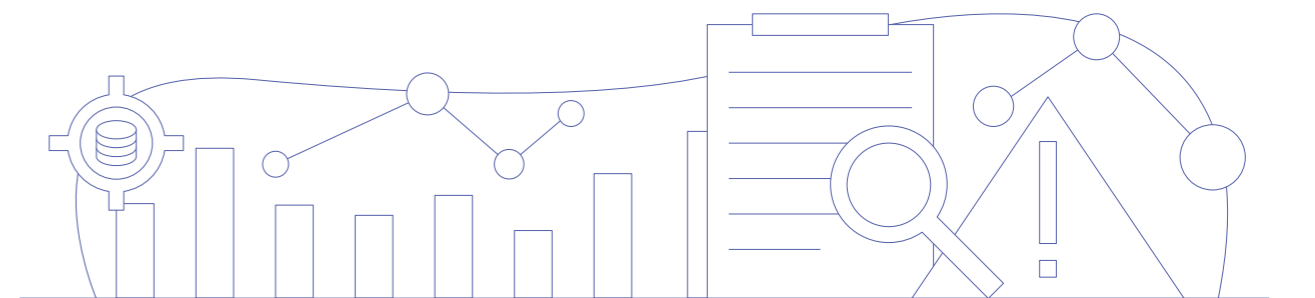
Hengrui Pharma upholds a procurement policy emphasizing "transparency and openness", placing integrity and ethical conduct at the core of its supply chain management to strictly mitigate corruption risks and foster a clean and upright business environment. All suppliers are required to sign the *Operation Commitment of Business Partner*, which clearly outlines integrity requirements, reporting channels, and mechanisms for handling violations. Anti-bribery clauses are also embedded in supplier contracts, and any acts of bribery or solicitation will result in immediate termination of the partnership. In collaboration with suppliers, Hengrui Pharma promotes a culture of integrity through targeted compliance training and on-site awareness campaigns, ensuring that suppliers fully understand and adhere to the Company's compliance requirements while enhancing their ethical awareness and risk management capabilities. No violations of integrity principles were reported within the procurement system during the Reporting Period.

Supplier Assessment and Evaluation

Hengrui Pharma is committed to building a scientific and efficient supplier management system. By adopting an objective and quantitative performance evaluation mechanism, we implement dynamic tiered management of suppliers, thereby supporting the Company's high-quality development. We have established a comprehensive supplier performance evaluation system that spans multiple dimensions, including quality, pricing, delivery, qualifications, and services. Through a combination of scheduled assessments and unscheduled inspections, we conduct holistic evaluations of supplier performance. Based on the evaluation results, we categorize suppliers into different tiers and match them with suitable projects according to their capacity. During the Reporting Period, we completed the tiered classification of 64 business segments and 31 customized compound suppliers, facilitating optimal resource allocation. At the same time, we have put in place a well-defined supplier management system for events. This includes establishing event handling groups, conducting event investigations and impact evaluation, and implementing safeguarding measures to address supplier-related emergencies. The results of in-process management are used to adjust our supplier management strategies dynamically and are further extended to supplier evaluation, audits, and capability enhancement, enabling continuous improvement of our supplier management system.

Supplier Audit

Hengrui Pharma places great emphasis on supplier risk management and regards supplier audits as a key step in risk prevention and control. The Company continues to optimize audit standards and procedures to ensure a secure and stable supply chain. Based on different business stages and risk levels, we conduct three types of audits—access audits, regular audits, and cause-based audits—covering all critical operations and key material suppliers every three years. ESG factors such as business ethics, production quality, and EHS performance are integrated into our audit process to ensure that supplier practices align with the Company's sustainability requirements. For issues and risks identified during audits, we work closely with suppliers to formulate corrective and preventive measures, thereby strengthening the supply chain's risk resilience.



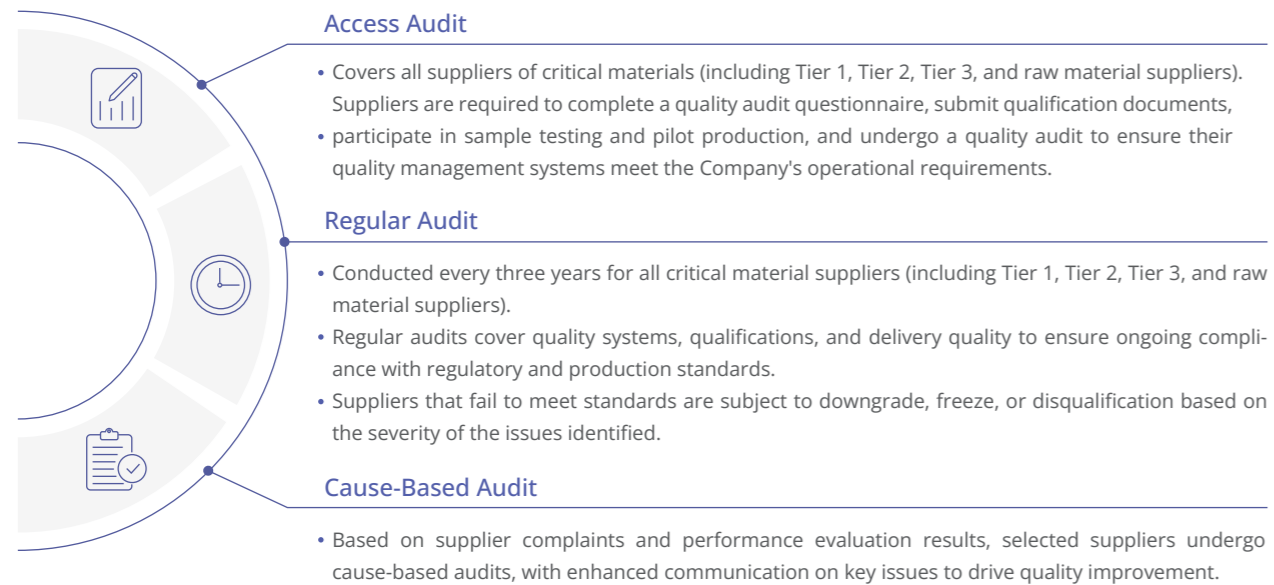
3.3.2 Implementing Supply Chain Assurance

Hengrui Pharma recognizes the critical role that supply chain security and stability play in supporting sound corporate development. Through rigorous supplier quality management and robust risk control mechanisms, the Company continues to enhance supply chain resilience.

Hengrui Pharma supports the broader adoption of responsible sourcing practices and is committed to aligning its internal processes and management practices with recognized industry standards and principles on supply chain and contractor risk evaluation and mitigation.

Supplier Quality Management

Hengrui Pharma has established a supplier quality management system that spans the entire supplier lifecycle, including key steps such as supplier access, process evaluation, and quality reviews, to ensure supply chain stability and product quality reliability. Based on the impact of materials on product quality, materials are classified into three levels. Suppliers are also categorized into three risk levels by material type and risk profile to enable precise and effective management.



Types of Supplier Quality Audits

On-site Audit for Newly Added Tier-2 Suppliers

In 2024, Hengrui Pharma conducted on-site audits for newly added Tier-2 suppliers in accordance with the Good Manufacturing Practices for Pharmaceutical Products (2010 Revision) and the Company's internal management document *OS-016 Supplier Approval and Qualification*. The audit scope covered key systems such as quality, materials, production and processes, packaging and labeling, laboratories, and facilities and equipment. Through these audits, we documented suppliers' compliance performance and areas for improvement, followed up on issue resolution, and ensured that newly added suppliers meet the Company's equipment standards and workflow requirements.

During the Reporting Period, based on the risk level of suppliers and materials, we developed and implemented the annual supplier quality audit plan. A total of **640** issues or risk points were identified, with a corrective action completion rate of **91.4%**.

Hengrui Pharma remains committed to working closely with suppliers to deepen quality management. We require suppliers to sign quality agreements that define their responsibilities for quality assurance and the specific requirements to be followed. In addition, based on issues of non-compliance found from audits, we developed an annual training plan for all high-risk suppliers. Targeted training sessions were carried out through various forms—including online and offline training, on-site communication, and written notices—covering topics such as quality system improvement and enhancement of process quality control. These training sessions for noncompliant suppliers are conducted regularly three times a year.

Quality Improvement Training for a Manufacturer of Middle Borosilicate Tubing Injection Vials

During a quality audit, Hengrui Pharma identified black spot issues in products supplied by a manufacturer of middle borosilicate tubing injection vials. To help improve the supplier's quality management capabilities, we provided targeted training to its production and quality teams, focusing on visual inspection requirements and root cause investigation methods for black spot defects. As a result of the training, the supplier successfully identified the root cause of the black spots and implemented effective corrective measures, which significantly improved the detection rate of visible foreign matter and ensured a higher product quality pass rate.

Supply Chain Stability

Hengrui Pharma attaches great importance to the stability and resilience of the supply chain, and has adopted a variety of measures to ensure its efficient operation and continuity through systematic contingency plans and risk mitigation control systems.



We break down the supply chain into various stages, including the demand side, procurement, suppliers, logistics, and external environment, and comprehensive and systematic risk mitigation process such as standardizing internal processes and digitizing risk forecasting. During the Reporting Period, we implemented a systematic risk management program for the procurement of all products. Based on the attributes of materials, we conducted in-depth analysis on high-risk materials such as government-controlled items, long lead-time items, single-source materials, and imported materials, and identified more than 300 risk items. In response, we actively expanded the sourcing of high-quality suppliers and adopted a multi-supplier model to ensure that each item has more than two qualified suppliers, effectively diversifying supply risks.



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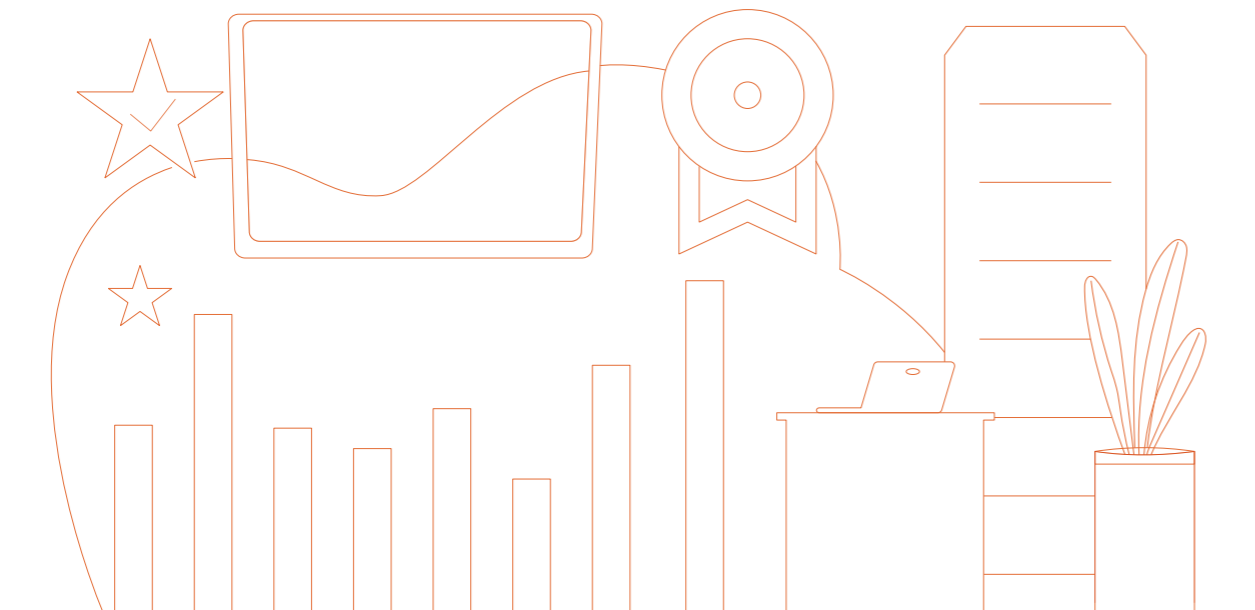
Enduring in People-Centered Values to Cultivate a Thriving Talent Ecosystem



Hengrui Pharma regards talent as a fundamental pillar of high-quality development and remains committed to the core philosophy of "people-centeredness and contributor-first". Guided by its dual-engine strategy of technological innovation and internationalization, the Company continuously improves its talent development system, optimizes career progression pathways, and strengthens organizational management capabilities. At the same time, comprehensive attention is given to employees' physical and mental well-being as well as their professional growth. By enhancing employee satisfaction and sense of belonging, Hengrui Pharma strives to foster an environment where employees and the Company grow together, fully unleash talent potential, and empower long-term sustainable development.

Hengrui Pharma's external recognitions as employer of choice in 2024

Honor	Awarded by	Picture
China Outstanding Employer Certification 2024	Top Employers Institute	
Top 30 Employers with Emerging Capabilities – China Best Employers of the Year	Zhaopin Ltd.	
Extraordinary Employer of the Year 2024	Liepin	
Best Practice in HR Digitalization 2024	Moka	
Top 20 Most Influential Youth-Friendly Employer Brands of 2024	Hedgehog	



4.1 Implementing Diversified Employment Diversity



Hengrui Pharma strictly complies with the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, and has established a comprehensive employee management system centered around the *Employee Handbook* to effectively safeguard employee rights and interests.

4.1.1 Employment

Talent acquisition plays a pivotal role in driving the Company's long-term development. To ensure a standardized and transparent recruitment process, Hengrui Pharma has implemented the *Recruitment and Hiring Management Procedures*, which require interviewers at all levels to strictly adhere to job requirements and hiring standards. The recruitment process is conducted with objectivity, fairness, and integrity, strictly prohibiting any form of misconduct or favoritism, with the ultimate goal of attracting high-caliber talent.

During the Reporting Period, we conducted comprehensive talent and organizational reviews to assess workforce allocation and talent pipeline, clearly identifying key position needs. Based on these reviews, the Company actively reserved its pools of talent through diversified channels, including external recruitment, internal referrals, job rotation, and campus hiring. In addition, initiatives such as graduate traineeship programs were adopted to attract and nurture outstanding talent, thereby accelerating the implementation of our innovation-driven and globalization strategies.



"Onboarding Bootcamp Program" for New Graduates

To help newly recruited graduates integrate into the Company culture and familiarize themselves with business operations, Hengrui Pharma organizes a two-day "Onboarding Bootcamp" during graduation season, in collaboration with subsidiaries and departments. The 2024 bootcamp was conducted in three sessions and covered a total of 864 new graduates (394 males and 470 females). Through this centralized training, new employees gained a preliminary understanding of the Company's culture, business model, and career development pathways, laying a solid foundation for their subsequent on-the-job experience.



"Stellar Program" for High-Potential Graduates

To support strategic and business development, Hengrui Pharma launched the "Stellar Program" to cultivate high-potential university graduates. The Program offers a 36-month structured development journey, aiming to foster future mid-level managers with holistic thinking or technical specialists in key domains. Each participant receives an Individual Development Plan (IDP) tailored to their role and personal strengths, with a focus on enhancing both professional skills and leadership capabilities. The Program features a dual-mentor system, systematic training courses, and rotational assignments, enabling young talents to gain comprehensive exposure to the business and acquire essential technical knowledge and professional competencies for project engagement.

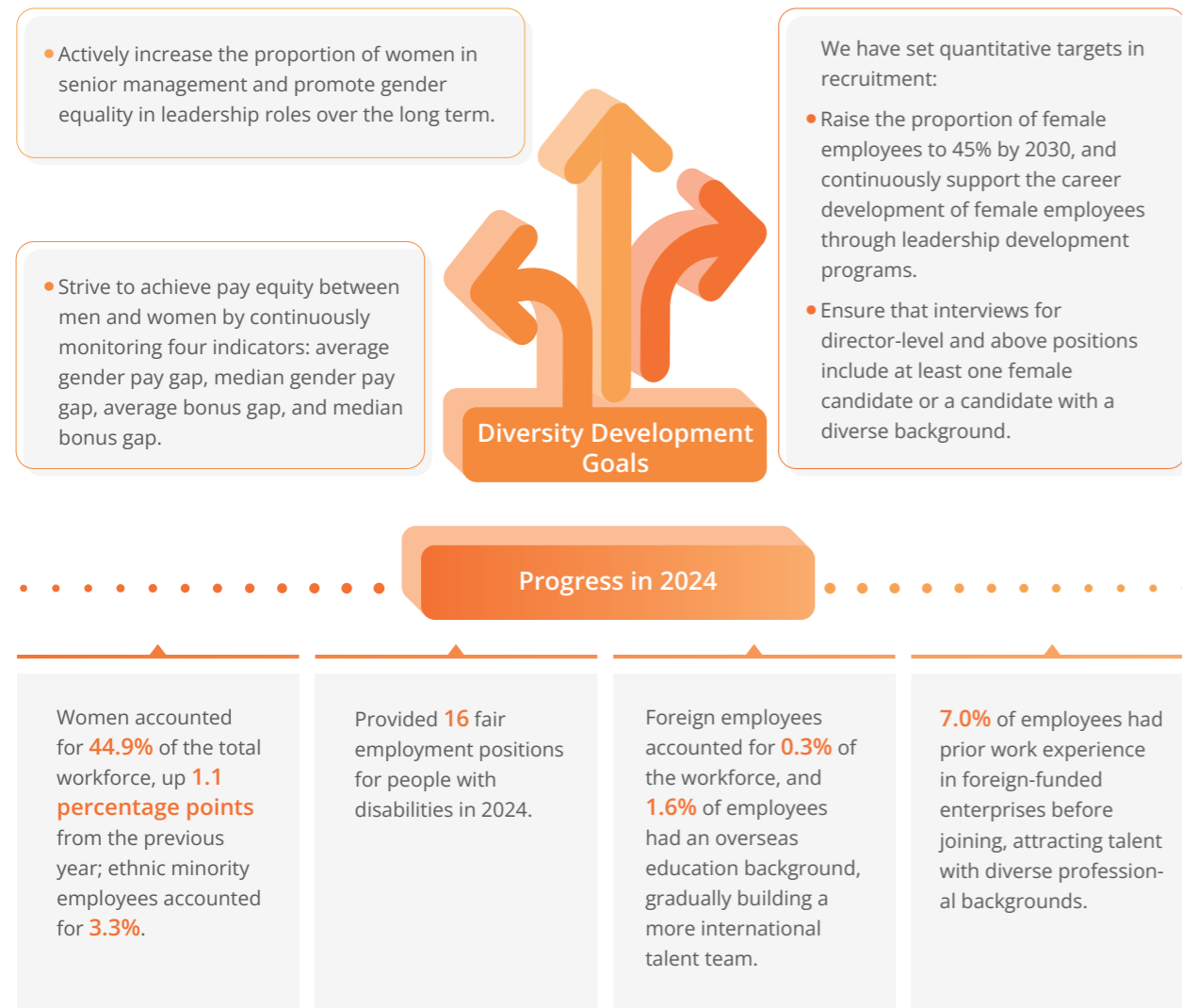
During the Reporting Period, the Company provided 1,250 job positions to 2024 graduates. Among them, 61 hold doctoral degrees, 410 hold master's degrees. Compared to 2023, the proportion of doctoral degree holders increased by 0.5%, master's by 2.3%, and bachelor's by 1.3%, while the proportion of graduates with an associate degree or below decreased by 10.1%.

4.1.2 Equality and Diversity

Hengrui Pharma is committed to upholding the Ten Principles of the United Nations Global Compact, respecting and protecting human rights, and strictly prohibiting illegal employment practices such as child labor, forced labor, and restriction of personal freedom. The Company ensures reasonable working hours, strictly adheres to compliant employment standards, and opposes all forms of discrimination and harassment.

Upholding the principles of fairness and equality, we have established internal policies such as the *Recruitment and Employment Management Policy* and the *Employee Handbook*, which emphasize the provision of equal opportunities. These policies explicitly prohibit discrimination against employees or candidates based on non-job-related factors such as race, gender, age, religion, disability, or sexual orientation. We advocate and ensure equal rights and fair treatment across all stages of recruitment, employment, compensation, training, promotion, and benefits.

To foster a diverse and inclusive workplace, Hengrui Pharma has put in place a sound governance structure. The Strategic Committee, authorized by the Board, is fully responsible for formulating, managing, supervising, and implementing the Company's diversity and inclusion strategy. During the Reporting Period, we revised the *Diversity, Equity & Inclusion Policy of Jiangsu Hengrui Pharmaceuticals Co., Ltd.*, further clarifying and setting development goals for diversity. We also regularly assess the performance and progress of key related indicators to continuously enhance workforce diversity and inclusiveness.



We are committed to enhancing employees' awareness of diversity and inclusion by offering annual employee training on diversity policy through an online learning platform. All employees are required to complete the training and assessment on the *Diversity, Equity & Inclusion Policy of Jiangsu Hengrui Pharmaceuticals Co., Ltd.* We regularly monitor training completion and pass rates to ensure thorough understanding of relevant principles and policies.



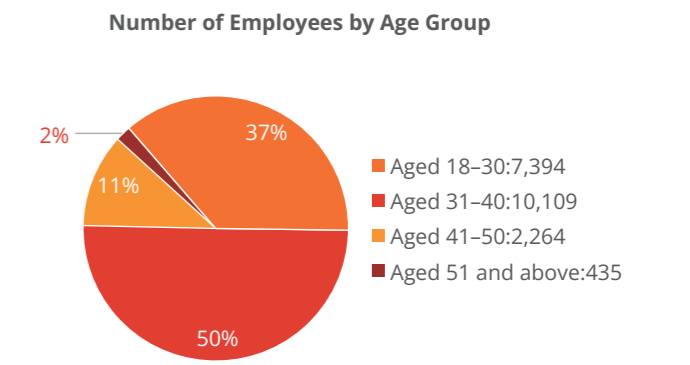
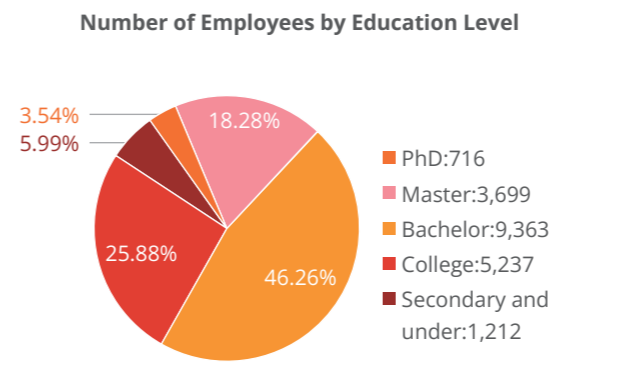
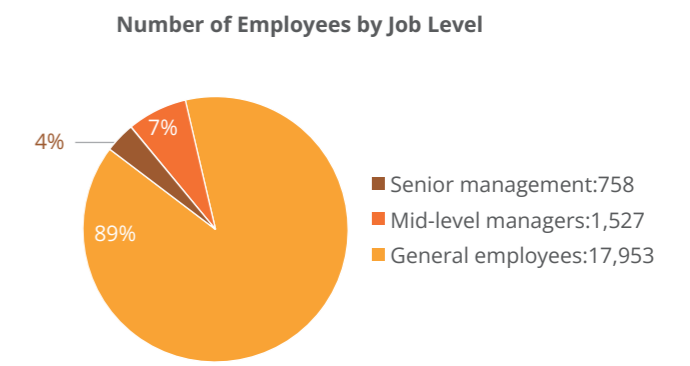
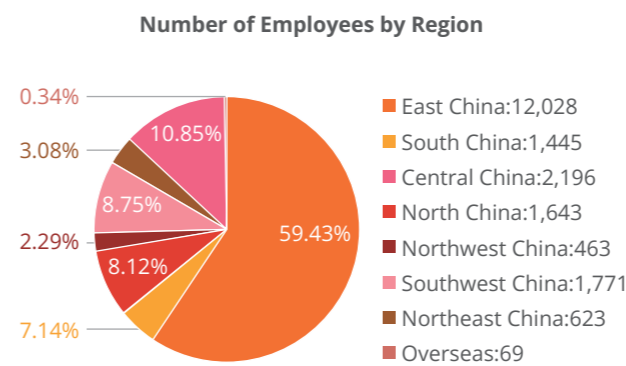
To foster an inclusive work environment, Hengrui Pharma provides diversified inclusive facilities for employees in need, such as accessible facilities, nursing rooms, and dedicated health checkups for female employees.



Hengrui Pharma's employment status at the end of the Reporting Period is shown as follows:

Hengrui Pharma's Employment Status in 2024

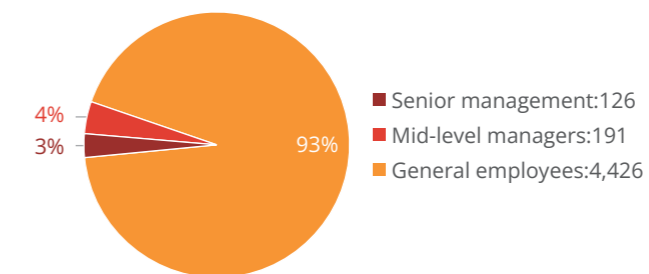
Indicator	Unit	2024
Total Number of Employees	/	20,238
Number of Female Employees	/	9,081
Percentage of Female Employees	%	44.9
Number of Newly Hired Employees	/	4,743
Number of Women Employees in New Hires	/	2,173
Ethnic Minority Employees	/	658
Percentage of Ethnic Minority Employees	%	3.3
Percentage of Women in the Board	%	11.1
Number of Executive Management	/	6
Number of Women in Executive Management	/	1
Percentage of Women in Executive Management	%	16.7
Average Percentage of Women in Executive Management over the Past Three Years	%	21.0
Number of Managers (Manager level and above)	/	2,285
Number of Female Managers (Manager level and above)	/	779
Percentage of Female Managers (Manager level and above)	%	34.1
Annual Employee Turnover	%	9.5
Average Years Employed for Female Employees	Year	4.9
Average Years Employed for Male Employees	Year	6.5



Note: 11 employees did not provide information of their educational background due to the General Data Protection Regulation (GDPR).

Note: 36 employees did not provide their age information due to the General Data Protection Regulation (GDPR).

Number of Newly Hired Employees by Job Level



4.2 Empowering Talent Development



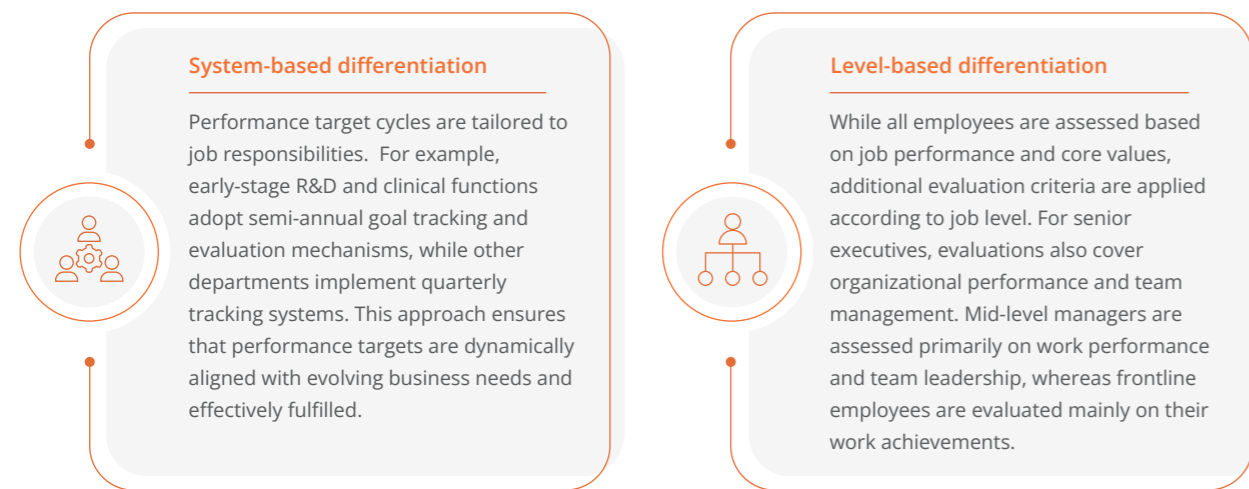
Hengrui Pharma regards talent development as a core driving force for long-term sustainable growth. The Company is committed to fostering a learning-oriented organization, encouraging employees to pursue continuous growth. It offers a fair and reasonable performance management system, an effective remuneration incentive mechanism, and diverse career development pathways, ensuring that each employee's potential is fully recognized and effectively utilized.

4.2.1 Remuneration Incentives

Performance Management

Hengrui Pharma adheres to the principles of fairness, justice, openness and scientific rigor, and continuously refines its employee performance management system to ensure strong alignment between performance management and the Company's strategic objectives, fostering the joint growth of employees and the organization.

In 2024, the Company further strengthened the systematization and standardization of performance management by implementing a differentiated approach to goal tracking and assessment, thereby significantly improving the accuracy and effectiveness of regular performance appraisals and feedback processes. Guided by its business strategy, the Company cascades its overall commercial goals down to the organizational, team, and individual levels, ensuring that all performance objectives align with the Company's strategic direction.

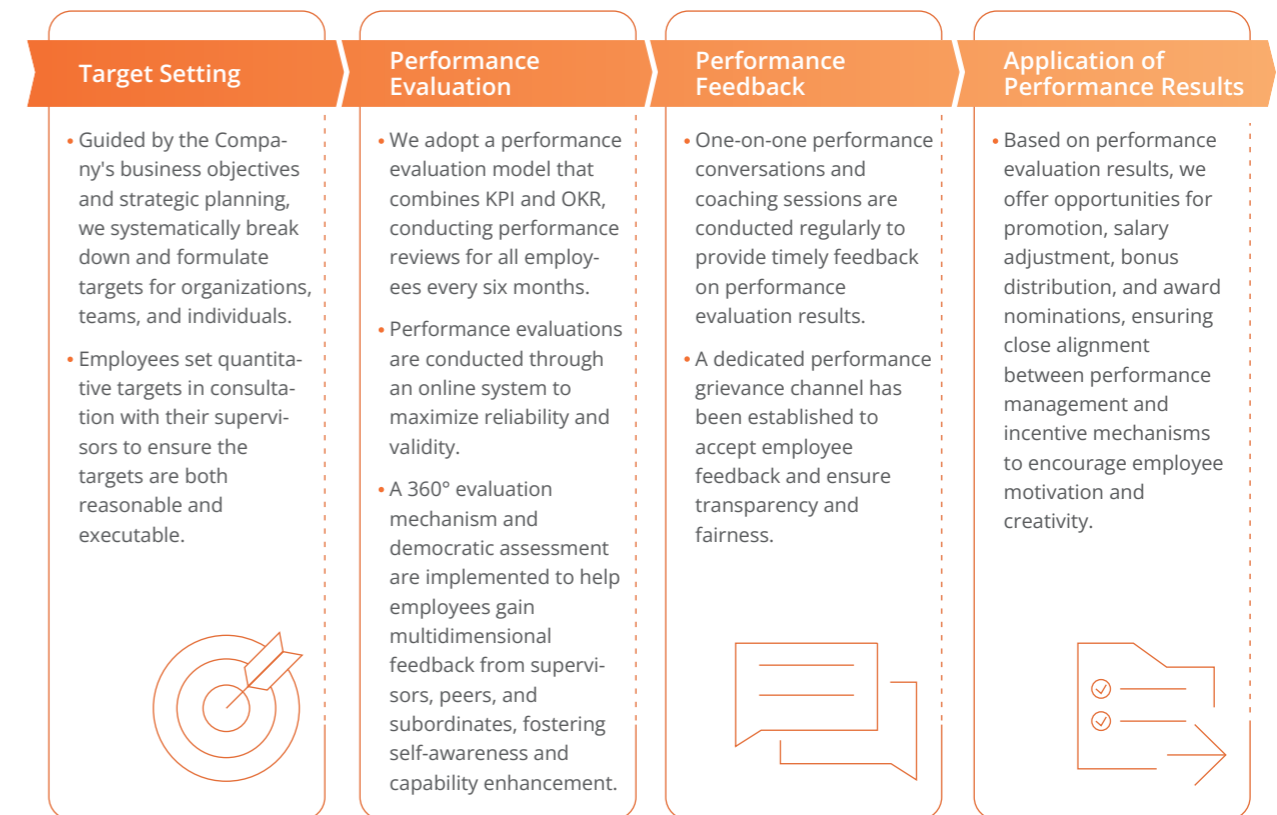


We have established a 360° interactive evaluation (democratic appraisal) mechanism covering all employees since 2024 to enhance the objectivity and fairness of performance management. The evaluation results serve as a key reference for employee performance appraisals and also help individuals identify areas for improvement and clarify their development directions. We provide timely communication and feedback to evaluated employees to assist them in formulating improvement plans and achieving continuous growth.

In 2024, we fully implemented the 360° evaluation mechanism across medical, marketing, key account, human resources, finance, and operational efficiency departments. This has helped relevant teams accurately identify capability gaps and provided clear direction for building a talent pool aligned with the Company's business development needs. In 2025, we plan to expand the coverage of the 360° evaluation mechanism to further strengthen and refine company-wide performance management.

In addition, we require all management at or above the managerial level to undergo a 360° evaluation during promotion assessments. All management must participate in at least one 360° evaluation annually, and the results are linked to their annual performance, serving as a comprehensive incentive for improving overall performance.

To ensure fairness in performance management, we require supervisors to conduct regular performance discussions with employees and have established formal grievance reporting procedures. Two-way communication between supervisors and employees helps ensure alignment on performance targets and implementation paths, as well as timely identification and resolution of challenges during the process. We protect employees' rights to appeal performance evaluation results and have outlined appeal procedures in the Performance Management Guidelines for Non-Marketing Systems (Trial). We use multiple safeguard mechanisms to review appeal outcomes and communicate results promptly, ensuring transparency and fairness in the entire process.



Remuneration Structure

Hengrui Pharma adheres to the principle of equal pay for equal work for both men and women and has established a remuneration structure composed of fixed salaries and variable pay for all employees. The variable portion is directly linked to both individual performance and the Company's overall performance. To enhance the fairness and market competitiveness of the remuneration system, we conduct annual reviews and dynamically adjust compensation based on job value, promotion and advancement status, performance evaluations, and prevailing market salary levels. Through the Company-wide implementation of variable pay mechanisms and the regular optimization of the remuneration structure, we effectively stimulate employee initiative and promote the sharing of development achievements between employees and the Company.

Incentive Mechanism

We implement a range of incentive programs, including employee stock ownership plans (ESOPs), long-term service bonuses, and corporate service awards, to fully motivate employees and promote mutual growth and win-win cooperation between the Company and its employees.

To further enhance the mechanism for benefit sharing among the Company, shareholders, and employees, and to boost employee enthusiasm, creativity, cohesion, and the Company's competitiveness, we launched a new round of ESOP during the Reporting Period, covering 1,130 core management and key employees. Meanwhile, the second-phase equity of the ESOP initiated in 2022 was successfully unlocked during the Reporting Period, with a total of 2,763,214 shares vested.

4.2.2 Employee Development

At Hengrui Pharma, we continuously optimize our employee promotion system in response to evolving position requirements and talent development needs, while actively advancing internal rotation and transfer mechanisms. We have developed dual career paths that encompass both administration management and technical expertise, supported by clearly defined qualification standards and comprehensive learning resources. This enables employees to select career paths aligned with their position characteristics, career interests, and personal capabilities. By refining our career development framework, we provide broader development opportunities and support the joint growth of individuals and the Company.

Career Pathways



The Company attaches great importance to employee capability development and, in accordance with the *Provisional Measures for Employee Education Management of Jiangsu Hengrui Pharmaceuticals Co., Ltd.*, provides support for both academic and non-academic talent development for all employees (including permanent, part-time, and contractors). Tailored support programs are developed for different projects. Over the years, the Company has maintained close cooperation with institutions such as Xi'an Jiaotong-Liverpool University, China Pharmaceutical University, and Nanjing Medical University to carry out joint training programs including doctoral and master's degree programs for employees. We have also signed a strategic cooperation agreement with the Yunnan Cancer Hospital of Peking University Cancer Hospital to jointly explore the cultivation of interdisciplinary and innovative talents through joint postdoctoral training. The Company fully covers the tuition fees and travel expenses for employees enrolled in the above degree programs and assigns external mentors to provide academic guidance. Departments are also required to reasonably arrange work to ensure a proper balance between work and study.

During the Reporting Period,

3

new PhD students were enrolled under this program, further expanding the coverage of high-potential talent development.

In addition, we encourage employees to pursue on-the-job academic education based on their own career development needs. For those who apply independently, the Company provides ten days of paid study leave per year and formally recognizes the academic degrees obtained by employees. By the end of 2024, the Company completed its nomination plan for continuing education (degree advancement) in 2025 and will continue to advance its academic education program to support employees' ongoing learning and development.



Executive Training Program with Fudan University School of Management

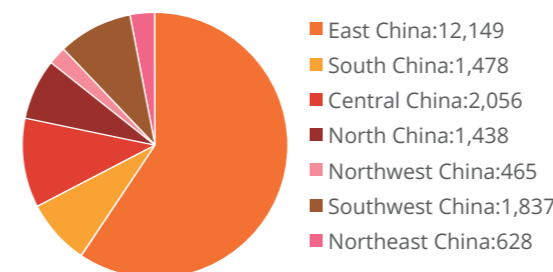
In 2024, Hengrui Pharma partnered with the School of Management at Fudan University to deliver an executive training program, with more than 70 core management staff participating in the sessions. The curriculum covered strategic management, risk management, and systems thinking for managers, and was delivered by renowned professors from Fudan University. Through in-depth interactions with top-tier faculty, the program effectively enhanced the overall competencies of participating managers and provided strong support for the Company's team-building and innovative development.

In addition, the Company collaborated with several leading training institutions in 2024 to organize 11 training sessions, introducing rich learning resources and business case studies to offer comprehensive learning and practical guidance to employees. During the Reporting Period, we completed 16 training projects in partnership with these institutions, significantly improving employee skills and competencies.

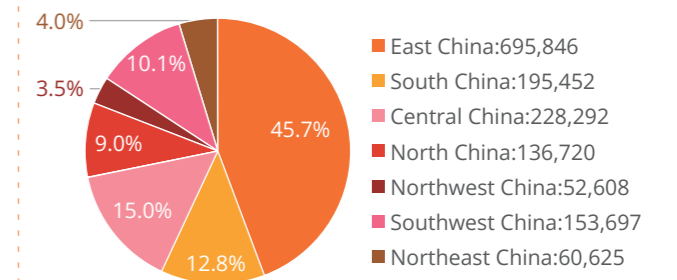
4.2.3 Employee Training

Hengrui Pharma regards employees as the most valuable asset of the Company and is committed to enhancing their professional capabilities and overall competencies through a structured and diversified training system. We offer a wide range of training programs covering management skills, technical expertise, and professional conduct, while tailoring personalized learning paths based on business needs and individual development goals. By continuously refining our training mechanisms, we support employees in achieving career growth and ensure a robust talent foundation for the Company's innovation-driven development. In 2024, Hengrui Pharma organized a total of 1,450 offline training sessions and online livestream courses. During the Reporting Period, our training programs reached 20,051 employees, with a total of 1,523,240 training hours, averaging 76 training hours per employee. The Group's total training expenditure amounted to RMB 3.726 million, achieving a 99% employee training coverage rate.

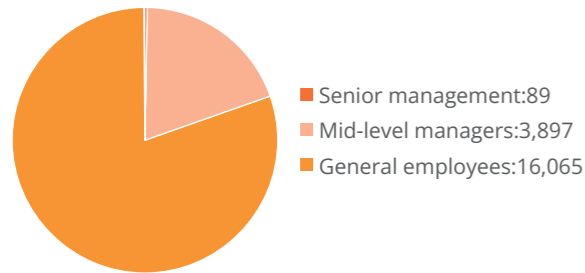
Total Number of Trained Employees by Region



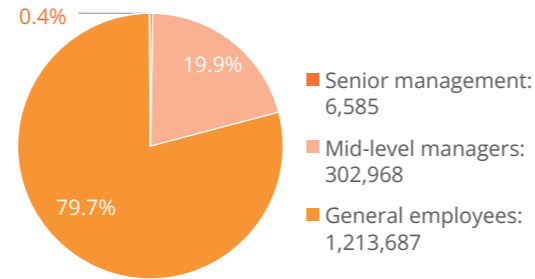
Training Hours and Proportions by Region



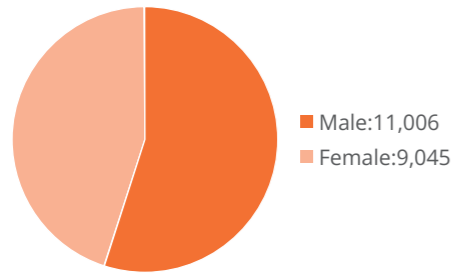
Total Number of Trained Employees by Job Level



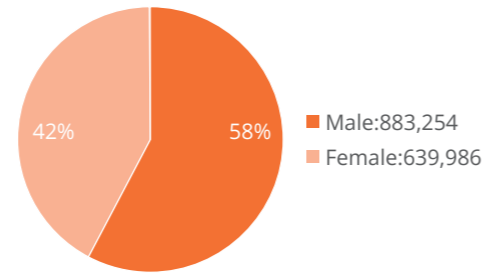
Training Hours and Proportions by Job Level



Total Number of Trained Employees by Gender



Training Hours and Proportions by Gender



The Company has established a comprehensive training system that integrates both online and offline learning models to deliver tiered and phased training programs tailored to employees at all levels. The training system covers compliance and general education, professional skills development, and leadership enhancement. By combining theory with practice, it aims to promote the all-round improvement of employee capabilities and provide continuous talent support for the Company's innovation-driven growth.

Compliance and General Skills Training

To ensure that all employees operate within a compliance framework, we provide diverse training content through our online learning platform. This includes compliance training programs (such as business ethics, anti-corruption, responsible marketing, and occupational health and safety), as well as general competence training courses (such as office software operation, communication skills, planning, and management). Employees are required to complete the compliance training sessions within the specified timeframe and may select additional general competence courses based on individual development needs to further enhance their overall capabilities.

Professional Skills Development

We offer each employee the opportunity to engage in at least one one-on-one career development dialogue with their supervisors every year as part of our performance appraisal system. During these conversations, employees and supervisors are expected to jointly identify the employee's professional development and career growth needs. Based on both individual and job-specific development training programs, we support employees in developing IDPs and provide access to rich learning resources.

To advance employee development in a more systematic manner, the Company has established a structured performance communication mechanism, requiring managers at all levels to conduct quarterly performance dialogues with their team members, ensuring 100% coverage. Through a PDCA cycle, we track goal achievement progress and provide structured feedback focused on strengths and areas for improvement in performance outcomes.

During the performance appraisal cycle, managers and employees jointly analyze the competency requirements of the roles, align with the Company's strategic direction and individual career planning, and identify key areas for capability enhancement. Based on the appraisal results and a shared vision for development, we formulate an IDP for each employee, clearly defining 3-6 annual development focus areas. We also provide a wide array of supporting resources, such as internal mentorship programs, professional training courses, and job rotation opportunities. This mechanism not only facilitates short-term performance improvement but also emphasizes long-term career development, creating mutual value for both the Company and its employees. To better support the implementation of IDPs, the Company plans to launch a digital learning platform in 2025.

"One-on-One Performance Dialogues" — Normalized Mechanism for Performance Communication and Development Planning

Taking Hengrui Pharma's Lianyungang Formulation Division as an example, the division has established a tailored IDP system for newly onboarded employees with a bachelor's degree or above, based on functional categories such as production management, quality, and equipment. The IDP is continuously tracked and refined throughout implementation. Within the first six months of employment, the Human Resources Department collaborates with business units to design comprehensive capability enhancement plans for each employee. These plans cover general competence courses, theoretical and practical training on job-specific skills, and rotational assignments aligned with the employee's personal development needs. To ensure effective implementation of the plan, the Company requires new employees to undergo quarterly review and evaluation within the first year of employment. After the first year, evaluations are conducted every six months. The IDP for the next stage is developed based on a comprehensive review of performance outcomes and presentation quality during the evaluations.

"Mentorship Mechanism" — Fostering Employee Development through Guided Support

The Company has established a mentorship mechanism to promote employee growth through the transfer of experience and personalized coaching by senior staff. Mentors provide guidance on professional skills and deliver targeted feedback based on the mentees' actual performance, helping them improve work efficiency and problem-solving abilities. We also require mentors to engage in regular communication with their mentees to help clarify career development directions, formulate personal growth paths, and share insights on professional experience and cultural integration, thereby strengthening employees' sense of belonging. To ensure the effectiveness of mentoring, the Company offers structured training programs for mentors to enhance their communication skills and mentoring capabilities. This mechanism provides systematic support for employees, accelerating their skills enhancement and career progression.



"Mentorship Mechanism" Special Training

"Pairing with Business Experts" — Igniting New Engines of Growth

The Company has established a pairing mechanism between business experts and frontline managers to enhance capabilities and drive operational efficiency through continuous guidance. Leveraging their expertise and practical experience, business experts offer targeted coaching to help managers tackle challenges and broaden their management perspectives. The program incorporates regular reviews and case-sharing sessions to promote knowledge retention and experience transfer. This mechanism not only improves problem-solving efficiency but also accelerates employee development, creating a win-win outcome for business growth and talent cultivation, and laying a solid foundation for innovation and high-quality development.



"Pairing with Business Experts" Program

To meet the rapidly evolving demands for professional skills, the Company has adopted innovative training formats—such as live-streamed online classes, AI-based assessments, and microlearning modules—in addition to traditional in-person courses, enabling more efficient knowledge delivery. Tailored to different business functions, the Company has launched specialized training programs such as "Science Lectures", "Microlearning Power", and "Voice of the Front Line", empowering employees to quickly master cutting-edge R&D techniques, the latest marketing strategies, and practical skills. These efforts aim to enhance professional capabilities and workplace competitiveness.

"Science Lectures" — A Platform for Professional Knowledge Sharing

The "Science Lectures" is a professional development program launched by the Company to provide employees with cutting-edge industry knowledge through themed lecture sessions. Topics have included "Differentiated Design and Optimization of Novel Antibody Drugs" and "Pharmacological Evaluation of ADCs", delivered by director-level experts from early-stage R&D and clinical departments. This Company-wide initiative aims to build a robust internal platform for knowledge sharing at Hengrui Pharma, promoting the broad dissemination and application of internal expertise. Each lecture session attracted over 200 online participants. The training series has effectively enhanced employees' technical capabilities and industry understanding, providing strong support for ongoing innovation and development.



"Science Lectures" Training

"Microlearning Power" — Microlearning Program for Professional Development

To further enhance professional skills, Hengrui Pharma launched the "Microlearning Power" program, an innovative digital micro-course initiative that integrates "assessment and evaluation, learning feedback, and real-world application" to effectively meet learning needs of employees and improve training outcomes. The courses are tailored to the needs of various roles, including sales representatives, regional managers, and training instructors, and cover topics such as "Tapping Effective and Compliant Business Opportunities" and "Four Steps to Efficient Market Access". In 2024, the program recorded a total of 9,818 employee participations. The course has greatly strengthened professional capabilities and compliance awareness across the organization, providing solid support for business development.



"Microlearning Power" Training

"Voice of the Front Line" — Practical Empowerment Program

The "Voice of the Front Line" training program combines live and recorded sessions to meet employees' flexible learning needs. It covers a variety of popular topics such as SPIN questioning techniques, computer shortcuts, communication styles, and data analysis. By the end of the Reporting Period, the program had held 75 sessions with a total of 14,392 employee participants.

Hengrui Pharma aims to enhance professional competence and strengthen hands-on capabilities through this program, ultimately empowering business development.



"Voice of the Front Line" Training Program

Leadership Development Training Programs

Hengrui Pharma continues to advance its multi-tiered leadership development programs, covering senior, mid-level, and front-line management personnel as well as general employees, in order to meet the Company's talent pipeline needs during rapid development phases. Based on annual talent reviews, we have established an internal talent pool and launched targeted Leadership Development Plans (LDPs) for individuals at different stages of their careers. These programs include onboarding training for new hires, graduate development programs, specialized training for entry-level managers, and leadership enhancement courses for mid- and senior-level management. Through systematic development, evaluation, and selection, we provide high-potential employees with clear career advancement pathways, ensuring a steady flow of future leaders for the Company. Our leadership development plans and training programs not only provide leadership-related skill development, but also incorporate customized and comprehensive capability enhancement solutions. These efforts aim to cultivate future leaders with strategic vision and innovative capabilities, gradually building a well-structured and sustainable succession pipeline.

During the Reporting Period,

the Company organized

38

leadership-focused training sessions, covering both commercial and non-commercial reserve managers, newly promoted leaders, and senior executives.

These programs recorded

6,937 participations

totaling

56,000 training hours

Multi-Level Skill and Knowledge Development Training Programs

Leadership Development Program for General Employees

- Offers open-access online leadership programs to all employees, ensuring equal opportunities for professional development and growth.
- Establishes four structured learning modules—onboarding, mandatory, advanced, and enhancement—to deliver comprehensive training from basic to professional skills, enabling employees to adapt quickly and pursue ongoing improvement.
- Provides targeted leadership and management training programs for reserve talents in each department. Outstanding performers are selected to join special leadership development initiatives such as the "Ruiying Plan", accelerating their career growth.

Leadership Development for Front-line Management

- Designs learning programs focused on role transition, performance management, team delegation, effective communication, and employee coaching, enabling frontline managers to fully grasp the core competencies required for management roles and smoothly transition from executors to leaders.

Leadership Development for Mid-level Management

- Delivers structured training courses to help mid-level management define their roles, enhance team performance, and develop both local insight and global perspective; combines hands-on practice with learning to comprehensively strengthen their ability to navigate complex business and management challenges.

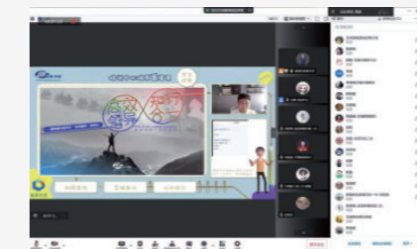
Leadership Development for Senior Management

- Builds strategic thinking and holistic perspectives among senior management, strengthening their capabilities in forward-looking decision-making and problem-solving, and supporting the efficient implementation of the Company's strategic plans and business breakthroughs.



"Leadership Open Class" — Company-wide Leadership Development Program

Hengrui Pharma has developed a structured and multi-dimensional leadership development system aimed at cultivating a talent pipeline with both strategic thinking and management capabilities. As part of this initiative, the Company launched the "Leadership Open Class", offering a series of core leadership courses such as "Role Transition", "How to Be an Effective Manager", "Leadership Essentials", and "Managing Upwards". These sessions are delivered through both offline workshops and online live broadcasts, open to all employees. Course content is rooted in real-world management scenarios and delivered using interactive approaches like case studies and simulation exercises. The program supports employees in transitioning from technical roles to management positions, while also strengthening critical capabilities such as decision-making, strategic thinking, and team collaboration. This training initiative has fostered the organic growth of Hengrui Pharma's talent pipeline and supported upward mobility among employees. Each year, employees promoted from general roles to managerial positions account for 77.6% of all internal promotions.



"Leadership Open Class" Training Program



"Leadership Cloud Classroom" — Company-wide Leadership Development Resource Hub

To enhance leadership capabilities across the workforce, Hengrui Pharma has integrated a curated suite of management courses from China Europe International Business School (CEIBS) into its online learning platform. These courses cover a wide range of advanced topics such as strategic management, organizational behavior, and innovative leadership, offering flexible learning formats to support employee self-development anytime, anywhere.

The program features three main categories of courses:

- Foundational Leadership Courses (15 courses in total), including "Mission Accomplished: Three Essentials for Team Execution", "Setting Performance Goals for Teams", among others.
- Advanced Leadership Courses (11 in total), including "Designing Comprehensive Incentive Plans", "Retaining Key Talent", among others.
- Executive Strategy Courses (ten in total), including "Driving Forces of Organizational Change", "Corporate Strategy Formulation", among others.

By the end of the Reporting Period, a total of 15,637 employees had participated in the "Leadership Cloud Classroom." These courses are grounded in real-world management practices and help employees expand their leadership knowledge and competencies, reinforcing the Company's talent foundation for sustainable growth.



"Leadership Cloud Classroom" Training Program



"Ruiying Plan"—Training Program for High-Potential Talents

In 2024, Hengrui Pharma continued to advance the "Ruiying Plan" to cultivate key talents with high potential. The Company independently developed core courses such as "Crucial Conversations," "One-on-One Development Strategy," and "Performance Improvement," which were delivered in alignment with practical business scenarios. Participants were required to apply the knowledge gained directly to their day-to-day work, thereby strengthening their managerial capabilities through hands-on experience. This training program is designed to unlock talent potential and reinforce the Company's talent reserves. A total of 102 employees took part in the program throughout the year. As a capacity-building initiative, the Ruiying Plan aims to support employees in evolving into future management personnel equipped with both business expertise and leadership capabilities. Since its launch, 542 trainees have been included in the Company's Talent Pool following a tiered selection process.

In 2024
Promotion Rate of Ruiying Plan Trainees

55%	79%
Marketing system	Non-marketing system

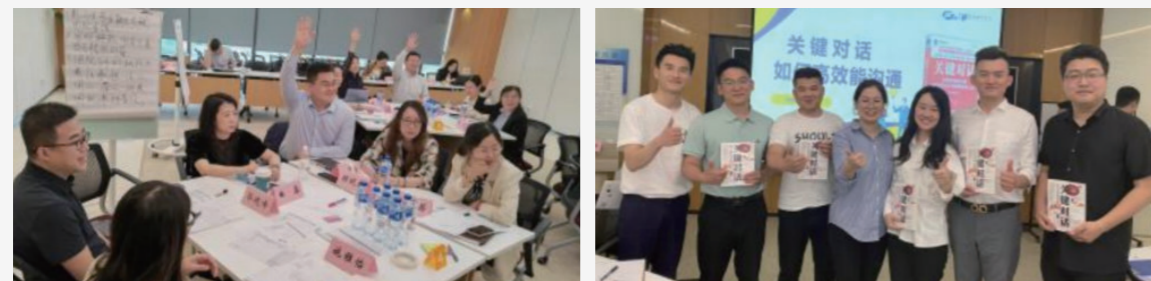


"Ruiying Plan"—Training Program for High-Potential Talents



"Newly Promoted Manager Boot Camp"—Supporting the Transition to Management Roles

The "Newly Promoted Manager Boot Camp" is a tailored training program designed for newly promoted managers to support their transition from individual contributors to management roles and accelerate their leadership growth. The curriculum includes topics such as "Understanding Managerial Roles and Leadership Essentials", "Performance Management", and "Excellence in Leadership". To ensure effective knowledge application, the program adopts an innovative multi-party collaborative coaching model, in which the participants' direct supervisors, HRBPs, and department heads jointly provide guidance, supplemented by one-on-one coaching from assigned class advisors. In 2024, the Boot Camp covered more than 500 newly promoted managers, cultivating a cohort of reserve leaders with strategic thinking, innovation capabilities, and outstanding leadership. The initiative has significantly contributed to the development of a high-performing and agile management team, laying a strong talent foundation for Hengrui Pharma's ongoing growth.



Newly Promoted Manager Boot Camp



4.3 Caring for Employee Wellbeing

Hengrui Pharma is committed to enhancing employee wellbeing by building a diversified employee care system. Through continuously improving communication mechanisms, strengthening benefits programs, and enriching cultural activities, the Company seeks to enhance employees' sense of belonging and happiness, supporting their holistic physical and mental health development.

4.3.1 Employee Communication

Hengrui Pharma strictly complies with the *Labor Law of the People's Republic of China*, the *Regulations on Labor Security Supervision*, the *Constitution of the All-China Federation of Trade Unions*, the *Trade Union Law of the People's Republic of China*, and *Special Provisions on Labor Protection for Female Employees*, among other laws and regulations. The Company continues to improve its employee rights protection framework and grievance handling mechanisms to ensure the effective implementation of employees' rights to democratic participation, grievance filing, and other lawful entitlements.

The Company has established a sound Party-mass and trade union system, along with diversified employee communication and grievance mechanism. Group-wide trade union organizations are in place to protect the rights and interests of various employee groups, including frontline workers, technicians, managers, and female employees. To further enhance the fairness and professionalism of grievance resolution, Hengrui Pharma has set up a "People's Mediation Committee", composed of trade union representatives, legal advisors, and external experts, which independently handles complex disputes and cross-department conflicts, ensuring timely and impartial resolution of employee concerns.

The Company has issued the *Hengrui Pharma's Management System of Employee Feedback and Complaints*, which specifies the scope of accepted grievances, confidentiality principles, and timeframes for resolution. A mechanism for protecting the rights of complainants has been established, strictly safeguarding their personal information and prohibiting any form of retaliation. Measures are also in place to ensure personal safety and legal protection of complainants when necessary.

To ensure employees' rights are fully protected, the Company has publicized official grievance channels—such as the employee hotline, compliance hotline, and the General Manager's email—via the *Employee Handbook*, enabling all staff to access and use these platforms. Additionally, the Ruiyun Platform is equipped with a standardized complaint module, supporting anonymous or real-name submissions, progress tracking, and feedback. This enables full-process online closed-loop management.



Type of Complaint	Channels and Procedures
Personal Rights	<p>Procedures Employees may file a complaint if their personal rights are violated, such as cases involving harassment or unequal treatment. Hengrui Pharma has established a dedicated team to collect information, conduct investigations, and resolve conflicts.</p> <p>Channel Internal platform: A complaint module accessible to all employees.</p>
Company Services	<p>Procedures Employees may submit feedback or suggestions on administrative and logistical services. Hengrui Pharma values employees' genuine needs and designates personnel to follow up and resolve issues.</p> <p>Channel President's mailbox.</p>
Performance Evaluation	<p>As stipulated in the <i>Trial Measures for Performance Management in Non-Marketing Systems of Hengrui Pharma</i>, employees may appeal against performance evaluation results.</p> <p>Procedures Employees are required to first submit their grievance to their immediate supervisor. Upon acceptance, an investigation will be conducted. If the employee and the supervisor fail to reach a consensus on the investigation outcome, the Human Resources Department will act as a third-party coordinator to initiate a further investigation. The final decision will be made by the relevant division head, subsidiary head, or department head and communicated back to the employee.</p>
Attendance Evaluation	<p>According to the <i>Jiangsu Hengrui Pharmaceuticals Co., Ltd. Attendance Management Policy (Trial)</i>, employees are entitled to file complaints regarding irregularities in attendance records.</p> <p>Procedures The Human Resources Department is responsible for verifying and handling such complaints by employees. Any attendance irregularities not caused by the employee will be treated as regular attendance.</p>

4.3.2 Employee Welfare

At Hengrui Pharma, we are committed to establishing a comprehensive, multi-dimensional employee welfare system. Through a diverse range of non-salary benefit programs, we support all employees—including permanent, part-time, contract staff, and interns—in achieving a harmonious work-life balance, while continuously enhancing their sense of well-being and organizational belonging.

Statutory Benefits

The Group strictly complies with national laws and regulations, respects labor rights, and ensures that all employees are entitled to relevant statutory benefits.

- **Leave entitlements**

Statutory holidays, marriage leave, funeral leave, maternity leave, parental leave, paternity leave, sick leave, annual leave, etc.

- **Social insurance and housing fund**

Basic pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing provident fund.

Non-Statutory Benefits

We offer extensive non-statutory benefits to all employees (including permanent, part-time, contract staff, and interns) to address diverse needs in healthcare, professional development, and work-life balance.

- **Medical and Health Support**

Commercial medical insurance

Hengrui Pharma provides supplementary commercial medical insurance for all employees and their families, covering inpatient and outpatient services to ensure comprehensive healthcare protection.

Regional coverage expansion

In certain regions, we offer convenient inpatient/outpatient claim services for employees and their children, while upgrading the quality of medical insurance and health checkups.

Multi-tiered coverage

Foreign and Hong Kong/Macao/Taiwan employees

High-end healthcare plans (MSH) are provided for employees and families who are not enrolled in the domestic "five insurances and one housing fund" scheme.

Executives and special groups

Customized high-end health benefits are available for executives not covered by the high-end scheme, including maternity insurance, medical check-up coverage, and dental and vision insurance.

Annual health examinations

The Group arranges regular physical exams for all employees and offers gynecological exams specifically for female employees to ensure holistic care.

• **Subsidies and Family Support**

Living subsidies

General subsidies including rental, transportation, and catering allowances.

Corporate service fund

Dedicated funds to support employees with special needs in career development and personal life.

Childcare and family care

In addition to statutory parental leave, we provide extra policies to help employees balance work and family responsibilities. Commercial medical insurance is also extended to employees' children to ensure family health protection.

• **Employee Recognition and Engagement**

Recognition programs

The Group regularly announces the "Sales Contribution List" and "Outstanding Employees/Teams" to acknowledge contributions and strengthen team cohesion.

Festive benefits

- During major festivals such as Spring Festival and Lantern Festival, we offer dual-festival bonuses to all employees and host themed activities at various locations with prize opportunities.
- Regular team-building and interest group activities are also organized to facilitate communication and enrich employees' personal lives.

• **Customized Benefits**

We tailor benefit plans to meet the specific needs of various employee categories—permanent, part-time, contract staff, and interns—while optimizing content based on job characteristics.

For interns

Internship allowances, mentorship programs, and career development support.

For contract staff

Commercial medical insurance and living subsidies to ensure basic support.

For employees whose roles require remote work

Equipment allowances and home-office stipends for employees whose roles require remote work.



Summer Cooling Care Campaign for Employees

On August 5, 2024, the Hengrui Pharma Labor Union launched the "Cool Summer, Safe Summer" campaign to deliver heat-relief supplies—such as Huoxiang Zhengqi oral liquid, cooling balm, and Liangcha (Chinese herbal tea)—to front-line employees. The Union also visited the work sites to learn about employees' working conditions and extend its care. The campaign effectively alleviated the impact of high temperatures on employees, while strengthening their sense of belonging and satisfaction.



Summer Heat-Relief and Wellbeing Campaign by the Labor Union



"Playing Ping-Pong with Passion" Employee Table Tennis Competition

To foster employee engagement and communication, Hengrui Pharma held its first "Playing Ping-Pong with Passion" Employee Table Tennis Competition on April 27, 2024. Organized by the Company's Labor Union and co-hosted by the Ping-Pong Association, the tournament enriched employees' leisure time, enhanced inter-subsidary interaction and cross-department collaboration, and promoted mutual learning and team spirit, further strengthening organizational cohesion.



"Playing Ping-Pong with Passion" Employee Table Tennis Competition



New Year Appreciation for Executive Scientists

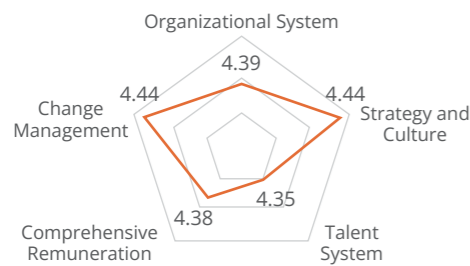
On February 5, 2024, the Human Resources Department of Hengrui Pharma delivered thank-you letters and New Year gifts to executive scientists across subsidiaries, expressing heartfelt appreciation for their dedicated work and extending festive greetings. This initiative was designed to acknowledge the outstanding contributions of the executive scientists and their teams, demonstrating the Company's respect and care for its core talents.



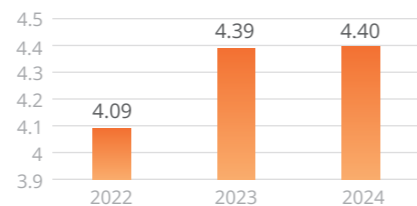
New Year Appreciation for Executive Scientists

4.3.3 Employee Engagement

Hengrui Pharma remains highly attentive to the employee experience and conducts annual employee engagement surveys to track performance and understand employee expectations and needs. In 2024, the survey assessed five key dimensions—organizational system, strategy and culture, talent system, comprehensive remuneration, and change management—with a total of 60 sub-items. A total of 5,327 employees participated, resulting in an overall engagement score of 4.40 out of 5.



Employee Engagement Survey Results in 2024



Average Engagement Scores Over the Years

To further enhance employee engagement and better meet employee needs, Hengrui Pharma identified areas for improvement and continuously refined and monitored management initiatives.

Key Measures for Enhancing Employee Engagement

Organizational System

Held management review sessions, strengthened digital HR management capabilities, and optimized systems for compensation, recruitment, and performance evaluation.

Strategy and culture

Organizational diagnostics and implemented 360° democratic reviews for management personnel.

Talent System

Improved training systems, reinforced promotion criteria, and upgraded the performance management framework.

Comprehensive Remuneration

Enhanced compensation management systems and improved service quality in commercial insurance and health examination programs.

Change Management

Gathered feedback through employee interviews and surveys to ensure employee participation in organizational changes, while maintaining close communication with management to facilitate smooth transformation.

4.4 Safeguarding Occupational Health



Hengrui Pharma continuously strengthens its safety management system and advances occupational health and safety management practices. The Company has reinforced its risk control framework, enhanced safety culture development, and improved accident prevention capabilities to solidify its production safety defenses. These efforts aim to effectively protect employees' occupational health and personal safety while ensuring the stable and orderly operation of business activities.

4.4.1 Safety Management System

Hengrui Pharma strictly complies with the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, and internal procedures such as the *Occupational Health Management Procedures* and the *Workplace Accident Management Measures*. The Company has established a comprehensive safety management system supported by control protocols including the *Hazard Identification, Risk Assessment and Risk Control Procedures* and the *Contractor Health and Safety Plan*. These protocols clearly define the responsibilities of each level of personnel and departments, strengthen risk control and incident investigation mechanisms, and ensure the effective implementation of production safety and occupational health management, thereby protecting employees' well-being and securing safe business operations. Hengrui Pharma has developed a robust safety governance structure. The Work Safety Committee, as the highest decision-making body for safety management, oversees and guides the Company's overall safety efforts. The Company fully implements the safety responsibility system, requiring all employees to sign the responsibility letter at all levels according to annual safety performance targets. The assessment mechanism is reinforced by integrating safety performance into job evaluations, ensuring the effective execution of all safety requirements and supporting the Company's stable growth. The Company has obtained ISO 45001 Occupational Health and Safety Management System certification and continues to promote standardized safety audits and system certifications across its subsidiaries. These efforts aim to further improve the overall safety management standards and foster a safe, healthy working environment for all employees.

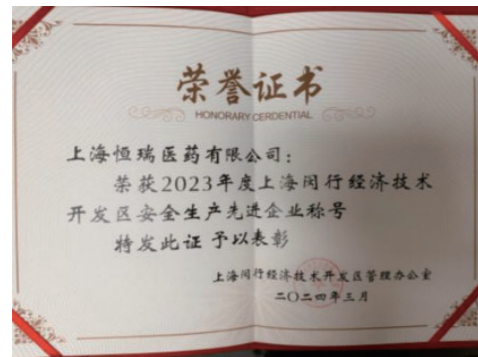
2024 Targets

- Zero major accidents affecting production or the environment ✔ Achieved
- Zero serious injuries, fatalities, major fires/explosions, or critical equipment failures ✔ Achieved
- Injury rate ≤ 5%, occupational disease incidence rate = 0 ✔ Achieved
- 100% rectification of major hazards ✔ Achieved
- 100% participation in safety training; 100% certification rate for special operations ✔ Achieved

2025 Targets

- Zero major accidents affecting production or the environment
- Zero serious injuries, fatalities, major fires/explosions, or critical equipment failures
- Injury rate ≤ 5%, occupational disease incidence rate = 0
- 100% rectification of major hazards
- 100% participation in safety training; 100% certification rate for special operations

During the Reporting Period, no major safety incidents occurred at Hengrui Pharma. The Company's performance in health and safety management received high recognition from external regulatory authorities. In March 2024, Shanghai Hengrui was honored as a "2023 Advanced Enterprise in Work Safety" by the Management Office of Shanghai Minhang Economic and Technological Development Zone. In December 2024, Chengdu Suncadia was recognized as a "2024 Advanced Workstation for Work Safety Unit Cells" by the West Sub-district Office of Chengdu High-tech Industrial Development Zone.



Honored as a "2023 Advanced Enterprise in Work Safety"



Recognized as a "2024 Advanced Workstation for Work Safety Unit Cells"

4.4.2 Work Safety Actions

Hengrui Pharma regards work safety as the cornerstone of its sustainable development. By comprehensively conducting safety hazard investigations and rectifications, strengthening the emergency response system, implementing occupational health protection measures, and promoting a safety-first culture, the Company has continued to enhance employee safety awareness and risk management capabilities, thus laying a solid safety foundation for high-quality development.

Safety Hazard Investigation and Rectification

The Company adopts a multi-dimensional approach to identifying potential hazards, integrating routine inspections, specialized audits, and tiered investigations. Safety officers conduct daily on-site inspections and promptly report and address any identified issues. Specialized audits focus on key risk areas such as electrical systems and hazardous chemicals, while tiered investigations assign responsibility to the Company, workshops, and teams, with detailed inspection scopes. In 2024, the Company conducted a comprehensive investigation and rectification of all identified hazards to ensure a safe and controllable production environment.

Emergency Drills

We formulated annual emergency drill plans and conducted a wide range of scenario-based and multi-tiered drills in an orderly manner. These covered firefighting evacuation, hazardous chemical leaks, confined space operations, and special equipment incidents. All subsidiaries actively responded, organizing a total of 232 emergency drills throughout the year, which significantly enhanced employees' emergency response and handling capabilities.

Occupational Health Management

At Hengrui Pharma, safeguarding employees' occupational health and safety remains a top priority. In 2024, the Company further strengthened its occupational health management system by conducting occupational health examinations, identifying and assessing hazardous sites, improving employee health records, and managing radiopharmaceutical production sites. These efforts have helped ensure a safe and healthy working environment for all employees.

Occupational Health Management Measures

Occupational Health Examinations

- Organized pre-service, in-service, and post-service occupational health examinations for employees exposed to occupational hazards, with timely feedback on results and responsive actions.

Occupational Hazard Identification and Protection

- Comprehensively updated the identification records of occupational hazard sites and sources, and strengthened the standards and procedures for distributing working protective equipment.
- Refined warning signage at workstations and commissioned professional third-party agencies to conduct regular monitoring of occupational disease risk factors, with written disclosure of results to employees.
- Conducted occupational hazard evaluations for all new, renovation, and expansion projects to ensure the effective operation of health protection facilities.

Employee Occupational Health Files

- Enhanced individual health records based on the "one file per employee" principle to ensure continuous tracking of employee health conditions.

Hengrui Pharma strictly complies with national radiation safety requirements to ensure the safety and compliance of radiopharmaceutical production sites and to protect employee health. The Company has adopted a series of measures, including occupational health checkups, radiation protection assessments, regular training, personal dose monitoring, and zone-based management.

Management Measures for Radiopharmaceutical Production Sites

- Fully enforces national radiation safety and protection standards for radiopharmaceutical sites. All radiation workers are required to undergo occupational health checkups and pass radiation protection assessments before assuming their positions.
- Conducts regular radiation safety training, implemented personal dose monitoring, and established corresponding occupational health records.
- Adopts zone-based management for radiation work areas, equipped with complete protection facilities, and regularly carries out emergency drills for radiation-related incidents.

Safety Training and Education

Hengrui Pharma formulates annual training plans and regularly organizes specialized training sessions on occupational health protection, hazardous chemicals management, and special equipment operation. Corresponding examinations and re-evaluations are conducted to comprehensively enhance the safety awareness and skill levels of both employees and contractors. In 2024, the total duration of employee health and safety training reached 172,716.05 hours, while contractor training totaled 1,542.63 hours, achieving 100% coverage for both employee and contractor health and safety training.

Workplace Safety Month

The Company organized Workplace Safety Month activities featuring case study learning, emergency drills, safety knowledge assessments, and workplace safety skill competitions. Safety banners and warning signs were displayed across production sites to foster a strong safety culture. Additionally, the Company hosted a fire safety skills competition for contractors to raise awareness and enhance emergency response capabilities among participants, thereby effectively mitigating safety risks during construction.

Emergency Response Simulation Activities

Safety Knowledge Assessment

Workplace Safety Skills Competition

Fire Safety Skills Competition for Contractors



05

Enduring in Doing Good for Lasting Growth through Responsible Action



At Hengrui Pharma, the unwavering mission to "promote a healthier life for humankind through advancements in science" continues to guide our development. We are accelerating our internationalization strategy, addressing pressing global public health needs, and striving to bring more quality medicines from China to patients around the world. By actively exploring channels of public welfare and consistently fulfilling our duties as a corporate citizen, we give back to society through concrete actions and contribute to the greater good.

5.1 Advancing Accessible Medical Services



Hengrui Pharma believes that promoting accessible medical services is fundamental to advancing global health and well-being. We have been steadily expanding our presence in emerging markets and further optimizing both domestic and international pricing mechanisms to enhance the accessibility and affordability of our products worldwide. We have deepened our healthcare access practices by improving pharmaceutical supply chains in underdeveloped regions and strengthening pharmacovigilance, contributing to global health through a series of concrete initiatives.

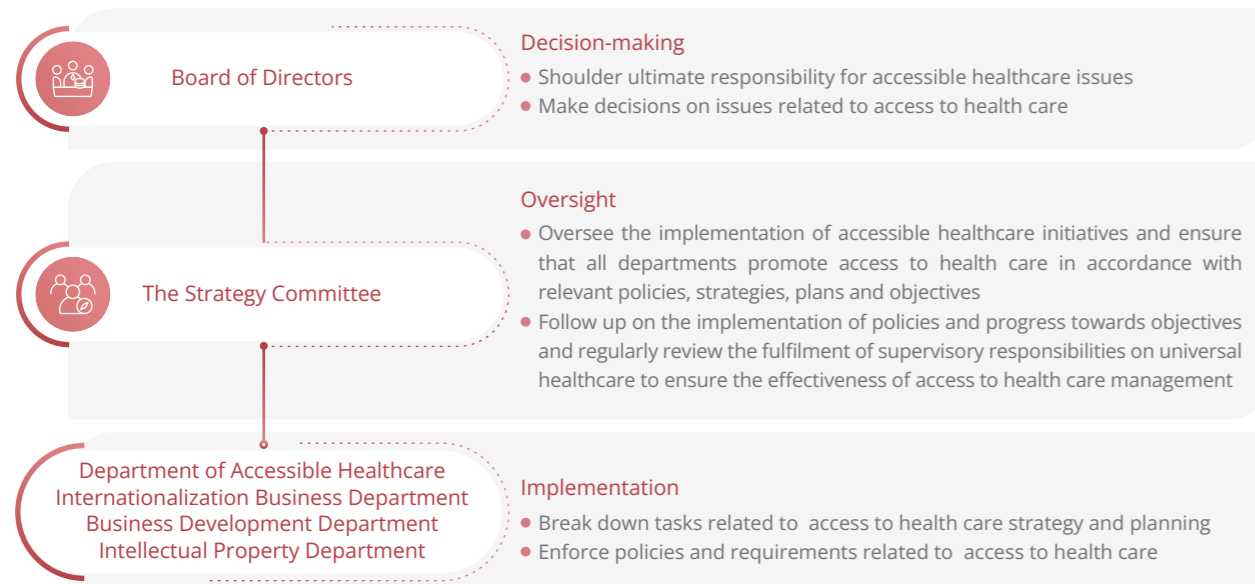
5.1.1 Improving Product Accessibility

Access Responsibility

Hengrui Pharma has formulated the *Access to Health Care Policy of Jiangsu Hengrui Pharmaceuticals Co., Ltd.*, which outlines key management principles and action plans for accessible healthcare. This policy serves as a strategic guide to achieving the Company's goals in accessible healthcare.

We have established a Board-led governance framework for access to health care, clearly defining oversight and management responsibilities at all levels. The Board serves as the highest governing body for access to health care, with its Strategy Committee responsible for overseeing policy execution and implementation. The Committee coordinates, assesses and evaluates the Company's policies and strategic plans for access to healthcare. It also oversees the implementation of relevant policies and plans and regularly reports to the Board of Directors. Departments including Accessible Healthcare Department and Internationalization Business Department are responsible for the on-the-ground implementation of policies and plans, ensuring the effective execution of key initiatives including equitable pricing, market access through insurance inclusion, and capacity-building in developing countries.

In addition, the Strategy Committee is involved in major investment and decision-making matters such as product registration, international trade, and market expansion in emerging economies, thereby ensuring the steady advancement of our global development strategy.



Hengrui Pharma's Access to Health Care Management Structure

Expansion into Emerging Markets

Advancing internationalization is a critical component of Hengrui Pharma's strategic development. In recent years, we have accelerated our global expansion and placed particular emphasis on emerging markets, aiming to bring the benefits of Chinese pharmaceuticals to more countries and regions. With a global perspective, we have formulated clear development goals for emerging markets, actively responding to unmet medical needs in underdeveloped areas and driving continuous improvements in the accessibility of our products.

Emerging Market Expansion Goals Within the next five years



In 2024, we made steady progress in exploring international business channels and cooperation models. We expanded the layout and market share of both innovative and generic drugs in emerging markets, and also reached preliminary cooperation agreements with clients from over 10 countries and regions, including Bolivia and Algeria, and accelerated the localization and application of our products to deliver high-quality and accessible pharmaceutical solutions to patients worldwide. At the same time, our overseas subsidiaries followed standardized procedures in drug registration, market access, and clinical cooperation, ensuring the high-quality development of global operations and solid advancement toward our emerging market expansion targets.

As of the end of the Reporting Period, our products had entered over **40 countries**.

We obtained more than **20 product registrations**—including injectables, oral formulations, and inhalational anesthetics—in Europe, the United States, and Japan, and were actively pursuing product registrations in over **55 countries**.

Currently, our products have reached developing countries across the Middle East, Central Asia, Central and Eastern Europe, and South America, as well as underdeveloped countries such as Bangladesh, Kenya, Tanzania, Zimbabwe, Botswana, and Laos.

Equitable Pricing

Hengrui Pharma remains committed to a patient-centric approach by fully considering key factors such as income levels, affordability, and local healthcare infrastructure in its pricing process. The Company strives to offer reasonably priced, fair and accessible pharmaceutical products to patients across different regions and economic levels.

The *Access to Health Care Policy of Jiangsu Hengrui Pharmaceuticals Co., Ltd.* clearly outlines the pricing principles and strategies for both domestic and international markets, implementing inter-country and intra-country tiered pricing based on affordability, aiming to establish a flexible, equitable, and affordable pricing system that helps reduce patients' medical expenses.



Key Considerations for Equitable Pricing at Hengrui Pharma

In the domestic market, Hengrui Pharma continues to implement product price controls and strongly supports national healthcare reimbursement policies. The Company actively participates in national healthcare insurance negotiations and contributes to the development of China's medical security system. While expanding patients' access to medicines, the Company also strives to alleviate their financial burden. In addition, Hengrui Pharma strictly complies with regulatory requirements and continuously improves its pricing policies to ensure that drug prices remain fair and transparent across different regions in China.

As of the end of the Reporting Period, a total of **106** Hengrui Pharma products had been included in China's National Reimbursement Drug List (NRDL), including **15** marketed innovative drugs.

In 2024, Tegileridine Fumarate for Injection, Oteseconazole, and Henagliflozin Proline and Metformin Hydrochloride Extended-release Tablets (I) and (II) were successfully included in the NRDL through price negotiations and began implementation at the national reimbursement price, significantly reducing the cost of treatment for patients.

In the international market, the Company fully considers the economic development levels and social characteristics of different countries and regions. It analyzes disparities in healthcare infrastructure to formulate targeted market access strategies and country-specific pricing solutions.

At the initial stage of each overseas project, the Company conducts thorough research on market conditions and product information. This includes analyzing industry reports, pharmaceutical databases, and insights from local partners to assess local pricing of originator drugs, competitor prices, the healthcare system, and income levels in emerging markets and developing countries. Based on these findings, the Company formulates differentiated, fair, and reasonable pricing strategies across countries.

As of the end of the Reporting Period, over ten Hengrui Pharma products had adopted fair pricing strategies in countries such as Vietnam, Pakistan, and Bolivia. In 2024, the price of Albumin-bound Paclitaxel Products in developing countries and underdeveloped regions such as Pakistan and Vietnam was approximately 60% lower than in developed countries.

5.1.2 Contributing to Global Health

As an innovation-driven pharmaceutical company, Hengrui Pharma fully recognizes the importance of IP protection in advancing pharmaceutical innovation. At the same time, the Company firmly believes that in times of major public health challenges, the right to life and health of patients around the world should take precedence.

Hengrui Pharma advocates for expanding global access to medicines and ensuring equitable availability within a reasonable legal framework. We support the provisions of the *Doha Declaration on the TRIPS Agreement and Public Health*, which allow for compulsory licensing of relevant medicines to protect public health. We also strictly comply with the *Patent Law of the People's Republic of China*, which permits the issuance of compulsory licenses for pharmaceuticals under emergency conditions to safeguard public interest and public health.

Supporting Generic Competition

Hengrui Pharma acknowledges the critical role that generic medicines play in advancing public health. We support fair competition and collaborative partnerships to promote the development of generic markets, aiming to provide patients worldwide with high-quality, affordable treatment options and to accelerate the development of an inclusive and sustainable healthcare ecosystem.

On one hand, we collaborate with partners through training and technical guidance to facilitate local production of generics, particularly in low and middle income countries. Leveraging our core technical expertise in APIs, we provide customized knowledge-sharing sessions and technical support to partner companies. These include detailed interpretation of quality standards, sharing of key process optimization techniques, and targeted production guidance. These efforts help generic manufacturers overcome production bottlenecks, accelerate international certification, and promote fair competition and improved access in the generic drug market—ultimately benefiting a broader patient population worldwide.

Providing Knowledge and Technical Guidance to Overseas Partners of Dosage Products

To accelerate the accessibility of high-quality generic drugs, Hengrui Pharma focused on the particle size control issues in the manufacturing process of Letrozole APIs. During the Reporting Period, the Company provided overseas partners of finished dosage products with interpretation and technical guidance on the quality standards of pharmaceuticals. By sharing knowledge and technology related to APIs, Hengrui Pharma helped ensure and enhance the manufacturing quality of their generic drugs, making a proactive contribution to accessible generic drug supply and high-quality availability.

In addition, the Company continued to increase investment in the R&D of generic drugs, actively carried out product registration for global markets, optimized production costs and global supply chain management. As of the end of the Reporting Period, Hengrui Pharma had obtained registration and marketing approval for 20 generic drugs in 40 countries.

Improvement of Pharmaceutical Supply Chain

We fully leverage our resources and technological strengths to enhance the pharmaceutical supply chain management capabilities in low and middle income countries, ensuring the efficiency of drug production, storage, and transportation as well as the reliability of delivery.

We conduct regular assessments and improvements on drug transportation routes and plans. By precisely adjusting shipment loads and optimizing delivery procedures, we consistently improve logistics efficiency. A temperature monitoring mechanism has also been introduced throughout the transport process to ensure real-time tracking and strict control of temperature conditions, thereby safeguarding drug delivery security in overseas markets.

We maintain a long-term communication mechanism with our overseas partners and respond promptly to their practical needs regarding route design, quality assurance, temperature control, and cost optimization—effectively enhancing the management and operational capabilities of the pharmaceutical supply chain.

Supporting Supply Chain Optimization for European Clients

To further shorten cross-border delivery cycles and improve supply efficiency, Hengrui Pharma assisted sales partners in countries such as Turkey in optimizing their drug supply chain systems during the Reporting Period. We recommended suitable freight forwarders and established an efficient tripartite communication mechanism. In accordance with the *Hengrui Pharma Supply Compliance Guide*, we guided clients in approving freight forwarders. As a result, the shipping cycle was shortened by up to three weeks after the new forwarders were introduced.

In addition, we provided overseas clients and partners with regular training and technical support to build comprehensive capabilities in warehouse management, transportation coordination, and quality control. We also supported them in developing and implementing cost-optimization strategies, reducing unnecessary logistics and operational expenses through more refined supply chain management.

Improvement of Pharmacovigilance Capacity

Ensuring medication safety for patients is a vital foundation of Hengrui Pharma's commitment to global health. We actively support partners in overseas regions – particularly those in low- and middle-income countries—in establishing comprehensive, end-to-end pharmacovigilance systems, and continuously help enhance their pharmacovigilance capacity.

Upon initial confirmation of commercial cooperation intent, our drug safety team conducts a questionnaire-based assessment to identify potential areas for improvement in the partner's pharmacovigilance operations. Based on the findings, we promptly provide guidance to help partners optimize their safety management procedures and improve their pharmacovigilance capabilities. Subsequently, we collaborate with local partners to negotiate and sign pharmacovigilance agreements, which clearly define each party's responsibilities and processes. In parallel, we establish dedicated communication mechanisms between the respective pharmacovigilance teams to ensure efficient coordination and compliance throughout the cooperation.

Supporting Egyptian Partner in Building Pharmacovigilance System (Letrozole Tablets)

Letrozole tablets developed by Hengrui Pharma have been approved for marketing in Egypt. In response to updates in key cooperation details and the refinement of the local partner's pharmacovigilance framework, we revised the pharmacovigilance agreement with our Egyptian partner, ACDIMA, in 2024. The updated agreement comprehensively clarified the roles and responsibilities of both parties across all pharmacovigilance-related processes, including the collection, processing, and submission of safety information, maintenance of safety-related information in product labeling, signal detection and risk management, periodic safety reports, and pharmacovigilance-related training. These efforts aimed to assist our partner in establishing a robust and comprehensive pharmacovigilance system, ensuring the systematic collection of safety data during the clinical use of our product in Egypt, and ultimately safeguarding patient safety in medication use.

In addition, we leverage our advanced pharmacovigilance system to assist partners in preparing and submitting regulatory pharmacovigilance documents, ensuring full compliance throughout the drug manufacturing and marketing process.



Supporting Egyptian Partner in Enhancing Pharmacovigilance Capabilities (Oxaliplatin Injection)

Oxaliplatin injection developed by Hengrui Pharma has been approved for marketing in Egypt. In 2024, drawing on our well-established pharmacovigilance system and comprehensive safety information database, we provided our local partner in Egypt, United Pharma Company, with a *Periodic Benefit-Risk Evaluation Report (PBRER)* that complies with local regulatory requirements. This report continuously evaluates the therapeutic benefits of the product in the local market, safeguarding safe medication use for patients. We also supported our partner in gaining hands-on experience in PV operations and in improving the organizational structure and procedures of its pharmacovigilance quality management system, thereby contributing significantly to the post-marketing pharmacovigilance capacity building in Egypt.

Following product launch, we support local partners in monitoring adverse events and safety data related to the product, including information on quality defects or counterfeit medicines. We provide ongoing guidance to assist local companies in conducting continuous safety evaluations of the product, thereby enhancing their pharmacovigilance monitoring capabilities. In addition, we support local partners in responding to safety-related inquiries raised by regulatory authorities and other stakeholders, and assist in formulating and implementing corresponding risk assessment and mitigation measures to minimize patient safety risks to the greatest extent possible.

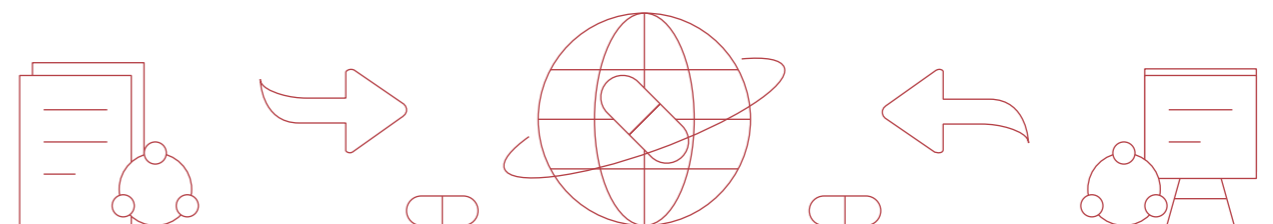
Empowering Public Health

Hengrui Pharma actively contributes to global public health by organizing and taking part in various capacity-building initiatives such as medical training, academic exchange programs, and expert lecture tours. Through knowledge sharing and professional collaboration, the Company aims to enhance the clinical expertise and research capacity of local healthcare professionals. These efforts also help advance international medical cooperation and exchange, while steadily improving global health outcomes.

During the Reporting Period, Hengrui Pharma launched a series of high-impact medical capacity-building initiatives in collaboration with multiple authoritative institutions. By sharing the latest developments in healthcare operations, pharmaceutical innovation, and drug-related expertise, these programs effectively promoted the dissemination and exchange of medical knowledge.

Enhancing Local Healthcare Capabilities through Training and Exchange in Emerging Markets

In 2024, Hengrui Pharma invited leading oncology experts from China to deliver four academic presentations for local healthcare professionals in an emerging market country. The sessions focused on the latest treatment advancements in esophageal cancer, nasopharyngeal carcinoma, and non-small cell lung cancer, covering in-depth interpretations of internationally recognized clinical guidelines, the design and outcomes of key clinical trials, as well as the safety, efficacy, and clinical application experience of Hengrui Pharma's approved oncology drugs in the local market. This academic exchange offered valuable insights to local medical professionals and received highly positive feedback from local experts. It deepened their understanding of globally advanced oncology treatment approaches and standardized diagnostic and therapeutic procedures, significantly enhancing their clinical decision-making capabilities.



Singapore Medical Operations Management and Medical Humanistic Exchange Program

From September 8 to 14, 2024, Hengrui Pharma successfully held the Singapore Medical Operations Management and Medical Humanistic Exchange Program with public interest support from the Company's International Exchange Department. The program aimed to establish a global platform for medical operations exchange, foster talent development in healthcare administration, and promote mutual learning and win-win cooperation. Over the course of seven days, the program brought together 17 department heads and experts from leading hospitals across China. The delegation studied medical management practices across Singapore's public, private, and community healthcare systems, and attended three themed lectures focusing on Singapore's healthcare system, clinical governance and infection control, and medical process management.



2024 Hong Kong and Macao Pharma Pharmaceutical Service Capacity Building Exchange Program

From October 15 to 19, 2024, Hengrui Pharma successfully hosted the Hong Kong and Macao Pharma Pharmaceutical Service Capacity Building Exchange Program, with public interest support from the Company's International Exchange Department. The program aimed to strengthen China's talent pool in pharmaceutical innovation and promote academic exchange and development in pharmaceutical administration and services between the mainland and the Hong Kong and Macao regions. A delegation of 13 pharmacy department heads and experts from key hospitals across China held in-depth discussions with the Pharmaceutical Society of Hong Kong and the Pharmaceutical Society of Macao. The delegation also visited The Chinese University of Hong Kong Medical Centre and Kwong Wah Hospital to explore pharmacy practices across public and private healthcare systems. Discussions covered topics including healthcare systems, drug formularies, and performance management in the two regions.



Quality Control Lecture Tour on the Clinical Application of Anti-Tumor Drugs

In 2024, Hengrui Pharma, in collaboration with the Chinese Pharmaceutical Association, successfully launched the "Precision Medication, Quality First — Quality Control Lecture Tour on the Clinical Application of Anti-Tumor Drugs". This training series effectively advanced the implementation of policies on the rational use of anti-tumor drugs and established a regional platform for academic exchange. The program facilitated the sharing and promotion of management experience and treatment strategies, laying a solid foundation for enhancing the clinical application of anti-tumor drugs and improving the quality of pharmaceutical services.



Contributing to the Building of a Healthy China

Hengrui Pharma, guided by the principle of "A hometown Chinese corporation should give back to China", actively responds to the strategic goals of the "Healthy China 2030" Outline. The Company continues to drive the development and modernization of China's healthcare system and remains committed to collaborating with diverse stakeholders to safeguard public health nationwide.

Launch Event for the Research Outcomes on the Innovative Application of Real-World Data in Healthcare Security in Hainan

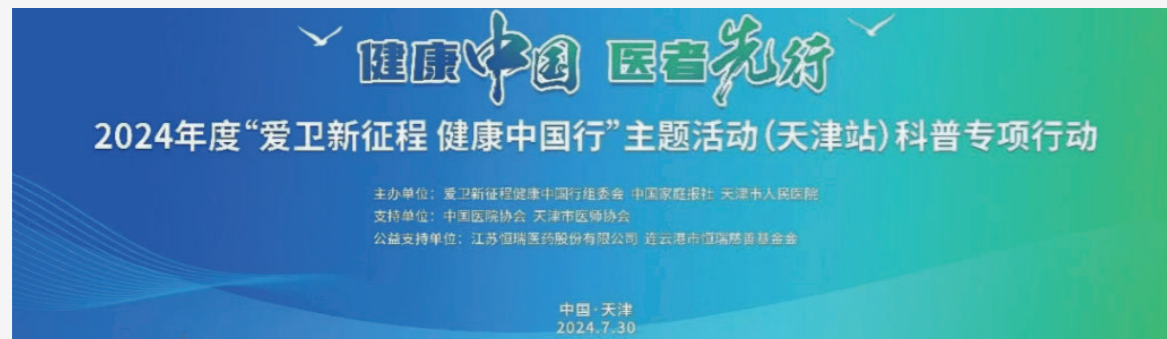
On December 20, 2024, the Launch Event for the Research Outcomes on the Innovative Application of Real-World Data in Healthcare Security, supported by Hengrui Pharma, was successfully held in Haikou. The event brought together over 120 representatives from academic institutions, healthcare security authorities, medical institutions, universities, and research institutes. Participants jointly witnessed the achievements in the application of real-world evidence for healthcare security and discussed how to better utilize real-world evidence to support decision-making in healthcare reimbursement. The event fostered in-depth exchanges and extensive cooperation in the field of innovative applications of real-world evidence in healthcare security.





"Towards a New Journey for Patriotic Health, Advancing Healthy China" (Tianjin) Public Health Awareness Campaign

On July 30, 2024, the Tianjin session of the 2024 "Towards a New Journey for Patriotic Health, Advancing Healthy China" Public Health Awareness Campaign—supported by the Hengrui Pharma Charity Foundation—was successfully held at Tianjin People's Hospital. The event called on healthcare institutions and medical professionals to actively engage in public health education by delivering authoritative, scientific, and standardized health knowledge in an accessible way to the general public. The initiative aimed to shift the focus of disease prevention forward, empower people with health knowledge and practical skills, and enhance health literacy across communities, thereby contributing to the modernization of public health with Chinese characteristics.



"Healthy Weight, Collective Action for Better Health" — 2024 National Weight Management Initiative

On August 23, 2024, the launch ceremony of the "Healthy Weight, Collective Action for Better Health" National Weight Management Initiative—supported by the Hengrui Pharma Charity Foundation—was held in Beijing. At the event, experts from the National Health Commission, the China National Center for Food Safety Risk Assessment, and other authoritative institutions delivered keynote speeches, advocating for the promotion of scientific and targeted strategies to advance national weight management efforts and improve the health and quality of life of the public.



5.2 Creating Social Value



Hengrui Pharma believes that the Company's robust development is inseparable from the strong support of society, and it is our unwavering responsibility to give back by creating social value. While pursuing steady growth, we actively contribute to public welfare initiatives, working to improve people's wellbeing and support broader social progress.

5.2.1 Patient Care

We always prioritize patients' health needs. Through our patient support initiatives ranging from the establishment of patient care brands and delivery of health education and public awareness programs, to the provision of medical support, we strive to offer warmth and strength across multiple dimensions, earning the trust of patients as a reliable health partner.



Uplifting Lives with Urology Care — Launch of the Prostate Cancer Patient Assistance Program

On October 19, 2024, the "Urology on Wheels" free clinic event was held in Shanghang County, Longyan City, Fujian Province. During the event, the philanthropic program "Uplifting Lives with Urology Care-Prostate Cancer Patient Assistance Program" was officially launched. By combining charitable giving with free medical consultations, the initiative aims to ease the financial burden on prostate cancer patients and improve the affordability and accessibility of treatment, contributing to the advancement of the "Healthy China" strategy. As the primary philanthropic supporter of this program, Hengrui Pharma demonstrated its commitment to social responsibility in the healthcare sector.



In 2020, Hengrui Pharma launched its patient care public welfare brand "With All Your Love", with a focus on delivering original innovative therapies for a wide range of tumors and offering holistic, full-cycle support services for cancer patients. This initiative addresses patients' multidimensional needs across treatment, psychological support, and health education. Beyond medical care, the brand seeks to inspire greater societal compassion for families affected by cancer, fostering hope, strength, and confidence in the journey of healing and rekindling the beauty of life.

In 2024, under the "With All Your Love" brand, Hengrui Pharma supported a series of themed patient care campaigns, aiming to further improve patients' quality of life and empower them with greater confidence in overcoming illness.

Supporting Liver Disease Patient Exchange Activity in Shanghai

In January 2024, the "With All Your Love" public welfare brand by Hengrui Pharma supported the successful organization of a liver disease patient exchange event in Shanghai, themed "With Love for Liver, We Move Forward Together". The event featured several renowned experts from Zhongshan Hospital affiliated with Fudan University, who offered heartfelt messages and encouragement to patients, helping to boost their confidence in recovery. A special commemorative ceremony was held to honor over 150 participating liver disease patients—affectionately referred to as "Liver Friends"—who shared their wishes for renewed hope and a brighter future.



In 2024, to further raise public and patient awareness of cancer prevention and treatment, and to enhance patients' capacity for self-care and health management, Hengrui Pharma's "With All Your Love" patient care brand joined hands with multiple professional partners to launch a public education campaign during the "With All Your Love" 415 Tumor Prevention and Treatment Awareness Week, jointly advancing efforts in tumor-related science communication.

"全力去爱"415肿瘤防治宣传周科普公益活动

4月14日
第30届全国肿瘤防治宣传周暨中国抗癌日启动仪式

4月16日-19日
"全力去爱 全程关爱"水滴病友之家公益活动
肺癌大咖科普答疑讲座
卵巢癌专家义诊直通车
415肿瘤防治水公益周系列活动
全力去爱 全程关爱

4月15日-30日
"CACA指南中国行-食管癌-科普义起行"全国巡讲
"CACA指南中国行-肺癌-科普义起行"全国巡讲
肿瘤支持治疗之血液学毒性规范管理知识大科普系列
肿瘤支持治疗之血液学毒性规范管理知识大科普系列专家视频

Hengrui Pharma's public welfare practices have been widely recognized by various sectors of society. During the Reporting Period, the Company was honored as a "2024 Science Popularization and Public Benefit Demonstration Unit" in recognition of the significant contributions of its "With All Your Love" patient care brand to public education in cancer prevention and treatment.



5.2.2 Medicine Donation

Hengrui Pharma is committed to creating social value by alleviating the public medication burden in under-resourced regions through medicine donations, contributing to the development of a balanced and sustainable healthcare ecosystem. The Company continuously monitors the medication needs in underserved regions both in China and abroad. In collaboration with local healthcare institutions and official organizations, Hengrui Pharma has established long-term donation programs in certain areas. Each year, we provide targeted and effective medicines based on the local disease profiles, patient populations, and gaps in healthcare resources, doing our part to help patients overcome barriers to medication access.

Donating Medicines to Huangmei People's Hospital

On July 15, 2024, Hengrui Pharma, in collaboration with the Hubei Medical Security Research Association, donated medicines worth RMB 100,000 to Huangmei People's Hospital. The donation included Hengrui Pharma's independently developed, Category I innovative diabetes drug that has been included in China's National Reimbursement Drug List. This initiative aimed to support the development of local healthcare services and enhance medical service capacity, while actively exploring new models and pathways for leveraging pharmaceutical support to drive rural revitalization.



Donating Chronic Disease Medicines to the People's Hospital of Gannan Tibetan Autonomous Prefecture

On August 3, 2024, the "Public Hospital High-Quality Development Executive Program - Philanthropic Initiative", organized by the Fudan University School of Management, was held at the People's Hospital of Gannan Tibetan Autonomous Prefecture. During the event, Hengrui Pharma donated RMB 100,000 worth of medicines for chronic diseases to support the improvement of patient quality of life in the Gannan region.



Hengrui Pharma Made a Second Donation of Chronic Disease Medicines to Tongcheng County



Hengrui Pharma Donated Medicines to Healthcare Security Bureau of Ganzhi County



Hengrui Pharma Donated Essential Medicines to Residents of Caonian Manchu Township, Inner Mongolia

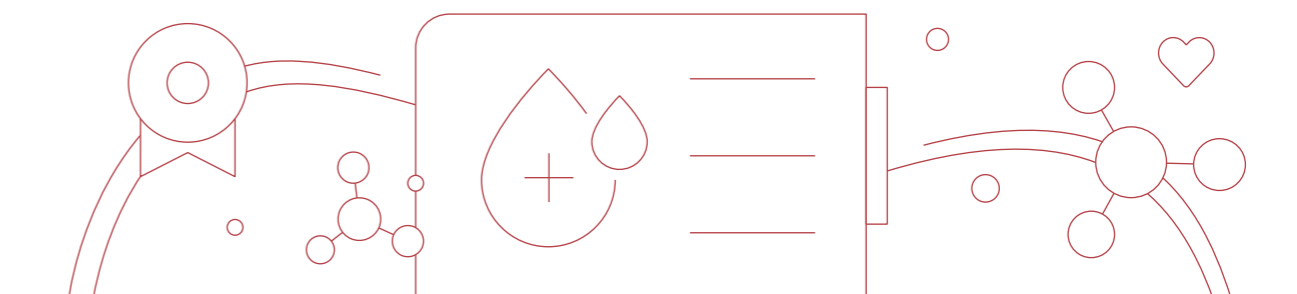
5.2.3 Community Support

Hengrui Pharma remains firmly committed to supporting local development and community building. The Company continues to increase its philanthropic efforts in education, healthcare, and special needs care, and strives to deliver warmth and compassion through a wide range of public welfare initiatives, including volunteer services and charitable donations. These efforts contribute to the creation of inclusive, sustainable, and harmonious communities.



Hengrui Pharma's Employee Wang Yu Successfully Donated Hematopoietic Stem Cells

On May 15, 2024, Wang Yu, a post-90s volunteer from Hengrui Pharma's API Division, successfully donated 203 ml of hematopoietic stem cell suspension at The First People's Hospital of Lianyungang. Wang Yu became the 52nd hematopoietic stem cell donor in Lianyungang and the second from Hengrui Pharma, offering vital support to an adult female patient battling a hematological disease.





Partnering with Heilin Primary School for Pairing and Co-Building Initiatives

Organizing a visit to Heilin Primary School (Dachijian Primary School) in Ganyu District, Jiangsu Province in September 2024, the CPC Committee arranged for outstanding Party members and young representatives to carry out a pairing and co-building initiative. Nearly 1,000 books and school supplies were donated to support students' learning and development. Donating RMB 5 million to the Ganyu District Education Development Foundation in 2020 to support the construction of the school, the Company marked this visit as both a return following the school's official opening and a vivid demonstration of its ongoing commitment to corporate social responsibility and support for education.



Donating Educational Supplies to Students in Douyue Village, Guangnan County, Wenshan Prefecture

In November 2024, in collaboration with the village task force of the Yunnan Provincial Healthcare Security Administration, a subsidiary of Hengrui Pharma carried out a donation initiative in Douyue Village, Guangnan County, Wenshan Prefecture. Educational supplies valued at nearly RMB 70,000 were donated to 420 students from two local primary schools and two kindergartens. This initiative provided meaningful support for children's education and contributed to the high-quality development of rural education in the region.



Looking Ahead, we will remain steadfast in our commitment to "promoting global public health and pursuing global well-being". With stronger dedication and more concrete actions, Hengrui Pharma will continue to contribute to the advancement of global public health and the development of a better society.



List of Major Applicable Laws and Regulations

Chapter Title	Hengrui Internal Policies and Regulations	Compliance with Laws and Regulations
Governance with Integrity	<ul style="list-style-type: none"> Articles of Association Management System of Information Disclosure Matters Internal Reporting System for Material Information Investor Relations Management System Measures for Compliance Management of Jiangsu Hengrui Pharmaceuticals Co., Ltd. Notice on Further Clarifying the Company's Compliance Management Responsibilities Guidelines for Compliance in Academic Activities Guidelines for Compliance Management in Medical Projects Notice on Reiterating Compliance Red Line Behaviors Guidelines for Compliance Management of Academic Activities (Version 202409) Anti-Bribery and Anti-Corruption Policy of Jiangsu Hengrui Medicine Co., Ltd. Disciplinary Mechanism for Non-Marketing Systems (Trial) Notice on Implementing Tiered and Classified Decision-Making Management Measures for the Expert Database of Jiangsu Hengrui Medicine Co., Ltd. Regulations on the Operation and Maintenance Management of Application Systems Access Control Management Policy Guidelines for Terminal Security Control 	<ul style="list-style-type: none"> Company Law of the People's Republic of China Securities Law of the People's Republic of China Rules Governing the Listing of Stocks on Shanghai Stock Exchange Guidelines No. 3 of the Shanghai Stock Exchange on the Application of Self-Regulation Rules for Listed Companies—Industry Information Disclosure Shanghai Stock Exchange Guidelines for Self-Regulation of Listed Companies No. 14 – Sustainability Reporting (Trial) Self-Regulatory Guideline No. 14 for Listed Companies on the Shanghai Stock Exchange - Sustainable Development Report (Trial) Regulations on Promoting and Regulating Cross-Border Data Flows Regulations on Network Data Security Management Accounting Law of the People's Republic of China Opinions on Further Enhancing Comprehensive Punishment and Prevention of Financial Fraud in the Capital Market Responses to Questions Regarding the Handling of Financial Fraud Criminal Cases Amendment (XII) to the Criminal Law of the People's Republic of China Notice on Issuing Key Points for Correcting Unethical Practices in the Pharmaceutical Purchase and Sales Sector and Medical Services for 2024 Guidelines for Preventing Commercial Bribery Risks in Pharmaceutical Enterprises (Draft for Consultation) Management Measures for Pharmaceutical Representatives (Draft for Consultation) Anti-Unfair Competition Law of the People's Republic of China Antitrust Guidelines in the Pharmaceutical Sector Guidelines for the Review of Horizontal Concentrations Anti-Money Laundering Law of the People's Republic of China Constitution of the All-China Federation of Trade Unions Constitution of the Communist Party of China
	Evergreen Commitment to Source	<ul style="list-style-type: none"> Environmental Management Policy of Jiangsu Hengrui Medicine Co., Ltd. Hengrui Pharma 2021-2025 EHS Plan Disciplinary Mechanism for Non-Marketing Systems (Trial) Emergency Response Plan for Environmental Incidents

Chapter Title	Hengrui Internal Policies and Regulations	Compliance with Laws and Regulations
Evergreen Commitment to Source	<ul style="list-style-type: none"> Preventive Measures and Emergency Response Plan for Hazardous Waste Accidents Environmental Health and Safety Training Program Resource and Energy Management Procedures Air Emission Management Regulations Air Emission Management Regulations Environmental Operation Guidelines Wastewater Discharge Management Procedures Wastewater Discharge Management Regulations Waste Management Procedures Solid Waste Management Regulations Disposal Methods for Highly Toxic Hazardous Waste Management Regulations on Administrative R&D Building Fueling and Maintenance Management Process Supplier EHS Audit Management Procedures 	<ul style="list-style-type: none"> Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes Energy Conservation Law of the People's Republic of China and Public Institutions (for Trial Implementation) Soil Pollution Prevention and Control Law of the People's Republic of China Noise Pollution Prevention and Control Law of the People's Republic of China Environmental Impact Assessment Law of the People's Republic of China Energy Conservation Law of the People's Republic of China Water Law of the People's Republic of China Law of the People's Republic of China on Environmental Impact Assessment Forestry Law of the People's Republic of China
Constantly Innovating	<ul style="list-style-type: none"> Patent Application Management Measures of Jiangsu Hengrui Medicine Co., Ltd. Management Specifications for Patent Maintenance Processes at Jiangsu Hengrui Medicine Co., Ltd. Quality Manual Management of Job Responsibilities Procedures for Managing Drug Safety Incident Responses Operating Procedures for Equipment Qualification Procedures for Handling Non-Conforming Materials Product Recall Procedures Utilization of Large Language Models for Automatic Extraction of Individual Safety Report Information to Achieve Structured Data Processing Responsible Marketing Policy of Jiangsu Hengrui Medicine Co., Ltd. Standards for Marketing Behavior Guidelines for Basic Work Regulations for Sales Representatives Regulations for Managing the Behavior of Marketing System Personnel Guidelines for Compliance Management of Academic Activities Guidelines for Compliance Management of Social Organizations Commitment to Abide by Laws and Regulations 	<ul style="list-style-type: none"> Patent Law of the People's Republic of China Medicinal Product Administration Law of the People's Republic of China Measures for the Supervision and Administration of Drug Production Measures for the Administration of Drug Registration Measures for the Administration of Post-Marketing Drug Changes (for Trial Implementation) Good Clinical Practice Good Manufacturing Practices for Pharmaceutical Products (2010 Revision) 21 CFR Part 210 (the US)

Chapter Title	Hengrui Internal Policies and Regulations	Compliance with Laws and Regulations
Constantly Innovating	<ul style="list-style-type: none"> Management System for Commercial Secret Carriers (Trial) Personal Data Privacy Protection Policy Notice on Including Three Types of Violations of Patient Personal Information in the Company's Compliance Red Line Management System for the Admission of GMP Material Suppliers Management System for the Admission of Non-GMP Material Suppliers Management System for the Admission of R&D Custom Material Suppliers Management System for the Admission of Clinical Research Exclusive Service Suppliers Management System for the Admission of Comprehensive Service Suppliers Commitment Letter for Business Partners OS-016 Supplier Approval and Qualification Certification 	<ul style="list-style-type: none"> 21 CFR Part 211(the US) EudraLex-Volume 4 (the EU) International Council for Harmonization (ICH) Guidelines for Technical Requirements for Pharmaceuticals for Human Use Declaration of Helsinki Personal Information Protection Law of the People's Republic of China General Data Protection Regulation (GDPR) of the European Union Health Insurance Portability and Accountability Act (HIPAA)
Hengrui's Principles	<ul style="list-style-type: none"> Employee Handbook Recruitment and Hiring Management Measures Diversity Policy of Jiangsu Hengrui Medicine Co., Ltd. Performance Management Measures for Non-Marketing Systems (Trial) Interim Measures for Employee Education Management at Jiangsu Hengrui Medicine Co., Ltd. Employee Feedback and Complaint Management System of Hengrui Medicine Attendance Management System of Jiangsu Hengrui Medicine Co., Ltd. (Trial) Occupational Health Management System Regulations on the Management of Production Safety Accidents Procedures for Hazard Identification, Risk Assessment, and Risk Control Contractor Health and Safety Program 	<ul style="list-style-type: none"> Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Trade Union Law of the People's Republic of China Constitution of the All-China Federation of Trade Unions Regulations on Labor Security Supervision Special Provisions on Labor Protection for Female Employees Production Safety Law of the People's Republic of China Prevention and Control of Occupational Diseases Law of the People's Republic of China General Data Protection Regulation (GDPR) of the European Union
Constant Goodness, Far-reaching	<ul style="list-style-type: none"> Universal Healthcare Policy of Jiangsu Hengrui Medicine Co., Ltd. 	<ul style="list-style-type: none"> Patent Law of the People's Republic of China TRIPS and the Doha Declaration on Public Health Outline of the Healthy China 2030 Plan

Index of Shanghai Stock Exchange Guidelines

Dimension	Serial Number	Topic	Corresponding Chapter
Environment	1	Addressing Climate Change	2.5 Addressing Climate Change
	2	Pollutant Emissions	2.3.2 Wastewater Discharge Management
	3	Waste Treatment	2.3.3 Solid Waste Management
	4	Ecosystem and Biodiversity Conservation	2.1.5 Biodiversity Conservation
	5	Environmental Compliance Management	2.1 Ensuring Environmental Compliance
	6	Energy Utilization	2.2.1 Energy Management
	7	Water Resource Utilization	2.2.2 Water Resource Management
	8	Circular Economy	2.2.3 Production Resource Management
Society	9	Rural Revitalization	5.2.3 Community Support
	10	Social Contribution	5.2.1 Patient Care 5.2.2 Medical Donations 5.2.3 Community Support
	11	Innovation-Driven	3.1 Innovation as the Foundation for the Future
	12	Technology Ethics	3.1 Innovation as the Foundation for the Future
	13	Supply Chain Security	3.3.2 Implementing Supply Chain Assurance
	14	Equal Treatment of Small and Medium Enterprises	Not Involved
	15	Product and Service Safety and Quality	3.2.1 Strengthening Quality Management 3.2.2 Promoting Quality Culture 3.2.3 Ensuring Drug Safety
	16	Data Security and Customer Privacy Protection	3.2.4 Enhancing Customer Service
	17	Employees	4.2.1 Remuneration Incentives 4.2.2 Employee Development 4.2.3 Employee Training 4.3.1 Employee Communication 4.3.2 Employee Welfare 4.3.3 Employee Engagement 4.4.1 Safety Management System 4.4.2 Work Safety Actions
Governance Related to Sustainable Development	18	Due Diligence	3.3.1 Comprehensive Supplier Management
	19	Stakeholder Communication	1.1.3 Stakeholder Engagement
	20	Anti-Commercial Bribery and Anti-Corruption	1.2.2 Anti-Corruption
	21	Anti-Unfair Competition	1.2.1 Business Ethics

GRI Index

Disclosure Item	Disclosure Title	Sections
<i>Universal Standards</i>		
GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021		
The organization and its reporting practices		
2-1	Organizational details	About Hengrui Pharma
2-2	Entities included in the organization's sustainability reporting	About this Report
2-3	Reporting Period, frequency and contact point	About this Report
2-4	Restatements of information	No information restatement occurred during this Reporting Period
2-5	External assurance	No external verification was conducted during this Reporting Period
Activities and workers		
2-6	Activities, value chain and other business relationships	3.3.1 Comprehensive Supplier Management
2-7	Employees	4.1.2 Equality and Diversity
2-8	Workers who are not employees	Not involved
Governance		
2-9	Governance structure and composition	1.1.1 Corporate Governance
2-10	Nomination and selection of the highest governance body	1.1.1 Corporate Governance
2-11	Chair of the highest governance body	1.1.1 Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	1.1.1 Corporate Governance
2-13	Delegation of responsibility for managing impacts	1.1.1 Corporate Governance
2-14	Role of the highest governance body in sustainability reporting	1.1.2 ESG Governance
2-15	Conflicts of interest	1.2.1 Business Ethics
2-16	Communication of critical concerns	1.1.3 Stakeholder Engagement
2-17	Collective knowledge of the highest governance body	1.1.1 Corporate Governance
2-18	Evaluation of the performance of the highest governance body	2.1.2 Environment Management Target
2-19	Remuneration policies	4.2.1 Remuneration Incentives
2-20	Process to determine remuneration	4.2.1 Remuneration Incentives
2-21	Annual total compensation ratio	Not disclosed due to confidentiality restrictions

Disclosure Item	Disclosure Title	Sections
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	1.1.2 ESG Governance
2-23	Policy commitments	4.1.2 Equality and Diversity
2-24	Embedding policy commitments	1.2.1 Business Ethics
2-25	Processes to remediate negative impacts	1.2.1 Business Ethics
2-26	Mechanisms for seeking advice and raising concerns	1.1.3 Stakeholder Engagement
2-27	Compliance with laws and regulations	List of Major Applicable Laws and Regulations
2-28	Membership associations	Refer to each chapter for details
Stakeholder engagement		
2-29	Approach to stakeholder engagement	1.1.3 Stakeholder Engagement
2-30	Collective bargaining agreements	4.3.1 Employee Communication
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	1.1.4 Double Materiality Issues
3-2	List of material topics	1.1.4 Double Materiality Issues
3-3	Management of material topics	1.1.4 Double Materiality Issues
<i>Topic Standards</i>		
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	ESG Performance Highlights
201-2	Financial implications and other risks and opportunities due to climate change	2.5 Address Climate Change
201-3	Defined benefit plan obligations and other retirement plans	4.3.2 Employee Welfare
201-4	Financial assistance received from government	No subsidies
GRI 202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Not disclosed due to confidentiality restrictions
202-2	Proportion of senior management hired from the local community	Information unavailable
GRI 203: Indirect Economic Impact 2016		
203-1	Infrastructure investments and services supported	5.1.1 Improve Product Accessibility 5.1.2 Contributing to Global Health 5.2.1 Patient Care 5.2.2 Medicine Donation

Disclosure Item	Disclosure Title	Sections
203-1	Infrastructure investments and services supported	5.2.3 Community Support
203-2	Significant indirect economic impacts	5.2.1 Patient Care 5.2.2 Medicine Donation 5.2.3 Community Support
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	Data not available
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	1.2.3 Risk Management
205-2	Communication and training about anti-corruption policies and procedures	1.2.1 Business Ethics 1.2.2 Anti-Corruption
205-3	Confirmed incidents of corruption and actions taken	1.2.2 Anti-Corruption
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No litigation described
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	2.2.3 Production Resource Management
301-2	Recycled input materials used	2.2.3 Production Resource Management
301-3	Reclaimed products and their packaging materials	2.2.3 Production Resource Management
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	2.2.1 Energy Management
302-2	Energy consumption outside of the organization	2.2.1 Energy Management
302-3	Energy intensity	2.2.1 Energy Management
302-4	Reduction of energy consumption	2.2.1 Energy Management
302-5	Reductions in energy requirements of products and services	2.2.1 Energy Management
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared Resource	2.2.2 Water Resource Management 2.3.2 Wastewater Discharge Management
303-2	Management of water discharge-related impacts	2.2.2 Water Resource Management 2.3.2 Wastewater Discharge Management
303-3	Water withdrawal	2.2.2 Water Resource Management
303-4	Water discharge	2.3.2 Wastewater Discharge Management
303-5	Water consumption	2.2.2 Water Resource Management

Disclosure Item	Disclosure Title	Sections
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	No operational points described
304-2	Significant impacts of activities, products and services on biodiversity	No significant impacts
304-3	Habitats protected or restored	No habitats described
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	No species described
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	2.5.4 Indicators and Targets
305-2	Energy indirect (Scope 2) GHG emissions	2.5.4 Indicators and Targets
305-3	Other indirect (Scope 3) GHG emissions	Data not available
305-4	GHG emissions intensity	2.5.4 Indicators and Targets
305-5	Reduction of GHG emissions	Data not available
305-6	Emissions of ozone-depleting substances (ODS)	None
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	2.3.3 Solid Waste Management
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	2.3.3 Solid Waste Management
306-2	Actions taken to prevent waste generation	2.3.3 Solid Waste Management
306-3	Composition of waste generated	2.3.3 Solid Waste Management
306-4	Recovery operations used to divert waste from disposal	2.1.2 Environment Management Targets
306-5	Disposal operations	2.3.3 Solid Waste Management
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	3.3.1 Comprehensive Supplier Management
308-2	Negative environmental impacts in the supply chain and actions taken	3.3.1 Comprehensive Supplier Management
GRI 401: Employment 2016		
401-1	New employee hires and employee Turnover	4.1.2 Equality and Diversity

Disclosure Item	Disclosure Title	Sections
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.3.2 Employee Welfare
401-3	Parental leave	4.3.2 Employee Welfare
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	Not Involved
GRI 403: Occupational Health and safety 2018		
403-1	Occupational health and safety management system	4.4.1 Safety Management System
403-2	Hazard identification, risk assessment, and incident investigation	4.4.2 Work Safety Actions
403-3	Guidance for Disclosure	4.4.2 Work Safety Actions
403-4	Worker participation, consultation, and communication on occupational health and safety	4.4.2 Work Safety Actions
403-5	Worker training on occupational health and safety	4.4.2 Work Safety Actions
403-6	Promotion of worker health	4.4.2 Work Safety Actions
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4.2 Work Safety Actions
403-8	Workers covered by an occupational health and safety management system	4.4.2 Work Safety Actions
403-9	Work-related injuries	4.4.1 Safety Management System
403-10	Work-related ill health	4.4.2 Work Safety Actions
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	4.2.3 Employee Training
404-2	Programs for upgrading employee skills and transition assistance programs	4.2.2 Employee Development 4.2.3 Employee Training
404-3	Percentage of employees receiving regular performance and career development reviews	4.2.1 Remuneration Incentives
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Disclosure 405-1 Diversity of governance bodies and employees	4.1.2 Equality and Diversity
405-2	Ratio of basic salary and remuneration of women to men	Not disclosed due to confidentiality restrictions
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	4.1.2 Equality and Diversity
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.3.1 Employee Communication
GRI 408: Child Labor 2016		

Disclosure Item	Disclosure Title	Sections
408-1	Operations and suppliers at significant risk for incidents of child labor	4.1.2 Equality and Diversity
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.1.2 Equality and Diversity
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	Not Involved
GRI 411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	Not applicable
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	5.2.2 Medicine Donation 5.2.3 Community Support
413-2	Operations with significant actual and potential negative impacts on local communities	Not applicable
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	3.3.1 Compressive Supplier Management 3.3.2 Implementing Supply Chain Assurance
414-2	Negative social impacts in the supply chain and actions taken	3.3.1 Compressive Supplier Management 3.3.2 Implementing Supply Chain Assurance
GRI 415: Public Policy 2016		
415-1	Political contributions	Not applicable
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	3.2.3 Ensure Drug Safety
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents during the Reporting Period
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	3.2.4 Enhance Customer Service
417-2	Incidents of non-compliance concerning product and service information and labeling	No incidents during the Reporting Period
417-3	Incidents of non-compliance concerning marketing communications	No incidents during the Reporting Period
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No complaints during the Reporting Period

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