

# 2024 Environmental, Social and Governance Report

Shanghai Henlius Biotech, Inc.





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# About This Report

This is the sixth Environmental, Social, and Governance (ESG) related Report (the "Report") released by Shanghai Henlius Biotech, Inc. ("Henlius" "we" or the "Company"). The purpose of this report is to provide shareholders, employees, the government, customers, partners, media, public and other stakeholders with an objective and accurate account of the Company's measures and achievements in sustainable development, with a focus on ESG.

## Basis and Reference

This report is compiled as required by the Appendix C1 *Corporate Governance Code* and the Appendix C2 *Environmental, Social and Governance (ESG) Reporting Guide of Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*. It also references selected indicators from the Global Reporting Initiative (GRI) Standards.

## Scope of Reporting

This report covers Shanghai Henlius Biotech, Inc. (2696.HK) and its subsidiaries, consistent with the scope of the Company's 2024 Annual Report.

## Report Verification

Henlius has commissioned an external agency to provide independent verification services for this report and provide verification statements. The verification is based on the SGS Sustainability Report Verification Methodology, with reference to internationally recognized standards and guidelines, including the Global Reporting Initiative standards (GRI standards) and the AA1000 series of standards. The scope of verification of this report is the office area and manufacturing facilities in Xuhui and Songjiang, Shanghai of Henlius.

## Period of Reporting

The Reporting Period covers the information and data of the Company from 1 January 2024 to 31 December 2024 (the "Reporting Period" or the "current year"), the same as that of the 2024 Annual Report of the Company. The latest practicable date is April 6, 2025.

## Disclosure of Reporting

This report is disclosed alongside the Company's 2024 Annual Report; and the financial data involved are consistent with the 2024 Annual Report. In this report, the amounts mentioned are in CNY unless otherwise specified. Other data and cases mainly come from the Company's statistical reports and related documents.

## Report Retrieval

The report is published in Simplified Chinese, Traditional Chinese and English. In the event of any discrepancy between different versions, the Simplified Chinese version shall prevail. The report is available on the Stock Exchange of Hong Kong website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the official website of Henlius ([www.henlius.com](http://www.henlius.com)).



Chairman  
Wenjie Zhang



“ Guided by our founding vision, Henlius will remain steadfast in its original aspirations and mission, maintaining an unwavering commitment to continuous innovation. With a more open mindset, we will embrace globalization by breaking through therapeutic bottlenecks and challenges, delivering more high-quality and accessible biopharmaceuticals to patients worldwide.

”

Executive Director, Chief Executive Officer  
Jason Zhu



## Management Message

In 2024, Henlius navigated a dynamic market landscape marked by both challenges and opportunities, steadfastly advancing our "patient-centricity" philosophy to achieve sustainable, high-quality growth. As an innovative pioneer in the global biopharmaceuticals, we are propelled by our mission of "To improve patients' lives by timely providing them with quality and affordable protein therapeutics through technical innovation and operational excellence." Our commitment extends to ensuring equitable access to life-changing treatments for patients worldwide.

We fully understand the weight of our responsibility, so we take each step with strength and confidence. Anchored in unmet clinical needs, we channel our R&D efforts into therapeutic frontiers. Our core product HANQUYOU (trastuzumab, Zerceptac<sup>®</sup> in Europe, HERCESSI<sup>™</sup> in the U.S.) has achieved regulatory approvals across over 50 countries and regions worldwide, establishing itself as the most globally recognized biosimilar originating from China with over 200,000 patients served. HANSIZHUANG (serplulimab, Hetronifly<sup>®</sup> in Europe), the world's first anti-PD-1 mAb approved for first-line small cell lung cancer treatment, has successfully penetrated key markets including China, Europe, and Southeast Asia. Operational excellence remains central to our patient welfare commitment. Our manufacturing facilities and quality systems hold GMP certifications from stringent regulators including China NMPA, EMA, and FDA. Through continuous optimization of production processes, we enhance production efficiency while driving down costs – a dual approach that increases both drug accessibility and affordability. We uphold meticulous operations and strict quality control, leveraging internationally advanced management tools to continuously enhance quality standards. With a strategic vision, we pursue excellence to ensure stable and reliable products. Moving forward, we will accelerate differentiated innovation across our product pipeline, expand global

footprint, and bring more high-quality China-originated innovative therapies to international markets.

At the same time, we place great emphasis on talent development, recognizing our employees as the Company's most valuable asset. We recruit top talent from around the world, provide ample career development opportunities, and focus on both individual growth and team building. By fostering an open and inclusive corporate culture, we empower our employees to maximize their talents and potential. As a testament to these efforts, we have been recognized as one of HR Asia's Best Companies to Work for in Asia for three consecutive years.

In addition, we uphold a forward-looking green development philosophy, deeply integrating environmental responsibility into every aspect of our operations. From green office initiatives and resource recycling to clean energy transition, we have built a comprehensive sustainable corporate ecosystem. In the face of global climate change challenges, we actively respond to international emission reduction commitments and systematically manage climate-related risks and opportunities by referring the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD). Through optimizing production processes, implementing energy-saving projects, and reducing energy consumption, we have established four clear environmental goals to ensure that every step of our growth aligns with environmental protection. This commitment resonates with global climate action, demonstrating our corporate contribution to a sustainable future.

As a member of the pharmaceutical and healthcare industry, we actively fulfill our social

responsibilities by prioritizing patient needs and societal well-being. We continue to advance public welfare initiatives, extending care to more vulnerable groups, and have established strategic partnerships with multiple stakeholders both within and outside the industry. Through these collaborations, we aim to promote the healthy development of the pharmaceutical sector and drive social progress.

Prudent governance underpins sustainable success. While pursuing rapid development, we continuously refine our governance systems and enhance management capabilities. Grounded in ethical business practices, we have established a robust compliance management system to ensure that all operations adhere to legal regulations and ethical standards. Furthermore, we have fully integrated ESG principles into our corporate strategy and governance processes. By strengthening the accountability of the Board of Directors and its committees, we are deepening our ESG management practices and steadily advancing our sustainable development strategy.

Guided by our founding vision, Henlius will remain steadfast in its original aspirations and mission, maintaining an unwavering commitment to continuous innovation. With a more open mindset, we will embrace globalization by breaking through therapeutic bottlenecks and challenges, delivering more high-quality and accessible biopharmaceuticals to patients worldwide. We are confident that through the collective efforts of our entire team, Henlius will pioneer the global expansion of China's innovative medicines. By reshaping the therapeutic landscape in healthcare, we aim to make even greater contributions to advancing global health and human well-being.



# 2024 ESG Highlights

In 2024, we steadfastly pursued our sustainable development goals, adhering to our original aspirations. Through continuous innovation and excellent operations, we have achieved remarkable accomplishments in various aspects, demonstrating the value of the Company.

## Product

### R&D investment

CNY **1,840.5** million

### 5 ODD/Rare Disease Products in R&D or Launched

**HANSIZHUANG** granted two Orphan Drug Designations by the U.S. FDA and the EU EC for the treatment of small cell lung cancer  
**HLX22** (innovative anti-HER2 mAb) granted Orphan Drug Designation by the U.S. FDA for the treatment of gastric cancer

**HLX208** (an innovative BRAF<sup>V600E</sup> small-molecule inhibitor) granted a Breakthrough Therapy Designation by the NMPA for the treatment of BRAF<sup>V600E</sup> mutated adult Langerhans cell histiocytosis (LCH) and Erdheim-Chester disease (ECD)

**HLX6018** (GARP/TGF-β1) is indicated for the treatment of Idiopathic pulmonary fibrosis (IPF)

**HLX99** (Innovative small molecule conjugate drugs) is indicated for the treatment of Amyotrophic lateral sclerosis (ALS)

The above-mentioned indications have all been included in the *"First List of Rare Diseases Catalog"* issued by the National Health Commission of China

### Lean Production

Completed **230** Lean Improvement Projects throughout the year

Streamlined downstream purification steps, achieving an average **21%** increase in single-batch production yield across process development projects with implemented optimizations

### Product Quality

In-house product testing cover **100%** of the products

Commercial production facility obtained GMP certification from China, the EU, the US, PIC/S members (Indonesia & Brazil), and Colombia

QC laboratory accredited by China National Accreditation Service for Conformity Assessment (CNAS)

Awarded the highest grade, A-level, in the Shanghai pharmaceutical manufacturers' credit evaluation for four consecutive years

### Quality Training

◦ All Employees:

Conducted online quality culture training and assessments with **100%** employee participation, accounting for 5% of individual performance indicators

◦ GMP Personnel:

Total training duration: **124,625** hours

Average training hours per employee: **117** hours

### Product Access

**5** products included in the National Reimbursement Drug List (NRDL)

HANQUYOU: Entering the medical insurance of China, UK, France, Germany, etc.

HANSIZHUANG: Successfully included into 118 provincial/city-customized commercial medical insurance (Huiminbao)

## Talent

### Workforce Diversity

**53%** females

**18** disabled employees

### Employee Care

Employee satisfactory survey score increased by 0.24 points, **0.45** points higher than market average

Awarded HR Asia Best Companies to Work for in Asia Award for 3 consecutive years

### Employee Development

**144** employees get supported to obtain qualification certifications

Training hours per capita **70.37** hours

Training coverage **98.52%**

Training investment CNY **2.09** million

Key position talent pipeline reserve rate improved by **4%** compared to last year

### Employee Communication

Launched the "H-Voice" Platform, collecting approximately **60** feedbacks

### Occupational Health and Safety

Songjiang Facility obtained ISO 45001:2018 certification





## Environment

### Environmental System Certification

Songjiang Facility obtained ISO 14001:2015 certification

### Water Resource Use

Total recycled water volume of **4,122,881** cubic meters  
Total water use decreased by **5.93%** compared to last year

### Total Energy Consumption (Direct Energy Consumption + Indirect Energy Consumption)

Decreased by **2.87%** compared to last year

### Compliance Emissions

**100%** compliance in wastewater, exhaust gas, and solid waste emissions

### Environmental Investment

CNY **7.8445** million, a **26%** increase from the previous year

### Greenhouse Gas Emissions

Decreased by **5.47%** compared to last year

### VOC Emissions

Decreased by **11.11%** compared to last year

## Corporate Governance

### Cooperate Behavior

One training for the Board of Directors on anti-corruption, with a **100%** participation rate  
**0** lawsuits or cases involving corruption or unfair competition

### Compliant Operation

**100%** signoff of Compliance Confirmation Letter

### Information Security

Passed a review of annual audit of ISO/IEC 27001:2022 information security management system certification  
Conducted specialized training on identifying and preventing risks related to phishing software and emails, covering about **3,500** employees

### ESG Management

**2** ESG specialized meeting

### Responsible Marketing

**39** responsible marketing training sessions were carried out, covering **4,867** attendances  
**0** administrative penalties or lawsuits arising from marketing violations

### Intellectual Property

**22** invention patent applications, **10** invention and utility model patents granted  
Completed annual audit for certification under the "Enterprise Intellectual Property Management System" (GB/T 29490-2023)

## Social

### Proportion of local suppliers introduced to GMP system

**80%**

### Cost savings in procurement

CNY **55.65** million

### Public Welfare Donations

CNY **134.84** million

### Proportion of local suppliers introduced to projects

**61%**

### Signing of green supply chain clauses

**80%** of direct procurement suppliers have completed



# About Henlius

Henlius (2696.HK) is a global biopharmaceutical company with the vision to offer high-quality, affordable and innovative biologic medicines for patients worldwide.

Since its inception in 2010, Henlius has built an integrated biopharmaceutical platform with core capabilities of high-efficiency and innovation embedded throughout the whole product life cycle including R&D, manufacturing and commercialization.

6

Approved Products

4

Products Approved for Marketing in Overseas Markets

50+

Approved Countries and Regions

Therapeutic Areas:

Oncology, Autoimmune Diseases, Ophthalmic Diseases

~ 50

Pipeline Molecules

90+

Clinical Studies Conducted

8,500+

Enrolled Subjects

700+

Registration Submissions

500+

Approved

48,000 L

Commercial Production Capacity

3

Launched Products

Joining the 1 Billion CNY Sales Club

20+

International Partners

## Mission and Vision

**Mission:** To improve patients' lives by timely providing them with quality and affordable protein therapeutics through technical innovation and operational excellence.

**Vision:** Be the most trusted biopharma providing innovative and affordable medicines for all patients.

## Core Values

Honesty

Execution

Nurturing

Leadership

Innovation

Uncompromising on Quality

Science & Strategy-Oriented

HENLIUS



# Corporate Strategy

Overall

Maximizing the commercialization value of biosimilars, we continuously explore new targets and mechanisms, constantly expanding into new disease areas and novel molecular types, fostering the steady development towards a biopharma with global presence and scale.

R&D

Henlius is strategically establishing global innovation centers with antibody technology at the core and clinical value as the guiding principle. Through comprehensive efforts, we aim to drive differentiated innovation and address unmet clinical needs.

Manufacturing

Building upon the advantage of "Henlius quality", we will further strengthen our manufacturing capabilities. We aim to establish internationally leading production quality capabilities through improved technology.

Commercialization

Building a top commercial team through innovative marketing, access, and commercialization strategies, as well as efficient sales execution capability.

# ESG Management Strategy

Henlius integrates ESG management deeply into its corporate strategy, focusing on five core areas to systematically improve ESG performance and build a long-term operational mechanism supporting sustainable development.

ESG Management Strategy Model

Corporate governance

- We practice compliant and efficient corporate governance, adhering to the ethical business value of putting integrity first, to achieve operational excellence

Product

- Driven by innovation and guided by clinical needs, we continue to launch affordable, high-quality biologics
- Focusing on drug affordability, we strive to improve drug access to benefit patients worldwide

Talent

- Adhering to the people-oriented talent management, we are committed to building an employment relationship of shared development and mutual success

Environment

- Continuously improve environmental management and optimize environmental protection measures for green development

Society

- Actively work with partners to promote the development of the industry
- Pay close attention to the needs of society and devote ourselves to social welfare





# Stakeholder Engagement

The Company actively establishes efficient, regular, and diverse communication mechanisms with stakeholders, engaging in extensive and in-depth communication and exchanges through various channels. During the Reporting Period, Henlius gained a deep understanding of the needs and expectations of various stakeholders and responded promptly to them.

| Stakeholder               | Topics of Concern  | Communication Channels   |
|---------------------------|--|--|
| Shareholders/ investors   | <ul style="list-style-type: none"><li>◦ Compliance operations</li><li>◦ Corporate governance</li><li>◦ Product innovation and R&amp;D</li><li>◦ Product quality and safety</li><li>◦ Anti-corruption and business ethics</li></ul>   | <ul style="list-style-type: none"><li>◦ General Meeting of Shareholders</li><li>◦ Brokerage summit</li><li>◦ Results presentation</li><li>◦ Information disclosure of listed companies</li><li>◦ On-site visits</li><li>◦ Roadshow</li></ul>   |
| Government and regulators | <ul style="list-style-type: none"><li>◦ Compliance operations</li><li>◦ Industry collaboration and development</li><li>◦ Product quality and safety</li><li>◦ Anti-corruption and business ethics</li><li>◦ Product innovation and R&amp;D</li><li>◦ Emissions management</li><li>◦ Water resources use</li><li>◦ Energy use</li><li>◦ Tackling climate change</li></ul> | <ul style="list-style-type: none"><li>◦ Participating in industry standards formulation</li><li>◦ Participating in policy formulation</li><li>◦ Providing suggestions</li><li>◦ Participating in government projects</li><li>◦ Written communication or conference call with government departments</li><li>◦ Receiving inspections and audits conducted by regulatory authorities</li></ul> |
| Partners                  | <ul style="list-style-type: none"><li>◦ Industry collaboration and development</li><li>◦ Product quality and safety</li></ul>  | <ul style="list-style-type: none"><li>◦ Industry exchanges</li><li>◦ Visits</li><li>◦ Talks</li></ul>  |
| Clients                   | <ul style="list-style-type: none"><li>◦ Inclusive healthcare</li><li>◦ Responsible marketing</li><li>◦ Anti-corruption and business ethics</li><li>◦ Customer rights and privacy protection</li><li>◦ Product quality and safety</li></ul>   | <ul style="list-style-type: none"><li>◦ Customer service and customer complaint handling</li><li>◦ Customer satisfaction survey</li><li>◦ Official social media</li><li>◦ <a href="#">Official website</a></li><li>◦ Company hotline (mail and phone)</li></ul>  |

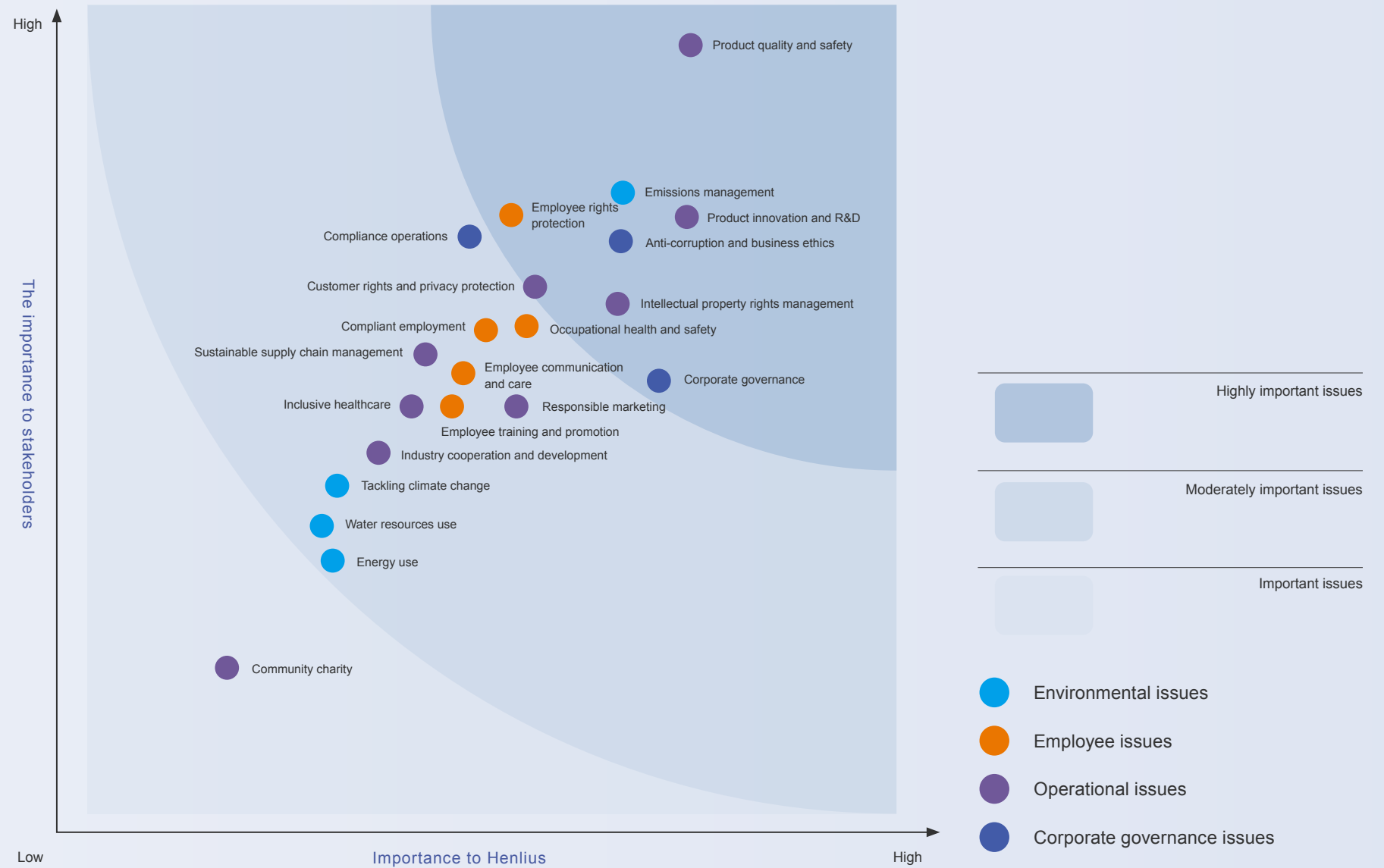
| Stakeholder                | Topics of Concern  | Communication Channels  |
|----------------------------|--|---|
| Employees                  | <ul style="list-style-type: none"><li>◦ Employee communication and care</li><li>◦ Employee rights protection</li><li>◦ Occupational health and safety</li><li>◦ Employee training and promotion</li><li>◦ Compliant employment</li><li>◦ Intellectual property rights management</li></ul> | <ul style="list-style-type: none"><li>◦ Employee interviews</li><li>◦ Internal email</li><li>◦ Labor union and workers' congress</li><li>◦ Employee care activities</li><li>◦ Employee training and promotion</li><li>◦ Employee satisfaction survey</li><li>◦ Corporate culture activities</li></ul>   |
| Suppliers                  | <ul style="list-style-type: none"><li>◦ Sustainable supply chain management</li><li>◦ Compliance operations</li><li>◦ Anti-corruption and business ethics</li></ul>  | <ul style="list-style-type: none"><li>◦ Supplier audit and communication</li><li>◦ Green supply chain management</li><li>◦ Supplier conference</li></ul>  |
| Media                      | <ul style="list-style-type: none"><li>◦ Industry cooperation and development</li><li>◦ Anti-corruption and business ethics</li><li>◦ Product quality and safety</li><li>◦ Product innovation and R&amp;D</li><li>◦ Community charity</li></ul>   | <ul style="list-style-type: none"><li>◦ Information disclosure of listed companies</li><li>◦ <a href="#">Official website</a></li><li>◦ Press conference/media communication meeting</li><li>◦ Media interview</li><li>◦ Official social media</li></ul>  |
| Communities and the public | <ul style="list-style-type: none"><li>◦ Emissions management</li><li>◦ Energy use</li><li>◦ Community charity</li></ul>  | <ul style="list-style-type: none"><li>◦ Site investigation</li><li>◦ Charitable projects</li><li>◦ Environmental impact analysis and management</li><li>◦ Working meeting of government environmental supervision departments</li><li>◦ Communicating with neighborhood committees</li><li>◦ <a href="#">Official website</a></li><li>◦ Official Social Media</li></ul> |



# Materiality Matrix

Henlius regularly communicates with stakeholders through diverse channels to understand their expectations and opinions regarding the Company's ESG performance. Our stakeholders include, but are not limited to, shareholders and investors, government and regulators, partners, clients, employees, suppliers, media, and communities and the public. During the Reporting Period, the Company fully considered the views of stakeholders in daily operational decisions and took timely actions to respond to their concerns.

Henlius has included 21 issues into the material issues matrix, of which 8 issues were evaluated as highly important, namely product quality and safety, emissions management, product innovation and R&D, employee rights protection, anti-corruption and business ethics, intellectual property rights management, corporate governance, and customer rights and privacy protection. This report will focus on disclosing information related to each ESG materiality issue.



# PRODUCT





# Product Pipeline



(1) Exclusive license obtained in China. Phase 1/2 conducting in the U.S. (2) IND approvals obtained in China/the U.S. and granted FDA Fast Track Designation. (3) Business partner: Shanghai Jingze. (4) Business partner: Dr. Reddy's, etc. (5) Approved in China, the EU and several SEA countries. trade name: Hetronifly® in Europe. partners: KGBio/Fosun Pharma/Intas. (6) IND approvals obtained in China/the U.S. (7) IND approvals obtained in China/the U.S. (8) Exclusive license obtained in China. (9) IND approvals obtained in China/Australia/the U.S./Singapore/EU countries, etc. Business partner: Essex. (10) IND approvals obtained in China/the U.S./Japan. (11) Exclusive license obtained in China. Phase 3 MRCT enrolling globally. IND approval obtained in China. (12) Marketing applications under review in the EU and the U.S. (13) Marketing applications under review in China, the U.S. and the EU Business partner: Organon. (14) Approved in countries such as China and Peru. The first biosimilar approved in China. Business partners: Fosun Pharma/Farma de Colombia/Eurofarma/Abbott/Boston Oncology. (15) The first rituximab approved for the indication in China. (16) Approved in 50+ countries, including China, U.S., the UK, Germany, France and Australia, trade name registered in U.S.: HERCESSI™. trade name registered in Europe: Zercepac®. Business partners: Accord/ Cipla/ Jacobson/ Elea/ Eurofarma/ Abbott/ KGBio/ Getz. (17) Business partners: Fosun Wanbang/Getz Pharma. (18) Business partner: Eurofarma. (19) Exclusive license obtained in China.



# Product Access

Adhering to a patient-centric strategy, Henlius is committed to enhancing the affordability and accessibility of its products. Guided by our mission to improve patients' lives by timely providing them with quality and affordable protein therapeutics, we implement inclusive healthcare programs and collaborate with external partners to integrate resources, continuously expanding the reach of our medicines and improving accessibility. As of the end of the reporting period, the Company successfully launched 6 products in China and 4 globally, with products available in over 50 countries and regions across Asia, Europe, Latin America, North America, and Oceania, benefiting over 750,000 patients worldwide.



HANQUYOU (trastuzumab)

**Self-developed monoclonal antibody biosimilars approved in China, the U.S., and Europe**

- Early-stage breast cancer
- Metastatic breast cancer
- Metastatic gastric cancer



HANSIZHUANG (serplulimab)

**The first anti-PD-1 mAb approved for the first-line treatment of small cell lung cancer in the world**

- Squamous non-small cell lung cancer
- Extensive-stage small cell lung cancer
- Esophageal squamous cell carcinoma
- Non-squamous non-small cell lung cancer



HANLIKANG (rituximab)

**China's first biosimilar**

- Non-Hodgkin's lymphoma
- Chronic lymphocytic leukemia
- Rheumatoid arthritis



HANBEITAI (bevacizumab)

- Metastatic colorectal cancer
- Advanced, metastatic or recurrent non-small cell lung cancer
- Recurrent glioblastoma
- Cervical cancer
- Epithelial ovarian, fallopian tube or primary peritoneal cancer



HANDAYUAN (adalimumab)

- Rheumatoid arthritis
- Ankylosing spondylitis
- Plaque Psoriasis
- Uveitis
- Polyarticular juvenile idiopathic arthritis
- Pediatric plaque psoriasis
- Crohn's disease
- Pediatric Crohn's disease



HANNAIJIA (neratinib)

- Extended adjuvant treatment of adult patients with early-stage HER2-positive breast cancer, to follow adjuvant trastuzumab-based therapy



# Drug Affordability

Guided by the concept of "affordable innovation and reliable quality", Henlius consistently prioritizes patient healthcare needs and integrates "affordability" into the entire lifecycle of pharmaceutical development.

Regarding equitable pricing, we comprehensively consider local economic conditions and population purchasing power in each market, while benchmarking against market competitors to establish equitable pricing strategies. For the domestic Chinese market, drug pricing is determined in strict compliance with governmental laws, regulations, and policy guidelines. We actively align with national initiatives and collaborate to implement coordinated healthcare insurance policies.

Building on this foundation, Henlius leverages pharmaceutical and technological innovations to address patients' diverse and multi-tiered healthcare needs through various initiatives, including inclusive commercial insurance, city-customized commercial health insurance, medical mutual aid programs, and innovative payment solutions. These efforts further reduce the financial burden of medication for patients.

As of the latest practicable date:

| HANQUYOU   | HANSIZHUANG   | HANBEITAI   | HANDAYUAN  | HANLIKANG   | HANNAIJIA  |
|--|---|---|--|---|--|
| <ul style="list-style-type: none"><li>◦ HANQUYOU (150mg) has completed all the provincial medical insurance access work and tendering process in China.</li><li>◦ HANQUYOU (60mg) has completed all the provincial medical insurance access work and tendering process in China.</li></ul> | <ul style="list-style-type: none"><li>◦ The tendering process has been completed in all provinces in China, and it has been successfully included into 118 provincial/city-customized commercial medical insurance (Huiminbao).</li></ul> | <ul style="list-style-type: none"><li>◦ HANBEITAI has completed the tendering process in 28 provinces and was included into the medical insurance procurement platform in all provinces in China.</li></ul> | <ul style="list-style-type: none"><li>◦ HANDAYUAN has completed all the provincial medical insurance access work and tendering process in China.</li></ul> | <ul style="list-style-type: none"><li>◦ 100mg/10ml has completed all the provincial medical insurance access work and tendering process in China.</li><li>◦ 500mg/50ml has completed the tendering process in 30 provinces and all the provincial medical insurance access work in China.</li></ul> | <ul style="list-style-type: none"><li>◦ HANNAIJIA has completed all the tendering process and provincial medical insurance access work in China.</li></ul> |

## Case

### Henlius deepens collaboration with Sinopharm Holdings on Huiminbao initiatives



During the reporting period, with partners' support, Henlius achieved inaugural inclusion in 10 provincial and municipal-level inclusive health insurance programs Huiminbao across Tianjin, Guizhou, Shaanxi, Dazhou (Sichuan), Yulin (Guangxi), Huanggang (Hubei), Urumqi (Xinjiang), Yichang (Hubei), Hechi (Guangxi), and Nanning (Guangxi). The Company secured continued coverage for patients in Huzhou (Zhejiang) and Leshan (Sichuan) for the subsequent policy year, while expanding approved indications for its therapies in Xiamen (Fujian), Jingmen (Hubei), Chongqing, Guang'an (Sichuan), and Neijiang (Sichuan).





# Drug Access

Henlius enhances market coverage and drug accessibility by deepening multi-dimensional collaborations both domestically and internationally to build a multi-layered pharmaceutical supply network.

## Domestic Medicine Access

To strengthen domestic reach, Henlius continuously improves its drug supply capacity while actively collaborating with distributors to expand sales channels and increase product coverage. As of the end of the reporting period, the Company's partnerships with distributors have achieved coverage across all 31 provinces, municipalities, and autonomous regions in China.

During the reporting period, Henlius convened a National Distributor Summit, where industry-wide omnichannel data and oncology drug market trends were shared. The event facilitated strategic discussions on "high-quality business development strategies" with leading pharmaceutical distributors including Sinopharm Holdings, China Resources Pharmaceutical, Shanghai Pharma, Chongqing Pharmaceutical, Guangzhou Pharmaceutical, and East China Pharmaceutical. This collaboration aims to synergize industry capabilities and optimize medication accessibility across diverse regions.

## Global Medicine Access

Globalization is one of Henlius' key strategies. In the process of expanding in emerging markets beyond current operations, Henlius comprehensively considers factors such as the economic conditions, healthcare infrastructure, and population demographics of these regions to establish corresponding business models and product pricing strategies based on affordability.

### Henlius Broadens Access to Multiple Biologics in Emerging Markets with Abbott

In January 2025, Henlius entered into product license and supply agreement with Abbott, granting it exclusive or semi-exclusive licenses for the commercialization of four self-developed biosimilars and one innovative biologic in 69 emerging markets in Asia, Latin America and the Caribbean, as well as Middle East and Africa.

### Henlius Partners with SVAX to Strengthen Market Presence in the Middle East

In November 2024, Henlius has forged a strategic collaboration with SVAX, a subsidiary entity of Saudi Arabia's prominent family business group in the healthcare sector, the Fakeeh Family, to advance the local registration, manufacturing, and commercialization of Henlius' product portfolio—including HANDAYUAN (adalimumab) and HANBEITAI (bevacizumab)—in the MENAT region (Middle East, North Africa, and Türkiye). Henlius and SVAX will establish joint ventures for commercialization and manufacturing in Saudi Arabia.

During the reporting period, Henlius completed shipments of its self-developed products to emerging markets such as Indonesia and Saudi Arabia.



On January 25, Henlius successfully shipped the first overseas batch of HANSIZHUANG (serplulimab), marking its debut as the first domestically developed anti-PD-1 monoclonal antibody approved in Southeast Asia.



On June 6, Henlius achieved its first commercial shipment to the Middle East and North Africa (MENA) with the delivery of its independently developed and manufactured trastuzumab HANQUYOU to Saudi Arabia.



# R&D Innovation

Guided by patient needs-driven strategies, Henlius prioritizes addressing the most critical unmet clinical needs through targeted R&D investments and strategic resource allocation. Anchored in advanced antibody technologies, the Company has established a pipeline of over 50 molecular entities, encompassing monoclonal antibodies, multispecific antibodies, antibody-drug conjugates (ADCs), and fusion proteins. With a therapeutic focus on oncology and autoimmune disorders, Henlius continuously refines its global clinical operations system. The Company is accelerating the advancement of immune-oncology combination therapies centered on HANSIZHUANG (serplulimab) and multiple self-developed investigational products, aiming to achieve comprehensive coverage in high-incidence malignancies such as lung cancer, colorectal cancer, gastric cancer, and esophageal squamous cell carcinoma. Concurrently, Henlius is expanding into rare disease therapeutics, with 5 orphan drug candidates and rare disease products currently launched or in R&D in multiple disease areas including oncology, chronic inflammation and neurological diseases:

| Product                             | Target                | Indication   | Progress  | ODD/Rare Disease   |
|-------------------------------------|-----------------------|--|---|--|
| HANSIZHUANG (serplulimab injection) | PD-1                  | Small Cell Lung Cancer   | ES-SCLC: Approved for marketing in over 30 countries worldwide, including the EU, with a U.S. bridging trial currently underway;<br><br>LS-SCLC: Phase 3 MRCT ongoing | Granted Orphan Drug Designation by FDA & EMA   |
| HLX22                               | HER2                  | Gastric Cancer   | Phase 3 MRCT ongoing  | Granted Orphan Drug Designation by FDA   |
| HLX208                              | BRAF <sup>V600E</sup> | <i>BRAF</i> <sup>V600E</sup> Langerhans Cell Histiocytosis (LCH) and Erdheim-Chester Disease (ECD) | Phase 2 clinical trial  | Listed in the <i>National Rare Diseases Registry</i> by China's National Health Commission (NHC) |
| HLX6018                             | GARP/TGF-β1           | Idiopathic Pulmonary Fibrosis (IPF)  | Phase 1 clinical trial  | Listed in the <i>National Rare Diseases Registry</i> by China's National Health Commission (NHC) |
| HLX99                               | Polypharmacology      | Amyotrophic Lateral Sclerosis (ALS)  | U.S. IND Approval   | Listed in the <i>National Rare Diseases Registry</i> by China's National Health Commission (NHC) |

Guided by its "internal innovation and external collaboration" R&D strategy, Henlius has been honing its innovation capabilities through a dedicated Innovation Center. This initiative aims to build a highly efficient, end-to-end drug discovery and development ecosystem spanning molecular information science, protein therapeutics discovery, translational biology, preclinical development, and biomarker discovery and validation. By strategically acquiring top-tier talent and building proprietary technology platforms, the Company is rapidly expanding its early-stage pipeline in oncology and immunology to create a differentiated product portfolio. Concurrently, Henlius is exploring and refining a deep data-driven drug discovery framework, comprehensively covering protein therapeutics and ADC molecular design to accelerate the development of innovative modalities.

Externally, the Company has forged multi-tiered strategic collaborations with global partners, actively integrating external innovation assets into its pipeline.

| Henlius x Convallife Pharmaceuticals  | Henlius x Sermonix  | Henlius x Palleon   |
|---|---|---|
| Henlius has entered a strategic collaboration with Convallife Pharmaceuticals to obtain the exclusive commercialization rights in China for its first self-developed product, Neratinib Maleate Tablets (referred to as "Neratinib"). This Neratinib product received approval from the National Medical Products Administration (NMPA) during the reporting period and was launched under the brand name HANNAIJIA. It is indicated for the extended adjuvant treatment of adult patients with early-stage HER2-positive breast cancer following adjuvant therapy with HANQUYOU (trastuzumab). | Henlius has entered into a strategic collaboration and exclusive licensing agreement with Sermonix Pharmaceuticals to collaborate on lasofoxifene in Asia. Lasofoxifene, Sermonix's lead investigational product, has demonstrated therapeutic potential in two Phase 2 clinical trials for <i>ESR1</i> -mutated ER+/HER2- breast cancer. This partnership complements Henlius' existing breast cancer portfolio, creating synergistic value. | Henlius has signed a collaboration and licensing agreement with Palleon Pharmaceuticals to co-develop and commercialize a combination therapy featuring Palleon's first-in-class sialidase fusion protein E-602 and Henlius' self-developed HANLIKANG (rituximab). The collaboration focuses on treating autoimmune diseases, including lupus nephritis (LN). |



In 2024, Henlius' total R&D investment reached CNY 1,840.5 million.



# Quality-centered

With the corporate vision to be the most trusted biopharma providing innovative and affordable medicines for all patients, Henlius has been continuously improving its product control capabilities and strengthening its internal quality and safety management system based on the relentless pursuit of high quality and attaches great importance to the safety of patients' use of medicines.

## Quality Management System

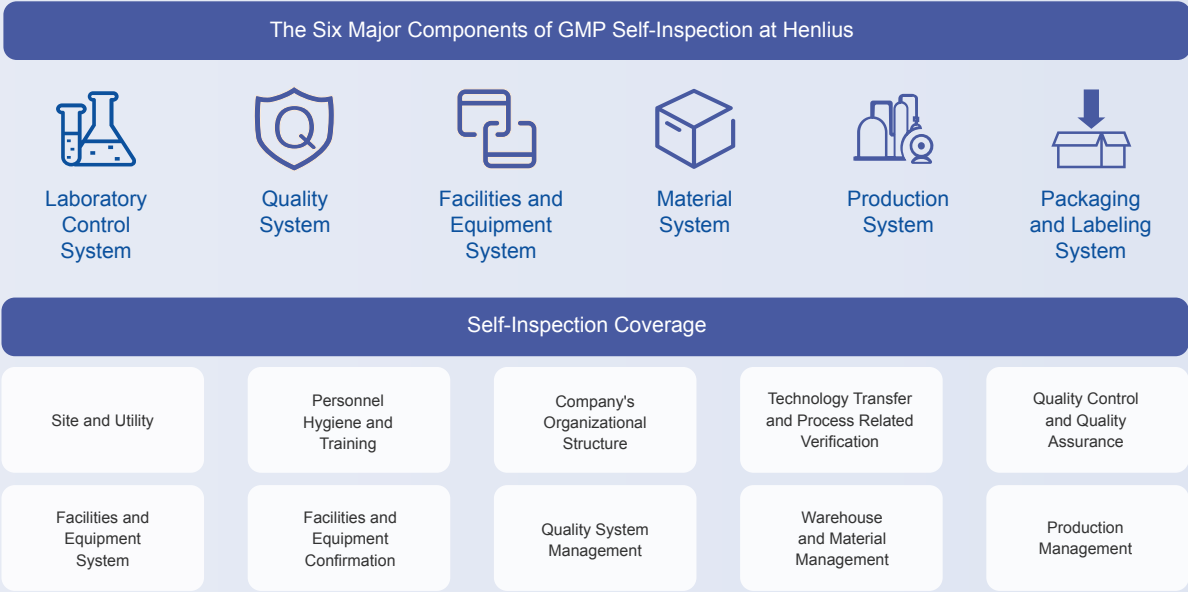
Henlius strictly adheres to a series of laws and regulations, including the *Drug Administration Law of the People's Republic of China*, the *Decision of the China Food and Drug Administration<sup>\*1</sup> on Matters Concerning Adjusting the Registration Administration of Imported Drugs*, and the *Good Manufacturing Practice for Pharmaceutical Products (2010 Revision)*. In addition to complying with Chinese standards, the Company's established quality system also incorporates global GMP standards such as those from the United States, the European Union, and the Pharmaceutical Inspection Co-operation Scheme (PIC/S). Furthermore, Henlius closely monitors the latest developments in international GMP regulations and references the most recent industry guidelines issued by key international pharmaceutical organizations, including the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH), the World Health Organization (WHO), the Parenteral Drug Association (PDA), and the International Society for Pharmaceutical Engineering (ISPE). During the reporting period, the Company introduced and revised six Quality Policy Requirements, all of which have been implemented across all employees within the GMP systems.

### Internal Inspection of Quality System

Henlius boasts an exceptional internal quality management and testing system, successfully implementing the TrackWise® Quality Management System (QMS) alongside a series of quality-related workflows, and establishes unified Deviation Management Procedure and Corrective and Preventive Actions (CAPA) Management Procedure, covering critical areas such as deviation handling, change control, CAPA, Out of Specification (OOS)/Out of Trend (OOT) test result management, complaint handling, supplier and audit management, as well as external and internal audits. To better adapt to evolving patient needs and meet the requirements of overseas regulatory agencies such as the U.S. FDA and Brazil's ANVISA, Henlius upgraded its on-line quality management systems during the reporting period. The updates included three key improvements: upgrading and optimizing the Documentum Document Management System (DMS), introducing a new GMP archival management system, and conducting periodic version upgrade assessments and supplementary validation for the ComplianceWire Training Management System (TMS).

<sup>\*1</sup>:Renamed as National Medical Products Administration (NMPA)

Henlius regularly conducts self-inspection activities. During the reporting period, the Xuhui and Songjiang facilities of Henlius carried out their annual self-inspection activities. The inspection scope covered six major quality management systems and multiple key areas, enabling a more objective identification of potential system risks. This ensures data reliability throughout the entire drug production lifecycle and the effectiveness of GMP digital management, thereby continuously enhancing the Company's quality management system.



For the target registration markets, the Henlius Xuhui Facility conducted two comprehensive gap analyses on its quality management system by engaging a third-party professional consulting firm in accordance with FDA regulatory requirements. The analyses focused on the six GMP systems and product-specific management requirements, assessing the status through on-site observations, personnel interviews, and document reviews, and subsequently proposing improvement recommendations. Meanwhile, the Henlius Songjiang facility engaged domestic and international third-party consulting firms to conduct specialized consultations and on-site mock audits based on U.S. FDA regulations, EU regulations, and relevant standards such as ISO 31485. A targeted improvement plan was then developed and all the action items closed accordingly.

### External Inspection of Quality System

As of the end of the reporting period, the commercial production facilities and associated quality management systems of Henlius have successfully undergone approximately 100 on-site inspections and audits conducted by the NMPA of China, the EMA, the U.S. FDA, PIC/S member Indonesia's Food and Drug Supervisory Agency (BPOM), Brazil's National Health Surveillance Agency (ANVISA), Qualified Persons (QP) in the European Union, as well as international commercial partners. Additionally, the Company has been awarded the highest grade, A-level, in the Shanghai pharmaceutical manufacturers' credit evaluation for four consecutive years.



# Quality Management Practice

Henlius maintains an uncompromising commitment to quality integrity, implementing rigorous controls across production environments, raw materials, manufacturing processes, and finished products to ensure comprehensive quality management throughout the entire product lifecycle from R&D to commercialization.

## Quality Testing and Control

Henlius has established a Quality Control (QC) laboratory aimed at enhancing product testing capabilities and expanding the scope of testing. The laboratory conducts precautionary testing for emerging quality/safety concerns related to all products. Its responsibilities include incoming inspections of raw materials, excipients, and packaging materials required for commercial and clinical production, in-process control testing, as well as comprehensive testing of drug substances and finished products. Additionally, the laboratory is responsible for monitoring various raw materials and equipment. The testing system is built on three core pillars: physico-chemical testing, biological activity testing, and microbiological testing, ensuring stringent control over product quality. In 2024, we achieved 100% in-house testing coverage for our products, fully guaranteeing their safety and quality.

During the reporting period, the QC laboratory at Henlius' Xuhui Facility successfully passed the on-site evaluation by the China National Accreditation Service for Conformity Assessment (CNAS) for the first time. In accordance with relevant standards, the laboratory completed the rectification of 10 items and obtained CNAS certification in the first quarter of 2025. The certification further aligns the laboratory with cGMP and CNAS standards, enhancing its internationalization and testing accuracy. The scope of this certification includes five testing categories: microbial limits, bacterial endotoxins, sterility testing, pH, and osmolality. In 2025, the Company plans to expand the CNAS certification scope of the laboratory to cover additional pharmaceutical excipient testing projects, further strengthening its testing expertise.

## Quality Training

Henlius places great emphasis on product quality and enhances quality awareness through company-wide training to ensure the delivery of high-quality products and services.

All employees are trained on product quality through online quality culture training once a year. The training provides key learning materials, including topics such as "Product Quality," and is followed by a mandatory quality culture test. This test covers 100% of full-time employees and accounts for 5% of their performance evaluation. Employees who fail the test receive a score of zero for this indicator. To further embed the quality culture, in 2024, Henlius successfully held its 6th Quality Management Month. Through an online quiz competition, the event attracted full participation and deepened employees' understanding of product quality management. Additionally, Henlius launched a series of discussions on the theme of "quality culture" via a workplace live-streaming show. The series consisted of seven episodes, with a total viewership exceeding 10,000, effectively promoting the concept of quality culture.

Henlius continuously implements its annual GMP quality training program for employees within the GMP system, who account for approximately 30% of the total workforce. Training content is systematically designed based on the previous year's execution, internal needs, and quality system operations, while adhering to national and international quality management regulations.

During the reporting period, Henlius conducted 41 specialized training sessions covering key topics such as cGMP regulatory interpretation, data integrity, environmental monitoring, inspection readiness, and regulatory submissions. The total training duration reached 124,625 hours, covering all 1,063 GMP system employees, achieving a 100% participation rate.

### Case

## Conduct Precautionary Testing for Emerging Safety Concerns

In 2024, the National Pharmacopoeia Commission issued a call for proposals for the revision of the 2025 edition of the *Chinese Pharmacopoeia*. In response, Henlius' Songjiang Facility initiated a systematic risk identification process. The QC department has completed a comprehensive gap analysis between the Company's testing methods and the draft revisions of the new pharmacopoeia and has conducted a preliminary assessment of the impact of the upgraded standards. According to the implementation plan, Henlius aims to ensure compliance with the new regulatory requirements during the 12-month transition period following the Chinese Pharmacopoeia's official implementation in October 2025. This will be achieved through process optimization, equipment upgrades, and validation of testing methods.



The total training duration reached **124,625** hours, covering all **1,063** GMP system employees, achieving a **100%** participation rate.





# Safety of Marketed Products

Henlius adheres to the principle of strict compliance with laws and regulations and has established a robust pharmacovigilance (PV) system tailored to the actual operational needs of the Company. A series of regulations and policies have been formulated, including but not limited to the *Adverse Event Reporting Policy for All Staff*, the *Adverse Event Monitoring System*, the *Adverse Event Collection, Processing and Reporting*, the *Regular Safety Summary Report*, and the *Risk Management Plan and Risk Control Plan*. Additionally, the Company has set up a global pharmacovigilance department responsible for pharmacovigilance activities for its marketed products worldwide. It has also established the Global Drug Safety Committee (GDSC) and the Benefit-Risk Council (BRC) to analyze, evaluate, and identify risks related to product safety. Once risks are identified, the Company promptly implements targeted risk control measures to comprehensively safeguard patient medication safety and minimize risks and their potential adverse impacts.

In handling adverse events, Henlius emphasizes that employees must strictly adhere to the adverse event reporting policy. The Company utilizes multiple channels, including its official website, email, a 24-hour hotline, literature, and overseas partners, to collect adverse reaction reports, thereby enhancing its rapid response capabilities to such incidents. During the reporting period, the Company conducted annual training on the adverse event reporting policy for all employees via the "Henlius Academy" on-line learning platform. The training covered topics such as the scope of product safety information, the definition of adverse events, safety information reporting channels, and time requirements. All employees were required to complete a mandatory exam to ensure that they can promptly report product safety information in the event of an adverse incident.

Upon collecting product safety information, the Company's pharmacovigilance department processes and evaluates reports in accordance with ICH guidelines, relevant national laws and regulations, and internal standard operating procedures before submitting them to global regulatory authorities. Additionally, the department continuously monitors and assesses safety signals. If any product-related safety risks are confirmed, appropriate risk control measures will be promptly implemented to ensure patient safety.

In 2024, Henlius conducted a series of professional training sessions at its Xuhui and Songjiang facilities to address issues related to defective products. The Xuhui Facility has organized requalification training for visual inspection competency and specialized training on visible foreign matter detection during visual inspection, covering employees from production and quality departments to enhance their capability in foreign matter identification. Concurrently, it has strengthened training on tri-period information (manufacturing date, batch number, and expiry date) printing and packaging verification to ensure information accuracy. The Songjiang Facility continues to improve its visual inspection database of non-conforming products with defect illustrations, conducting multiple training sessions to deepen staff understanding of product defects. It has optimized packaging operation procedures, upgraded documentation systems, and implemented weekly risk prevention training. These initiatives aim to reduce non-conforming product generation and enhance overall production efficiency.

Relying on a robust Marketing Authorization Holder (MAH) management system and framework, Henlius has expanded the contract manufacturing model for its marketed products, ensuring continuous safeguarding and stringent monitoring of the safety and quality of both self-distributed and third-party collaboration sales. To enhance the quality of healthcare services, we rigorously manage risks in health and medical services, strengthen the drug access mechanism to prevent substandard drugs from entering the market, and promptly identify and address unauthorized sales of products.

During the reporting period, the Company received one product-related complaint. Upon receiving the complaint, we promptly initiated the complaint handling process, achieving a 100% complaint resolution rate.

## Product Safety Information Collection Channels for Henlius

| Healthcare Institutions   | Pharmaceutical Enterprises  | Literature Search  |
|---|---|--|
| Primarily through Medical Science Liaison   | Include PV clauses in commercial agreements or sign a standalone PV agreement | Chinese databases: CNKI, Wanfang<br>Foreign databases: Embase, Medline     |
| Regulatory Feedback Reports   | Phone Calls and Complaints  | Post-Marketing Studies   |
| Monitor regulatory feedback reports daily and input data into the Company's safety database                               | 24-hour hotline for product and patient safety inquiries: 400-086-6800        | Reporting requirements for adverse events are specified in study protocols |
| Information Collection for Overseas Marketed Drugs  | Company Website   | Others   |
| Primarily through standalone <i>Safety Data Exchange Agreements (SDEA)</i> or by including PV clauses in other agreements | Official website provides a reporting channel to collect safety information   | Internal PV public email, data collection projects                         |

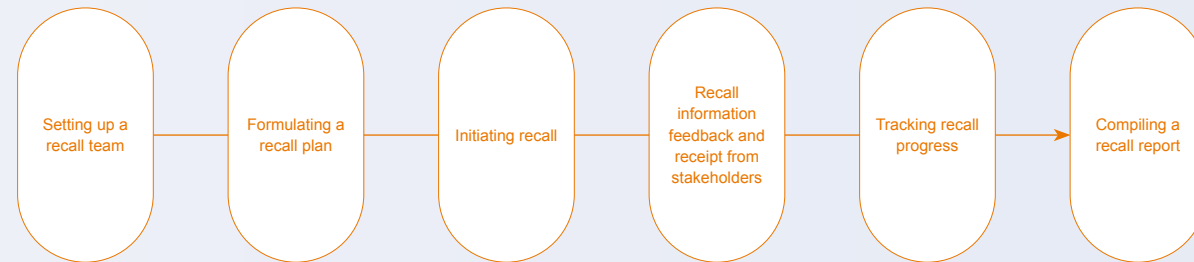


## Product Recall

In accordance with international standards such as FDA CFR Part 21 and PIC/S GMP guidelines, Henlius has developed the *Administrative Measures for Drug Recalls* to optimize its recall management system. This includes clarifying information dissemination, traceability mechanisms, and reporting timelines to ensure the swift recall and proper handling of defective products.

Henlius regularly conducts product mock recall drills, considering factors such as regulatory updates and changes in sales channels. These drills evaluate recall efficiency, identify potential risks, and formulate improvement measures, with a particular focus on assessing the timeliness and accuracy of information transmission and feedback.

### Henlius Product Mock Recall Process



During the reporting period, in accordance with the 2022 revised *Administrative Measures for Drug Recalls (2022)* and the Company's *Administrative Measures for Drug Recalls*, Henlius organized a simulated recall exercise for HLX11 Pertuzumab Injection (clinical stage). This exercise included multiple steps such as issuing recall notices, verifying inventory levels, and reconciling customer product inflow and outflow records. These actions were conducted to validate the efficiency of the Company's recall process, ensure the accuracy of information, and confirm the traceability of the entire process.

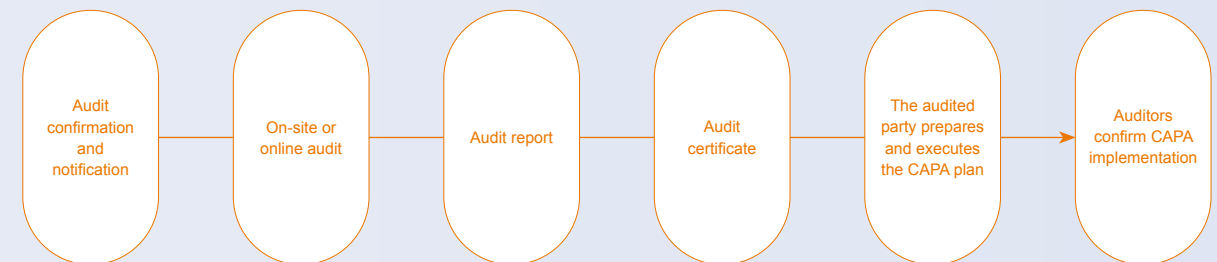
During the reporting period, Henlius has not conducted any product recalls.

## Clinical Drug Safety

Henlius regards the medication safety of patients and clinical trial participants as a top priority. The Company strictly abides by the *Pharmaceutical Administration Law of the People's Republic of China*, the *Biosafety Law of the People's Republic of China*, the *Measures for the Administration of Drug Registration of the People's Republic of China*, the *Good Clinical Practice (GCP) for Drug Trials*, the *Guideline on Good Pharmacovigilance Practices*, the *ICH-GCP guidelines*, the *(EU) Clinical Trials Regulations for Medicinal Products for Human Use* (EU CTR No.536/2014), the *U.S. Health Insurance Portability and Accountability Act* (HIPAA), relevant provisions of 21CFR clinical trial, applicable laws and regulations of the place of operation. To ensure compliance, Henlius has developed the *Clinical Research Quality Management System Manual* along with a series of internal policies, standard operating procedures (SOPs), and work instructions.

Henlius adheres to the core principle that "no trivial matter in clinical trials and the safety of subjects," placing the highest priority on protecting the privacy and safety of clinical trial participants. During the recruitment process, the Company strictly follows the Eligibility Criteria and Trial Enrollment procedures, implementing data anonymization measures to safeguard participant privacy and ensure information security. A "pre-warning mechanism of clinical reactions" has been established, and clinical trial insurance is provided for participants to ensure their safety and rights to the greatest extent. The Company commits to promptly addressing adverse reactions and providing compensation when necessary. Additionally, Henlius actively monitors and manages key documents such as investigator brochures, clinical trial drug protocol, informed consent forms, and drug instructions. These efforts assist physicians in accurately understanding drug information and tailoring appropriate treatment plans based on individual patient conditions, enabling informed decision-making and reducing the risk of adverse reactions.

### Henlius Inspection Process



In 2024, the Company successfully completed FDA and EMA GCP inspections for trastuzumab HANQUYOU and PD-1 inhibitor HANSIZHUANG.



# TALENT





# Employee Rights and Interests and Employment

## Safeguarding Employee Rights and Interests

Henlius strictly abides by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China*, as well as applicable laws and regulations and regulatory requirements of the place of operation. The Company continues to revise *Henlius Employee Handbook* and *Henlius Remuneration and Welfare Policy*, to safeguard employee rights and interests, enforce equal employment, ensure compliant employment, and provide competitive remuneration.

We prohibit all forms of illegal employment, including child labor, forced labor, discrimination, bullying, and harassment.

| In the recruitment process   | In daily management   |
|--|---|
| <ul style="list-style-type: none"><li>Strictly verify the identity of employees, formally sign labor contracts to ensure compliant employment.</li></ul> | <ul style="list-style-type: none"><li>Provide employees with anonymous reporting channels and timely investigation process, to help employees rationally complain and protect their rights.</li><li>Employees who violate regulations, interfere with investigations, retaliate, or make malicious accusations will face termination of employment, and those who break the law will be transferred to judicial authorities for legal handling.</li></ul> |

During the reporting period:

| Child Labor | Forced Labor | Discrimination | Harassment | Signing Rate of Labor Contract |
|-------------|--------------|----------------|------------|--------------------------------|
| 0 cases     | 0 cases      | 0 cases        | 0 cases    | 100%                           |

## Fostering a Diverse Talent Pool

Henlius always adheres to working with employees to create a respectful, open and inclusive working environment. We publicly released the [Diversity Policy](#), to building a culture of mutual growth, and attract talents through diversified recruitment channels.

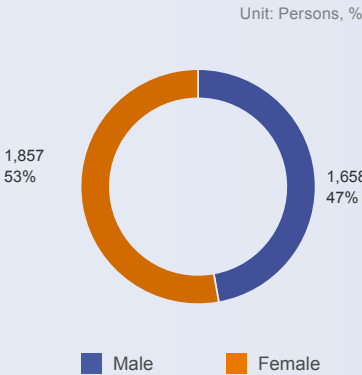
Diversified recruitment channels

|                       |   |                          |                    |                       |
|-----------------------|---|--------------------------|--------------------|-----------------------|
| On-campus Recruitment | University-Industry Cooperation and Cooperation with Community Job Center | Postdoctoral Workstation | Internal Referrals | Internal Job Rotation |
|-----------------------|---|--------------------------|--------------------|-----------------------|

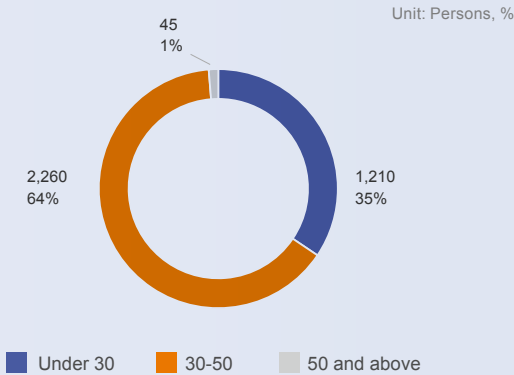
During the reporting period, our workforce composition was highly diversified, with a balanced gender ratio.

| Gender Ratio           | Disabled Employees | Overseas Employees | Rehired Employees |
|------------------------|--------------------|--------------------|-------------------|
| 53% Female<br>47% Male | 18                 | 35                 | 6                 |

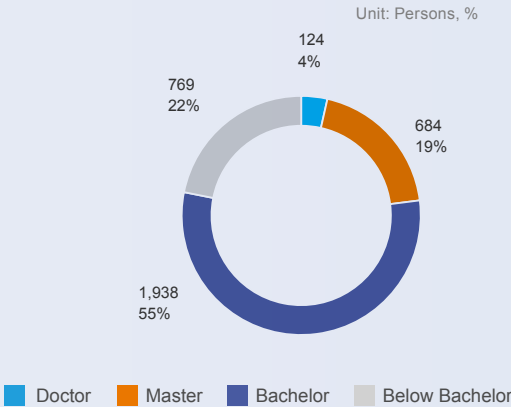
Total Number of Employees by Gender



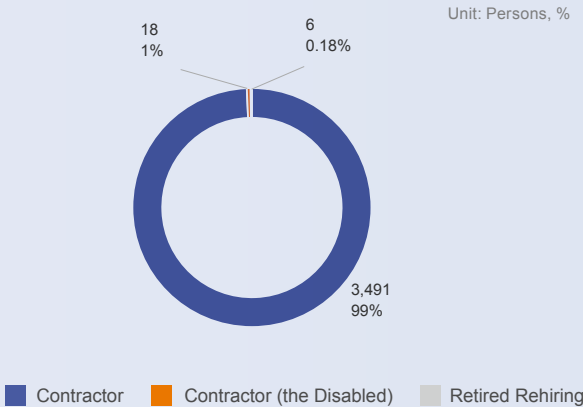
Total Number of Employees by Age



Total Number of Employees by Education Background



Total Number of Employees by Employment Type



During the reporting period, the Company was awarded Universum's "Most Attractive Employer for Chinese Graduates", a recognition based on a survey of students from 108 leading universities across China.

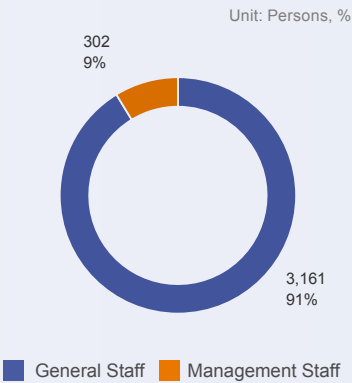


# Employee Development and Growth

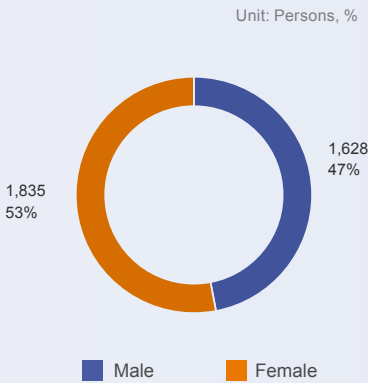
## Deep Cultivation of Talents

Henlius attaches importance to human capital development. According to the Company's development strategies, development plans and business needs, and Henlius Employee Handbook, Henlius carries out formal talent pipeline development strategy to provide employees with adequate learning opportunity.

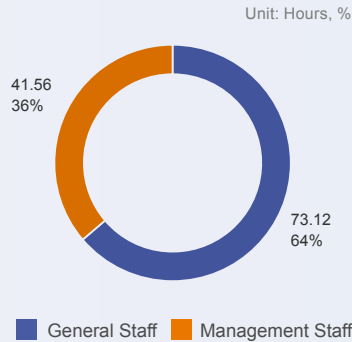
Employee Training by Banding



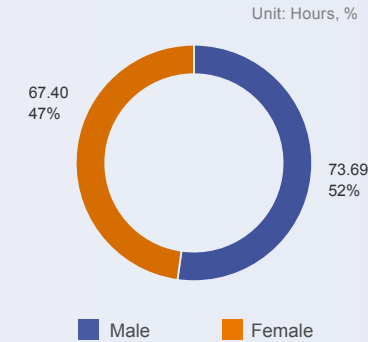
Employee Training by Gender



Average Number of Hours of Training Per Employee by Banding



Average Number of Hours of Training Per Employee by Gender



### Employee Learning and Development Projects

|                  | Sail Setting Series  | Keep Sailing Series   | Voyage Series   | Pilot Series   |
|------------------|--|---|---|--|
| Target group     | New employees  | All employees   | Managers  | Directors  |
| Curriculum focus | Helping to understand corporate culture and systems, as well as master the knowledge and skills required for their positions                             | Continuous training of role-specific hard skills, as well as improvement of soft skills   | Leadership skills training and the improvement of talent management capabilities  | The training of corporate operational capabilities, including enterprise management and strategy formulation   |
| In 2024          | <ul style="list-style-type: none"><li>New employee's orientation training comprehensively improved the new employees' professional proficiency</li></ul> | <ul style="list-style-type: none"><li>Internalized training of external course improved staffs' ability of logical expression, thinking ability and work efficiency.</li><li>"Pyramid Principles in Workplace Thinking": 200 participants, avg. score 9.87/10.</li><li>"Habits of Highly Effective Professionals": 202 participants, avg. score 9.73/10</li></ul> | <ul style="list-style-type: none"><li>"Foundational Coaching Leadership", "Crucial Conversations", "Horizontal management", and "Financial Management for Non-financial Personnel" : Enhances the new management skills and positive influence ability of team managers</li></ul> | <ul style="list-style-type: none"><li>"Cross-Functional Leadership": Enhances directors' ability to collaborate and communicate effectively across departments.</li><li>"Growth Leadership": Supports directors in maintaining a positive mindset and fostering continuous learning and development.</li></ul> |

In 2024, Henlius upgraded online learning platform "Henlius Academy" and launched a multi-tiered, practical, and comprehensive course system. Through accurate identification of learning objectives and integration of legacy and new modules, internal and external training, we help employees to set learning target and improve work efficiency.

In 2024, Henlius continued to provide job-specific development training programs, helping them develop essential skills while aligning personal growth with corporate needs. Examples include:

| Specialized Operations   | R&D  | Production   | Sales  | Quality Control   |
|--|--|--|--|---|
| Ensuring that all employees meet job qualification requirements by providing structured certification training programs, ensuring that every employee is certified before assuming their role. | Providing specialized training to enhance project management, experimental techniques, and literature research skills, empowering employees with the tools necessary for continuous professional development and high-quality performance. | Safety protocols, equipment operation, and environmental awareness training. | Product knowledge, compliant marketing strategies, and communication skills. | Regulatory compliance, quality mindset cultivation, interpretation of laws and regulations and practical operation skills training. |



Henlius carries out development programs at multiple levels in enhancing their skills and knowledge development , builds a talent gradient for leadership, and lays a foundation for the Company's long-term development.

| New Manager Bootcamp  | Front-Line Leadership Development Series   | Mid-Level Manager Development Program  |
|---|--|--|
| Designed to facilitate a smooth transition for newly promoted managers. This program focuses on core competency and management methodologies for managers. By integrating non-human resource management techniques, it equips new managers with essential tools and skills to enhance self-management, team collaboration, and operational effectiveness. | Aims to clarify role expectations for junior manager, strengthen their leadership capabilities, and improve team performance. The program cultivates managers who align with the Company's vision and demonstrate a commitment to continuous learning, laying a foundation for selecting and nurturing future mid-to-senior leadership talent. | Delivers systematic and targeted training to cultivate leaders with deep insights into China's market dynamics, a global perspective, a sense of mission, and innovative thinking. Through a "learning + application" model combining workshops and real-world projects, it elevates participants' ability to tackle business challenges and complex management issues, driving significant improvements in organizational efficiency. |

Henlius supports the long-term career planning of its employees by supporting for degree programs and certifications for all employees with business needs. The program covers many professional certifications such as Project Management Professional (PMP), the Association of Chartered Certified Accountants (ACCA), Good Clinical Practice of the China National Medical Products Administration (GCP), special equipment operation, hazardous chemicals management, precursor chemicals handling, and Professional Certified Management Accountant(PCMA). During the reporting period, 144 employees obtained qualification certifications, among which 3 were management-level employees. In addition, each department's annual budget includes a special fund to reimburse employees for expenses related to obtaining qualifications.

Case

Partners with educational institutions to develop joint training programs

In 2024, Henlius strengthened its partnership with educational institutions Yeehong Business School to deliver customized training on commercial-scale process development. Senior managers from the Cell Engineering and Process Development Department actively participated and completed a 24-hour curriculum. This program aimed to elevate employees' professional competencies and innovative thinking, ensuring the Company's competitive edge in the biopharmaceutical sector while aligning individual growth with strategic business objectives.

Case

Henlius' Graduate traineeship program

In 2024, Henlius successfully completed its one-year rotational training program for R&D graduate trainees who joined in 2023. During the reporting period, the trainees completed rotations across early-stage research and clinical development departments. They gained in-depth exposure to drug discovery and clinical R&D processes, including protein therapeutics discovery, biomarker and translational research, preclinical development, and clinical medical research. Over 10 senior experts served as rotation mentors, providing tailored guidance to help these graduates adapt to workplace.



# Enriching Talent Pool

In 2024, Henlius carried out talent review. We have verified key positions and capability requirements based on the development status of different businesses and future planning, evaluated the professional proficiency, management capability and personal professional development of key positions and some core personnel, and comprehensively mastered the talent matching of key position landscape. In 2024, key position talent pipeline reserve rate, which has continuously increased for three consecutive years, increased by 4% compared with that of 2023.

Based on identification results, the Company has taken a series of measures for further talent development.

| Common Competency Gaps  | Department-Specific Talent  | HIPO (High Potential)   |
|---|---|---|
| Organize corporate-wide training programs such as Cross-Functional Collaboration and Coaching Leadership Development. | Launch tailored capability-building initiatives like the "Duorou Program" and "πLeader" to address unique departmental needs. | <ul style="list-style-type: none"><li>Human Resource Business Partners (HRBP) collaborate with managers to design individualized career paths, with progress reviews conducted at mid-year and year-end.</li><li>Prioritize access to external courses, job rotations, role expansions, and participation in high-impact projects as key developmental resources.</li></ul> |

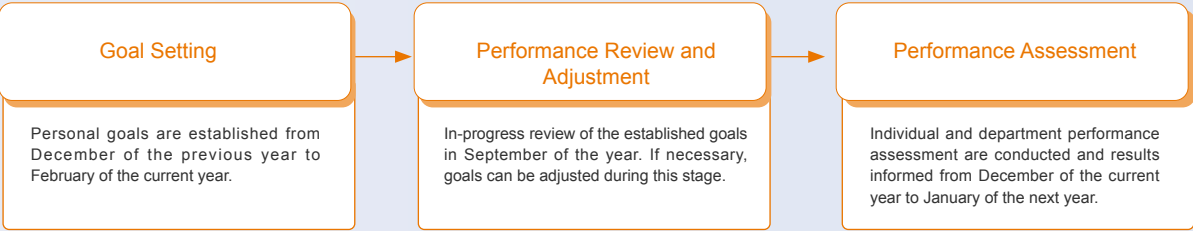
In 2024, Henlius carries out in-depth management on top-level talents and mid-level talents based on talent review results, with over 170 HIPOs.

# Employee Motivation and Care

## Optimizing Incentive Mechanism

An active and effective incentive mechanism is an important driving force for the sustainable development of employees. Henlius attaches great importance to the market salary level and local economic development, committed to providing employees with continuously competitive compensation and benefits in the industry and local areas. At Henlius, we unleash employees' potential and increase their loyalty through regular performance appraisals and feedback. In 2024, we adhere to the integration principles of the Annual Business Goal 2024 (Business Plan), Performance Measurement Baseline (PMB), and Key Performance Indicator (KPI), further refining our performance appraisal methods. We continue to follow the three-stage full-performance appraisal cycle of goal setting, performance review/adjustment, and performance assessment, and set corresponding management items at different stages.

Henlius Performance Appraisal Full Cycle



Through regular performance appraisals and feedback processes, Henlius dynamically adjusted the performance objective framework for department heads. In 2024, we categorized KPIs into four types, including business, cost control, governance, and compliance, with a focus on financial and overall effectiveness.



The Company continues Performance Improvement Plan (PIP) management guideline and a practical guide for performance management, and takes the following main performance management measures:

Managerial Upskilling

- Provide newly-appointed managers 1-2 times annually with specialized training courses on "Goal Setting and Performance Review Discussions" to rapidly enhance their performance management capabilities.
- All departments continuously update managerial skills through regular workshops, tea-time sessions, and communication meetings.
- Develop specific operational guidelines for coaching low-performing employees and organize targeted training workshops/salons.

Appeals Process

- If an employee disputes the assessment results, they may file an appeal with the HRBP within three working days of receiving the results.
- The appeal will be handled promptly by the next-level supervisor or the Human Resources Department, with results communicated in a transparent and fair manner.

The steady growth of Henlius is deeply rooted in the efforts of employees. To this end, the Company has set up several special incentive awards:

Major Contribution Project Incentive Award

In 2024, Henlius continued its "Major Contribution Project Incentive Award", covering all employees, aiming to recognize and reward exceptional teams and individuals who made significant contributions in the year. During the reporting period, over 40 projects won this award, covering over 1000 person times.

Cheering Award

In 2024, Henlius continued its "Cheering Award" program to motivate employees to practice "quality culture". The selection is conducted on a quarterly basis without a fixed number of winners, with bonus ranging from CNY 300 to 2,000. During the reporting period, a total of 612 person times of employees received the Cheering Award.

Focus on Employee Care

Caring for Employee

Henlius provides comprehensive statutory and non-statutory benefits to all employees. Additionally, the Company offers non-pay benefits such as extra commercial insurance for all active employees and their children, while outsourced staff and interns receive non-pay benefites including employer liability insurance, accident insurance, and health check-ups.

During the reporting period, Henlius introduced the "HanBaoBao" benefits program, enhancing employee welfare with services such as online video consultations, health seminars, and upgraded medical check-ups.

Employee Compensation and Benefits

| Statutory Benefits   | Non-Statutory Benefits  |
|--|---|
| <ul style="list-style-type: none"><li>◦ Leave Policies: Paid annual leave, marriage leave, bereavement leave, maternity/paternity leave, sick leave, etc.</li><li>◦ Social Insurance &amp; Housing Fund: Pension, medical insurance, work injury insurance, maternity insurance, unemployment insurance, and housing provident fund.</li></ul> | <ul style="list-style-type: none"><li>◦ Supplementary/Commercial Insurance: Accidental injury insurance, critical illness/death coverage, medical expense reimbursement.</li><li>◦ Annual health check-ups, festival bonuses, monthly subsidies (meal, communication, transportation).</li><li>◦ Team-building activities, annual corporate events.</li></ul> |

The Company integrates care into employees' daily lives through various initiatives, including access to an on-site gym, shuttle bus services, summer care packages, traditional festive meals, emergency medical kits, quarterly birthday celebrations, and monthly football activities.

Additionally, we continue to support employees in Shanghai without housing by facilitating access to talent apartments and public rental housing, offering assistance with housing information and application processes. During the reporting period, 17 employees moved into public rental housing, and 56 employees secured talent apartments.



Football Activities





## Employee Communication

To strengthen employee communications, Henlius provides fomral grievance reporting or escalation procedure guidelines in its *Employee Handbook*, accessible company-wide via the intranet. Key provisions include:

### Scope

Employees may freely raise suggestions or feedback on work processes, career development, and corporate strategy.

### Channels

Including email, corporate platform, town halls, bulletin boards, verbal/phone discussions, and written reports.

### Process

- Open Hierarchy: Employees are encouraged to communicate directly with their immediate supervisor as well as up to two levels of management.
- Grievance Reporting: If the communication outcome does not meet expectations, employees may formally file a grievance with the Human Resources Department to ensure effective issue resolution and process transparency.

We provide employees with anonymous channels for grievance reporting, and have established clear escalation procedure to ensure timely investigation and resolution, enabling employees to raise concerns appropriately and safeguarding their rights with confidence.

Additionally, during the reporting period, the Company launched the "H-Voice" Platform for all employees, aiming to establish transparent upward communication and escalation procedure. Organizational development experts were assigned to collaborate with heads of first-tier departments to ensure closed-loop follow-up and responses to all grievance reporting, while strictly protecting the confidentiality of contributors. A total of 60 employee grievances were collected during the reporting period.

During the reporting period, the Company introduced the "Lunch with the CEO" initiative to foster closer interactions and deeper mutual understanding. Other ongoing employee communication channels include:

| Initiative                                | Format             | Participants        | Agenda  |
|---|--------------------|---------------------|---|
| Leadership Face-to-face All Hands Meeting | Online & in person | All employees       | Business reviews, future outlook, and employee feedback             |
| Henlius Leadership Forum                  | In-person          | Directors and above | Strategic discussions on corporate vision and leadership priorities |

Additionally, the Company conducted an annul employee satisfaction survey based on a comprehensive engagement assessment model, leveraging an external professional agency. The results showed an average score increase of 0.24 points compared to 2023 and 0.45 points above the market average. Based on this achievement, Henlius was recognized as an HR Asia Best Companies to Work for in Asia award winner for the third consecutive year in 2024. The Company demonstrated outstanding performance across key evaluation dimensions, including openness and inclusivity, employee recognition, employee engagement, and cross-departmental communication and collaboration. Henlius' survey results surpassed both market and industry averages.



# Occupational Health and Safety

## Health and Safety Management

Henlius strictly abides by laws and regulations including the *Production Safety Law of the People's Republic of China*, the *Occupational Disease Prevention and Treatment Law of the People's Republic of China*, and internal policies such as the *Occupational Health Management System*, the *Emergency Rescue Management System*, the *Personal Protective Equipment Management System*. In the reporting period, Songjiang Facility revised its *Emergency Response Plan for Production Safety Incidents*, approved by the Emergency Management Bureau of Songjiang District, Shanghai.

In 2024, Songjiang Facility achieved significant results in occupational health and safety management, passing the ISO 45001:2018 Occupational Health and Safety Management System certification for the first time and maintaining the "A-level" rating for "Employer's Comprehensive Occupational Disease Hazard Risk Assessment" in occupational health management, reflecting its industry-leading risk control capabilities. In addition, the annual occupational disease hazard factor testing results meet the national standards of GBZ 2.1-2019 "Occupational Exposure Limits for Hazardous Factors in the Workplace - Part 1: Chemical Hazardous Factors" and GBZ 2.2-2007 "Occupational Exposure Limits for Hazardous Factors in the Workplace - Part 2: Physical Factors", ensuring a safe and compliant working environment.

During the reporting period, we had no cases of occupational diseases and achieved 100% coverage of occupational health examinations for exposure to employees in hazardous positions. Moreover, there was 0 working day lost due to work-related injuries at Henlius. There have been no deaths on duty in the past three years.

## Production Safety Culture

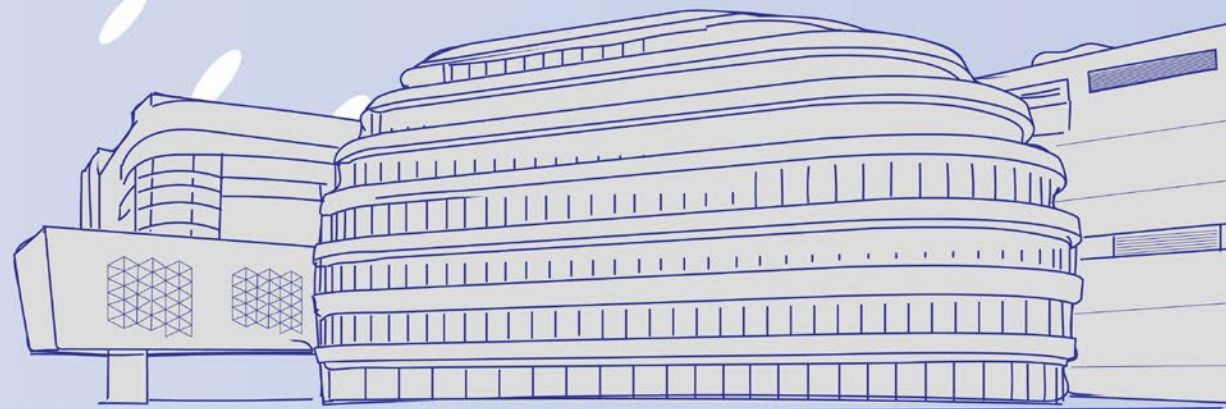
Henlius carries out various activities in diverse forms, strengthens employees' awareness of work safety responsibility and emergency response capabilities through occupational disease prevention awareness campaigns, EHS awareness month, work safety emergency drills, covering all employees.

For high-risk areas, the Company adopts professional management. To standardize the storage and handling of hazardous chemicals, we have classified chemicals based on industry-recognized standards and developed an *Incompatible Chemicals Storage Chart* that specifies prohibited co-storage combinations. This ensures rational distribution and storage of chemicals in warehouses, significantly reducing safety risks caused by improper mixing of incompatible hazardous substances, thus providing a strong safeguard for the Company's safe production operations.

To comprehensively enhance employees' awareness and capabilities in EHS, the Company organized a variety of training activities, including a total of 19 online and offline sessions for all employees:

| Activity  | Content  |
|---|--|
| "Henlius Academy" Platform  | Production facilities jointly conducted EHS training, covering environmental protection, health, and safety topics.                            |
| Special safety training on toxic and explosive chemicals safety and personal protective equipment | Programs focused on enhancing employees' knowledge of hazardous waste classification and disposal procedures.                                  |
| Occupational Health Week  | Production facilities jointly organized online training sessions integrated with reward quizzes, achieving full staff participation.           |
| EHS Month   | Xuhui and Songjiang facilities organized EHS activities addressing safety, fire prevention, environmental protection, and occupational health. |
| Flood Response Drills   | Flood response exercises tested protocols for evacuation, rescue operations, and incident reporting to refine emergency plans.                 |

**ENVIRONMENT**





# Tackling Climate Change

Henlius actively fulfills its environmental responsibilities and is committed to reducing the impact of its business operations on the environment. We have publicly released the [Environmental Management Policy](#) and, based on industry standards and our own corporate conditions, established four environmental targets<sup>\*1</sup>.

|                        |  |                           |   |
|------------------------|--|---------------------------|---|
| GHG emission reduction | Taking commercial production capacity as the unit, we promise that by 2025, our carbon emission intensity will be reduced by 15% compared with the base year of 2021 | Energy use                | Taking commercial production capacity as the unit, we promise that by 2025, our energy consumption intensity will be reduced by 15% compared with the base year of 2021   |
| Water resource use     | Taking commercial production capacity as the unit, we promise that by 2025, our water intensity will be reduced by 8% compared with the base year of 2021            | Waste discharge reduction | Taking commercial production capacity as the unit, we promise that by 2025, 100% of hazardous waste will be disposed in compliance with regulations, and our emission intensity of solid waste will be reduced by 10% |

Climate change has emerged as a critical focus of concern for all stakeholders. Henlius, while strictly adhering to the relevant policies in its operating regions, actively responds to the global ESG development trends. Guided by the Task Force on Climate-related Financial Disclosures (TCFD), Henlius is proactively advancing initiatives to address climate change. The Company is exploring and implementing strategies to mitigate, adapt to, and effectively respond to climate change, with the aim of comprehensively enhancing climate resilience.

## GHG Emissions

| Indicator                         | Unit                                    | 2022      | 2023      | 2024      |
|-----------------------------------|---|-----------|-----------|-----------|
| Scope 1 Greenhouse Gas Emissions  | Tons of carbon dioxide equivalent       | 6,480.15  | 6,908.63  | 6,531.16  |
| Scope 2 Greenhouse Gas Emissions  | Tons of carbon dioxide equivalent       | 14,683.78 | 15,064.37 | 14,239.24 |
| Greenhouse Gas Emissions          | Tons of carbon dioxide equivalent       | 21,163.93 | 21,973    | 20,770.40 |
| Greenhouse Gas Emission Intensity | Tons of carbon dioxide equivalent/Litre | 0.44      | 0.46      | 0.43      |

## Governance

Henlius has established a four-tier ESG governance structure and climate risk governance mechanism, comprising the Board of Directors, ESG Committee, ESG Steering Group, and ESG Working Group (as detailed in Section 9.1.4 "[Enhancing Strengthening ESG Governance](#)"). This framework ensures that climate change issues are integrated into corporate management processes, enabling systematic and efficient advancement of climate action initiatives.

Henlius has established a systematic and standardized management system in ESG governance and climate risk management. Moving forward, the Company will continue to strengthen ESG and climate risk management practices, while enhancing its sustainable development capabilities, thereby contributing to the realization of global sustainable development goals.

<sup>\*1</sup>: Intensity targets in terms of commercialized capacity (i.e., single-use production units).



# Risk Identification

Henlius has comprehensively initiated the identification of climate change-related risks and opportunities, further analyzing their potential impacts on the Company's strategy, operations, and financial performance. Climate change risks are categorized into physical risks and transition risks. Physical risks primarily involve direct threats to tangible assets, which are subdivided into acute risks (e.g., extreme weather events) and chronic risks (e.g., long-term temperature shifts). Transition risks focus on challenges arising from the shift to a low-carbon economy, encompassing policy and legal risks, market risks, and reputational risks, etc.

## Henlius' Climate-Related Risks

| Risk of Climate Change |                            | Risk Description   |
|------------------------|----------------------------|--|
| Physical Risk          | Acute Risk                 | Sudden extreme weather events (e.g., typhoons, heavy rain, snowstorms, thunderstorms) can directly disrupt normal production and operations, and may lead to severe consequences such as casualties and asset damage.  |
|                        | Chronic Risk               | Rising average temperatures could increase operational costs, such as higher energy consumption expenses.  |
| Transition Risk        | Policy and Regulation Risk | Stricter environmental policies introduced by national and local governments to address climate change may impose elevated requirements for energy conservation and emission reduction (e.g., energy consumption limits, stricter pollutant emission standards, stricter information disclosure requirements), thereby raising operational costs and compliance pressures for enterprises. |
|                        | Regulation Risk            | Stakeholders are increasingly focused on green, low-carbon initiatives and climate change. They may require companies to disclose climate strategies, targets, and performance data. If the quality of the Company's sustainability disclosures does not meet expectations, it could impact business performance.  |
|                        | Market Risk                | Investors and business partners are increasingly focused on corporate carbon neutrality strategies and initiatives. If the Company's climate actions or outcomes fail to meet market expectations, it may weaken its influence in capital markets and harm its brand reputation.   |

## Development Opportunities in a Low-Carbon Economy

| Resource Utilization Efficiency  | Energy Sources   | Market Strategies   |
|--|--|---|
| <ul style="list-style-type: none"><li>Technological Transformation: Develop and adopt circular economy solutions to seize industry leadership.</li><li>Production Process Optimization: Enhance energy efficiency in production processes, reduce resource consumption, and lower operational costs.</li></ul> | <ul style="list-style-type: none"><li>Renewable Energy Adoption: Conduct a comprehensive assessment of current energy usage and explore the integration of renewable energy sources into the existing energy mix to further reduce overall carbon emissions.</li></ul> | <ul style="list-style-type: none"><li>Responsible Supply Chain: Build a green and sustainable supply chain ecosystem, aligning with client strategies and demands to enhance industry competitiveness.</li><li>Waste Reduction: Introduce smaller-capacity products tailored to local market needs to minimize waste.</li></ul> |

# Risk Management

Henlius has conducted climate change risk and opportunity identification since 2021.

To ensure the stability of production and operations is not affected by extreme weather, the Company continuously improves risk management processes and implements climate risk management, adhering to pre-incident prevention and post-incident emergency measures. During the reporting period, Xuhui Facility updated the *Risk Assessment Report for Sudden Environmental Events*, *Comprehensive Emergency Plan for Sudden Environmental Events*, and *Environmental Risk Management System*, analyzing potential event scenarios and environmental consequences for each production unit under extreme weather conditions, and clarifying corresponding response measures. Songjiang Facility conducted flood prevention and emergency response tabletop drills, significantly enhancing the handling capabilities of relevant emergency teams and strengthening emergency awareness among employees.



# Strengthening Environmental Management

Henlius fully integrates environmental protection responsibilities into its entire production processes. The Company strictly complies with relevant laws and regulations, including the *Air Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, and the *Soil Pollution Prevention and Control Law of the People's Republic of China*. By continuously improving its internal management systems and rigorously controlling the environmental impact of its operations, Henlius is committed to becoming a leading environmentally friendly biopharmaceutical enterprise.

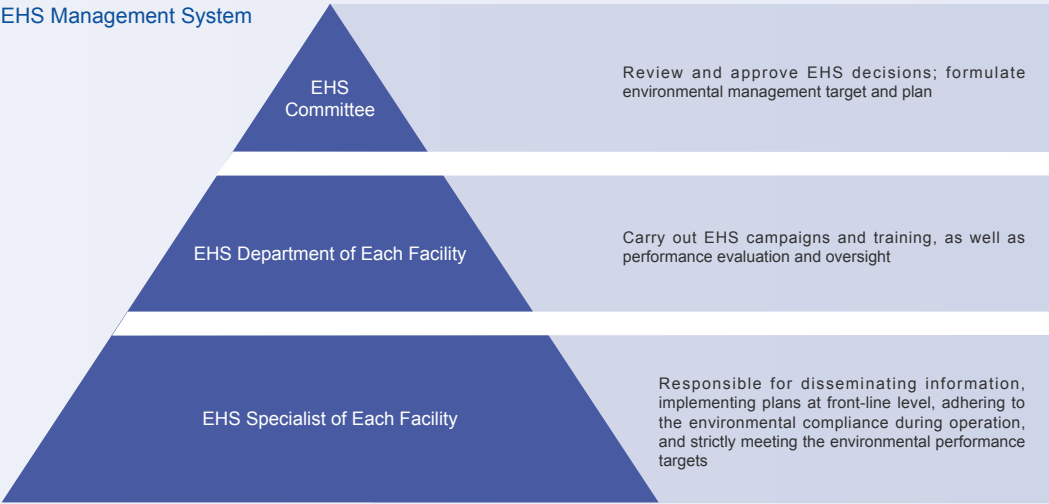
During the reporting period, Henlius invested approximately CNY 7.8445 million in environmental protection:

| 2022               | 2023               | 2024               |
|--------------------|--------------------|--------------------|
| CNY 7.5751 million | CNY 6.2421 million | CNY 7.8445 million |

## EHS Management System

We have optimized and upgraded our environmental management system in line with the Company's strategic plan, clearly defining the specific responsibilities of each level of the organization to ensure precise implementation of environmental management tasks. The environmental management structure at Henlius consists of a three-tier framework (as shown in the diagram below). The Company's Executive Director and CEO personally serves as the Chair of the Environmental, Health, and Safety Committee, bearing ultimate responsibility for the effectiveness of environmental, health, and safety management. Through this efficient and systematic management framework, we ensure that environmental, health, and safety management is integrated into every aspect of our business processes from top to bottom.

EHS Management System



As of the end of the reporting period, 50% of Henlius' operational production sites are equipped with an environmental management system certified to ISO 14001:2015, while the remaining sites are actively advancing ISO certification to fully implement environmental management system standards.

## Environmental Audits

Each year, Henlius conducts environmental compliance audits and environmental impact audit at all of its operational locations. During the reporting period, the internal audit of the EHS management system (which includes the environmental impact) achieved full coverage, with a 100% audit rate. The internal environmental impact audit of the Company covers seven key audit areas: wastewater/water resources, air quality, solid waste, soil/groundwater, noise, energy/carbon emissions, and general environmental management elements. For each environmental factor, compliance assessments were carried out during the audit process to ensure that all environmental protection requirements were effectively implemented.

| Site                                 | Timeframe          | Audit Type/Phase  | Method            | Audit Scope   | Follow-up  |
|--------------------------------------|--------------------|---|-------------------|---|--|
| Xuhui Facility                       | September 2024     | Environmental Audit   | External          | Compliance with environmental laws/regulations; management of three types of waste (gas, water, solid); effectiveness of EHS systems; pollution prevention/control; facility operations; employee training on environment protection; emergency preparedness. | All findings addressed via the <i>Hazard Rectification Process</i> , with corrective actions all completed.  |
| Songjiang Facility                   | July-December 2024 | Internal EHS System Audit & ISO 14001:2015 Stage 1/2 External Initial Certification Audit | Internal+External | Internal EHS system operations (internal audit); ISO 14001:2015 compliance (external audit).  | <ul style="list-style-type: none"><li>Internal audit findings and improvement recommendations fully resolved.</li><li>External audit completed with all improvements implemented; ISO 14001:2015 certification achieved.</li></ul> |
| Xuhui Facility<br>Songjiang Facility | December 2024      | Internal Environmental Impact Audit   | Internal          | Internal audits based on the key audit areas and elements of environmental impact internal assessment   | An audit improvement plan is developed based on the results of the self-assessment audit.  |





# Resource Management

## Energy Management

Henlius strictly adheres to relevant laws and regulations, including the *Energy Conservation Law of the People's Republic of China*. The Company has established internal policies such as the *Energy and Resource Management Regulations* and the *Energy Efficiency Standards for High-Consumption Equipment*, which are integrated into its EHS management system.

Henlius upholds the principle of sustainable development and has established a four-tier energy management system spanning "executive leadership – departments – workshops – teams." This structured approach ensures clear division of responsibilities: the Energy Leadership Team oversees strategic decision-making, the Engineering Department leads energy-saving initiatives and equipment management, the EHS Department liaises with external regulators and coordinates internal and external energy activities, while frontline departments and teams are responsible for policy implementation and execution.

The Company adopts lean management practices to promote energy conservation, appointing dedicated professionals to organize and advance energy-saving projects. A performance evaluation system links energy efficiency outcomes directly to employee performance.

### Henlius Energy-saving Initiative:

| Site               | Initiatives  | Outcomes   |
|--------------------|--|--|
| Songjiang Facility | Energy-saving retrofitting projects led by the Engineering Department in 2024, with cross-functional collaboration: <ul style="list-style-type: none"><li>Optimized equipment operation logic to ensure optimal load performance.</li><li>Reduced peak energy usage by minimizing active equipment.</li><li>Upgraded fixed-speed to variable-frequency drives (VFDs) for low-load equipment, reducing power consumption.</li><li>Installed automated start-stop systems to cut standby energy waste.</li><li>Implemented non-production period energy management protocols.</li><li>Optimized water-for-injection (WFI) distribution by switching from cold to thermal circulation, avoiding temperature fluctuations during idle periods.</li></ul> | Achieved energy cost savings of CNY 1.16 million year-on-year.           |
| Xuhui Facility     | <ul style="list-style-type: none"><li>Regular inspection and maintenance of steam traps to reduce industrial steam leakage.</li><li>Modified the purified water preparation system to operate only during production, saving water resources while ensuring quality through periodic flushing.</li><li>Shut down air handling units (AHUs) in idle cleanrooms, with pre-restart sanitization.</li><li>Adjusted winter humidity setpoints to reduce steam consumption.</li></ul>  | Direct energy consumption decreased by approximately 11.5% year-on-year. |

During the reporting period, the Xuhui Facility successfully passed the Xuhui District's 2023 Energy Conservation Target Responsibility Assessment for key energy-consuming units in the industrial and communications sectors, ranking among the top five performers in the district.

During the reporting period, the Xuhui Facility completed a comprehensive upgrade of the steam trap pipeline in the boiler room's steam distribution system. By replacing inefficient traps with high-performance models, steam leakage was resolved, significantly improving system efficiency and reducing natural gas consumption by 5.53% year-on-year.

### Energy Use

| Indicator                   | Unit     | 2022       | 2023       | 2024       |
|-----------------------------|----------|------------|------------|------------|
| Purchased Electricity       | kWh      | 25,747,474 | 26,414,814 | 26,536,047 |
| Natural Gas                 | m³       | 2,989,137  | 3,183,287  | 3,007,232  |
| Gasoline                    | Litre    | 7,738.90   | 11,680.58  | 13,125.95  |
| Direct Energy Consumption   | GJ       | 114,098.12 | 121,616.50 | 114,955.73 |
| Indirect Energy Consumption | GJ       | 92,690.91  | 95,093.33  | 95,529.77  |
| Total Energy Consumption    | GJ       | 206,789.02 | 216,709.82 | 210,485.50 |
| Energy Intensity            | GJ/Litre | 4.31       | 4.51       | 4.38       |

## Water Resource Management

Henlius strictly adheres to the *Water Law of the People's Republic of China* and local regulations, integrating efficient water use into production practices. The Company has implemented water recycling initiatives, including reusing reclaimed water for cooling tower replenishment and optimizing purified water system utilization. At the Xuhui Facility, RO membranes were replaced and restored to operation in January 2024. These measures reduced total water consumption by 5.93% during the reporting period. Additionally, technical optimizations improved single-cycle water efficiency, reducing total recirculation water demand by 27.86% year-on-year.

We also conduct regular inspections of equipment across all production sites to prevent leaks and water loss, ensuring efficient water usage and minimizing waste caused by equipment aging.

### Water Consumption

| Indicator               | Unit     | 2022    | 2023    | 2024    |
|-------------------------|----------|---------|---------|---------|
| Total Water Consumption | m³       | 236,195 | 259,437 | 244,058 |
| Water Intensity         | m³/Litre | 4.92    | 5.40    | 5.08    |



Lean Production

Henlius advocates for lean manufacturing by eliminating waste, optimizing processes, and reducing non-value-added activities to maximize resource efficiency. The Company emphasizes fostering a lean management mindset among employees and continuously implements improvement initiatives. In 2024, Henlius upgraded its *Lean Project Management Process and Incentive System*, rewarding employees based on project outcomes to further enhance lean manufacturing capabilities. During the reporting period, Henlius completed 230 lean management projects, generating a total annual benefit of approximately CNY 35 million.

Meanwhile, the lean production concept has also been integrated throughout our process development. The following measures have been implemented:

| Two-step chromatography process optimization   | Computational druggability assessment   | Ultrafiltration and bulk formulation optimization  |
|--|---|--|
| By continuously optimizing downstream purification processes, we have streamlined purification steps while ensuring product quality, successfully implementing a two-step chromatography process. During the reporting period, for process development projects where these optimizations were applied, the average batch production yield increased by 21%. | By incorporating computational biology methods for druggability assessment, a total of 11 projects were evaluated during the reporting period. Through formulation simulation, we identified high-stability molecules, optimized the development process, and reduced the number of screenings. As a result, formulation development time was shortened from a maximum of 3.5 months to 1.5 months. | Through continuous optimization of the ultrafiltration concentration process and drug substance formulation, the stability of antibody molecules under high-concentration conditions has been enhanced, successfully improving the protein concentration of the drug substance in the project. During the reporting period, the drug substance concentration in 3 projects achieved a 2- to 8-fold increase compared to the original process, resulting in an average reduction of approximately 67% in drug substance volume. |

Green Office Practices

Henlius is committed to continuously optimizing resource efficiency and advancing resource-conserving development. We uphold the core concept of "green office" and deeply integrate it into management systems and employee education. In 2024, we continued to implement the following measures:

Energy Conservation Measures

- Office air conditioning temperature control: Set to ≤26°C in summer and ≥20°C in winter.
- Seasonal adjustment of outdoor lighting schedules at production facilities: Earlier activation in winter, delayed activation in summer.
- Digital reminders in public areas prompt the last employee leaving to turn off air conditioning, power sources, and doors/windows.

Resource Efficiency & Recycling

- Paperless office initiatives: Launched the Didi Enterprise platform to centrally manage employee transportation needs, eliminating paper-based reimbursement processes and invoices.
- Double-sided printing and reuse of scrap paper; office supplies (e.g., binder clips, paper clips) are recycled, collected by the Finance Department, and redistributed to public areas.
- Priority procurement of refillable products (e.g., pen refills, fragrance diffuser refills).
- Streamline the use of low-value consumables (such as shredders, water dispensers, coffee machines, etc.) across all workplaces to ensure efficient utilization and avoid excess inventory.

Reduction of Single-Use Items

- Reusable mugs provided in office areas, fully replacing disposable paper cups.

Packaging Material Management

Henlius is guided by the principles of "valuing resources, reducing energy consumption, and promoting sustainable development." We strictly comply with local regulations and systematically optimize the full lifecycle management of packaging materials. On one hand, we innovate production processes to reduce material usage and enhance resource efficiency; on the other hand, we drive lightweight upgrades across the entire chain of packaging design, production, and transportation to minimize material consumption.

During the reporting period, the total volume of packaging materials used by Henlius was 268.68 tons.



# Emissions Management

Henlius firmly adheres to all applicable laws and regulations, as well as internal corporate policies, to ensure that wastewater, air emissions, and waste disposal fully comply with regulatory standards, achieving 100% compliance.

## Waste Gas Emissions Management

Henlius strictly complies with national and local environmental regulations and industry standards, including but not limited to:



National: *Emission Standards of Air Pollutants for the Pharmaceutical Industry (GB 37823-2019)*;

Shanghai-Specific:

- *Emission Standards of Air Pollutants for the Pharmaceutical Industry (DB31/310005-2021)*,
- *Integrated Emission Standards of Air Pollutants (DB31/933-2015)*,
- *Emission Standards of Odorous Pollutants (DB31/1025-2016)*,
- *Emission Standards of Air Pollutants for Boilers (DB31/387-2018)*.

Building on this foundation, Henlius continuously explores and implements more efficient and environmentally friendly emission treatment technologies, striving to exceed legal requirements and achieve superior environmental performance.

During the reporting period, we updated and revised the *Air Pollution Prevention and Control Management System* and the *Environmental Facility Management System*, refining full-process management requirements for waste gas emissions, strengthening control of key pollutants, and establishing a scientific and systematic emission control framework. Specific measures implemented include:

| Site/Project                           | Initiatives  | Images  |
|--|--|---|
| Xuhui Facility QC Laboratory           | Installed 17 capture hoods to convert fugitive emissions into point source emissions collection (collection efficiency: ~95%). Treated waste gas via modified activated carbon adsorption process and emitted via elevated stacks (removal efficiency: ~60%).  |  |
| Songjiang Facility Waste Gas Treatment | The activated carbon adsorption system for exhaust gas treatment has been optimized and upgraded, with differential pressure monitoring devices installed to enable real-time tracking of the inlet-outlet pressure differential. The system maintains the differential pressure within 2.5 kPa, ensuring compliance with EHS operational requirements and guaranteeing effective contaminant removal efficiency of the adsorption unit. |  |

### Exhaust Gas Emissions

| Indicator                                   | Unit | 2022 | 2023 | 2024 |
|---|------|------|------|------|
| Nitrogen Oxide (NOx) Emissions              | Ton  | 0.30 | 1.10 | 1.17 |
| Sulfur Dioxide (SO <sub>2</sub> ) Emissions | Ton  | 0.01 | 0    | 0.02 |
| Non-Methane Total Hydrocarbons (NMTHC)      | Ton  | 0.21 | 0.18 | 0.16 |
| Particulate Matter (PM) Emissions           | Ton  | 0.03 | 0.01 | 0.01 |

## Wastewater Discharge Management

Henlius strictly complies with local regulations and industry standards, including Shanghai's *Emission Standards of Pollutants for the Biopharmaceutical Industry (DB31/373-2010)* and *Integrated Wastewater Discharge Standard (DB31/199-2018)*, and adheres to its internal *Wastewater Discharge Management Regulations* to ensure compliant treatment and discharge.

During the reporting period, Henlius updated multiple management systems, including the *Water Pollution Prevention and Control Management System*, *Environmental Facility Management System*, *Wastewater Treatment Management System*, and *Wastewater Treatment System Management System*. These revisions refined full-process wastewater discharge requirements, strengthened control of key pollutants, and enhanced facility management.

Specific Measures Taken:

| Site               | Initiatives   | Outcomes  |
|--------------------|---|---|
| Xuhui Facility     | Added a dissolved air flotation (DAF) unit to the Phase II wastewater treatment station.  | Effectively removed pollutants such as total phosphorus (TP) and suspended solids (SS) from wastewater. |
| Songjiang Facility | Installed and commissioned a chemical phosphorus removal system for wastewater treatment. | Significantly reduced total phosphorus (TP) concentrations in wastewater.                               |

### Wastewater Discharge

| Indicator                             | Unit | 2022       | 2023       | 2024       |
|---------------------------------------|------|------------|------------|------------|
| Industrial Wastewater Discharge       | Ton  | 110,371.05 | 123,742.34 | 145,289.08 |
| Chemical Oxygen Demand (COD)          | Ton  | 5.82       | 5.04       | 5.75       |
| Ammonia Nitrogen (NH <sub>3</sub> -N) | Ton  | 0.18       | 0.04       | 0.08       |



## Waste Management

Henlius strictly complies with local regulations, including:

- *Standard for Pollution Control on Hazardous Waste Storage* (GB 18597-2023),
- *Technical Specifications for Collection, Storage and Transportation of Hazardous Wastes* (HJ 2025-2012),
- *Standard for Pollution Control on the Storage and Landfill Site of General Industrial Solid Wastes* (GB 18599-2020).

During the reporting period, the Company updated its *Solid Waste Management Procedures* and the appendix *Solid Waste Generation Points and Disposal Methods*, adjusting departmental responsibilities and waste treatment requirements to further standardize hazardous waste management. Detailed requirements for classification, packaging, and other aspects were clarified.

During the reporting period, Xuhui Facility enhanced its hazardous waste management by upgrading the temporary storage warehouse beyond routine maintenance. Key improvements included installing HD surveillance cameras and access control systems both inside and outside the facility, modifying entrance slope designs to prevent liquid leakage in emergencies, and fully implementing an electronic labeling system in 2024 as mandated by the updated *Standard for Pollution Control on Hazardous Waste Storage (GB 18597-2023)*. This digital transformation has enabled real-time tracking of all hazardous waste through the national management platform, ensuring traceability from registration and warehousing to disposal, thereby strengthening regulatory compliance and operational transparency.

Additionally, Henlius expanded waste recycling initiatives during production. During the reporting period, the Company continued to carry out recycling and disposal projects for waste engine oil and waste cardboard::

| Waste Type      | Disposal Volume (Ton) | Objective/Outcome   |
|-----------------|-----------------------|---|
| Waste Oil       | 0.14                  | Reduced incineration disposal, minimizing environmental impact. |
| Waste Cardboard | 18.32                 | Compliant disposal to promote resource recycling.               |

### Solid Waste Discharge

| Indicator                            | Unit      | 2022   | 2023   | 2024   |
|--------------------------------------|-----------|--------|--------|--------|
| Total Domestic Waste                 | Ton       | 336.33 | 115.01 | 127.27 |
| Total General Industrial Solid Waste | Ton       | 297.19 | 300.68 | 347.17 |
| Total Hazardous Waste                | Ton       | 221.76 | 226.97 | 498.71 |
| Hazardous Waste Intensity            | Ton/Litre | 0.005  | 0.005  | 0.01   |
| Total Solid Waste                    | Ton       | 855.27 | 642.66 | 973.15 |
| Solid Waste Intensity                | Ton/Litre | 0.02   | 0.01   | 0.02   |

**SOCIAL**





# Supply Chain Management and Development

Henlius is committed to building a sustainable supply chain system, continuously optimizing full lifecycle management mechanisms, strengthening risk management and control, and establishing long-term strategic partnerships with high-quality suppliers. During the reporting period, Fosun Pharma Group has joined the Pharmaceutical Supply Chain Initiative (PSCI) as an Associate Member, collaborating with partners to drive the construction of responsible value chains, achieve excellence in safety, environmental, and social outcomes, and contribute actively to the development of the global pharmaceutical and healthcare value chain.

## Supplier Qualification

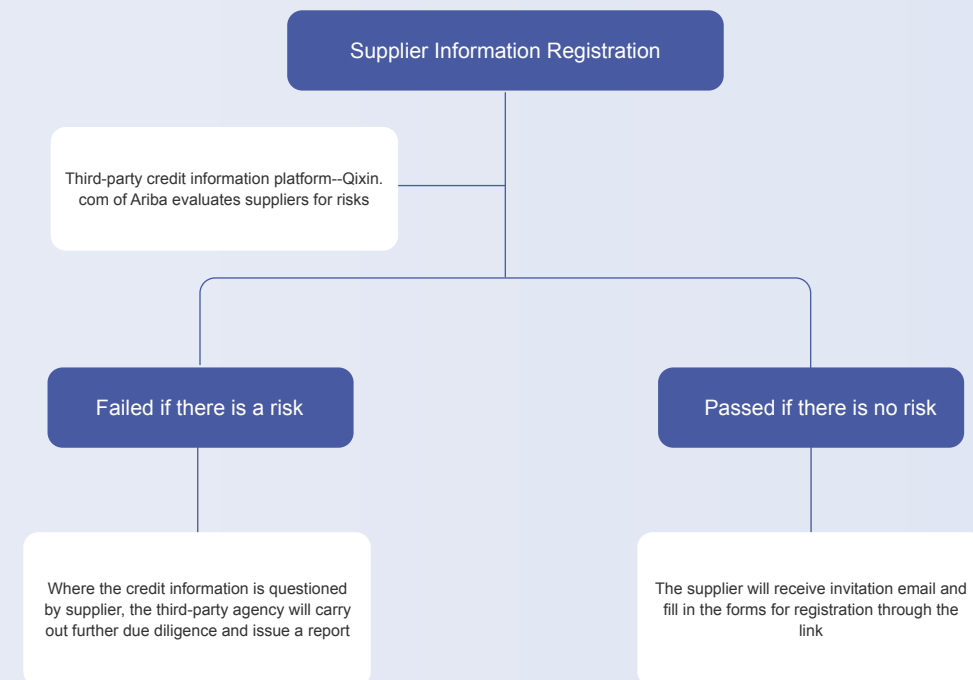
Henlius categorizes suppliers into direct procurement suppliers (providing production materials such as raw materials, excipients, and packaging) and indirect procurement suppliers (supplying non-production materials and services).

The Company maintains stringent standards for supplier onboarding. All suppliers must undergo rigorous certification processes.

For direct procurement suppliers, Henlius implements a risk-tiered management strategy, conducting differentiated audits based on quality risk levels. High-risk Tier A suppliers are subject to 100% on-site quality audits, corrective action tracking, and revalidation. Additionally, the Company has fully adopted framework agreements with dedicated quality clauses, which all direct procurement suppliers must sign. During the reporting period, Henlius has 202 qualified direct procurement suppliers, including 56 Tier A suppliers, 117 Tier B suppliers, and 29 Tier C suppliers.

For indirect procurement suppliers, Henlius conducts due diligence procedures. The Company has successfully deployed and operated the SRM-Ariba Procurement Management System (referred to as the Ariba System), which enables end-to-end digital procurement, streamlines processes, enhances transparency, and significantly improves procurement and supplier management efficiency. In addition to leveraging the Ariba System's built-in supplier registration mechanism, Henlius conducts detailed investigation reports for medium- to high-risk supplier categories. During the reporting period, the Compliance Department completed due diligence for 42 suppliers.

### Supplier Registration and Inclusion Management Process on Ariba System







# Post-Qualification Management

Henlius continuously strengthens supplier management in accordance with a series of regulatory documents, including the *Supplier Code of Conduct*, *Supplier Management Procedures*, *Supplier Management Processes*, and *Procurement Management System*. During the reporting period, for direct procurement suppliers, we updated the Supplier Management System and Direct Procurement Management System, enhancing the Supplier Relationship Management (SRM) process by introducing periodic review meetings for strategic and key suppliers to promptly evaluate and adjust collaboration strategies. We refined performance evaluation criteria for GMP material suppliers and key suppliers, adopting a more scientific and comprehensive approach to assess supplier performance and drive overall supply chain improvement. For indirect procurement suppliers, we updated the Indirect Procurement Management System, including establishing a full lifecycle on-site evaluation mechanism for suppliers, with a focus on high-risk areas of GMP/GLP/GCP compliance.

During the reporting period, Henlius has a total of 880 suppliers, representing a 18.28% year-on-year increase.

Supplier Distribution by Region

Unit: Company

| East China | North China | South China | Northwest China | Southwest China | Central China | Northeast China | Hong Kong, Macau, Taiwan | Overseas |
|------------|-------------|-------------|-----------------|-----------------|---------------|-----------------|--------------------------|----------|
| 632        | 102         | 26          | 3               | 13              | 12            | 5               | 10                       | 77       |

To further improve supply chain efficiency and quality, the Company has established a visual supply chain traceability system. This system, equipped with a BI platform, enables real-time monitoring of key metrics such as order fulfillment rates and supplier activity levels, achieving end-to-end digital management from procurement to delivery. The system supports real-time status tracking and risk alerts, significantly enhancing supply chain transparency and operational efficiency.

The Company implements rigorous periodic audit measures. For example, for direct procurement suppliers, audits cover dimensions such as supplier performance, material quality, after-sales service, product pricing and the suppliers' audit mechanisms for their sub supplier facilities and processes. For suppliers failing to meet audit standards, specific corrective actions are provided and tracked to ensure closed-loop management.

## Audit Result Handling Procedures

| Excellent  | Satisfactory  | Unsatisfactory  |
|--|---|---|
| 90-100   | 80-89   | 80 and under  |
| <div>If a supplier is evaluated as an outstanding supplier for two consecutive years, consideration may be given to extending the onsite audit for an additional year or converting the onsite audit to a written audit.</div> | <div>If the supplier meets the expected performance, normal procurement will proceed.<br/>For any identified deficiencies, feedback will be provided to the supplier for corrective action, with follow-up during the next annual assessment.</div> | <div>If the supplier's performance is below expectations, a review of the causes for underperformance will be conducted. Based on the assessment, the following actions may be considered:<ul style="list-style-type: none"><li>◦ Increase the audit frequency in the periodic audit plan or upgrade the annual audit method to trigger a cause-based audit (e.g., converting a written audit to an onsite audit).</li><li>◦ Temporarily freeze the supplier until effective improvements are made.</li></ul></div> |

# Sustainable Supply Chain

In 2024, the Company continued to adhere to Fosun Pharma's guiding principles for green supply chains, further deepening its sustainable procurement strategy. Core suppliers within the GMP system are required to sign the *Green Supply Chain Clauses* when establishing partnerships. As of the end of the reporting period, 80% of direct procurement suppliers have completed the signing of green supply chain clauses.

The Company has strengthened supplier environmental responsibility by integrating sustainability requirements into the *Supplier Code of Conduct*, encouraging suppliers to adopt eco-friendly products and services. Through collaborative innovation, the Company explores emission reduction solutions across the supply chain, promotes green logistics practices, and accelerates the development of a green supply chain system.

## Logistics Energy Conservation and Emission Reduction Measures:

| Transportation Logistics  | Transportation Routes   | Transportation Packaging  |
|---|---|---|
| <ul style="list-style-type: none"><li>◦ Use of electric refrigerated trucks</li></ul> | <ul style="list-style-type: none"><li>◦ Consolidate suppliers to reduce transportation-related carbon emissions</li><li>◦ Explore maritime shipping routes</li><li>◦ Optimize routes for overseas suppliers</li></ul> | <ul style="list-style-type: none"><li>◦ Reuse packaging materials</li><li>◦ Optimize cargo packing to improve vehicle load efficiency</li></ul> |

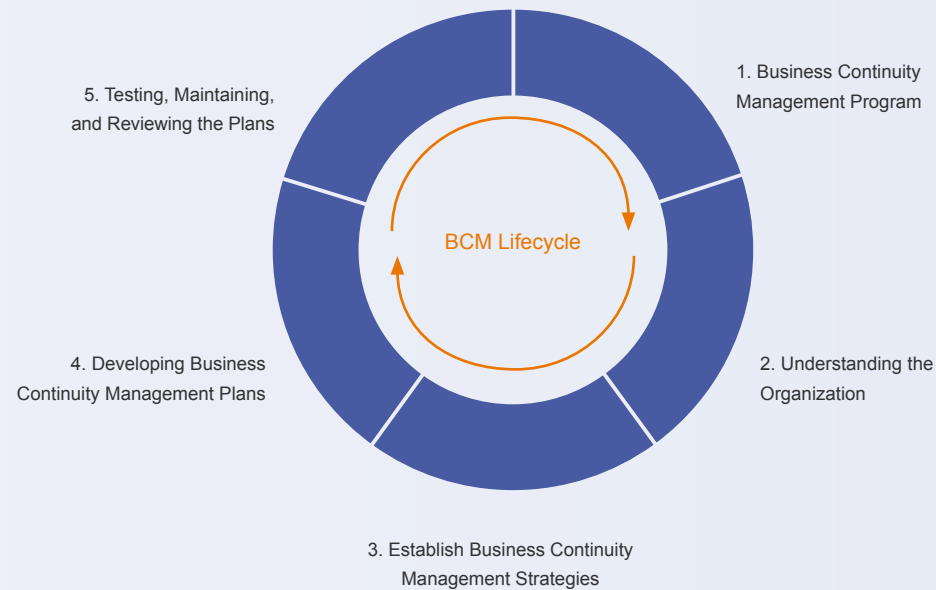
The Company emphasizes the social responsibility values of suppliers, firmly opposing and resisting any unethical business practices. The Supplier Code of Conduct is strictly enforced as a mandatory requirement for supplier qualification.

Additionally, the Company conducts targeted reviews of supplier management system certifications, including ISO 9001 Management Certificates and ISO 14001 Environmental Management System Certificates, and maintains backup copies of the corresponding qualification documents.



## Supply Chain Stability and Localization

The Company has established a Business Continuity Management (BCM) system for supply chain operations, enhancing supply chain resilience and ensuring business continuity through risk assessment, preventive mechanisms, and emergency response procedures. This system encompasses risk identification, contingency plans, and recovery mechanisms, minimizing the impact of supply chain disruptions on business operations.



The Company has implemented a localization initiative for imported materials, building a robust domestic supply chain system through multi-dimensional evaluations (supply risk, procurement cost, local supplier technology, and material quality) and a rigorous introduction process (sourcing, technical validation, and system integration). This strategy extends to the R&D phase, creating an integrated "R&D-commercial production" localization model, significantly enhancing supply chain autonomy, reducing single-source risks, and ensuring production sustainability.



Proportion of localized suppliers introduced into the GMP system  
**80%**

Number of localized suppliers for critical materials **44**

Proportion of localized suppliers introduced into projects **61%**



Reduction in procurement costs  
Approximately CNY **55.65** million

During the reporting period

## Supplier Communication

To address challenges faced by suppliers more effectively, Henlius provides customized solutions through online training, platform exchanges, and other channels, ensuring all suppliers are fully informed and understand critical documents such as the *Supplier Code of Conduct*.

### Case

#### Annual Technical Exchange with Strategic Supplier

In September 2024, Henlius and Sepax Technologies co-hosted the Annual Strategic Supplier Technical Exchange Summit, bringing together management teams and experts from quality control, production, R&D, and supply chain departments. The event reviewed the progress of the chromatography resin commercialization collaboration and facilitated in-depth discussions on technical challenges.





# Building a Caring Community

Henlius remains committed to social responsibility by leveraging its expertise to address societal needs. Guided by its patient-centric philanthropic philosophy, the Company focuses on three pillars: improving grassroots healthcare access, supporting cancer patients, and public health education. Additionally, Henlius actively engages employees in volunteerism through its "Lanjinglin" Volunteer Service Platform, which was awarded the "Philanthropy Star" at the 7th ONE FOSUN Charity Week in 2024. During the reporting period, the Company donated a total of CNY 134.84 million.

Henlius actively implements its patient-centric philanthropic philosophy, channeling societal goodwill to launch innovative public welfare initiatives. In 2024, the Company prioritized and organized several impactful campaigns, including the "Pink Power" Breast Cancer Care Initiative and the 2024 Love Lung Charity Ride, among other highlights.

## Case

### "Pink Power" Breast Cancer Care Initiative

Co-organized by Shanghai Fosun Foundation and Shanghai Angelcare Cancer Care Center, this event took place on June 13, 2024, at Shanghai's Xuhui Riverside. Approximately 100 breast cancer patients, health advocates, and volunteers participated in outdoor activities to promote mental and physical recovery, raise awareness about breast health, and foster a supportive social environment for women.



## Case

### 2024 Love Lung Charity Ride

The event was held on November 23 in Songjiang, Shanghai. Hosted by Henlius and supported by the Shanghai Fosun Foundation and Fosun Pharma, the event aligned with the theme of International Lung Cancer Awareness Month. It attracted over a hundred participants, including medical professionals, media representatives, cycling enthusiasts, and volunteers.



# Industry Collaboration and Development

Henlius advances the high-quality development of the pharmaceutical industry through collaboration and innovation. The Company deepens partnerships with leading enterprises, universities, and research institutions. Its executives hold key roles in domestic and global industry committees, contributing to policy advocacy, trend analysis, and market development. In 2024, Henlius participated in high-profile international exhibitions such as the BIO International Convention and CPhI Milan, driving global pharmaceutical innovation.

During the reporting period, Henlius actively participated in the development of industry and local standards for pharmaceutical production and quality, contributing to the advancement of technical capabilities and product quality:

Completed the formulation of the industry standard: "Leak Testing Method for Single-Use Processes in Pharmaceuticals: Pressure Decay Method."(T/SHBX 012-2024)

Contributed to the drafting of the group standard "Digital Traceability System Construction and Operational Guidelines for Pharmaceutical Production" (DB31/T 1400-2023)

During the reporting period, Henlius participated as one of four pilot enterprises in the Shanghai Medical Products Administration's "AI+ On-Site Supervision" initiative. This project leverages machine vision, machine learning, and other technologies to monitor and trace data related to drug production, storage, and transportation environments. It provides early warnings for anomalies, promptly identifies potential safety risks, and enhances regulatory efficiency.

Additionally, Henlius expanded collaborations with hospitals and research institutions globally through joint projects, clinical studies, and technology partnerships. These efforts aim to explore the clinical efficacy of novel therapies and better address unmet clinical needs for patients worldwide.



# **CORPORATE GOVERNANCE**





# Corporate Governance and Management

## Board Structure

Henlius continues to enhance the independence, professionalism, and diversity of its Board of Directors. In the reporting period, the board of directors consists of 11 members, including:



## Board Operation

The Company has five committees: the Audit Committee, the Remuneration Committee, the Nomination Committee, the Strategy Committee, and the Environmental, Social and Governance Committee (ESG Committee). Each committee member strictly implements his or her respective duties and functions to ensure sustainable and healthy corporate development.

During the reporting period, the meetings of the Board's specialized committees were held as follows:

| Committee              | Meetings held |
|------------------------|---------------|
| Audit Committee        | 5             |
| Remuneration Committee | 1             |
| Nomination Committee   | 4             |
| Strategy Committee     | 3             |
| ESG Committe           | 1             |

During the reporting period, General Meeting of Shareholders, Board Meeting and Supervisory Meeting:

| Number of Meetings Held |    | Meeting Overview   |
|-------------------------|----|--|
| Board Meeting           | 17 | A total of 65 resolutions were considered, which primarily included: business development (BD) transactions, connected transactions, financial loans/guarantees, personnel-related matters (primarily including the appointment of new senior executives), matters related to periodic reports, establishment of subsidiaries, and matters related to privatization. |
| Supervisory Meeting     | 6  | A total of 15 resolutions were considered, which primarily included matters related to periodic reports, the appointment of external auditors, and matters related to privatization.   |
| Meeting of Shareholders | 4  | A total of 25 resolutions were considered, which primarily included matters related to the amendment of the articles of association, annual matters, and connected transactions.   |

The company has proactively established a performance evaluation system to link executives' pay to business performance, with periodic revisions and refinements implemented based on practical outcomes.

## Risk Management

Henlius places a high emphasis on risk management and internal control to address various potential crises and emergencies. The Crisis Management Committee and working groups strictly adhere to the *Crisis Management System*, follow the three principles of "promptness, comprehensive, and objectivity", and conduct comprehensive monitoring, assessment, resolution, and post-event review of potential crises. Building on this foundation, we have established a "Three Lines of Defense" risk management framework in accordance with the COSO Enterprise Risk Management (ERM) guidelines:

| Business departments   | Crisis Management Committee   | Audit Committee  |
|--|---|--|
| Identify risks and report them to the Crisis Management working groups | Assess the significance of risks and establish working groups to address them | Provide overall supervision and final oversight of risk management |

Since 2017, we have engaged EY as the auditor for the Group's financial reports. As of the end of the reporting period, their auditor tenure has reached seven years.



# Enhancing ESG Management

Under a robust ESG governance framework and guided by our ESG management principles, Henlius is committed to continuously strengthening its sustainability performance, implementing corporate sustainability strategies, and addressing the concerns of stakeholders.

## ESG Management Practice

### ESG Management Structure

Henlius has established a top-down ESG management framework with the Board as the leading body, the ESG Committee at its core, and ESG Steering and Working Groups as the main execution forces. The Company has incorporated ESG sustainability indicators into the CEO's performance evaluation. The evaluation dimensions include the achievement rate of carbon neutrality plans for key business entities, ESG system development, responsible investment management, and ESG risk management. An assessment is conducted annually, and performance is judged based on the evaluation results and further linked to the pay. During the reporting period, 2 ESG meetings were held.



### ESG Management Guidelines

The Company strictly adheres to the *Rules of Procedure of the Environmental, Social and Governance Committee of the Board of Directors of Henlius*, which outlines the responsibilities and authorities of the ESG Committee in formulating and overseeing ESG goals, strategies, and structure. This ensures the standardized and efficient operation of the ESG Committee. During the reporting period, the Company updated *Environmental, Social and Governance Steering Group and Working Group Responsibilities Manual of Shanghai Henlius Biotech*, merging the responsibilities of various functional departments to streamline management processes and enhance the efficiency of the ESG Steering Group and the ESG Working Group.

### Board ESG Statement

#### Board Responsibilities

The Board of Directors assumes an overall responsibility for the Company's ESG development, leads the formulation of the Company's ESG strategy and oversees ESG risk assessment to ensure that the Company sets up an appropriate and effective ESG risk management and internal control system. The Board is responsible for monitoring the progress of the implementation of ESG targets and determining the priority of ESG issues. The Board has an ESG Committee, which is responsible for approving ESG-related policies and ESG reports, confirming the reasonableness of performance indicators and the accuracy of data, and reporting regularly to the Board. The ESG Committee consists of five members appointed by the Board from Board members including three independent non-executive directors.

#### ESG Implementation

The Company has set up an ESG Steering Group and an ESG Working Group with divided authorities and responsibilities. The ESG Steering Group is responsible for formulating ESG-related targets, policies, specific initiatives, performance indicators and effectiveness evaluation plans, and reporting regularly to the ESG Committee and the Board. As a fundamental part of ESG management, the ESG Working Group penetrates into key functional departments and is directly composed of relevant employees from the departments. It is responsible for coordinating various ESG communication tasks, promoting the implementation of the Company's ESG strategies and policies, and truly embedding ESG concepts into daily work.

#### Material ESG Issues

Henlius has established a variety of communication channels to maintain regular communication with stakeholders so that material ESG issues can be identified and evaluated in a timely manner. Currently, the Company's identification of material ESG issues is based on the materiality assessment by an independent third-party. The final assessment results are formulated after discussion and approval by the ESG Committee and the Board of Directors. Based on the priority of the material ESG issues determined, the Company will update its policies and initiatives to respond to the demands of stakeholders.

#### ESG Risk Governance

Henlius attaches great importance to ESG risk governance in the R&D value chain. The Board is required to assess and define ESG risks and identify risks and opportunities. The Company's Audit Committee is responsible for overseeing the management of the Company's internal and overall risks, while the ESG Committee is dedicated to assessing environmental and social related risks and advising the Board on the governance of related risks. The Board reviews and approves the risks to be disclosed and formulates countermeasures in advance to avoid ESG risks and effectively mitigate any negative impact they may have on the Company's operations in the R&D, production and marketing value chain.

### Case

## ESG Culture Month to Promote ESG Knowledge and Strengthen ESG Culture

In July 2024, Henlius launched its first ESG Culture Month to enhance ESG awareness through online and offline activities. The online segment featured seven educational articles, reaching over 20,000 views and covering key ESG topics, including governance, environmental, and social issues. To reinforce learning, an ESG Knowledge Competition was held. Offline, the "Book Sharing Initiative" collected over 60 second-hand books, some of which were added to the Company's mobile library, while others were donated to remote areas, supporting both social responsibility and sustainable development.





# Implementing Responsible Operations

## Corporate Behavior Compliance

Henlius adheres to the concept of governing enterprises according to law and practicing with integrity. In strict adherence to laws and regulations including the *Drug Administration Law of the People's Republic of China*, the *Regulations for the Implementation of the Drug Administration Law of the People's Republic of China*, the *Advertising Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, the *Interim Provisions on the Prohibition of Commercial Bribery in Pursuing Business Goals*, and the *Foreign Corrupt Practices Act*, Henlius strictly prohibits bribery, extortion, fraud, money laundering and other violations.

To comprehensively implement compliance practices, we oversee and manage business operations through the Compliance Committee. During the reporting period, our work is based on the principles of prevention while also attaching importance to punishment, and ensure all incidents are investigated and all mistakes are rectified. During the reporting period, the Company continued to deepen its compliance culture. A total of 99 compliance training activities were conducted, covering 4,569 attendances. The training content included regulatory standards, legal updates, and risk case studies, strengthening the risk prevention capabilities of core departments such as sales, marketing, and medical affairs. Additionally, the Company held its annual Compliance Day for the fifth consecutive year. The online knowledge competitions attracted over 1,000 attendances. At the dual-venue offline event, senior executives, including the Chairman, delivered speeches, while interactive games and consultation zones were set up to promote compliance awareness in an engaging and scenario-based manner.

### Composition of Compliance Committee



## Anti-Corruption and Business Ethics

Henlius always adheres to the principle of honesty, trustworthiness, compliance and integrity in operations. The Company strictly abides by relevant laws and regulations as well as such internal systems as *Anti-Corruption Regulations*, *Business Ethics and Compliance Policies*. During the reporting period, the Company updated *Anti-Corruption Regulations*, which came into effect on April 1, 2024. We have publicly released [Business Ethics and Anti-corruption Policy](#) to prevent corruption risks and combat corrupt practices. The Board of Directors, as the highest supervisory body, regularly reviews reports from the Audit Committee and rigorously addresses complaints and whistleblowing cases, upholding business ethics and fostering a fair business environment.

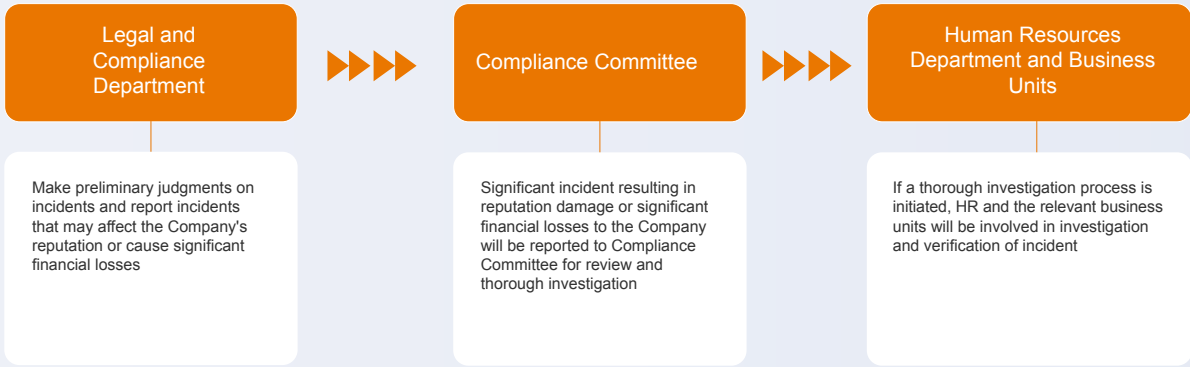
Henlius conducts regular audits of ethical standards annually to ensure that all business practices comply with ethical standards. The audit plan covers all subsidiaries involved in relevant business operations. During these audits, we focus on identifying potential risks related to unethical business conduct or bribery. For any issues identified, we propose corrective actions, ensure their implementation, and determine specific resolutions through the Compliance Committee for cases involving unethical behavior. During the reporting period, we conducted specialized audits on supply chain management and administrative expenses, with a particular emphasis on business ethics and anti-bribery compliance. We also followed up on identified issues to ensure timely rectification. For example, in response to issues identified during the supply chain management audit, we implemented corrective measures such as adjusting the organizational structure and establishing a market research mechanism.

Additionally, Henlius has established accessible and diverse channels for reporting unethical business conduct. We have publicly released the [Provisions on the management of whistleblowing](#) and [Provisions on the protection and reward of whistleblowers and witnesses](#). Contact information for reporting are available on the Company's [official website](#) and internal portal. During the reporting period, Henlius did not encounter any lawsuits or cases involving corruption or anti-competitive practices.

Henlius has implemented a robust whistleblower protection mechanism, committing to strict confidentiality of whistleblowers' information to prevent identity disclosure and ensure they are protected from unfair treatment or retaliation. Any breaches of confidentiality or acts of retaliation will be met with appropriate disciplinary action based on the severity of the violation, and cases involving illegal activities will be referred to judicial authorities for criminal liability.



Compliance Report Process of Henlius



During the reporting period, the Company carried out an annual employee training on ethical standards for all the employees (including dispatched employees and contractors). Employees were required to finish our training on *Anti-corruption Regulations, Business Ethics and Compliance Policy* and other anti-corruption regulations, and pass online compliance test. A Compliance Confirmation Letter would be issued for those who passed the test, which marked the completion of the annual compliance certificate, and as a part of the employees' annual performance review. During the reporting period, all employees completed training, examinations, and certification signoffs, with a 100% sign-off rate.

Additionally, Henlius emphasizes the promotion of business ethics and anti-corruption awareness at the board level. During the reporting period, we conducted one training for the Board of Directors covering whistleblowing and anti-corruption topics, with a 100% participation rate.

Responsible Marketing

We strictly comply with the *Advertising Law of the People's Republic of China*, the *Federal Trade Commission Act of the United States*, the *Honest Ads Act of the United States* and other national laws and regulations, as well as major laws and regulations and industry standards related to advertising and labeling in the regions where we operate. We publicly released [Responsible Marketing Policy](#), and established *Press Release Policy*, the *Crisis Management Policy*, the *Public Event and Interview Process Management Policy*, *Henlius Visual Identification Handbook* and formulated the *WeChat Official Account Operation Administration Measures*. Based on sound policies and regulations, all promotion materials and meetings of Henlius will be subject to internal approval prior to implementation to ensure that our promotion activities meet the requirements of responsible marketing.

Henlius conducts regular audit/control procedures on responsible marketing in the annual audit and reviews the compliance of marketing behaviors. It delivers regular responsible marketing trainings for all members of the commercial marketing team. The Company has also set up a dedicated compliance training section on an online learning platform, ensuring timely updates and access to responsible marketing learning materials.

|           |  |   |
|-----------|--|---|
| New staff | <ul style="list-style-type: none"><li>Employees must complete responsible marketing training on the online platform within two weeks of onboarding</li><li>Employees must attend an online orientation session, which includes responsible marketing training conducted by the Compliance and Finance departments within two months of onboarding</li></ul>  | <p>During the reporting period,</p> <ul style="list-style-type: none"><li>The online platform delivered video and text-based courses to a total of 4,349 attendances, with a cumulative learning duration of 38,491.11 minutes.</li><li>11 onboarding sessions were organized, covering 510 participants and totaling 1,020 training hours throughout the year.</li></ul> |
| All staff | <ul style="list-style-type: none"><li>Conduct targeted responsible marketing training regularly, covering topics such as <a href="#">Responsible Marketing Policy</a>, compliance systems, expense platform requirements, and sales operations systems. These sessions clarify national legal regulations and internal code of conduct standards.</li><li>Include relevant training contents in the monthly employee assessments, with assessment scores linked to employees' quarterly bonuses.</li></ul> | <p>During the reporting period,</p> <p>39 training sessions were organized, covering 4,867 attendances</p>  |

During the reporting period, Henlius did not incur any penalties or face significant complaints due to improper marketing practices.



# Protecting Information Security

Henlius strictly abides by the laws and regulations in the regions where we operate, including the *Consumer Protection Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*. We have updated policies and systems including the *General Outline of the Information Security Management System of Henlius Information Technology Department*, the *Information Security Management Strategy of Henlius Information Technology Department* and added *New Threat Intelligence Management Strategy*. Meanwhile, we enlarge the application coverage of the *Information Security Management Code of Henlius Employees*, and the *Security Management Measures for Information System Construction of Henlius Information Technology Department* to all staff. In 2024, Henlius successfully passed a review of annual audit of ISO/IEC 27001:2022 information security management system certification. During the reporting period, no major information security incidents occurred in the Company.

Henlius attaches great importance to personal information protection. The Company established *Henlius Personal Information Protection System* to ensure the legal, reasonable and safe processing and use of personal information. To protect customer information, we effectively prevent malware infections, data breaches, and external attacks through regular vulnerability scans, penetration testing, and endpoint security management. Additionally, with customer authorization, we conduct regular data backups to ensure rapid data recovery in the event of hardware failures, cyberattacks, or natural disasters.

Building on this foundation, we have established a comprehensive information security emergency response and protection mechanism:

**Information Security Emergency Plans:**  
During the reporting period, we upgraded and optimized the *Henlius Network Interruption Emergency Plan*, *Henlius Domain Control Failure Emergency Plan*, *Henlius MES System Failure Emergency Plan*, *Henlius SAP System Failure Emergency Plan*, and *Henlius Data Center Power Outage Emergency Plan*, ensuring comprehensive protection and security.

**Strict USB Port Control:**  
Implements precise policy controls on USB ports based on business needs. For example, only allowing external USB data to be transferred one-way to internal company PCs, while strictly reviewing and controlling outbound file transfers, enhancing file export management and protection measures.

**Encryption System Coverage:**  
Achieved 100% encryption system coverage for the R&D system during the reporting period.

**Enterprise-Wide Risk Management:**  
Employees can report information security incidents and system failures through work orders. In emergencies, they can contact security personnel via DingTalk or phone for immediate resolution.

Henlius also places great emphasis on building an information security culture and providing regular training for all employees to enhance their awareness and management capabilities in information security. During the reporting period, we organized the second information security day, helping employees understand how to protect personal and corporate information security. Additionally, we conducted specialized training on identifying and preventing risks related to phishing software and emails, covering 3,500 employees.

# Protecting Intellectual Property

Henlius first obtained certification for the *Enterprise Intellectual Property Management Standard* (GB/T 29490-2013) in 2020 and has maintained it since. In March 2025, we completed the upgrade from the *Enterprise Intellectual Property Management Standard (GB/T 29490-2013) to the Enterprise Intellectual Property Compliance Management System Requirements* (GB/T 29490-2023). This involved updating internal documents such as the *Intellectual Property Manual and Intellectual Property Control Procedures and Management Systems*, incorporating additional content on enterprise intellectual property compliance management. Key areas to be supplemented include "Understanding the Enterprise and Its Environment", "Intellectual Property Acquisition", "Compliance Review", and "Performance Evaluation".

Henlius actively promotes intellectual property management practices in daily operations:

## External Collaboration and Overseas IP Control

- Conduct IP due diligence for introduced projects, clarify ownership, and monitor risks throughout the process.
- Plan IP strategies for overseas products, perform Freedom to Operate (FTO) analysis and risk warnings, and analyze and mitigate potential patent infringement risks to ensure smooth product launches abroad.

## Early-Stage R&D Project IP Management

- Facilitate invention disclosures and timely patent applications.
- Conduct background IP research before key project initiation, analyze competitors' patent technologies and strategies, and provide IP layout and risk mitigation recommendations.

## Employee Onboarding and Offboarding IP Management

- Require new hires to sign "IP Declarations" and "Background Investigation Forms."
- Conduct "IP Notifications" and approvals during employee offboarding.

|   | 2022 | 2023 | 2024 |
|---|------|------|------|
| Number of invention patent applications               | 13   | 20   | 22   |
| Number of invention and utility model patents granted | 11   | 16   | 10   |

No intellectual property infringement disputes occurred during the reporting period.



# Appendix I: Key Performance Table

## Environmental Performance

| Performance Indicators  | Unit                   | 2022       | 2023         | 2024       |
|---|------------------------|------------|--------------|------------|
| Energy Use  |                        |            |              |            |
| Natural gas consumption   | Cubic meter            | 2,989,137  | 3,183,287    | 3,007,232  |
| Gasoline (self-owned vehicle gasoline consumption)                    | Litre                  | 7,738.90   | 11,680.58    | 13,125.95  |
| Power consumption (purchased power)                                   | Kilowatt-hour          | 25,747,474 | 26,414,814   | 26,536,047 |
| Comprehensive energy consumption                                      | GJ                     | 206,789.02 | 216,709.82   | 210,485.50 |
| Comprehensive energy consumption intensity <sup>*1</sup>              | GJ/Litre               | 4.31       | 4.51         | 4.38       |
| Comprehensive energy consumption intensity <sup>*2</sup>              | GJ/10,000CNY           | 0.64       | 0.40         | 0.37       |
| Resource Use  |                        |            |              |            |
| Water consumption   | Cubic meter            | 236,195    | 259,437      | 244,058    |
| Water consumption intensity <sup>*3</sup>                             | Cubic meter /Litre     | 4.92       | 5.40         | 5.08       |
| Water consumption intensity <sup>*4</sup>                             | Cubic meter /10,000CNY | 0.73       | 0.48         | 0.43       |
| Total amount of recycled water  | Cubic meter            | 2,109,881  | 5,714,905.80 | 4,122,881  |
| Total amount of packaging material used in finished products          | Ton                    | 226.54     | 245.94       | 268.68     |
| Packaging materials used in finished products intensity <sup>*5</sup> | Ton /Litre             | 0.005      | 0.005        | 0.0056     |
| Packaging materials used in finished products intensity <sup>*6</sup> | Ton /10,000CNY         | 0.00070    | 0.00046      | 0.00047    |
| Total investment in environmental protection costs                    | 10,000CNY              | 757.51     | 624.21       | 784.45     |
| Emissions   |                        |            |              |            |
| Air Emissions   |                        |            |              |            |
| Nitrogen oxides(NOx) emissions  | Ton                    | 0.30       | 1.10         | 1.17       |
| Sulfur dioxide emissions  | Ton                    | 0.01       | 0            | 0.02       |
| Total non-methane hydrocarbon emissions                               | Ton                    | 0.21       | 0.18         | 0.16       |
| Particulate matter emissions  | Ton                    | 0.03       | 0.01         | 0.01       |

1. In units of commercial capacity (i.e., single-use production equipment).  
2. In units of 10,000CNY.  
3. In units of commercial capacity (i.e., single-use production equipment).

4. In units of 10,000CNY.  
5. In units of commercial capacity (i.e., single-use production equipment).  
6. In units of 10,000CNY.



| Performance Indicators                          | Unit   | 2022       | 2023       | 2024       |
|---|--|------------|------------|------------|
| Wastewater                                      |  |            |            |            |
| Industrial wastewater discharge                 | Ton  | 110,371.05 | 123,742.34 | 145,289.08 |
| Chemical oxygen demand (COD) emissions          | Ton  | 5.82       | 5.04       | 5.75       |
| Ammonia nitrogen (NH <sub>3</sub> -N) emissions | Ton  | 0.18       | 0.04       | 0.08       |
| Waste   |  |            |            |            |
| Total domestic waste                            | Ton  | 336.33     | 115.01     | 127.27     |
| Total general industrial solid waste            | Ton  | 297.19     | 300.68     | 347.17     |
| Total hazardous waste                           | Ton  | 221.76     | 226.97     | 498.71     |
| Hazardous waste intensity <sup>*1</sup>         | Ton /Litre                                   | 0.005      | 0.005      | 0.01       |
| Hazardous waste intensity <sup>*2</sup>         | Ton /10,000CNY                               | 0.001      | 0.0004     | 0.0009     |
| Total non-hazardous waste                       | Ton  | 633.52     | 415.69     | 474.44     |
| Non-hazardous waste intensity <sup>*3</sup>     | Ton/Litre                                    | 0.013      | 0.01       | 0.01       |
| Non-hazardous waste intensity <sup>*4</sup>     | Ton/10,000CNY                                | 0.002      | 0.0008     | 0.0008     |
| Total solid waste                               | Ton  | 855.27     | 642.66     | 973.15     |
| Solid waste emission intensity <sup>*5</sup>    | Ton /Litre                                   | 0.02       | 0.01       | 0.02       |
| Solid waste emission intensity <sup>*6</sup>    | Ton /10,000CNY                               | 0.003      | 0.001      | 0.002      |
| Greenhouse Gas Emissions                        |  |            |            |            |
| Greenhouse gas emissions                        | Tons of carbon dioxide equivalent            | 21,163.93  | 21,973     | 20,770.40  |
| Scope 1 greenhouse gas emissions                | Tons of carbon dioxide equivalent            | 6,480.15   | 6,908.63   | 6,531.16   |
| Scope 2 greenhouse gas emissions                | Tons of carbon dioxide equivalent            | 14,683.78  | 15,064.37  | 14,239.24  |
| Greenhouse gas emission intensity <sup>*7</sup> | Tons of carbon dioxide equivalent/Litre      | 0.44       | 0.46       | 0.43       |
| Greenhouse gas emission intensity <sup>*8</sup> | Tons of carbon dioxide equivalent /10,000CNY | 0.07       | 0.04       | 0.04       |

1. In units of commercial capacity (i.e., single-use production equipment).  
2. In units of 10,000CNY.  
3. In units of commercial capacity (i.e., single-use production equipment).  
4. In units of 10,000CNY.

5. In units of commercial capacity (i.e., single-use production equipment).  
6. In units of 10,000CNY.  
7. In units of commercial capacity (i.e., single-use production equipment).  
8. In units of 10,000CNY.



Employee Performance

| Performance Indicators  | Unit   | 2022  | 2023  | 2024  |
|---|--------|-------|-------|-------|
| Employee employment   |        |       |       |       |
| Total number of employees   | Person | 3,406 | 3,637 | 3,515 |
| Number of contractual employees   | Person | 3,381 | 3,612 | 3,491 |
| Number of contractual employees (employees with disabilities)                 | Person | 19    | 19    | 18    |
| Number of rehired retirees (excluding labor outsourcing or labor dispatchers) | Person | 6     | 6     | 6     |
| Number of male employees  | Person | 1,614 | 1,776 | 1,658 |
| Number of female employees  | Person | 1,792 | 1,861 | 1,857 |
| Number of employees over 50 years old   | Person | 39    | 43    | 45    |
| Number of employees aged 30-50  | Person | 1,810 | 2,129 | 2,260 |
| Number of employees under the age of 30                                       | Person | 1,557 | 1,465 | 1,210 |
| Number of employees working in Chinese mainland                               | Person | 3,338 | 3,589 | 3,480 |
| Number of employees working in Hong Kong, Macao and Taiwan                    | Person | 0     | 0     | 0     |
| Number of employees working overseas  | Person | 68    | 48    | 35    |
| Number of employees by education: Doctor                                      | Person | 129   | 134   | 124   |
| Number of employees by education: Master                                      | Person | 737   | 706   | 684   |
| Number of employees by education: Undergraduate                               | Person | 1,870 | 2,043 | 1,938 |
| Number of employees by education: Below College Level                         | Person | 670   | 754   | 769   |
| Employee turnover rate <sup>**1</sup>   | %      | 16    | 17.55 | 17.74 |
| Employee turnover rate by gender: Male Employees                              | %      | 17.86 | 18.72 | 21.61 |
| Employee turnover rate by gender: Female Employees                            | %      | 14.26 | 16.40 | 13.95 |
| Employee turnover rate by age: Over 50  | %      | 18.75 | 29.51 | 23.73 |
| Employee turnover rate by age: 30-50 years old                                | %      | 17.46 | 18.37 | 18.56 |
| Employee turnover rate by age: Less than 30 years old                         | %      | 14.17 | 15.90 | 15.91 |
| Employee turnover rate by region: Chinese Mainland                            | %      | 15.83 | 17.15 | 17.38 |
| Employee turnover rate by region: Overseas                                    | %      | 23.60 | 39.24 | 42.62 |

<sup>\*1</sup>: The calculation caliber is the number of departures / (number of departures + total number of employees) \* 100%





| Performance Indicators                                   | Unit      | 2022   | 2023   | 2024   |
|--|-----------|--------|--------|--------|
| Employee Health and Safety                               |           | %      |        |        |
| Work-related fatalities                                  | Person    | 0      | 0      | 0      |
| Death rate due to work                                   | %         | 0      | 0      | 0      |
| Working days lost due to work-related injuries           | Day       | 0      | 1      | 0      |
| Employee Training  |           |        |        |        |
| Employee training expenses                               | 10,000CNY | 133.88 | 261.63 | 209.03 |
| Employee training coverage                               | %         | 90.60  | 98.05  | 98.52  |
| Male employee training coverage                          | %         | 89.41  | 97.92  | 98.19  |
| Female employee training coverage                        | %         | 96.69  | 98.17  | 98.82  |
| General staff training coverage                          | %         | 90.85  | 98.26  | 98.53  |
| Management staff training coverage                       | %         | 87.81  | 95.70  | 98.37  |
| Average training hour per employee <sup>*1</sup>         | Hour      | 71.55  | 77.61  | 70.37  |
| Average training hour per male employee <sup>*2</sup>    | Hour      | 75.78  | 82.74  | 73.69  |
| Average training hour per female employee <sup>*3</sup>  | Hour      | 67.73  | 72.71  | 67.40  |
| Average training hour per general staff <sup>*4</sup>    | Hour      | 75.32  | 81.01  | 73.12  |
| Average training hour per management staff <sup>*5</sup> | Hour      | 29.29  | 40.01  | 41.56  |

\*1.The calculation caliber is the total online and offline time/total number of employees.

\*2.The calculation caliber is the total online and offline time/total number of male employees.

\*3.The calculation caliber is the total online and offline time/total number of female employees.

\*4.The calculation caliber is the total online and offline time/total number of general staff.

\*5.The calculation caliber is the total online and offline time/total number of management staff.



Product Quality and Safety

| Performance Indicators   | Unit | 2022 | 2023 | 2024 |
|--|------|------|------|------|
| Total number of violations related to health and safety, labelling of products and services provided | Case | 0    | 0    | 0    |
| Total number of violations of laws and regulations in marketing                                      | Case | 0    | 0    | 0    |
| Total number of violations of customer privacy violations  | Case | 0    | 0    | 0    |
| Percentage of total products sold or shipped subject to be recalled for safety or health reasons     | %    | 0    | 0    | 0    |
| Number of complaints received about products and services  | Case | 12   | 6    | 1    |
| Complaint handling rate about products and services  | %    | 100  | 100  | 100  |

Supplier Performance

| Performance Indicators      | Unit    | 2022 | 2023 | 2024 |
|-----------------------------|---------|------|------|------|
| East China                  | Company | 597  | 543  | 632  |
| South China                 | Company | 46   | 22   | 26   |
| Central China               | Company | 12   | 6    | 12   |
| North China                 | Company | 127  | 104  | 102  |
| Northwest China             | Company | 2    | 0    | 3    |
| Southwest China             | Company | 20   | 12   | 13   |
| Northeast China             | Company | 5    | 4    | 5    |
| Hong Kong, Macau and Taiwan | Company | 1    | 2    | 10   |
| Overseas                    | Company | 43   | 51   | 77   |
| Total Number of Suppliers   | Company | 853  | 744  | 880  |



Anti-Corruption Performance

| Performance Indicators  | Unit   | 2022  | 2023  | 2024                |
|---|--------|-------|-------|---------------------|
| Number of completed corruption lawsuits against the company and its employees | Case   | 0     | 0     | 0                   |
| Number of anti-corruption training provided to directors                      | Time   | 1     | 1     | 1                   |
| Number of directors attending anti-corruption training                        | Person | 10    | 11    | 11                  |
| Number of anti-corruption training provided to employees                      | Time   | 33    | 101   | 99                  |
| Number of employees participating in anti-corruption training                 | Person | 3,574 | 3,562 | 3,544 <sup>*1</sup> |

<sup>\*1</sup>The number of employees attending anti-corruption training includes former employees, so it exceeds the total number of employees at the end of the period.

Social Welfare Performance

| Performance Indicators | Unit      | 2022     | 2023     | 2024      |
|------------------------|-----------|----------|----------|-----------|
| Charitable donation    | 10,000CNY | 2,745.30 | 4,518.50 | 13,483.50 |



# Appendix II: GRI Content Index

| Disclosure Issues/ Disclosure Items          | Topics  | Sections   |
|--|---|--|
| GRI 1: Foundation 2021                       |   |  |
| GRI 2: General Disclosure 2021               |   |  |
| The organization and its reporting practices |   |  |
| 2-1  | Organizational details  | About This Report                                      |
| 2-2  | Entities included in the organization's sustainability reporting            | About This Report                                      |
| 2-3  | Reporting period, frequency and contact point                               | About This Report                                      |
| 2-5  | External assurance  | Assurance Statement                                    |
| Activities and workers                       |   |  |
| 2-6  | Activities, value chain and other business relationships                    | About Henlius; Supply Chain Management and Development |
| 2-7  | Employees   | Employee Rights and Interests and Employment           |
| Governance                                   |   |  |
| 2-9  | Governance structure and composition  | Corporate Governance and Management                    |
| 2-12   | Role of the highest governance body in overseeing the management of impacts | Corporate Governance and Management                    |
| 2-13   | Delegation of responsibility for managing impacts                           | Corporate Governance and Management                    |
| 2-14   | Role of the highest governance body in sustainability reporting             | Corporate Governance and Management                    |
| 2-16   | Communication of critical concerns  | About Henlius  |
| Strategy, policies and practices             |   |  |
| 2-22   | Statement on sustainable development strategy                               | Corporate Governance and Management                    |
| 2-26   | Mechanisms for seeking advice and raising concerns                          | Appendix IV: Feedback                                  |
| 2-27   | Compliance with laws and regulations  | Appendix I: Key Performance Table                      |
| 2-28   | Membership associations   | Supply Chain Management and Development                |
| Stakeholder engagement                       |   |  |
| 2-29   | Approach to stakeholder engagement  | Stakeholder Engagement                                 |
| GRI 3: Material Topics 2021                  |   |  |



| Disclosure Issues/ Disclosure Items     |  | Topics  | Sections  |
|---|--|---|---|
| 3-1                                     |  | Process to determine material topics  | Material Issues Matrix  |
| 3-2                                     |  | List of material topics   | Material Issues Matrix  |
| 3-3                                     |  | Management of material topics   | Stakeholder Engagement, Material Issues Matrix                            |
| GRI 201: Economic Performance 2016      |  |   |   |
| 201-2                                   |  | Financial implications and other risks and opportunities due to climate change  | Tackling Climate Change   |
| GRI 203: Indirect Economic Impact 2016  |  |   |   |
| 203-1                                   |  | Infrastructure investments and services supported                               | Buiding a Caring Community, Industry Collaboration and Development        |
| 203-2                                   |  | Significant indirect economic impacts   | Buiding a Caring Community, Industry Collaboration and Development        |
| GRI 205: Anti-corruption 2016           |  |   |   |
| 205-2                                   |  | Communication and training about anti-corruption policies and procedures        | Implementing Responsible Operations                                       |
| 205-3                                   |  | Confirmed incidents of corruption and actions taken                             | Implementing Responsible Operations                                       |
| GRI 206: Anti-competitive Behavior 2016 |  |   |   |
| 206-1                                   |  | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Implementing Responsible Operations                                       |
| GRI 301: Materials 2016                 |  |   |   |
| 301-1                                   |  | Materials used by weight or volume  | Strengthening Environmental Management                                    |
| GRI 302: Energy 2016                    |  |   |   |
| 302-1                                   |  | Energy consumption within the organization                                      | Strengthening Environmental Management                                    |
| 302-2                                   |  | Energy consumption outside of the organization                                  | Strengthening Environmental Management                                    |
| 302-3                                   |  | Energy intensity  | Strengthening Environmental Management, Appendix I: Key Performance Table |
| GRI 303: Water and Effluents 2018       |  |   |   |
| 303-1                                   |  | Interactions with water as a shared resource                                    | Strengthening Environmental Management                                    |
| 303-2                                   |  | Management of water discharge-related impacts                                   | Strengthening Environmental Management                                    |
| 303-5                                   |  | Water consumption   | Strengthening Environmental Management                                    |
| GRI 305: Emissions 2016                 |  |   |   |
| 305-1                                   |  | Direct (Scope 1) GHG emissions  | Strengthening Environmental Management, Appendix I: Key Performance Table |
| 305-2                                   |  | Energy indirect (Scope 2) GHG emissions   | Strengthening Environmental Management, Appendix I: Key Performance Table |
| 305-4                                   |  | GHG emissions intensity   | Strengthening Environmental Management, Appendix I: Key Performance Table |
| 305-7                                   |  | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Strengthening Environmental Management, Appendix I: Key Performance Table |



| Disclosure Issues/ Disclosure Items           | Topics  | Sections  |
|---|---|---|
| GRI 306: Waste 2020                           |   |   |
| 306-1   | Waste generation and significant waste-related impacts  | Strengthening Environmental Management  |
| 306-2   | Management of significant waste-related impacts   | Strengthening Environmental Management  |
| 306-3   | Waste generated   | Strengthening Environmental Management  |
| 306-5   | Waste directed to disposal  | Strengthening Environmental Management  |
| GRI 401: Employment 2016                      |   |   |
| 401-1   | New employee hires and employee turnover  | Appendix I: Key Performance Table   |
| 401-2   | Benefits provided to full-time employees that are not provided to temporary or part-time employees            | Employee Motivation and Care  |
| GRI 403: Occupational Health and Safety 2018  |   |   |
| 403-1   | Occupational health and safety management system  | Occupational Health and Safety  |
| 403-5   | Worker training on occupational health and safety   | Occupational Health and Safety  |
| 403-7   | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Occupational Health and Safety  |
| 403-9   | Work-related injuries   | Occupational Health and Safety  |
| 403-10  | Work-related ill health   | Occupational Health and Safety  |
| GRI 404: Training and Education 2016          |   |   |
| 404-1   | Average hours of training per year per employee   | Appendix I: Key Performance Table   |
| 404-2   | Programs for upgrading employee skills and transition assistance programs                                     | Employee Development and Growth   |
| GRI 405: Diversity and Equal Opportunity 2016 |   |   |
| 405-1   | Diversity of governance bodies and employees  | Corporate Governance and Management; Employee Rights and Interests and Employment |
| GRI 406: Non-discrimination 2016              |   |   |
| 406-1   | Incidents of discrimination and corrective actions taken  | Employee Rights and Interests and Employment                                      |
| GRI 408: Child Labor 2016                     |   |   |
| 408-1   | Operations and suppliers at significant risk for incidents of child labor                                     | Employee Rights and Interests and Employment                                      |
| GRI 409: Forced or Compulsory Labor 2016      |   |   |
| 409-1   | Operations and suppliers at significant risk for incidents of forced or compulsory labor                      | Employee Rights and Interests and Employment                                      |
| GRI 416: Customer Health and Safety 2016      |   |   |





| Disclosure Issues/ Disclosure Items  | Topics  | Sections                          |
|--------------------------------------|---|-----------------------------------|
| 416-2                                | Incidents of non-compliance concerning the health and safety impacts of products and services | Quality-centered                  |
| GRI 417: Marketing and Labeling 2016 |   |                                   |
| 417-2                                | Incidents of non-compliance concerning product and service information and labeling           | Appendix I: Key Performance Table |
| 417-3                                | Incidents of non-compliance concerning marketing communications                               | Appendix I: Key Performance Table |
| GRI 418: Customer Privacy 2016       |   |                                   |
| 418-1                                | Substantiated complaints concerning breaches of customer privacy and losses of customer data  | Appendix I: Key Performance Table |



# Appendix III: HKEX Index

| Subject Areas, Aspects, General Disclosures and KPIs |                    |  | Corresponding Chapter   |
|--|--------------------|--|---|
| A. Environmental                                     |                    |  |   |
| A1 Emissions   | General Disclosure | <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p><i>Note: Air emissions include NO<sub>x</sub>, SO<sub>x</sub>, and other pollutants regulated under national laws and regulations.</i></p> <p><i>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</i></p> <p><i>Hazardous wastes are those defined by national regulations.</i></p> | Strengthening Environmental Management                                    |
|  | A1.1               | The types of emissions and respective emissions data.  | Strengthening Environmental Management, Appendix I: Key Performance Table |
|  | A1.2               | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).  | Strengthening Environmental Management, Appendix I: Key Performance Table |
|  | A1.3               | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).   | Strengthening Environmental Management, Appendix I: Key Performance Table |
|  | A1.4               | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).   | Strengthening Environmental Management, Appendix I: Key Performance Table |
|  | A1.5               | Description of emission target(s) set and steps taken to achieve them.   | Tackling Climate Change, Strengthening Environmental Management           |
|  | A1.6               | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.   | Strengthening Environmental Management, Appendix I: Key Performance Table |
| A2: Resources  | General Disclosure | <p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p><i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i></p>  | Strengthening Environmental Management                                    |
|  | A2.1               | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).   | Strengthening Environmental Management, Appendix I: Key Performance Table |
|  | A2.2               | Water consumption in total and intensity (e.g. per unit of production volume, per facility).   | Strengthening Environmental Management, Appendix I: Key Performance Table |
|  | A2.3               | Description of energy use efficiency target(s) set and steps taken to achieve them.  | Tackling Climate Change, Strengthening Environmental Management           |
|  | A2.4               | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.   | Tackling Climate Change, Strengthening Environmental Management           |
|  | A2.5               | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.   | Strengthening Environmental Management, Appendix I: Key Performance Table |



Subject Areas, Aspects, General Disclosures and KPIs

Corresponding Chapter

|   |                       |  |  |
|---|-----------------------|--|--|
| A3:<br>The<br>Environment<br>and Natural<br>Resources | General<br>Disclosure | Policies on minimising the issuer's significant impacts on the environment and natural resources.  | Strengthening Environmental Management |
|   | A3.1                  | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.                      | Strengthening Environmental Management |
| A4:<br>Climate<br>Change                              | General<br>Disclosure | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.             | Tackling Climate Change                |
|   | A4.1                  | Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. | Tackling Climate Change                |

B. Social

Employment and Labour Practices

|                                    |                       |   |  |
|------------------------------------|-----------------------|---|--|
| B1:<br>Employment                  | General<br>Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | Employee Rights and Interests and Employment |
|                                    | B1.1                  | Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.   | Employee Rights and Interests and Employment |
|                                    | B1.2                  | Employee turnover rate by gender, age group and geographical region.  | Employee Rights and Interests and Employment |
| B2:<br>Health<br>and Safety        | General<br>Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.   | Occupational Health and Safety               |
|                                    | B2.1                  | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.   | Occupational Health and Safety               |
|                                    | B2.2                  | Lost days due to work injury.   | Occupational Health and Safety               |
|                                    | B2.3                  | Description of occupational health and safety measures adopted, and how they are implemented and monitored.   | Occupational Health and Safety               |
| B3:<br>Development<br>and Training | General<br>Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.<br><i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>  | Employee Development and Growth              |
|                                    | B3.1                  | The percentage of employees trained by gender and employee category (e.g. senior management, middle management).  | Employee Development and Growth              |
|                                    | B3.2                  | The average training hours completed per employee by gender and employee category.  | Employee Development and Growth              |



Subject Areas, Aspects, General Disclosures and KPIs

Corresponding Chapter

|                                      |                       |   |  |
|--------------------------------------|-----------------------|---|--|
| B4:<br>Labour<br>Standards           | General<br>Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.  | Employee Rights and Interests and Employment                               |
|                                      | B4.1                  | Description of measures to review employment practices to avoid child and forced labour.  | Employee Rights and Interests and Employment                               |
|                                      | B4.2                  | Description of steps taken to eliminate such practices when discovered.   | Employee Rights and Interests and Employment                               |
| Operating Practices                  |                       |   |  |
| B5:<br>Supply<br>Chain<br>Management | General<br>Disclosure | Policies on managing environmental and social risks of the supply chain.  | Supply Chain Management and Development                                    |
|                                      | B5.1                  | Number of suppliers by geographical region.   | Supply Chain Management and Development, Appendix I: Key Performance Table |
|                                      | B5.2                  | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.   | Supply Chain Management and Development                                    |
|                                      | B5.3                  | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.  | Supply Chain Management and Development                                    |
|                                      | B5.4                  | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.   | Supply Chain Management and Development                                    |
| B6:<br>Product<br>Responsibility     | General<br>Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | Quality-centered, Implementing Responsible Operations                      |
|                                      | B6.1                  | Percentage of total products sold or shipped subject to recalls for safety and health reasons.  | Appendix I: Key Performance Table  |
|                                      | B6.2                  | Number of products and service related complaints received and how they are dealt with.   | Quality-centered   |
|                                      | B6.3                  | Description of practices relating to observing and protecting intellectual property rights.   | Implementing Responsible Operations  |
|                                      | B6.4                  | Description of quality assurance process and recall procedures.   | Quality-centered   |
|                                      | B6.5                  | Description of consumer data protection and privacy policies, and how they are implemented and monitored.   | Implementing Responsible Operations  |



| Subject Areas, Aspects, General Disclosures and KPIs |                    |  | Corresponding Chapter               |
|--|--------------------|--|-------------------------------------|
| B7 Anti-corruption                                   | General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | Implementing Responsible Operations |
|  | B7.1               | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.                                     | Implementing Responsible Operations |
|  | B7.2               | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.   | Implementing Responsible Operations |
|  | B7.3               | Description of anti-corruption training provided to directors and staff.   | Implementing Responsible Operations |
| Community  |                    |  |                                     |
| B8: Community Investment                             | General Disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.                 | Building a Caring Community         |
|  | B8.1               | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).  | Building a Caring Community         |
|  | B8.2               | Resources contributed (e.g. money or time) to the focus area.  | Building a Caring Community         |





# Appendix IV: Feedback

In order to continuously improve the sustainable development of Henlius, we would like to collect your useful feedback, which will serve as an important basis for us to improve our work. We sincerely thank you for your valuable suggestions on this report.

## Your Information:

Name:

Organization:

Contact Number:

Email Address:

## Your Feedback

1. In general, the 2024 Henlius ESG Report is:

- ☐ Very good
- ☐ Quite good
- ☐ Somewhat good
- ☐ Not so good
- ☐ Not good at all

2. The disclosure of the 2024 Henlius ESG Report is:

- ☐ Very informative
- ☐ Quite informative
- ☐ Somewhat informative
- ☐ Not so informative
- ☐ Not informative at all

3. The quality of information disclosed in the 2024 Henlius ESG Report is:

- ☐ Very high
- ☐ Quite high
- ☐ Somewhat good
- ☐ Quite low
- ☐ Very low

4. Which of the following areas in the 2025 Henlius ESG Report need to be strengthened:

- ☐ Idea elaboration
- ☐ Data & charts
- ☐ Case studies
- ☐ Topics
- ☐ Images

5. In the 2025 Henlius ESG Report, you would like to add a section on:

☐ Corporate governance, in particular:

☐ Environmental protection, in particular:

☐ Social advancements, in particular:

☐ Others, in particular:

## Contact us:

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# Assurance Statement

## ASSURANCE STATEMENT

CN25/00001993

### SGS-CSTC'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE SHANGHAI HENLIUS BIOTECH, INC. 2024 Environmental, Social and Governance Report

**NATURE OF THE ASSURANCE/VERIFICATION**  
SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. (hereinafter referred to as SGS) was commissioned by Shanghai Henlius Biotech, Inc. (hereinafter referred to as Henlius) to conduct an independent assurance of the Chinese version of 2024 *Environmental, Social and Governance Report* (hereinafter referred to as the Report).

**INTENDED USERS OF THIS ASSURANCE STATEMENT**  
This Assurance Statement is provided with the intention of informing all Henlius's Stakeholders.

**RESPONSIBILITIES**  
The information in the Report and its presentation are the responsibility of the governing body and management of Henlius. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance with the intention to inform all Henlius's stakeholders.

SGS hereby states that it shall not be held responsible or liable for any direct, indirect, incidental, or consequential damages or losses arising from or in connection with the use of information provided in this report.

**ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE**  
The SGS ESG & Sustainability Report Assurance (SRA) protocols used to conduct assurance are based upon internationally recognised assurance standards including the AA1000 series of standards and ISAE3000.

The assurance of this report has been conducted according to the following Assurance Standards:

| Assurance Standard Options | Level of Assurance |
|----------------------------|--------------------|
| AA1000AS v3 Type 2         | Moderate           |

**SCOPE OF ASSURANCE AND REPORTING CRITERIA**

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

- HKEX Environmental, Social and Governance (ESG) Reporting Guide
- GRI Standards 2021 (Reference)

**ASSURANCE METHODOLOGY**

The assurance comprised a combination of pre-assurance research, interviews with relevant employees located at Shanghai Xuhui Office (located at 11/F, B8 Building, No.188 Yizhou Road, Xuhui District, Shanghai, P.R. China) for onsite audit, and Shanghai Xuhui Facility (located at Buildings B, C and D, Kelong Science and Technology Park, No. 1269 Yishan Road, Xuhui District, Shanghai, P.R. China) and Shanghai Songjiang Facility (located at Jinlingzhidu Building No.1, No.5155 Guangfulin Road, Songjiang District, Shanghai, P.R. China) for remote assurance, including documentation and record review and validation where relevant.

**LIMITATIONS AND MITIGATION**  
Financial data drawn directly from independently audited financial accounts has not been checked back with source data as part of this assurance process.

The greenhouse gas emission-related data presented in this report was self-calculated by Henlius. The assurance process conducted for this engagement involved only a sampling-based verification.

The assurance scope only covered Shanghai Xuhui and Songjiang office and production area of Henlius. The data for assurance of report information was from the above scope.

**STATEMENT OF INDEPENDENCE AND COMPETENCE**  
The SGS Group of companies is the world leader in inspection, testing and certification, operating in multiple countries and providing services. SGS affirms our independence from Henlius, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

**FINDINGS AND CONCLUSIONS**

**ASSURANCE/VERIFICATION OPINION**  
On the basis of the methodology described and the verification work performed, the information and data in the Report have been verified to be accurate and reliable, and they provide a fair and unbiased account of Henlius sustainability activities in 2024.

The assurance team is of the opinion that the Report has been prepared in accordance with the requirements of *Appendix C2 Environmental, Social and Governance Reporting Guide of Listing Rules* published by HKEX, and has referred to the requirements of *GRI Standards 2021*.

**FINDINGS AND RECOMMENDATIONS**  
All observations pertaining to commendable practices, sustainable development activities, and managerial recommendations identified throughout the assurance process have been thoroughly documented in the *Internal Management Report on Sustainability Reporting Assurance*. This report has been officially presented to the relevant management divisions of Henlius to serve as a reference for their ongoing efforts towards continuous improvement.

Signed:

For and on behalf of SGS-CSTC

David Xin  
Sr. Director – Business Assurance  
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Beijing, P.R. China

Mar. 31<sup>st</sup>, 2025  
WWW.SGS.COM



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