



2025

# Sustainability Report

Walvax Biotechnology Co., Ltd.

**WALVAX** 沃森生物®

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# Message from the Chairman



Chairman of Walvax Biotechnology Co., Ltd.  
Li Yunchun

As a strategic frontier in global technological competition, biomanufacturing is reshaping production models. In 2025, Walvax Biotechnology, fueled by innovation as its strategic engine, continues to advance a market-oriented and dynamic business system. The Company accelerates the R&D and industrialization of blockbuster vaccines while proactively expanding into emerging fields such as the microbiome and biomanufacturing, striving to build an integrated "Health and Wellness + Biomanufacturing" industrial platform. Against the backdrop of high-quality development and strategic upgrades, the Company simultaneously established the "Wo-Health" sustainability strategy. Anchored in innovation-driven growth, green development, responsibility practices, and a solid governance foundation, the Company is embedding sustainability as the bedrock for its long-term and steady growth.

## Innovation-Driven: Making Health More Accessible

Dedicated to the mission of "helping everyone live a healthy life," Walvax Biotechnology consistently maintains proper R&D investments in new products and projects, alongside leading scientific capabilities. The Company consistently expands innovation pipeline and reinforces a diversified immunological barrier that extends from infectious disease prevention to comprehensive population health management. In 2025, the Company achieved further breakthroughs across multiple innovative flagship products and technologies, while steadily enhancing its quality management capabilities. The Company was honored on several prestigious lists, including the List of Signature Biomanufacturing Products, the 2025 Top 20 Private Enterprises in Innovation Capability in Yunnan Province, and the 2025 Top 100 High-Tech Enterprises in Yunnan Province. The Company also strengthened a diversified business footprint and international expansion. As of the end of 2025, the Company's products had been exported to 26 countries and regions, with cumulative exports to developing nations exceeding 64 million doses of finished vaccines and 3,800 liters of bulk vaccine. Furthermore, the Company officially became a supplier for UNICEF's bulk procurement of HPV vaccines, advanced the market access of its bivalent HPV vaccine, and actively participated in government public-benefit procurement programs, making highly cost-effective vaccines accessible to broader populations and contributing Walvax's efforts to the "Health China" initiative and global public health.

## Green transformation: Making Production Cleaner

Walvax Biotechnology embeds green and low-carbon principles throughout the entire production and operations value chain. The Company has extended its EHS management system to cover all business operations, closely monitored the risks and opportunities presented by climate change, and systematically advanced action plans for resource conservation and environmental protection. By incorporating energy control indicators and targets into annual performance evaluations, the company is cultivating a green production system that is clean, low-carbon, and highly climate-resilient, achieving a win-win scenario for both environmental and economic benefits. In 2025, Walvax Biotechnology completed its first photobiosynthesis production base, which is expected to sequester approximately 1,000 tonnes of CO<sub>2</sub> annually. This marked the successful establishment of a new business paradigm featuring "solar-powered + natural extracts + carbon-negative manufacturing," enabling coordinated progress in carbon reduction, green expansion and economic growth. With continuous upgrades in equipment and technology and highly efficient coordination between production and sales, the Company's clean and low-carbon production system is advancing solidly. The energy consumption, water consumption, and pollutant emission intensities per unit of output have continued to decline, propelling high-quality enterprise development with green momentum.

## Synergistic Mutuality: Fostering Long-Term Well-Being

Walvax Biotechnology consistently integrates social responsibility into its corporate DNA, viewing every project as an opportunity for shared growth with local communities, and collaborating with value chain partners to consistently enhance core competitiveness and growth momentum. The Company places significant emphasis on supplier performance in compliance and business ethics, environmental protection, labor rights, and occupational health and safety. By building a high-quality supply chain management system, the Company safeguards the long-term development of both supply and demand sides, continually explores public welfare models that align with the times and social progress, and proactively advances health education initiatives and vaccine donation programs, such as the "Peace of Mind Action · Maternal and Infant Care Program," to better serve global public health. The Company comprehensively implements the "Ever-Thriving Walvax" talent cultivation system, building a diverse, inclusive and highly innovative team of high-caliber professionals. United by professional expertise and a shared sense of responsibility, the Company is forging ahead toward a vibrant and promising future.

## Strengthened Governance: Ensuring Robust Development

Walvax Biotechnology proactively aligns with national strategies and continuously refines its modern corporate governance system. By upholding integrity while pursuing innovation, the Company has solidified the foundation for its strategic transformation and long-term growth. In 2025, Walvax Biotechnology focused on deepening the integration and mutual reinforcement of Party building initiatives with business operations, stimulating internal organizational vitality, and consistently enhancing the Company's resilience and capability to navigate shifts in internal and external environments. Guided by the principle of "strengthening internal controls, preventing risks, and promoting compliance," the Company innovatively implemented the "1+N Integrated Audit Model" and perfected an operational mechanism centered on risk management and compliance oversight to safeguard high-quality development. Furthermore, the Company enforces high standards in information and data security, clean practice, and business ethics management. Supported by strict compliance standards, professional ethics, and a robust management system, Walvax Biotechnology ensures the steady and sound operation.

Riding the wind of change with steadfast resolve, Walvax Biotechnology continues to march firmly toward its sustainable development goals. The company will remain unwavering in embracing transformation, accelerating the R&D and industrialization of blockbuster innovative vaccines, and deepening its global expansion model of "China Technology + Local Production," to advance technological self-reliance and strength in the life and health sector. The Company will actively pioneer new tracks such as biomanufacturing and the microbiome, better fulfilling the mission entrusted to biopharmaceutical enterprises in this era. With a more open posture toward global collaboration, higher standards for safeguarding health and life, and more pragmatic actions for creating long-term value, the Company will continue its journey to help everyone live a healthy life.



# About Walvax Biotechnology

## Company Profile

Walvax Biotechnology Co., Ltd. (hereinafter referred to as "Walvax Biotechnology") was founded in 2001 and listed on the Shenzhen Stock Exchange in 2010 (stock code: 300142), becoming the first enterprise from Yunnan Province to be listed on China's ChiNext board. Walvax Biotechnology consistently upholds its mission of "helping everyone live a healthy life." The Company has established a platform for technology development and product commercialization with high standards, high quality, and high efficiency, accelerating the R&D and industrialization of innovative vaccines. It holds a leading position in the biopharmaceutical sub-sector, specifically in novel vaccines. The Company is also actively expanding into emerging areas such as the microbiome and synthetic biomanufacturing, consistently extending its innovation pipeline and striving to build an integrated "Health and Wellness + Biomanufacturing" industrial platform covering prevention, intervention, and treatment.

After more than two decades of development, Walvax Biotechnology has obtained approval for eight vaccine products (14 presentations), with its product pipeline covering multiple vaccine categories, including pneumococcal diseases, meningococcal

diseases, and HPV (human papillomavirus). Building on its established capabilities in biopharmaceutical innovation and industrialization, the Company continues to consolidate and expand its leading position in human vaccines, while actively extending into emerging fields such as synthetic biomanufacturing and the gut microbiome. It has established product R&D centers in the Kunming National High-Tech Industrial Development Zone and Shanghai Zhangjiang Hi-Tech Park, as well as a modern vaccine production base in the National High-Tech Industrial Development Zone in Yuxi City, Yunnan Province. At the same time, the Company is advancing the development of industrial bases in strategic regions including Yunnan, Beijing, Guangzhou, and Sichuan, while continuing to expand its international presence, building an industrial development footprint rooted in Yunnan, serving the nation, and expanding globally. Looking ahead, driven by biotechnology platform innovation and the deep integration of industry, academia, and research, Walvax Biotechnology will continue to develop innovative vaccines and biotechnology products that deliver strong value, meet customer needs, and are internationally competitive, contributing to the advancement of the Healthy China initiative and global public health.



In the human vaccines segment, the Company continues to deepen its international expansion and advance the development of multivalent combination vaccines, ensuring that technological innovation is aligned with market needs.



Leveraging Yunnan's advantages in green electricity and biomass resources, the Company focuses on product innovation in the pharmaceutical and broader health sector and builds distinctive competitive advantages in biomanufacturing, contributing to improved health and well-being.



Guided by the proprietary "Core Microbiota Seesaw Model (TCG)," the Company has established a dual-track business model covering "Clinical Therapeutic Intervention" and "Chronic Disease Prevention +Health and Wellness Nutrition." It provides integrated health solutions spanning from clinical to out-of-hospital settings, and from treatment to prevention.



## 2025 Performance and Recognition



Total assets

RMB **12.07** billion



Number of vaccine doses released during the year

**19.97** million doses



Overseas business revenue during the year

over RMB **522** million



Total employees

**1,981**



Environmental protection investment during the year

RMB **2.51** million



Operating revenue

RMB **2.42** billion



Vaccine delivery rate

**100%**



Pass rate of GMP inspections and customer audits

**100%**



Proportion of female employees in senior management positions

**35.13%**



Greenhouse gas emission intensity

**0.181** tonnes of CO<sub>2</sub>e per RMB 10,000 of revenue



Net profit attributable to shareholders of the listed company

RMB **178** million



Products exported to

**26** countries and regions



Overall service quality satisfaction

**99.67%**



Total external donations during the year

RMB **13.99** million



Compliance rate for three wastes emissions

**100%**



Total taxes paid

RMB **166** million



Over **8** million doses of finished vaccines

and more than **2,900** liters of bulk vaccine exported to developing countries and regions during the year



Product recall rate during the year

**0%**



Included in **S&P Global's Sustainability Yearbook 2025 (China Edition)**



Recognized as a Wind ESG

**Top 100** Best Practice Company



R&D investment

RMB **381** million

# Awards and Recognitions

Corporate Awards and Recognitions in 2025	
Award/Recognition	Issuing Authority
List of Signature Biomanufacturing Products	Ministry of Industry and Information Technology of the PRC
2025 Yunnan Top 20 Private Enterprises in Innovation Capability (ranked 2nd)	Yunnan Federation of Industry and Commerce
2025 Yunnan Top 100 Private Enterprises (ranked 42nd)	
2025 Yunnan Top 100 Enterprises (ranked 63rd)	
2025 Yunnan Top 100 High-Tech Enterprises (ranked 27th)	Yunnan Enterprise Confederation / Yunnan Entrepreneurs Association
2025 Yunnan Top 100 Manufacturing Enterprises (ranked 42nd)	
China Top 20 Pharmaceutical Companies (ranked 20th)	China Manufacturing Enterprises Association
2024-2025 Top 50 Pharmaceutical Companies for Independent Innovation	All-China Federation of Industry & Commerce, Medical & Pharmaceutical Chamber (CMP)
2025 China Biomedical Technology Innovation Value List - Top 10 Most Influential Vaccine Companies (ranked 8th)	HY Research Institute
2025 Industry Breakthrough Brand	The Beijing News
2025 Outstanding Sustainability Practice Case of Listed Companies	China Association for Public Companies
2025 Ivy Award - Sustainability Pioneer of the Year	Jiemian News
2025 ZGC International Technology Trade Fair - Top 100 International Technology Trade Innovation Projects	Expert Panel, 2025 ZGC International Technology Trade Fair - Top 100 International Technology Trade Innovation Projects
2024-2025 Top 100 Pharmaceutical Companies by Revenue	All-China Federation of Industry & Commerce, Medical & Pharmaceutical Chamber (CMP)
Industry Association Memberships	
Association	Position
China Association for Vaccines	Council Member (Yunnan Walvax), Member (Shanghai Zerun)
China Society for the Study of the Private-Sector Economy	Executive Council Member (Yunnan Walvax)
China Industry-University-Research Institute Collaboration Association	Vice President Organization (Yunnan Walvax)
The Supply Chain Branch of the China Association for Vaccines	Executive Council Member (Yunnan Walvax)
The General Association of Dian Entrepreneurs	Vice President Organization (Yunnan Walvax)
Yunnan Private Enterprise Compliance Promotion Association	Executive Vice President Organization (Yunnan Walvax)
Yunnan Pharmaceutical Chamber of Commerce	Vice President Council Member (Yunnan Walvax)
Yunnan Young Entrepreneurs Chamber of Commerce	Vice President Organization (Yunnan Walvax)
Yunnan Provincial Intelligence and Digital Economy Association	Vice President Organization (Yunnan Walvax)
Yunnan Enterprise Technology Center Association	Executive Council Member (Yunnan Walvax)
Yunnan Microbiology Society	Executive Council Member (Yunnan Walvax)
Yunnan Biomedical and Health Industry Promotion Association	Executive Council Member (Yunnan Walvax)
Yunnan Preventive Medicine Association	Vice President Organization (Yunnan Walvax)
Yunnan Health Products and Cosmetics Industry Association	Vice President Organization (Yunnan Walvax)
Yunnan Basic Research Development Promotion Association	Member (Yunnan Walvax)
Developing Countries Vaccine Manufacturers Network (DCVMN)	Member (Yunnan Walvax)
Platform Recognitions in 2025	
Platform Designation	Issuing Authority
National-level Technology-based SME	Department of Science and Technology of Yunnan Province
National High-Tech Enterprise	Department of Science and Technology of Yunnan Province, Department of Finance of Yunnan Province, Yunnan Provincial Tax Service
Yunnan Innovative SME	Department of Industry and Information Technology of Yunnan Province
Yunnan Technology-based SME	Department of Science and Technology of Yunnan Province
Vaccine R&D Proof-of-Concept Center - Capability Enhancement Project	Department of Science and Technology of Yunnan Province

# Sustainable Development Management

## Sustainable Development Governance System

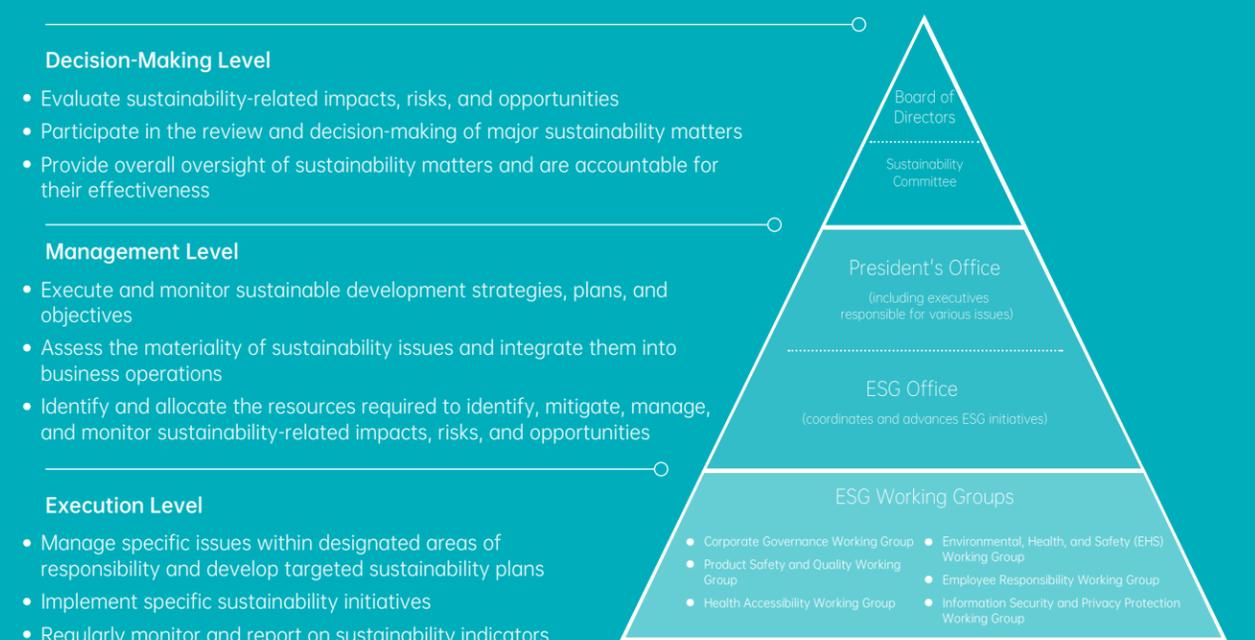
Walvax Biotechnology deeply integrates sustainable development into its corporate strategy. The Company has established the *Walvax Biotechnology Sustainable Development Management System* and consistently refines its governance structure to build resilience and enhance its capacity for long-term value creation.

The Board of Directors has established a Sustainability Committee, chaired by the Chairman of the Board. This committee is responsible for reviewing, providing guidance on, and advising on the Company's sustainability strategies, policies, objectives, and performance. It also oversees the implementation of key sustainability initiatives and the achievement of related targets, conducts evaluations, and provides recommendations to the Board. The President's Office and the ESG Office serve as the management-level bodies, responsible for formulating sustainability strategies, plans, and objectives, as well as coordinating and supervising their implementation. The ESG Working Group, composed of representatives from various departments and subsidiaries, is responsible for executing sustainability-related initiatives, including developing action plans aligned with the Company's overall strategy, regularly reviewing and reporting sustainability

indicators, and collecting and reporting sustainability-related information. The *Organizational Performance Management Measures (Trial Version)* incorporate ESG-related assessment indicators such as quality, safety, and environmental performance. The Company actively adopts quantitative metrics to evaluate the effectiveness of its ESG management strategies and is progressively integrating ESG indicators into its compensation system.

Members of the Sustainability Committee and ESG Working Group possess extensive professional knowledge and practical experience. During the reporting period, the Company advanced the design of its sustainability framework, continuously enhancing governance, innovation, and risk management capabilities. The Sustainability Committee convened four meetings during the year, reviewing and approving the *Sustainable Development Management Policy* and the *2024 Sustainability Report*, thereby promoting governance optimization and improving the quality of information disclosure. In addition, the Company organized ESG training sessions for directors and all employees to enhance their understanding of ESG strategies and related work, and to support the effective implementation of ESG initiatives.

Walvax Biotechnology Sustainability Governance Structure



# Sustainability Strategy Framework

Guided by its core principle of "helping everyone live a healthy life," Walvax Biotechnology has fully integrated sustainable development into its corporate strategy. By aligning with the United Nations Sustainable Development Goals (SDGs) and monitoring industry trends, the Company has systematically charted its strategic course for sustainability, advancing toward high-quality development and green transformation.

## The Wo·HEALTH Sustainability Strategy Framework



# Stakeholder Communication

Walvax Biotechnology identifies its key stakeholders with reference to the AA1000 Stakeholder Engagement Standard and by benchmarking against the practices and experience of global peers. The Company has established diversified communication channels tailored to different stakeholder groups. Stakeholders' concerns, expectations, opinions, and recommendations are fully integrated into the identification and response to sustainability-related risks and opportunities, the formulation of targets and indicators, and the continuous enhancement of management practices, enabling the Company to proactively respond to stakeholder concerns.

Stakeholders	Expectations and Demands	Communication Channels and Mechanisms
<p>Government and regulatory authorities</p>	<ul style="list-style-type: none"> <li>Operating in compliance with laws and regulations</li> <li>Tax compliance</li> <li>Support local development</li> </ul>	<ul style="list-style-type: none"> <li>Specialized meetings or reports</li> <li>Feedback on policy consultation</li> <li>Official visits</li> <li>Compliance regulatory inspections</li> <li>Information disclosure</li> </ul>
<p>Shareholders &amp; Investors</p>	<ul style="list-style-type: none"> <li>Consistent and stable returns</li> <li>Transparent and open information</li> <li>Investor relations management</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders' meetings</li> <li>Financial reports and announcements</li> <li>Investor hotline</li> <li>Roadshow and counter-roadshow</li> <li>Performance briefings and other engagement activities</li> </ul>
<p>Customers</p>	<ul style="list-style-type: none"> <li>Product quality and safety</li> <li>Optimized customer service</li> <li>Business continuity</li> <li>Customer privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>Customer relationship management</li> <li>Customer audits</li> <li>Social media platform</li> </ul>
<p>Partners</p>	<ul style="list-style-type: none"> <li>Adherence to business ethics</li> <li>Responsible supply chain</li> <li>Industrial cooperation and exchange</li> </ul>	<ul style="list-style-type: none"> <li>Supply chain audits and training</li> <li>Open cooperation</li> <li>Communication and interaction</li> <li>Industry conferences</li> </ul>
<p>Employees</p>	<ul style="list-style-type: none"> <li>Employee rights and benefits</li> <li>Occupational health and safety</li> <li>Employee training and development</li> <li>Diversity and equal opportunity</li> </ul>	<ul style="list-style-type: none"> <li>Employee activities and communication</li> <li>Employee training</li> <li>Employee performance communication</li> <li>Internal information communication platform</li> <li>Employee grievance channels</li> </ul>
<p>Environment</p>	<ul style="list-style-type: none"> <li>Scientific and efficient use of resources</li> <li>Reducing impact on the environment</li> <li>Promoting greener development across the industry</li> </ul>	<ul style="list-style-type: none"> <li>Active response to climate change</li> <li>Reduction of waste emissions (wastewater, waste gas, and solid waste)</li> <li>Biodiversity conservation</li> </ul>
<p>Public and community</p>	<ul style="list-style-type: none"> <li>Product quality and safety</li> <li>Public welfare and charity</li> <li>Community communication and development</li> </ul>	<ul style="list-style-type: none"> <li>Media interaction</li> <li>Information disclosure</li> <li>Public welfare programs</li> <li>Volunteer activities</li> </ul>

# Risk and Opportunity Management

## Risk Management Framework

Walvax Biotechnology strictly complies with applicable laws and regulations, including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Basic Standard for Enterprise Internal Control*, and the *Guidelines for the Application of Enterprise Internal Control*. In accordance with these requirements, the Company has formulated internal policies and systems, such as the *Risk Management Policy of Walvax Biotechnology Co., Ltd.* and the *Internal Control Deficiency Identification Standards of Walvax Biotechnology Co., Ltd.* Guided by the management objective of "strengthening internal controls, preventing risks, and promoting compliance," and in consideration of industry characteristics, the Company has established and consistently refined a management framework that is risk-oriented and focused on compliance supervision. This approach enhances the management of sustainability-related impacts, risks, and opportunities, and supports the Company's stable and sound operations. The Board of Directors assumes ultimate responsibility for risk management. It is responsible for approving the Company's risk management strategy, determining the overall risk profile, approving major risk response plans, and overseeing and evaluating the effectiveness of risk management as well as management's performance in fulfilling its risk management responsibilities. The Audit Committee under the Board is responsible for reviewing the effectiveness of enterprise-wide risk identification, assessment, management, and monitoring processes. The Board also authorizes other specialized committees, such as the Sustainability Committee, to carry out specific risk management responsibilities within their respective areas of expertise.

At the operational level, the Company has established a "Three Lines of Defense" internal control and risk management framework, covering all employees, processes, systems, and business activities, to support high-quality development. The Company has established an Internal Audit Department responsible for consolidating and assessing various business and sustainability-related risks, and for supervising the implementation of the Company's risk management systems. It reports annually to the Audit Committee and management on key risk control activities. In 2025, the Audit and Inspection Department was guided by the principles of "aligning with strategy, penetrating business operations, and creating value," and adopted "end-to-end risk governance" as its primary oversight approach. The Company innovatively implemented a "1+N integrated audit model," deeply embedding audit functions into the core of corporate governance and driving a transformation from compliance-focused execution to governance empowerment.

First Line of Defense
The Company's business units, as operational front-line departments, bear primary responsibility for internal control and risk management, and are responsible for establishing and implementing the first line of defense.
Second Line of Defense
The Company's internal control and risk management functions, including Quality, Safety, Human Resources, and Finance, serve as support functions for internal control and risk management, and are responsible for establishing and implementing the second line of defense.
Third Line of Defense
The Company's internal audit function, together with external audit institutions, serves as the assurance function for internal control and risk management, implementing the third line of defense.

## Risk Management Strategy and Procedures

Walvax Biotechnology consistently optimizes its risk management strategies and procedures, and incorporates risk management indicators into performance evaluation to ensure effective control and mitigation of relevant risks, laying a solid foundation for business continuity and stable development. The Company integrates significant ESG-related risks and opportunities into its risk review and business planning processes, with a view to better managing and mitigating risks while identifying opportunities for growth and transformation.

Focusing on key businesses, critical areas, major operational processes, and international operations, the Company organizes all business units to systematically review, identify, and assess specific business risks. This process has led to the establishment of the Risk Identification and Control Database, the Risk (Deficiency) Tracking Database, and the Internal Control Database. Based on these efforts, the Company dynamically adjusts its risk management policies and risk mitigation and control measures, and strengthens the remediation of internal control deficiencies to address various complex risks, including ESG-related risks. In addition, the Company has established effective risk response and emergency management mechanisms. For newly emerging significant risks without existing contingency plans, the President takes the lead in organizing the development of response measures, which are then submitted to the Board of Directors for review and approval.

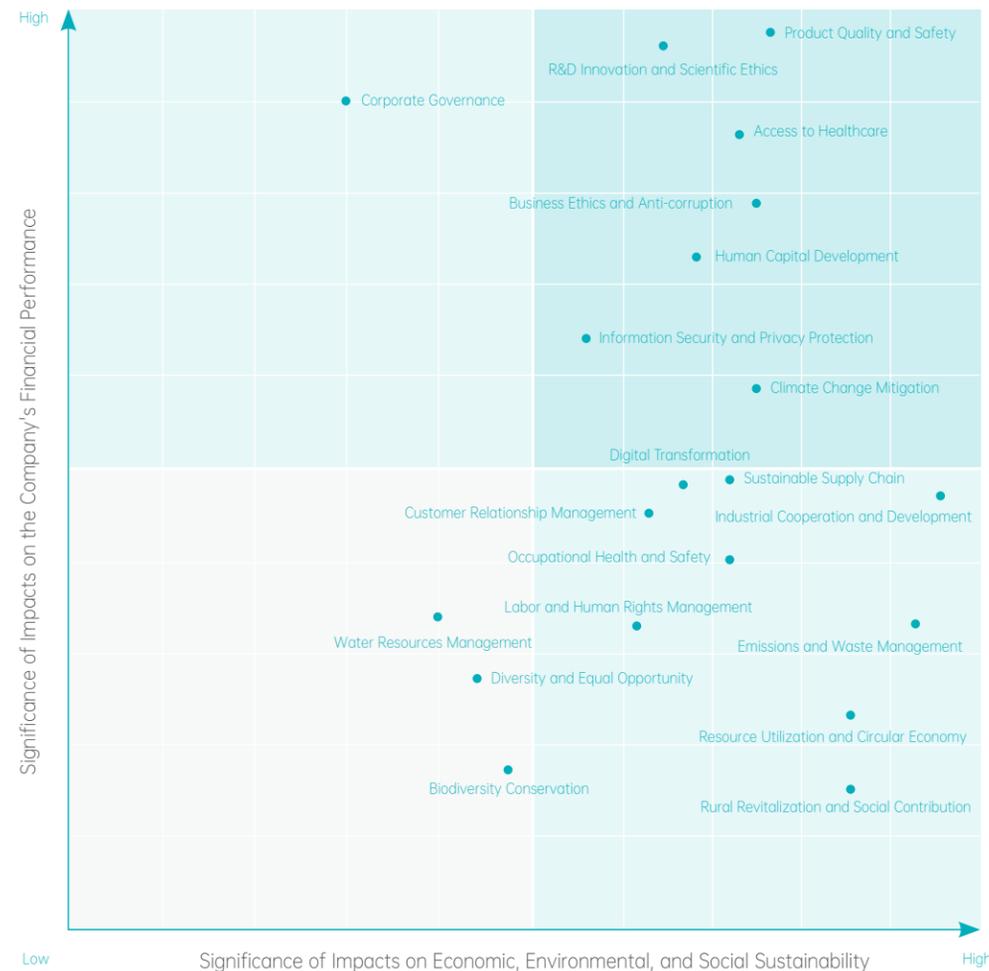
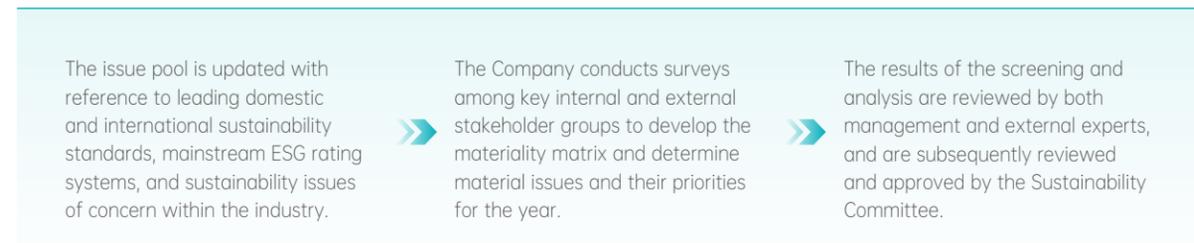
Each year, the Company conducts a comprehensive, multi-dimensional review of enterprise-wide risks. For newly emerging significant risks, the President takes the lead in formulating response measures, which are submitted to the Board of Directors for review. Through targeted training, the Company fosters a risk management culture across all employees, enabling early identification, dynamic management, and continuous optimization of emerging risks.

The Company encourages employee participation in building its risk management culture and strengthens company-wide risk management training. All departments are required to promptly study and analyze relevant new regulations and policies, enhance risk prevention capabilities, ensure compliant operations, and maintain risks within an acceptable range.



## Materiality Assessment

Materiality issue management underpins Walvax Biotechnology’s approach to sustainability planning, risk and opportunity management, and information disclosure. The Company conducts regular materiality analyses. In 2025, in accordance with authoritative standards and guidelines, including the GRI Standards for Sustainability Reporting, IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, and the Shenzhen Stock Exchange Self-Regulatory Guidelines No. 17 for Listed Companies—Sustainability Report (Trial), the Company updated its issue pool and conducted a double materiality assessment from two dimensions: impact materiality (the significance of impacts on economic, environmental, and social sustainability) and financial materiality (the significance of impacts on the Company’s financial performance). High-impact issues are subject to comprehensive management and disclosure to better respond to stakeholder expectations and needs. The Board of Directors and the Sustainability Committee review and confirm the materiality matrix for the year.



## Analysis of Impacts, Risks, and Opportunities Related to Material Issues

Material Issue	Scope of Impact			Impact Timeframe			Risks and Opportunities	Impact Level
	Upstream	Operations	Downstream	Short term	Medium term	Long term		
Product Quality and Safety	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> <li><b>Risks:</b> Changes in external regulatory standards may pose risks if not identified and effectively addressed in a timely manner, potentially resulting in regulatory penalties, market access restrictions, and a decline in market trust.</li> <li><b>Opportunities:</b> High-quality products can enhance customer trust, increase market share, and strengthen competitive advantage.</li> </ul>	Negative impact: ●●● Positive impact: ●●●
R&D Innovation	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> <li><b>Risks:</b> In the face of technological risks, market competition, and internationalization challenges, R&amp;D investment may require substantial financial input with uncertain commercial outcomes.</li> <li><b>Opportunities:</b> Breakthroughs in disruptive technologies, such as mRNA, gene editing, synthetic biology, and artificial intelligence, can support the development of vaccines with high medical and social value, thereby enhancing the Company's long-term market competitiveness.</li> </ul>	Negative impact: ●●● Positive impact: ●●●
Business Ethics and Compliance	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> <li><b>Risks:</b> Increasing regulatory scrutiny in the pharmaceutical industry regarding commercial bribery and conflicts of interest may expose the Company to compliance risks, potentially leading to significant economic costs, legal consequences, operational risks, and reputational damage.</li> <li><b>Opportunities:</b> Strengthening business ethics and compliance practices can support the establishment of robust internal management systems and processes, enhance management efficiency and transparency, and reinforce overall governance effectiveness.</li> </ul>	Negative impact: ●●● Positive impact: ●●●
Access to Healthcare		✓	✓	✓	✓	✓	<ul style="list-style-type: none"> <li><b>Risks:</b> The domestic pharmaceutical industry is undergoing a structural transformation, facing increasingly complex policy, market, and technological risks. Vaccine demand is also becoming more sensitive to changes in disease epidemiological trends.</li> <li><b>Opportunities:</b> There remains significant unmet demand in the global vaccine market. Supportive national policies promoting innovation and the development of the biopharmaceutical sector create substantial opportunities for growth.</li> </ul>	Negative impact: ●●● Positive impact: ●●●
Information Security and Privacy Protection	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> <li><b>Risks:</b> The Company is exposed to multidimensional risks, including technical, human-related, management, and operational risks. Inadequate management of critical data and customer privacy may result in data breaches, giving rise to compliance risks, reputational damage, and reduced customer trust.</li> </ul>	Negative impact: ●●● Positive impact: ●●●
Human Capital Development		✓		✓	✓	✓	<ul style="list-style-type: none"> <li><b>Risks:</b> Insufficient employee training and development may lead to risks related to strategy execution and organizational transformation, as well as increased employee turnover.</li> <li><b>Opportunities:</b> A well-established employee learning and development and talent cultivation system can effectively support the achievement of the Company's strategic objectives, enhance its brand and market competitiveness, and create potential business opportunities.</li> </ul>	Negative impact: ●●● Positive impact: ●●●
Addressing Climate Change	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> <li><b>Risks:</b> Climate change-related physical and transition risks, particularly those arising from extreme weather events and natural disasters, may lead to damage to owned assets, supply chain disruptions and increased costs, as well as changes in disease patterns that may affect product strategies.</li> <li><b>Opportunities:</b> Climate change may give rise to new business opportunities in climate-related disease areas, enabling the development of new vaccine solutions. Strengthened energy management can also support a stable long-term power supply and deliver energy-saving benefits.</li> </ul>	Negative impact: ●●● Positive impact: ●●●

●●● High ●● Medium ● Low

# Healthy

## Innovation-Driven Health Accessibility



R&D investment during the year

RMB **381** million

Products had been exported to

**26** countries and regions

Vaccine lot releases during the year

**19.97** million doses,

with a

**100%** delivery rate

Product recall rate during the year

**0%**

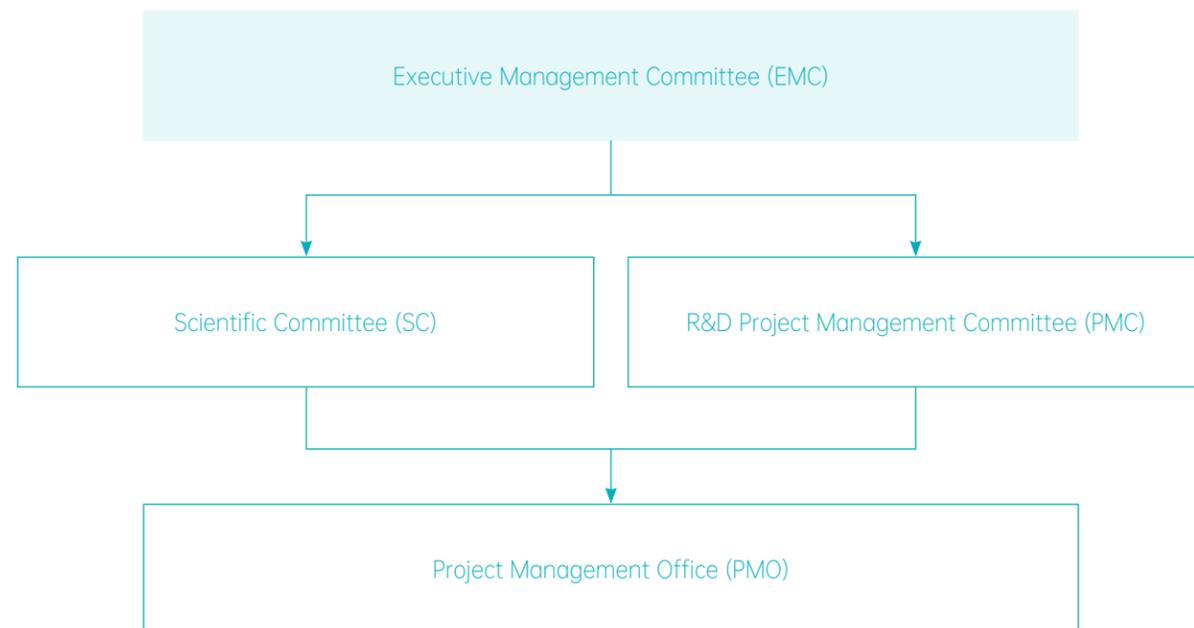


# R&D Innovation

## Governance

New quality productive forces are the core drivers for a company's continuous innovation and adaptation to change. To effectively execute its innovation-driven development strategy, Walvax Biotechnology has established an R&D governance structure centered on a "dual-track governance" model. Through the synergy of these two complementary tracks and a tiered decision-making mechanism, the Company has established a closed-loop mechanism integrating strategic planning, scientific review, resource support, and execution monitoring, ensuring that scientific decision-making and efficient execution are seamlessly aligned. The Board of Directors is responsible for setting the innovation strategy, ensuring that all R&D directions are fully aligned with the Company's overall corporate strategy. The President's Office acts as the central decision-making body, providing final approval for project initiation, significant changes, termination, and key milestones. The Scientific Committee (SC) serves as both the "product strategy lead" and the "technology gatekeeper." Its primary responsibilities include evaluating technology trends, assessing the scientific merit and innovation of projects, and validating key technological milestones. The R&D Project Management Committee (PMC) is tasked with resource allocation and execution oversight. It manages the overall R&D budget, reviews project plans and resource alignment, and monitors progress and costs to ensure projects advance efficiently within a controlled scope. The Project Management Office (PMO) acts as the central coordination hub. It is responsible for developing systems, organizing reviews, monitoring processes, managing knowledge, and facilitating coordination across all committees. Supported by this robust governance framework, each of the Company's BUs possesses the full capability to manage products through the entire lifecycle, from initial R&D to industrialization, effectively safeguarding both the quality and efficiency of its R&D efforts.

The Company's R&D activities are conducted in strict accordance with relevant domestic and international laws, regulations, and standards, including the *Drug Administration Law of the People's Republic of China*, the *Vaccine Administration Law of the People's Republic of China*, and the *Provisions for Drug Registration*. A comprehensive management system covering the entire R&D lifecycle has been established through key internal policies, such as the *Walvax Biotechnology Co., Ltd. Exploratory Project Management Measures*, the *Walvax Biotechnology Co., Ltd. Scientific Committee Working Charter*, and the *Walvax Biotechnology Co., Ltd. Vaccine R&D Project Management Measures (Trial)*. This system governs all aspects of scientific research management, from project initiation, planning, and change management to execution, results management, and evaluation incentives, thereby enhancing the systematization and standardization of R&D processes. To ensure financial discipline, the Company has also formulated the *Walvax Biotechnology Co., Ltd. Scientific Research Project Funding Management Measures* and the *Walvax Biotechnology Co., Ltd. R&D Project Investment Funding Management Measures*. A dedicated R&D budget pool has been established, managed through tiered approval processes, phased budget releases, and dynamic budget monitoring. This approach ensures that R&D funds are used in a compliant, precise, and sustainable manner, maximizing capital efficiency.



## Strategy and Approach

Guided by its philosophy of "Life is priceless, technology is infinite," Walvax Biotechnology maintains a sustained high level of R&D investment and a commitment to leading-edge scientific innovation. With innovation in core biotechnology platforms and deep industry-university-research integration as its primary drivers, the Company has strategically organized its efforts into several key business units: the Bacterial Vaccine BU, the Recombinant Protein BU, the mRNA Vaccine BU, the Nutrition Division, and the Biomanufacturing Division. This structure has enabled the gradual construction of a high-level, open R&D innovation system spanning three major fields: vaccines, synthetic biomanufacturing, and microecological interventions. The Company is consistently expanding its innovative product pipeline and is dedicated to building a comprehensive "Health and Wellness + Biomanufacturing" industrial platform covering prevention, intervention, and treatment. The ultimate goal is to contribute to a global framework for diverse immune and microecological protection, ranging from infectious disease control to population-wide health management.

Within the vaccine R&D segment, the Company has implemented a management mechanism centered on "tiered and classified management" and "dual-track governance." This approach allows for the formulation of precise product development and iteration strategies, balancing innovation dynamism with standardized operations, while aligning scientific decision-making with effective resource coordination. In terms of tiered and classified management, projects are managed hierarchically based on their technology readiness level (TRL). This encourages agile innovation in early-stage exploratory projects while ensuring systematic and compliant progress for projects in later development phases. In terms of dual-track governance, collaborative decision-making between the Scientific Committee and the R&D Project Management Committee ensures that R&D directions align with scientific frontiers while remaining resource-feasible and efficiently executable. This mechanism effectively balances scientific rigor with execution efficiency, enabling projects to advance in an orderly and controlled manner. In terms of knowledge management, the Company has built an R&D Knowledge Base and a Technical Exclusion List (Negative List) to systematically capture experience, facilitate knowledge sharing, and enable continuous improvement. Furthermore, the Company consistently refines its decision-making processes for new business initiatives to enhance efficiency and quality, ensuring their steady advancement.



Yunnan Walvax

- National Technology Innovation Demonstration Enterprise**
- National Innovation-Oriented Pilot Enterprise**
- National Enterprise Technology Center**
- National High-Tech Enterprise**
- International Cooperation Base for Human Vaccines**
- National Engineering Practice Education Center**

Shanghai Zerun

- Shanghai High-Tech Enterprise**
- Shanghai Sci-Tech Little Giant (Incubation) Enterprise**
- Shanghai Specialized, Refined, Differentiated, and Innovative (SRDI) Enterprise**
- Shanghai Municipal Enterprise Technology Center**

Yuxi Walvax

- National High-Tech Enterprise**

Yuxi Zerun

- Yunnan Sci-Tech SME**
- Yunnan Innovative SME**
- Yunnan Provincial Science and Technology Progress Award (Third Prize)**

2025 Yunnan

**Top 10** Private Enterprises by Innovation

Capability

Recipient of

**11** provincial-level and above science and technology innovation awards

## Deepening Innovation in Vaccines

Driven by its vision to “become a source of pride for China's vaccine industry and a pioneer in the global vaccine industry,” Walvax Biotechnology pursues a balanced R&D strategy that integrates independent development, collaborative research, and in-licensing of projects. This approach has enabled the Company to build a suite of technology platforms that are leaders in the domestic market, encompassing bacterial vaccines, recombinant protein vaccines, mRNA vaccines, and viral vaccines. Through these platforms, the Company is actively developing an innovative vaccine pipeline characterized by significant technological and clinical advantages. In 2025, the Company intensified its focus on forward-looking technology planning, enhancing technological independence and controllability, strengthening platform capabilities, and optimizing its product pipeline. Efforts were concentrated on two fronts: upgrading existing vaccine varieties and developing innovative ones. This included advancing higher-valency and combination vaccines to broaden population coverage, while simultaneously accelerating the development of novel candidates such as vaccines for herpes zoster and an mRNA-based COVID-19-influenza combination. Leveraging its advanced technology base and persistent problem-solving capabilities, the Company achieved multiple breakthroughs across its pipeline. From technological breakthroughs and platform iteration to capacity enhancement and global expansion, Walvax Biotechnology is accelerating its transformation toward high-end and intelligent manufacturing. By actively cultivating new quality productive forces, the Company is consolidating the foundation for long-term industrial growth and empowering its own journey toward high-quality development.

### Bacterial Vaccine Technology Platform

This platform integrates core systems for polysaccharide technologies, carrier protein technologies, and polysaccharide-protein conjugation technologies, continuously strengthening the Company's technological barriers in bacterial vaccines. To date, it has enabled the successful development and launch of seven bacterial vaccine products: the 13-valent Pneumococcal Conjugate Vaccine, the 23-valent Pneumococcal Polysaccharide Vaccine, the Haemophilus Influenzae Type b Conjugate Vaccine, the Group A and Group C Meningococcal Conjugate Vaccine, the Group ACYW135 Meningococcal Polysaccharide Vaccine, the Group A and Group C Meningococcal Polysaccharide Vaccine, and the Adsorbed Diphtheria, Tetanus and Acellular Pertussis Combined Vaccine. These products provide comprehensive coverage against key pathogens, including pneumococcus, meningococcus, and pertussis. In 2025, the Company further strengthened its quality and residue control capabilities by completing the drafting of five new technical SOPs.

- In April 2025, the Company's 20-valent Pneumococcal Polysaccharide Conjugate Vaccine (PCV20) successfully obtained clinical trial approval. This represents a significant addition to the Company's pneumococcal vaccine portfolio, following the 13-valent and 23-valent vaccines, and offers enhanced serotype coverage compared to existing options.
- The Company's self-developed adsorbed tetanus vaccine has completed the major on-site research activities for Phase I clinical trials and has progressed to Phase III.

### Recombinant Protein Vaccine Technology Platform

This platform comprises core systems for virus-like particle (VLP) preparation, recombinant protein expression, novel adjuvant evaluation, and novel vaccine development, with a dedicated focus on advancing next-generation vaccines. As of the end of December 2025, R&D personnel constituted 85% of the platform's team. Throughout 2025, the platform continued to advance new technologies for novel vaccine development, including antigen protein structural characterization and adjuvant property characterization. Collaboration with leading domestic research institutions, including Guangzhou Laboratory, Tsinghua University, and Dalian University of Technology, was further strengthened to enhance R&D quality.

- The Company's independently developed and manufactured bivalent HPV vaccine, Walrinva<sup>®</sup>, was eligible for procurement by UNICEF and other UN agencies. This has facilitated its entry into markets across more countries and regions, benefiting a wider global population.
- Phase III clinical trials for the 9-valent HPV vaccine are progressing steadily, alongside breakthroughs in overseas market expansion. This project has received strong support from international organizations, including the Gates Foundation and the Program for Appropriate Technology in Health (PATH).

### mRNA Vaccine Technology Platform

Through a combination of independent R&D and collaborative breakthrough efforts, this platform has established a fully self-controllable, end-to-end technology system for mRNA vaccines that benchmarks against international advanced standards. This system covers vaccine design, delivery systems, large-scale production, and analytical evaluation, enabling multiple key technological innovations. A notable achievement is the co-developed mRNA COVID-19 vaccine targeting the Omicron XBB.1.5 variant (Code: RQ3033), Walancorna<sup>®</sup>. The vaccine is the first mRNA COVID-19 vaccine in China targeting XBB and related variants to receive emergency use authorization, supported by complete Phase III safety and efficacy data and approved via an immunobridging clinical pathway.

- In October 2025, the Company's mRNA vaccine for respiratory syncytial virus (RSV) successfully obtained clinical trial approval from the National Medical Products Administration (NMPA). This vaccine targets a highly conserved sequence of the F protein from RSV-A strains prevalent in China over the last decade. By incorporating independently designed mutation sites to stabilize PreF protein expression, it fills a critical gap in the domestic mRNA vaccine landscape for RSV.
- In December 2025, a lyophilized mRNA vaccine for herpes zoster received clinical trial approval from the NMPA, offering a potential solution to address the significant disease burden among middle-aged and elderly populations.
- An mRNA COVID-19 vaccine candidate targeting the Omicron JN.1 variant's S protein has been designed and iteratively developed.

### Viral Vaccine Technology Platform

Building on mature technologies for virus attenuation, cell culture, and lyophilization, this platform focuses on developing vaccines for highly prevalent viral infectious diseases, consistently enriching the Company's product pipeline.

- In November 2025, a clinical trial application for a live attenuated varicella vaccine was accepted by the NMPA. Upon approval, this vaccine will lay the groundwork for developing a measles-mumps-rubella-varicella (MMRV) combination vaccine, providing additional options for public health prevention and control.



## Driving the Upgrading of Yunnan's Vaccine Industry

The Yunnan Vaccine Laboratory is a landmark initiative in the province's drive to implement an innovation-led development strategy and achieve a high level of scientific and technological self-reliance. Led by Walvax Biotechnology and established in partnership with key universities, CDCs, and enterprises across Yunnan, the laboratory represents a major step forward in advancing cutting-edge vaccine technologies, overcoming critical technical hurdles, and creating a premier platform for vaccine R&D and public services for the biomedical industry. The laboratory is designed to bridge the entire vaccine value chain—from basic and applied research, through clinical trials and commercialization, to scale-up production and health economics analysis. Anchored by platforms such as the Yunnan Provincial Biotech Drug Engineering Research Center, it aims to become a national pacesetter in technological innovation for vaccine R&D and industrialization. In doing so, it will serve as a source of cutting-edge technologies, an accelerator for the commercialization of research findings, an engine for industrial growth, and a hub for attracting and cultivating top-tier talent. Ultimately, the laboratory will form an industrial cluster of significant national influence, extending its reach to Southeast Asia and other Belt and Road countries.

In 2025, the Company leveraged Yunnan's unique geographical position to deepen industrial collaboration with South and Southeast Asia, contributing to the province's emergence as a regional hub for international biomedical cooperation. The Company concentrated its efforts on advancing frontier fields such as mRNA technology and synthetic biology. Through partnerships between universities and enterprises, it tackled fundamental technology gaps and challenges. Initiatives such as co-establishing employment practice bases and building integrated industry-university-research systems helped address the shortage of high-end talent, driving tangible industrial upgrading within the region.

Additionally, Walvax Biotechnology and the Yunnan Vaccine Laboratory are actively integrating the strengths of research institutes, universities, and enterprises, both domestically and internationally, to forge a collaborative R&D ecosystem. Key partnerships and initiatives include collaborating with Tsinghua University, Fudan University, academician workstations, Guangzhou Laboratory, and Shanghai Rnacure Biopharma Co., Ltd. on cutting-edge R&D projects. They also work closely with international organizations such as the Gates Foundation, the Coalition for Epidemic Preparedness Innovations (CEPI), the Program for Appropriate Technology in Health (PATH), the United Nations Children's Fund (UNICEF), the Global Alliance for Vaccines and Immunisation (Gavi), and the Developing Countries Vaccine Manufacturers Network (DCVMN) to accelerate vaccine development and advance WHO prequalification (WHO-PQ).



Partnering with Fudan University and the Yunnan Vaccine Laboratory to establish the Synthetic Biology and Vaccine Technology University-Enterprise Joint Research Center. This center is dedicated to achieving original breakthroughs in foundational synthetic biology technologies, such as DNA and RNA, thereby elevating the region's capacity for original innovation in biotechnology.



Cooperating with the Yunnan Province Rao Zihe Academician Workstation to build a regional public health emergency response system, overcome key technological bottlenecks, and cultivate high-level R&D talent, thus comprehensively enhancing independent innovation and technology commercialization capabilities.



Facilitating the joint establishment of the Respiratory Infectious Disease Vaccine Joint Laboratory by Guangzhou Laboratory, the Yunnan Vaccine Laboratory, and the Yunnan Province Science and Technology Department. This laboratory focuses on core technology R&D and pipeline development for respiratory infectious disease vaccines.



Establishing an industry-university-research collaborative innovation system with the Shandong University Yunnan Research Institute to jointly tackle technological bottlenecks in the vaccine industry and explore the emerging field of synthetic biology.

## Expanding the Innovative Product Pipeline

As the healthcare sector accelerates its fundamental shift from a treatment-centered to a health-centered model, Walvax Biotechnology is actively capitalizing on opportunities within national strategic emerging industries. The Company is pursuing a dual-pronged strategy to build a comprehensive product portfolio spanning the full cycle of prevention, treatment, and health promotion, thereby creating a robust health protection barrier. Leveraging synthetic biology, it is developing high-value-added biological products, including functional proteins, active microbial preparations, and prebiotics. Building on microecological science, the Company is creating intervention solutions targeting metabolic regulation, immune modulation, and chronic disease management.

### Biomanufacturing

Yunnan Province offers distinct advantages for biomanufacturing, including exceptional biodiversity, abundant green electricity, and rich biomass resources. By combining these local strengths with the Company's innovation-driven industrialization capabilities—honed in the complex field of vaccine biopharmaceuticals—Walvax Biotechnology drives product innovation in the pharmaceutical and health sectors, forging a unique competitive advantage in biomanufacturing.

Taking into account market dynamics, technological feasibility, user needs, product potential, and business model innovation, the Company comprehensively integrates resource availability, industrial factors, and core capabilities. It focuses on high-value-added products for the life and health sector in biomanufacturing. Key capability-building initiatives include AI-driven creation of synthetic biology chassis cells, intelligent and precise control for high-density fermentation, multi-stage extraction technologies and advanced formulation technologies, scenario-based application research and end-product solution development, and key technologies for utilizing Yunnan's distinctive non-food raw materials. Through these efforts, the Company is steadily advancing the implementation of its biomanufacturing business. In 2025, the biomanufacturing innovation R&D platform was progressively commissioned, and the development of a series of key products, along with related industrialization projects, progressed steadily.

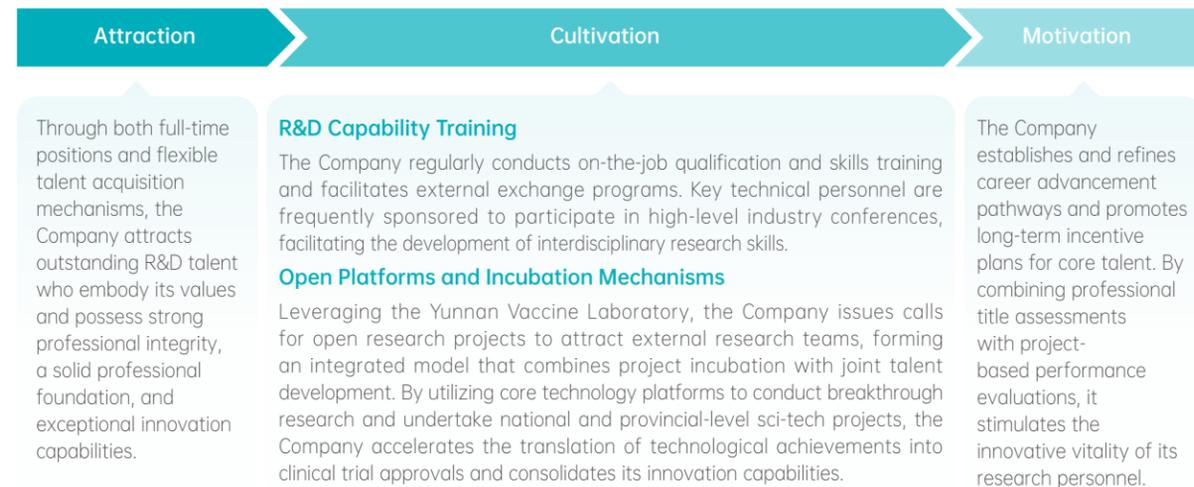
- **Deployment** of a portfolio of innovative synthetic biology products through both independent R&D and collaborative innovation
- **Development** of integrated innovation and pilot-scale validation platforms enabling pervasive internal and external collaboration
- **Establishment** of specialized talent teams to build end-to-end capabilities across R&D, production, and commercialization
- **Development** of biomanufacturing industrial projects to enable large-scale production and supply of innovative products
- **Exploration** of diversified and flexible marketing models to establish a closed-loop value creation system

### Microbiome Business

Guided by the proprietary "Core Microbiota Seesaw Model (TCG)," Walvax Biotechnology is dedicated to the independent R&D and translational application of core microbiome technologies. In 2025, the Company held Board meetings on May 23 and July 30, approving the *Exclusive Sublicense Agreement* and its *Amendment* with Notitia, a U.S. company. The Amendment expands the collaboration scope from the "patient population" under the original agreement to include both "patient" and "non-patient" populations, creating a dual-track structure that combines "disease treatment intervention" with "Chronic Disease Prevention + Health and Wellness Nutrition." This move aligns with China's national chronic disease prevention strategy and broadens the application of core microbiota therapies.

## Building a Dynamic Talent System

A strong scientific research team is the foundation of technological innovation. Walvax Biotechnology places talent development at the very core of its corporate strategy. The Company consistently refines its criteria for selecting research personnel, enhances management mechanisms that foster the growth of scientific talent, and cultivates a closed-loop ecosystem encompassing attraction, development, incentives, and output. This comprehensive approach solidifies the foundation for sustained innovation. After more than two decades of strategic investment, the Company has forged a well-structured talent pipeline of management and technical personnel who combine international vision with deep professional expertise. This enables end-to-end talent support across the entire value chain, from basic research to industrialization. Furthermore, the Company has engaged several senior vaccine industry experts as advisors, who provide invaluable guidance to ensure the correct strategic direction, high technical standards, timely progress, and uncompromising quality of its vaccine development efforts.



## Adhering to Research Ethics

Guided by the ethical principles of respect, beneficence, and justice, Walvax Biotechnology strictly complies with all applicable laws, regulations, and ethical norms. It has established a robust ethical governance and rights protection system that aligns with international standards and is embedded throughout all research processes. The Company rigorously conducts risk assessments and maintains full-process control over all experimental activities involving pathogenic microorganisms, ensuring that all R&D activities are conducted safely and in full compliance. During the reporting period, the Company recorded no incidents involving violations of research ethics.

### Protection of Clinical Trial Participants' Rights

Walvax Biotechnology places the highest priority on ethics in clinical trials, consistently putting the rights, safety, and well-being of research participants first. The Company strictly adheres to established ethical norms, including the *Declaration of Helsinki*, the *International Ethical Guidelines for Health-Related Research Involving Humans*, and the *Measures for Ethical Review of Life Science and Medical Research Involving Human Beings*. A comprehensive management system has been implemented, covering all aspects from clinical trial protocols and informed consent to risk control and the timely reporting of adverse events. Through systematic training, regular audits, and continuous improvement, the Company effectively safeguards the safety and rights of all participants.

#### Protocol Design

The Company integrates the principles of "quality by design" and "risk proportionality" into trial protocols. Full and comprehensive consideration is given to participant safety, rights, and potential risks during the initial protocol design stage, ensuring both the scientific and ethical soundness of the trial. Any proposed changes to a trial protocol undergo a timely, comprehensive, and in-depth evaluation of their necessity, rationale, and potential impact on participant safety. All protocol amendments are promptly submitted to the Ethics Committee for review and approval, strictly following all regulatory requirements.

#### Ethical Review

The Company strictly complies with all laws, regulations, and systems pertaining to ethical review. All clinical trials must obtain prior approval from the Ethics Committee before initiation, and the protection responsibilities of all involved parties are clearly defined in contracts. Any modifications to key documents, such as the clinical trial protocol, are promptly submitted to the Ethics Committee for review and only take effect upon approval. During the trial, any participant safety events are reported immediately, and appropriate actions are taken based on the Ethics Committee's guidance. All clinical trials are subject to ongoing review by the Ethics Committee to ensure full-process compliance.

#### Participant Protection

**Right to Information and Voluntary Participation:** Informed consent forms are used only after receiving approval from the Ethics Committee. During the informed consent process, the nature, purpose, risks, and rights associated with the trial are fully explained to participants, who are given adequate time to consider their participation. All participants join trials voluntarily and have the unconditional right to withdraw from the study at any stage.

**Right to Privacy:** All clinical trials strictly protect participant privacy in accordance with regulatory requirements, ensuring that the collection, use, and storage of personal information are legal and compliant. Detailed information on clinical research data security and privacy protection can be found in the "Information Security and Privacy Protection" section of this report.

**Right to Life and Health:** All clinical trial protocols undergo rigorous scientific evaluation and are initiated only after ensuring that the potential benefits to participants outweigh the risks. Appropriate insurance is procured for all participants. For early-stage, large-scale, or high-risk clinical trials, an independent Data and Safety Monitoring Board (DSMB) is established to ensure participant safety is fully guaranteed.

**Right to Medical Treatment:** All clinical trials are conducted at fully qualified and legally compliant institutions. Prior to enrollment, agreements establishing expedited "green channel" access are made with local authoritative hospitals to ensure prompt medical care if needed. Comprehensive emergency response plans are developed, and robust safety event monitoring and evaluation mechanisms are established to guarantee that participants receive appropriate treatment should any safety events occur.

#### Safety Event Management

The Company has established dedicated departments for real-time monitoring of safety information. A comprehensive management system, aligned with all regulatory requirements, has been established. This system enables the thorough analysis and evaluation of safety data and ensures that any safety risk events are promptly reported to the relevant regulatory authorities, thereby safeguarding the safety and rights of all trial participants.

### Animal Ethics

Walvax Biotechnology strictly adheres to Institutional Animal Care and Use Committee (IACUC) guidelines. All personnel involved in animal experimentation are required to hold the necessary certifications. A formal *Animal Experiment Ethical Review Form* must be submitted to the Ethics Committee prior to the procurement of any experimental animals, and no animal experiment project may commence without the Committee's explicit approval. The Company is guided by the "3Rs Principle" (Reduction, Replacement, and Refinement) and conducts all animal work responsibly, strictly prohibiting any action that violates ethical standards or causes harm to animals. The Company actively engages with global vaccine industry experts to explore alternative methods to animal testing in vaccine product release testing processes. During the reporting period, the Company recorded no violations of any laws or regulations pertaining to animal protection and ethics.

The Company maintains rigorous compliance with all ethical guidelines for the use of laboratory animals, clearly defining the necessity and scientific justification for any proposed animal experiment. Such experiments are conducted only when no alternative methods are available, and every effort is made to minimize the number of animals used. When external animal research centers are engaged to conduct vaccine-related studies, the Company strictly ensures that all activities comply fully with IACUC requirements. Furthermore, the Company upholds the highest standards of scientific integrity, ensuring that all animal experiment data are authentic, accurate, complete, and fully traceable. The falsification or alteration of experimental records is strictly prohibited, safeguarding both the ethical compliance and scientific validity of all research activities.

### Biosafety

Walvax Biotechnology has established and strictly enforces the *Biosafety Management Regulations for Pathogenic Microorganism Laboratories of Walvax Biotechnology Co., Ltd.* A dedicated Biosafety Committee has been formed, and a clear accountability system is in place for all personnel managing pathogenic microorganism laboratories. A standardized *Risk Assessment Form for Pathogenic Microorganism Experimental Activities* is used to strengthen the evaluation, prevention, and control of associated risks. The Company provides continuous biosafety training, utilizing various formats including mandatory sessions for new employees, annual refresher courses, and specialized workshops led by external experts. All training is followed by formal assessments. Laboratories are equipped with state-of-the-art biosafety protection equipment and emergency response kits, and regular on-site biosafety drills are conducted. These measures are designed to mitigate and prevent biosafety risks across all operations. In addition, the Company has established stringent biosafety management procedures for its suppliers. These procedures ensure supplier qualification compliance, full-process compliance, and traceability of materials. These controls are critical for preventing the leakage of investigational drugs and biological samples used in clinical trials. During the reporting period, the Company experienced no safety incidents, such as the leakage of pathogenic microorganisms.

## Intellectual Property Protection

Walvax Biotechnology strictly complies with the latest provisions of the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, and all other applicable laws and regulations. To operationalize this commitment, the Company has formulated and implemented a comprehensive suite of internal policies, including the *Walvax Biotechnology Co., Ltd. Intellectual Property Management Specifications*, the *Walvax Biotechnology Co., Ltd. Patent Management Measures*, the *Walvax Biotechnology Co., Ltd. Trademark Management Measures*, the *Walvax Biotechnology Co., Ltd. Copyright Management Measures*, and the *Walvax Biotechnology Co., Ltd. Guidelines for Legal Risk Review of Intellectual Property in External Publicity Materials*. In 2025, this framework was further strengthened by the addition of the *Walvax Biotechnology Co., Ltd. Vaccine R&D Project Management Measures*, ensuring comprehensive coverage of all aspects of intellectual property creation, management, utilization, and protection. The Legal Affairs Department at the Company's headquarters is responsible for centrally managing all intellectual property matters across the Group. The Department offers specialized IP courses and conducts annual professional training on patent application, search, and analysis. The Company subscribes to global patent databases to enhance its pre-filing search capabilities and ensure professional, efficient, and standardized IP management. While diligently safeguarding its own intellectual property rights, the Company is equally committed to respecting the intellectual property of others. Robust patent risk management procedures are in place to proactively avoid any infringement.

The Company has published the *Walvax Biotechnology Intellectual Property Handbook* to disseminate foundational IP knowledge and reinforce understanding of relevant internal systems and standards.



### Intellectual Property Risk Prevention

A dedicated intellectual property legal risk control review step has been integrated into all relevant contract approval processes. The Intellectual Property Management Department is responsible for reviewing IP-related clauses in contracts to mitigate the risks of intellectual property infringement by or against the Company. Key preventive measures include: conducting pre-filing novelty searches and analyses for technologies intended for patent applications to improve grant rates; performing Freedom-to-Operate (FTO) analyses for all R&D projects to avoid potential infringement risks; securing trademarks in advance for both marketed products and those nearing launch to ensure brand protection; and strictly controlling IP infringement risks in all external publicity materials through a formal risk approval procedure, ensuring full compliance throughout the design, distribution, and use process.

Patents granted during the year

9

including

4 invention patents

and

5 utility model patents granted in China

Valid patents granted in total

115

Number of valid invention patents

71

including

55 in China

and

16 outside China

Valid trademark registrations

283

Valid domestic trademark registrations

233

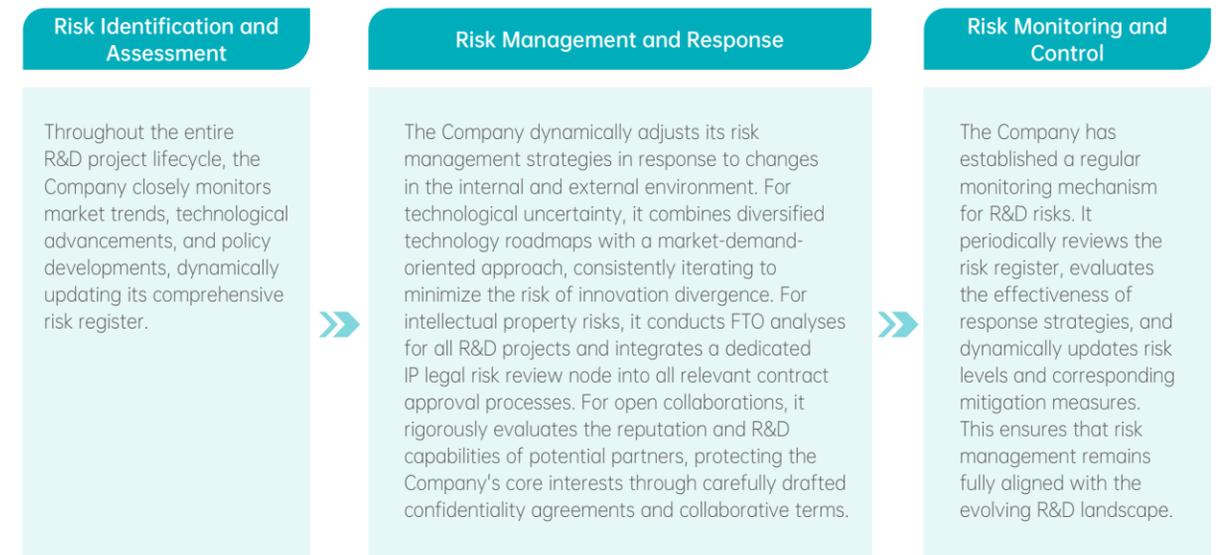
Valid overseas trademark registrations

50

In December 2025, the Yuxi Municipal Public Security Bureau officially established the Yuxi Enterprise Station for Criminal Protection of Intellectual Property at Yuxi Walvax Biotechnology Co., Ltd. This station serves as a single point of contact, integrating functions such as evidence collection, legal consultation, public education, and dispute mediation. It enables the direct and rapid handling of policy inquiries, reporting, and complaints, significantly enhancing the Company's ability to prevent IP risks through close collaboration with law enforcement.

## Impact, Risk, and Opportunity Management

Walvax Biotechnology has established a dual-track governance model to address key risks such as rapid technological change, market competition, clinical trial uncertainties, intellectual property issues, regulatory shifts, and financial exposures. In this model, the Scientific Committee conducts forward-looking assessments of technology trends, rigorously evaluates R&D projects, and identifies technical risks. Concurrently, cross-functional teams from R&D, marketing, procurement, production, pharmacovigilance, and other areas collaborate to execute risk controls at the project level, keeping R&D-related risks within manageable bounds.



## Indicators and Targets

Indicator/Target	Achievement Status in 2025
Continue to strengthen R&D and innovation capabilities	<b>Target achieved</b> R&D personnel: 206, accounting for 10.4% of the total workforce; R&D investment during the year: RMB 381 million, accounting for 15.76% of operating revenue; Ranked 2nd in the 2025 Yunnan Top 20 Private Enterprises for Innovation Capability
Increase the number of patent applications and granted patents	<b>Target achieved</b> Patents newly granted during the year: 9

# Excellence in Quality

## Governance

Walvax Biotechnology is guided by its core quality principle: "Life is paramount, and quality outweighs all; through continuous improvement, every detail must stand the test of conscience." The Company strictly complies with all applicable laws, regulations, guidelines, and standards, including the *Drug Administration Law of the People's Republic of China*, the *Vaccine Administration Law of the People's Republic of China*, the *Good Manufacturing Practice of Medical Products*, the *Good Supply Practice of Medical Products*, as well as requirements from the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH), the World Health Organization (WHO), the Pharmaceutical Inspection Co-operation Scheme (PIC/S), the European Union (EU), and the International Organization for Standardization (ISO). To formalize this commitment, the Company has formulated and consistently refines a series of internal management systems, including the *Walvax Biotechnology Quality Manual*, the *Walvax Biotechnology Production Quality Management Guidelines*, and the *Quality Risk Management Inspection Guidelines (Trial)*. These documents clearly define quality management requirements across the entire product lifecycle, establishing a forward-looking quality management system centered on trust assets and ensuring consistently stable product quality.

The Company has established a dedicated Quality Management Committee, directly led by the Vice Chairman of the Board. The Quality Management Center—one of the Company's four core capability platforms—serves as the operational core. Around this center, a closely coordinated, flexible, and efficient quality management system and a total quality management (TQM) platform have been built, covering all business lines. Quality management indicators are integrated into core performance assessments to ensure products are safer, more effective, more controllable, more accessible, and more advanced, reinforcing the Company's aspiration to be the most trusted partner.

## Strategy and Approach

### Lifecycle Quality Management

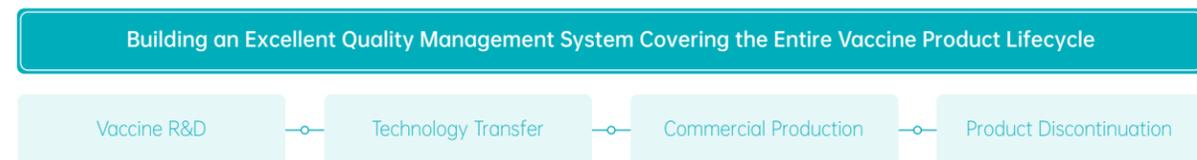
Walvax Biotechnology has elevated quality management to a strategic pillar for building trust as a strategic asset and strengthening its core competitiveness. The Company has established a high-standard quality management system covering the entire product lifecycle to ensure product safety, efficacy, and quality controllability. The Company's product quality registration standards fully meet EU requirements. Vaccine manufacturing adheres to GMP standards established by China, ICH, WHO, the European Medicines Agency (EMA), and PIC/S, safeguarding public health with exceptionally high product quality. The Company is also advancing its "Digital Walvax, Intelligent Walvax, and Smart Walvax" initiative. This includes the gradual implementation of automated data collection throughout the full process, covering production, testing, materials, and equipment, to ensure that all data are true, accurate, complete, and traceable. On this basis, the Company is transitioning toward data-driven quality management, including the use of big data for quality trend forecasting and analysis.

Yuxi Walvax, the Company's primary production base, achieved

**ISO 9001 Quality Management System certification**

Yuxi Zerun, the Company's primary production base, achieved

**ISO 9001 Quality Management System certification**



### R&D Quality Management

In accordance with the *Chinese Pharmacopoeia*, ISO 9001, GMP, ICH Q10, and other relevant standards and regulations, Walvax Biotechnology has developed and consistently refines the *R&D Project Quality Management Procedure* and the *Procedure for Research on Critical Quality Attributes (CQAs) and Critical Process Parameters (CPPs)*. These guidelines address multiple critical dimensions, including knowledge management, project management, quality control and assurance, quality risk management, data integrity management, and clinical management. The Company consistently strengthens end-to-end standardization of R&D processes, as well as its mechanisms for quality supervision, evaluation, and improvement, thereby ensuring compliance, scientific rigor, and full traceability throughout all phases of its R&D projects.

- The Company continues to strengthen its quality review mechanisms. Dedicated quality control checkpoints are strictly enforced at key project stages, including protocol review, raw data verification, interim analysis, and final project audits, to enhance scrutiny. Targeted project audits and on-site experimental inspections are conducted to proactively identify issues and drive improvement, ensuring quality is embedded at every stage of R&D.
- The Company implements a regular quality analysis meeting mechanism to promptly address any quality-related issues, fostering a culture where all employees prioritize quality in their daily work. In 2025, Shanghai Zerun convened six such quality analysis meetings.
- The Company has established a structured training system for R&D personnel. Annual training on R&D capability enhancement and compliance is organized based on the annual quality management training plan. This includes targeted training and assessments on topics such as R&D data integrity and Quality by Design (QbD) concepts, illustrated with practical case studies. The training program achieves 100% coverage of all R&D personnel, consistently enhancing their professional skills, awareness of standardized operating procedures, and ability to manage complex research tasks.

In 2025, R&D and quality management training sessions covered several key areas, including the GMP annexes on pharmaceutical excipients and packaging materials, an analysis of updates in the *Chinese Pharmacopoeia (2025 Edition)*, data integrity, deviation management, and change control. The R&D segment focused on key aspects of pharmaceutical changes, technical guidelines for adjuvant research in preventive vaccines, and regulations such as the annex on sterile drugs. The clinical segment conducted training on ICH E6 (R3) and related topics. By tracking regulatory developments in real time and providing tiered, specialized, and targeted training, the Company ensures that all R&D processes remain fully aligned with the latest regulatory requirements, guaranteeing high-quality and robust progress in its R&D activities.

### Clinical Trial Quality Management

Staying abreast of evolving policies, regulations, and industry trends, Walvax Biotechnology consistently enhances its clinical trial quality management systems. The Company is actively building a professional, agile, and closed-loop clinical trial quality management system. The core principles of "quality by design" and "risk proportionality" are embedded from the outset in trial protocol design and overall organizational planning, enabling the systematic identification of critical quality factors. In terms of process management, a risk-based dynamic management mechanism has been established, strengthening end-to-end control across the "identification-root cause analysis-correction-prevention" cycle. Root cause analyses are conducted for significant and recurring issues, and corrective actions are standardized and incorporated into a central knowledge base for future reference. In terms of personnel empowerment, the training system has been upgraded to focus on scenario-based capability building, with a strong emphasis on practical, hands-on training. This approach facilitates a fundamental shift: from reactive post-hoc inspection to proactive prevention throughout the process, and from decentralized control to systematic management. This transformation comprehensively enhances both the efficiency and source data quality of clinical R&D. To ensure objectivity in clinical study evaluations, the Company engages independent third-party statistical units to conduct analyses for all registered clinical trials. Based on risk assessments conducted throughout trial implementation, third-party monitoring and/or auditing are introduced as needed to reinforce compliance and ensure data integrity.

## Production Quality Management

Walvax Biotechnology has established a comprehensive set of internal production management systems, including the *Facility and Infrastructure Management Control Procedures*, the *Equipment Management Control Procedures*, the *Material Management Control Procedures*, the *Production Management Control Procedures*, and the *New Product and Process Industrialization Implementation Control Procedures*. These documents govern all aspects of production, including facilities and equipment, materials and product release, quality assurance, quality control, validation and verification, and packaging and labeling. The Company has established stringent internal quality control standards and detailed SOPs, along with robust control strategies that are carefully matched to product performance characteristics. These measures enable real-time monitoring of production processes and precise control of critical process parameters and quality attributes, thereby consolidating the Company's quality competitiveness through strong, systematic control.

### Rapid Response

In response to the dynamic regulatory environment, the Company has established proactive monitoring and rapid response mechanisms. Systematic regulatory gap analyses are conducted, and quality standards and testing methods are efficiently updated to ensure continuous compliance with the latest requirements and development of forward-looking systems. This approach guarantees product quality while consistently optimizing operational efficiency, creating a remarkable quality compliance advantage and strengthening core competitiveness.

### Intelligent Manufacturing

Under the broader "Digital Walvax" strategy, the Company is deeply advancing the informatization, digitization, and intelligentization of its production and manufacturing operations. Key initiatives include achieving intelligent control in workshop manufacturing, full transparency in production processes, numerical control of manufacturing equipment, and integration of all production information. This ensures that production operations remain under controlled conditions and enables the rapid identification of areas for improvement, leading to optimized quality control strategies.

In accordance with the *Chinese Pharmacopoeia*, WHO, and ICH standards, the Company has built and consistently refines its vaccine lifecycle safety management and impurity control systems. Vaccine safety is ensured through strict raw material quality control, process validation, and safety evaluations. For its microbiome business, the Nutrition Division complies with all relevant standards, including limits for mycotoxins and contaminants in foods, and limits for pathogens in pre-packaged foods. Rigorous hazardous substance prevention and control procedures are enforced during the product R&D and design phase. A stringent raw material access review mechanism has been established, with each batch of raw materials tested for heavy metals, mycotoxins, and pathogenic bacteria to ensure product safety.

## Distribution, Storage, and Transportation Management

In compliance with the *Management Specification for Vaccine Storage and Transportation* and all other relevant regulatory requirements, Walvax Biotechnology has established a stringent quality management system governing the distribution, storage, and transportation of its products. Leveraging digital technologies, the Company has also developed a comprehensive, end-to-end vaccine traceability and control system. The Company adopts a hybrid distribution model that combines in-house storage and distribution with outsourced services provided by qualified partners with established cold chain capabilities to enhance distribution capacity. The Company conducts regular quality audits of logistics service providers to ensure the stable, timely, and safe supply of vaccines.

## Quality Testing Management

To proactively prevent potential product quality issues, Walvax Biotechnology has implemented rigorous quality control measures at every stage of its product testing processes, thereby solidifying the foundation for uncompromising product quality.

### Internal Testing

The Company strictly complies with the requirements of Chinese GMP, WHO GMP, EU GMP, ICH, and all other relevant regulations and industry standards. A robust quality control system has been established to support this commitment. In strict accordance with vaccine product quality standards, every batch of vaccine products—including raw materials, excipients, intermediates, packaging materials, and finished products prior to release—undergoes comprehensive testing and quality control across the entire process, from raw material intake to final product dispatch. Real-time trend analysis and data monitoring are conducted to promptly identify any anomalous data or trends, enabling rigorous prevention of potential quality issues before they can arise.

Furthermore, the Company has established a regular review mechanism for testing data, using data-driven insights to support continuous improvement. For the same vaccine batch, the Company compares its internal testing data with data from national laboratories. This serves as a valuable preventive test of the quality testing system itself, allowing for timely correction of any discrepancies and ensuring the system's ongoing effectiveness.

In 2025, to further enhance laboratory management efficiency and data reliability, the Company implemented a Laboratory Information Management System (LIMS). The system now hosts over 3,000 testing data records and has demonstrated its capability to robustly support the stable operation of daily testing activities. This implementation has significantly improved the standardization, transparency, and traceability of all testing processes.

### External Testing

National lot release authorities review the production and testing documentation for each finished product batch and conduct independent testing of samples. Every finished product batch is tested by the national lot release authority, confirmed to meet all required quality standards, and is only released to the market upon formal approval by the Company's Qualified Person. In 2025, the pass rate for national lot release of the Company's vaccine products was 100%, indicating that product quality remained under control.

For all contract testing activities, the Company has established comprehensive SOPs. In accordance with regulatory requirements, on-site audits of each contract service provider are conducted, covering their quality management system, personnel qualifications, equipment and instruments, laboratory facilities, data integrity practices, and computerized systems. This rigorous oversight ensures that all contract testing activities are properly controlled and fully comply with Chinese GMP, WHO GMP, EU GMP, and all other relevant regulations.

### Preventive Testing

For innovative products, new processes, new equipment, or any emerging quality and safety concerns, the Company conducts meticulous reviews and comprehensive risk assessments from multiple dimensions, including GMP compliance, change management, maintenance and calibration schedules, and deviation handling procedures. Any identified potential quality risks are addressed through pre-validation and preventive testing. Corresponding quality control plans are developed and implemented to ensure that all processes and equipment operate stably and that all critical quality elements are properly controlled before full-scale production commences.

### Preventive Testing for Internal Quality Risks

- The Company develops a validation plan annually to conduct preventive testing and validation of critical process parameters (CPPs) and critical quality attributes (CQAs). This enables the early detection of potential quality risks, ensuring vaccine safety, efficacy, and robust quality control.
- Key documents, including the *Equipment Preventive Maintenance Management Procedure*, the *Equipment Preventive Maintenance Standard Operating Procedure*, and the *Production Equipment/Instrument Criticality Assessment Form*, have been established to standardize all preventive maintenance activities. Based on each piece of equipment's specific use, characteristics, historical performance, risk analysis, and supplier recommendations, detailed preventive maintenance plans are developed and rigorously executed to reduce quality risks. In 2025, the equipment preventive maintenance completion rate was 100%.
- Corresponding testing is conducted on all intermediate products. Through continuous process control, potential issues are identified and resolved early in the production cycle, effectively supporting stable and reliable final product quality.

### Preventive Testing for External Quality Risks

- The Company consistently monitors developments in industry regulations and guidelines, maintaining a comprehensive *List of Chinese Pharmaceutical Regulations* and a dedicated vaccine regulation management platform. Regular regulatory gap analyses are conducted, and appropriate corrective and preventive actions (CAPA) are initiated to ensure that all identified gaps are systematically tracked and effectively controlled, thereby proactively mitigating regulatory compliance risks.
- The external environment is closely monitored for any emerging quality and safety issues. Upon identification of any potential concern, immediate measures are taken to ensure product quality and safety. These measures include prompt assessment and investigation, risk determination, and the implementation of appropriate corrective and preventive actions, effectively mitigating any potential quality risks.

## Product Traceability

Walvax Biotechnology has formulated internal guidelines, including the *Operating Procedures for the Drug Traceability System* ("Ma Shang Fang Xin" System), and has established a comprehensive, IT-based vaccine traceability system. This system enables real-time inquiry into the production, distribution, inventory, and flow information for every box, carton, and batch of key pharmaceutical products. It achieves traceability down to the smallest packaging unit throughout the entire production and distribution process, consistently enhancing vaccine quality and safety assurance levels. For further details, please refer to the *Walvax Biotechnology Co., Ltd. 2024 Sustainability Report*.

## Pharmacovigilance

Walvax Biotechnology's headquarters and its subsidiaries, Yuxi Walvax and Yuxi Zerun, have each established independent pharmacovigilance departments. Guided by domestic and international pharmacovigilance laws, regulations, industry norms, and operational guidelines—including the *Good Pharmacovigilance Practice (GVP)*, the *Measures for the Reporting and Monitoring of Adverse Drug Reactions*, and relevant ICH guidelines—the Company has developed the Walvax Biotechnology pharmacovigilance policies and a global pharmacovigilance system aligned with international standards. The Company consistently improves its pharmacovigilance management systems and monitoring processes, conducts internal audits, actively cooperates with regulatory authorities in investigations, and continuously monitors the safety profile of its products once they are on the market. In parallel, the Company supports the establishment of vaccine safety monitoring systems in countries where its products are distributed, which collect, monitor, identify, and assess adverse events following immunization (AEFI), contributing to the development of vaccines that are safer, more effective, more controllable, more accessible, and more advanced. In 2025, Walvax Biotechnology's pharmacovigilance department recorded zero complaints.

### Improving the Pharmacovigilance Management System



- In 2025, the Company continued to refine its pharmacovigilance system documentation, consistently enhancing the system's operational effectiveness to ensure compliant pharmacovigilance activities throughout the entire vaccine lifecycle.
- Updates and upgrades were made to key processes and systems, including the working mechanism of the Vaccine Safety Committee, risk management procedures, and protocols for vaccine safety incident emergency response. New SOPs were added for post-marketing safety evaluation and quality investigation of adverse events following immunization (AEFI).
- AI tools were utilized to build a pharmacovigilance regulatory knowledge base, covering Walvax Biotechnology's headquarters and all subsidiaries. A dynamic update mechanism was established, enabling pharmacovigilance personnel to leverage AI tools to support learning and stay up to date with evolving regulations.

### Strengthening Pharmacovigilance Risk Control



- The Company implemented the *Risk Signal Detection and Processing Management Procedure* and the *Risk Assessment/Control Management Procedure*. These enable the systematic identification, continuous tracking, and in-depth analysis of potential safety risks. Regular reviews of safety data are conducted, and product risk management plans are updated accordingly, effectively safeguarding the health and interests of vaccine recipients. In 2025, the Company completed 31 safety summary reports and maintained a 100% completion rate for risk management plan updates.
- Regular internal audits of the pharmacovigilance system are conducted to assess its suitability, adequacy, and effectiveness. A rectification tracking mechanism has been established to ensure closed-loop management of identified issues and drive continuous improvement. The Company actively cooperates with pharmacovigilance inspections conducted by the Yunnan Provincial Center for Drug Evaluation and the National Center for Vaccine Inspection, with all inspection results fully meeting regulatory requirements.

### Promoting Training Quality



- An annual training plan is developed and implemented, covering pharmacovigilance regulations, documentation, and specialized skills. Training effectiveness evaluations are conducted to ensure quality and impact. In 2025, the pharmacovigilance department achieved 100% execution of its annual training plan, with all training assessments yielding satisfactory results.
- The Company actively participates in professional training courses, public seminars, and academic exchange activities organized by government departments and industry associations. This external training introduces new management concepts, technologies, and methodologies. All pharmacovigilance personnel participated in such training, achieving a 100% rate.

### Adverse Reaction/Event Management



- The Company has established procedures such as the *Collection and Handling Procedure for Adverse Events Following Immunization* and the *Management Procedure for Collection and Reporting of Adverse Events Following Immunization*. These create standardized and effective channels for collecting adverse event information. Utilizing pharmacovigilance systems and the MedDRA dictionary, the Company conducts supportive analysis and risk monitoring, enabling efficient management of AEFI. This approach ensures proactive, comprehensive, and effective management of suspected adverse drug reaction information arising from vaccine use.
- For overseas AEFI, the Company follows the *Management Procedure for Handling and Reporting of Adverse Events Following Immunization Occurring Overseas* to promptly verify, record, evaluate, and report such events. Targeted measures are taken for AEFI of varying severity levels to ensure full compliance with all applicable regulatory requirements.

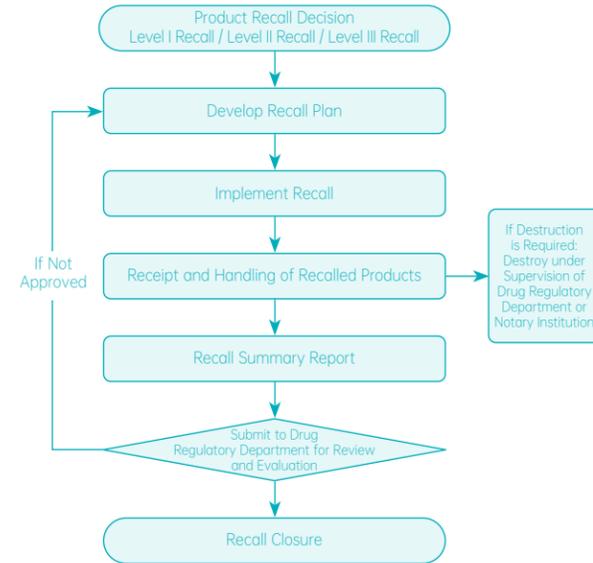
### Management of Safety Emergencies



- The Company has established comprehensive systems and procedures for managing vaccine safety emergencies. Specialized emergency plans are developed, and regular drills are conducted. Routine monitoring and surveillance are strengthened to ensure early detection, early warning, and early response to any potential risks. Following any incident, the Company promptly organizes a company-wide summary and evaluation of the emergency response efforts. This helps prevent similar vaccine safety incidents from recurring and consistently optimizes response procedures, safeguarding the life, health, and safety of vaccine recipients.

## Product Recall

In compliance with the requirements of the *Good Manufacturing Practice of Medical Products* and the *Provisions for the Administration of Medical Product Recalls*, Walvax Biotechnology has established a comprehensive vaccine product recall system and mechanism. This system covers both marketed products and investigational drugs used in clinical trials. The Company has formulated internal management systems and standards, including the *Product Shipment and Recall Management Control Procedure* and the *Product Recall (Simulated Recall) Management Procedure*. Regular simulated product recall exercises are conducted to ensure that, if necessary, the Company can rapidly and effectively recall any batch of product with quality issues or other safety concerns from the market, thereby safeguarding medication safety for the public. Furthermore, the Company's main production bases, Yuxi Walvax and Yuxi Zerun, have both established electronic vaccine traceability systems, enabling rapid traceability and recall should any issue arise. In 2025, Yuxi Walvax and Yuxi Zerun each organized a simulated product recall exercise, covering domestic products, international products, and clinical trial products. All simulated recall drills were completed on time, with both completion and timeliness rates reaching 100%. During the reporting period, the Company had no instances of sold or shipped products requiring recall for safety or quality reasons.



## Quality Culture

Walvax Biotechnology fosters a quality culture grounded in the principle of full participation and individual accountability. The Company has developed foundational documents, including training manuals and SOPs for training management, to build a systematic quality management training and certification framework. Differentiated quality training programs are organized for employees in different roles, and a digital training management system enables real-time monitoring of effectiveness and feedback collection. This approach reinforces the understanding among all employees that they are co-creators of the quality management system. The Company also champions a transparent quality culture, encouraging employees to proactively raise issues and view every deviation as a valuable opportunity to improve the quality management system.



### Internal Quality Training

The Company develops and implements an annual quality management training plan covering 100% of all employees. Assessments and evaluations are conducted after each training session to ensure effectiveness and genuinely enhance business capabilities. An annual training review is conducted to evaluate the operational efficiency of the training system and drive continuous improvement in the Company's training management. In 2025, quality training was delivered on an ongoing basis, covering essential topics such as fundamentals of biological products, quality risk management, quality-related regulations, and quality-related operational requirements. This comprehensive program enhanced the quality awareness and capabilities of all employees.

- General quality management awareness training is provided to all employees to disseminate quality compliance concepts and industry standards. Quality training is also integrated into the new employee onboarding curriculum.
- Specialized training and project-level practical sessions focus on core quality responsibilities and practical skills for specific roles. This ensures that employees in different functions gain an in-depth understanding of relevant technical requirements, specialized SOPs, complex instrument operation, and specific risk control requirements, thereby strengthening their professional competence.

### External Quality Training

The Company has established a regular mechanism for incorporating high-quality external training resources. It actively organizes employee participation in regulatory interpretation and professional skills training provided by leading industry training institutions. Experts in various fields—including pharmaceutical quality management, pharmaceutical quality control, equipment and facilities, and biosafety—are invited to conduct training sessions, along with professors invited through university partnerships. This promotes continuous learning and helps employees acquire new knowledge.

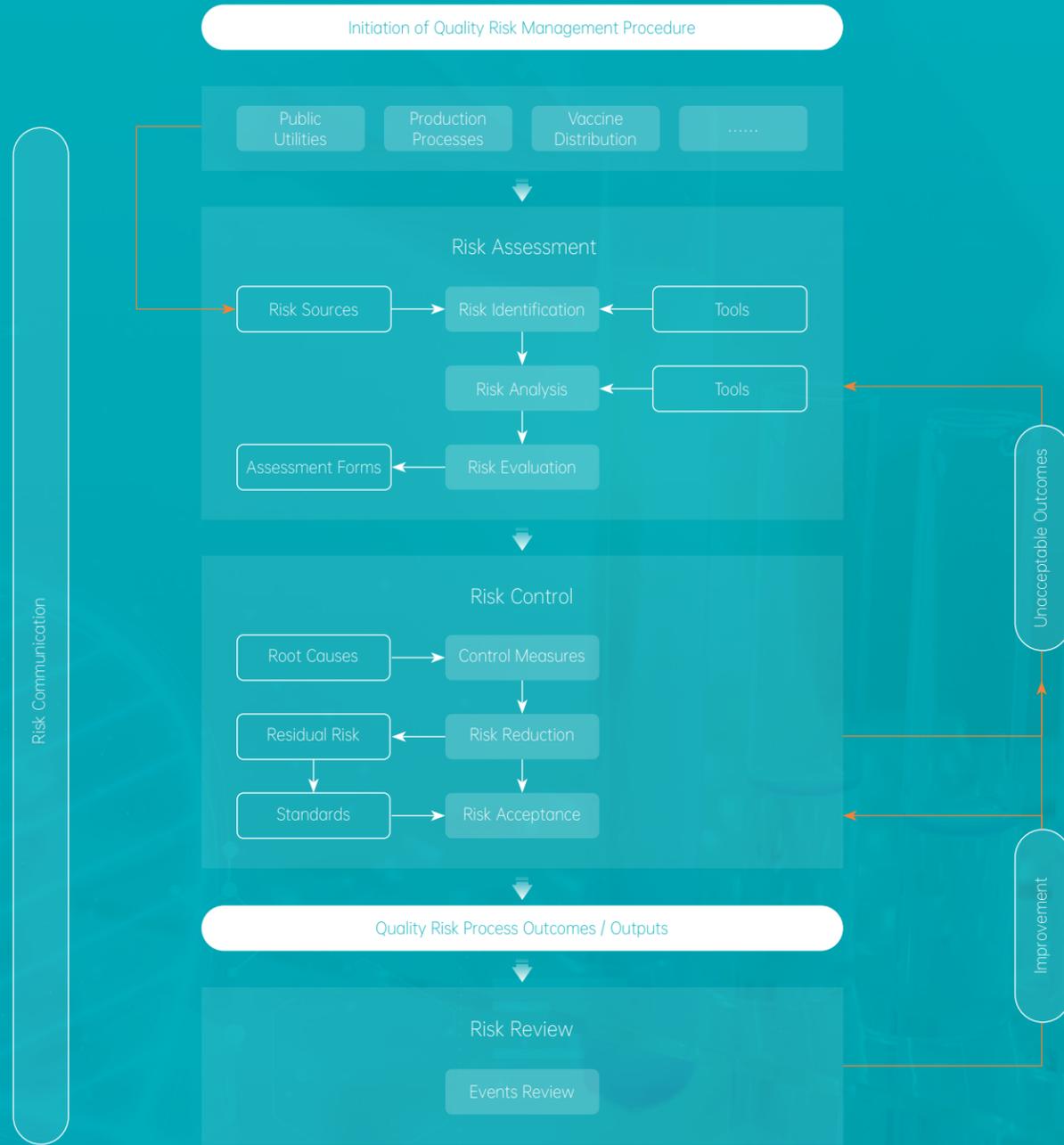
### Quality Culture Promotion

The Company consistently reinforces quality awareness and integrates it into daily work through various means, including dedicated quality meetings, quality-focused activities, internal platform communications, and quality awareness display boards.

## Impact, Risk, and Opportunity Management

### Quality Risk Management System

Robust quality risk assessment and control form the foundation of effective quality management. Walvax Biotechnology proactively identifies and controls potential quality issues throughout the entire product lifecycle—encompassing R&D, technology transfer, commercial production, product distribution and discontinuation. This is achieved by strictly adhering to both external quality management standards and internal management systems. External standards and guidelines include the ICH Q9 *Quality Risk Management* and the *TRS 981 - Annex 2: WHO Guidelines on Quality Risk Management*. Internal systems and procedures include the *Risk Management Control Procedures*, the *Quality Risk Management Specifications*, and the *Quality Risk Management Inspection Guidelines (Trial)*. The Company employs a comprehensive set of control methods, including deviation management, change control, quality audits, adverse reaction monitoring, product quality review, CAPA management, and personnel training. Advanced risk management tools such as Failure Mode and Effects Analysis (FMEA), Fault Tree Analysis (FTA), and Hazard Analysis and Critical Control Points (HACCP) are also utilized. These are supported by dynamic tools like risk registers and risk review sheets to implement closed-loop management, ensuring the comprehensive identification and control of all quality risks. The Company conducts risk reviews at least once a year to ensure risks remain controlled and to drive ongoing improvement.



**Yuxi Walvax**

In accordance with its annual quality risk management plan, Yuxi Walvax has completed comprehensive risk assessments and established corresponding control measures. In 2025, a total of 26 departmental/workshop risk assessment reports were issued, alongside 18 risk assessment reports for shared production lines. A total of 237 individual risk assessments were registered, and all results were deemed to be under control.

**Yuxi Zerun**

In line with its annual quality risk management plan, Yuxi Zerun has conducted comprehensive risk assessments and implemented corresponding control measures. In 2025, a total of 180 risk assessment reports were completed. The implemented risk control measures primarily focused on equipment qualification, equipment component criticality assessment, production process risk assessment, and personnel management risk assessment.

**Quality Audits**

To ensure the effective operation of its quality system, the Company conducts regular internal audits covering all business lines, organized by the Quality Department. Additionally, it undergoes external inspections, including GMP compliance inspections conducted by domestic and international regulatory authorities and audits performed by partners in the course of business cooperation. During the reporting period, no critical deficiencies were identified. A 100% pass rate was maintained for regulatory inspections, GMP compliance inspections, and customer quality audits.

**Internal Quality Audits**

The Company has established the *Self-Inspection Management Control Procedure* and formulates annual self-inspection plans. At least one comprehensive quality audit is conducted for each business line every year, achieving 100% coverage of all the Company's business lines and operating units. In 2025, the internal quality audit covered a wide range of areas, including: organization and personnel, plant facilities and equipment management, materials and products, validation and qualification, documentation management, production management, quality control and quality assurance, contract manufacturing and contract testing, data integrity management, drug storage and distribution, and pharmacovigilance.

For issues or deficiencies identified during quality audits, the Company's Quality Management Center requires each business line to identify associated product or system risks based on the inspection findings. A risk list and corresponding risk control measures are then produced and entered into the CAPA system for continuous improvement following the PDCA cycle. Furthermore, the Company conducts internal GMP compliance audits of its subsidiaries, providing feedback on identified deficiencies through formal internal inspection deficiency notices. For details on supply chain quality audits, please refer to the "Sustainable Supply Chain" section of this report. In 2025, Yuxi Walvax conducted one comprehensive self-inspection and four special self-inspections, while Yuxi Zerun conducted one comprehensive self-inspection and two special self-inspections. No critical deficiencies were identified in any of these inspections. All identified issues were entered into the CAPA system for rectification, with 100% of corrective actions successfully completed.

**External Quality Audits**

The Company actively undergoes external third-party quality audits, including those from domestic and international regulatory authorities and business partners. By systematically rectifying any identified deficiencies, the Company consistently improves the effectiveness of its quality management system. In 2025, Yuxi Walvax and Yuxi Zerun underwent a total of 18 quality audits conducted by regulatory authorities and other independent third parties, including inspections by the NMPA, the National Center for Vaccine Inspection, the Yunnan Provincial Center for Vaccine Inspection, the Medical Products Administration of Yunnan Province, as well as quality management system certification audits and GMP compliance inspections by third-party organizations. All identified deficiencies were entered into the CAPA system. Quality supervisors tracked each item individually to ensure that the corrective and preventive actions formulated for each deficiency were implemented effectively, enabling continuous improvement of the quality management system. In 2025, no critical deficiencies were identified during vaccine production and management processes, and no penalties were imposed by any regulatory authorities.

Audited Entity	Inspection Type	Inspecting Authority	Number of Inspections	Inspection Outcome
Yuxi Walvax	GMP compliance inspection (China)	National/provincial medical products administration	3	Passed
	GMP compliance inspections/audits (overseas)	Overseas regulatory authorities	3	Passed
Yuxi Zerun	GMP compliance inspection (China)	National/provincial medical products administration	3	Passed
	GMP compliance inspections/audits (overseas)	Overseas regulatory authorities	0	/

## 🕒 Emergency Response and Mitigation Systems

Walvax Biotechnology regularly conducts comprehensive reviews of its quality management system. These reviews cover key elements such as raw material supply, equipment and facilities, internal and external audits, deviations, and change controls, with the goal of consistently optimizing the system.

### Deviation Management

The Company has formulated internal normative documents, including the *Deviation Management Standards (Trial)* and the *Standard Operating Procedure for Deviation Handling*. These require in-depth investigation, evaluation, and analysis of the root causes of all deviations, as well as the formulation of appropriate corrective and preventive actions. The deviation procedures apply to all quality-related deviations involving the Company's facilities and equipment, products, materials, procedures, processes, standard methods, environmental controls, and document implementation. During the reporting period, all deviations were reported, recorded, investigated, evaluated, and resolved according to established procedures. In addition, the Company has established a regular deviation review and analysis mechanism. This enables the implementation of targeted improvement measures and risk controls, driving the continuous improvement of the quality management system.

### Product Quality Review

The Company has formulated internal normative documents such as the *Product Quality Review Management Procedure*. It regularly reviews product production processes and workflows, as well as the ongoing suitability of current quality standards for raw materials, excipients, and finished products. This systematic review enables the timely identification of adverse trends and provides data-driven guidance for improving the Company's products and process controls.

### Business Continuity Management

After years of strategic development, Walvax Biotechnology has established a comprehensive, end-to-end business continuity management system across key areas such as R&D, procurement, manufacturing, logistics, storage, and transportation. This system covers the entire chain from suppliers to the Company and extending to customers. The Company has enhanced a series of measures, including emergency management protocols for unexpected events, hazard identification and follow-up rectification procedures, and regular inspection and patrol routines. These measures enhance the Company's business continuity management capabilities and its ability to respond effectively to unexpected events, ensuring the continuity of production operations and the safety of all employees. For details on supply chain resilience, please refer to the "Sustainable Supply Chain" section of this report.

## Indicators and Targets

Indicator/Target	Achievement Status in 2025
Zero Major product quality incidents	Target achieved
Preventive maintenance plan completion rate: 100%	
Inspection plan completion rate: ≥ 98%	
Revalidation plan completion rate: 100%	
At least 1 Comprehensive self-inspections is conducted annually	
Deviation handling rate: 100%	
First-pass CAPA completion rate: ≥ 80%	
Product release pass rate: 100%	
Market surveillance pass rate: 100%	
Regulatory inspection pass rate: 100%	
Pass rate for GMP compliance inspections and customer quality audits: 100%	
Zero product recalls during the year	

## Access to Healthcare

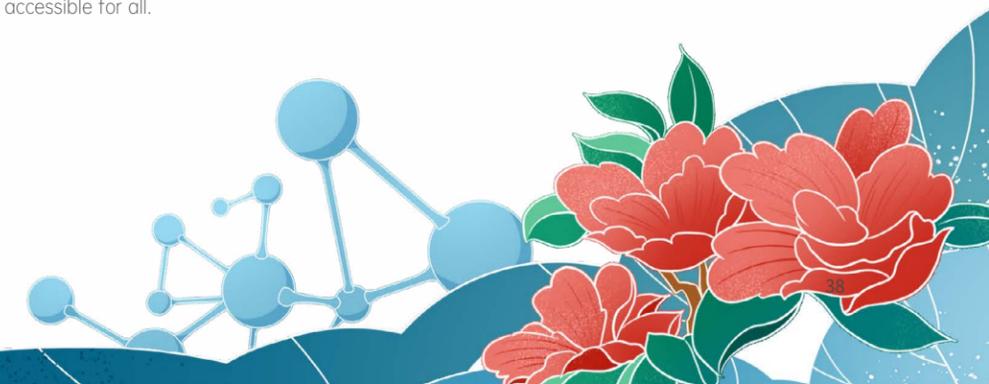
### Governance

Improving access to healthcare is a strategic priority for Walvax Biotechnology. The Company's Board of Directors bears ultimate responsibility for the philosophy, objectives, strategies, framework, and implementation of its commitment to access to healthcare. The Sustainability Committee, established under the Board, provides comprehensive oversight of the health accessibility strategy's advancement. The Health Accessibility Working Group is responsible for formulating and driving the implementation of specific health accessibility plans. The Company has developed a robust framework of policies and systems related to health accessibility, including the *Walvax Biotechnology Co., Ltd. Health Accessibility Policy*, the *Walvax Biotechnology Co., Ltd. Fair Pricing Policy*, and the *Walvax Biotechnology Co., Ltd. Statement on Addressing Antimicrobial Resistance*. These policies integrate relevant requirements into the Company's operations, ensuring its actions are aligned with the UN Sustainable Development Goal (SDG) of "Good Health and Well-being."

<b>Board of Directors</b>
Bear ultimate responsibility for the Company's health accessibility philosophy, objectives, strategies, framework, and implementation outcomes.
<b>Sustainability Committee</b>
Review the health accessibility strategy and objectives, approve implementation plans, and drive the achievement of targets according to plan, with regular performance reviews.
<b>Health Accessibility Working Group</b>
Formulate, execute, evaluate, and optimize health accessibility implementation plans. Promote the achievement of health accessibility goals through multi-departmental collaboration. Report work progress and results to the Sustainability Committee, ensuring all activities remain aligned with the overarching health accessibility objectives.

### Strategy and Approach

Guided by its founding principle of "Helping everyone live a healthy life," Walvax Biotechnology takes innovation as its driving force and high-quality vaccine products as its foundation. The Company is dedicated to building a self-reliant and secure vaccine industry. By promoting local cooperation, enhancing product accessibility and affordability, and strengthening public health capacity in the regions where it operates, the Company is building a robust and sustainable business model to extend the benefits of vaccines to more people worldwide. Walvax Biotechnology has formulated a five-year health accessibility strategy. Leveraging its R&D and product advantages, the Company adopts a diversified business portfolio and pursues continuous international expansion to better serve global public health. It actively seizes opportunities presented by national strategic emerging industries, expanding into new fields such as microbiome and biomanufacturing. By fully capitalizing on its existing industrialization capabilities and resource integration advantages, the Company consistently broadens its innovative product pipeline and strives to build a comprehensive "Health and Wellness + biomanufacturing" industrial platform, making health more accessible for all.



## Expanding Vaccine Access to More Regions

Walvax Biotechnology is accelerating its international expansion. The Company consistently broadens its international market presence through multiple, coordinated efforts, including talent cultivation, product international registration and clinical trials, obtaining international certifications, and establishing cooperative production partnerships. Its operations span China and international emerging markets, including Southeast Asia, South Asia, Central Asia, North America, North Africa, and West and Central Africa, where the Company continues to provide high-quality, cost-effective, and accessible vaccine products. In 2025, it focused on expanding vaccine markets in Belt and Road countries and regions, with a particular emphasis on low- and middle-income countries in Asia, Africa, and the Americas. Priority was given to addressing the public market demand in these countries for pneumonia, meningococcal, and HPV vaccines, while also responding to emergency procurement needs and private market opportunities within the regions. For countries expressing a desire to build local production capacity, the Company provides technical cooperation services to support the independent establishment of local vaccine manufacturing, jointly addressing the challenges posed by priority diseases. As of the end of 2025, the Company's vaccine products had been exported to 26 countries and regions.

The Company consistently improves its international registration systems while strengthening exchanges and cooperation with global health organizations and research institutions, including the Gates Foundation, CEPI, PATH, WHO, UNICEF, and Gavi. In doing so, it is committed to providing affordable, high-quality

vaccines to low- and middle-income countries. In 2025, the Company actively participated in key global forums, including the Third World Local Production Forum organized by WHO, the UNICEF Annual Meeting, the DCVMN Vaccine Manufacturers Annual Meeting, and the World Health Assembly. It collaborated closely with international organizations such as WHO, UNICEF, and PAHO, exchanging valuable experiences on vaccine localization with governments and vaccine manufacturers from low- and middle-income countries, and contributing industry perspectives to discussions on the future establishment of a global pathogen access and benefit-sharing (PABS) mechanism.



Showcasing at CPHI Germany 2026

- The Company's products have been exported to a cumulative total of **26** countries and regions, with product registrations initiated in **23** countries. First-time cooperation agreements were signed with **7** countries, including Malaysia and Chile. The first export delivery of the 23-valent pneumococcal polysaccharide vaccine to El Salvador was completed, marking the official entry of the Company's vaccine products into the Latin American market.
- Cumulative exports of finished products to developing countries and regions exceeded **64 million** doses, and bulk drug substance exceeded **3,800** liters. In 2025, exports of finished products exceeded **8 million** doses, and bulk drug substance exceeded **2,900** liters, achieving a **100%** delivery rate.
- Two products were included in the Expanded Programme on Immunization (EPI) of Morocco, Indonesia, and Egypt.
- In 2025, the Company completed its first international aid project and participated in its first international aid training program, opening new pathways for its international business development.
- **Following the signing of a long-term supply agreement with UNICEF for its bivalent HPV vaccine, the Company became a supplier for UNICEF's bulk procurement of HPV vaccines, paving the way for distribution to nearly 100 countries.**

## Enhancing Local Production Capacity

Walvax Biotechnology has actively promoted the local production of its vaccine products. The Company has engaged in discussions on local cooperation models with numerous countries, including Indonesia, Morocco, and Egypt, developing a range of localization approaches. Its procedural framework has been consistently refined, including the *Management Procedure for Due Diligence, Initiation, and Execution of Overseas Technology Transfer Projects*, the *Standard Operating Procedure for Overseas Analytical Method Transfer Projects*, and the *Standard Operating Procedure for Overseas Production Process Transfer Projects*. These efforts are designed to stimulate the development of local vaccine industry value chains and ensure that innovative vaccines benefit more people.

Leveraging Yunnan's regional advantages, its own technological strengths, and proven project management capabilities in technology transfer, the Company is deepening market and technical cooperation with South and Southeast Asia. It is advancing vaccine local production partnerships in countries such as Indonesia, while actively exploring a distinctive

Walvax model of "Chinese technology, local production," under which Walvax contributes technological expertise and partners establish local manufacturing capabilities. Building on its extensive experience in technology transfer, the Company continues to expand the depth and breadth of its overseas collaborations. In 2025, the local production and technology transfer of multiple products, including the 13-valent pneumococcal conjugate vaccine, progressed smoothly. The Company successfully completed two technology transfer projects and initiated five more. Additionally, it began exploring new business models for overseas R&D training cooperation, consistently broadening the scope of its international localization efforts.



**Selected for the 2025 ZGC International Technology Trade Fair - Top 100 International Technology Trade Innovation Projects list**



Formally signed an agreement with Pharmaniaga Lifescience Sdn. Bhd. (PLS) of Malaysia to jointly advance the technology transfer, local production, and commercialization of the PCV13 vaccine.



Case

### Launch of Egypt's First Technology Transfer Project

Walvax Biotechnology actively supports the African Vaccine Manufacturing Accelerator (AVMA) initiative launched by the Africa Centres for Disease Control and Prevention (Africa CDC). As a long-term partner of Egypt's Expanded Programme on Immunization (EPI), the Company has steadily supplied vaccine products to the country for eight consecutive years since 2018. In November 2025, the 13-valent pneumococcal conjugate vaccine received marketing authorization from the Egyptian Drug Authority (EDA).

Leveraging its extensive experience in technology transfer, the Company signed a Memorandum of Understanding on vaccine local production with Egyptian pharmaceutical companies Vacsera and VBC in 2024. This collaboration aims to advance the technology transfer and local production of the Group A and Group C polysaccharide vaccine, the 13-valent pneumococcal conjugate vaccine, and the bivalent HPV vaccine. In 2025, the first technology transfer project in Egypt was officially initiated. The Company deployed specialists and project managers to the site to provide on-the-ground guidance, conduct comprehensive gap analyses, and assist in establishing production and quality control systems that meet international standards. Building upon this foundation, the Company will further develop R&D capabilities for a series of vaccine products, empowering the creation of an integrated vaccine ecosystem encompassing industry, academia, and research, and supporting Egypt's strategic goal of becoming a regional vaccine manufacturing hub in Africa.



Case

### Establishment of an Innovative Vaccine Manufacturing Base in Southeast Asia

Since 2021, the Company has entered into local cooperation agreements with Indonesian pharmaceutical companies for key products, including the 13-valent pneumococcal conjugate vaccine and the bivalent HPV vaccine. These projects support Indonesia in building an integrated platform for innovative vaccines spanning R&D to manufacturing, as well as a comprehensive vaccine evaluation system, while contributing to the establishment of a global center for innovative vaccine R&D and production and expanding the reach of "Made in Indonesia" vaccines within ASEAN and Muslim-majority countries. In 2025, the local production technology cooperation project for the 13-valent pneumococcal conjugate vaccine bulk drug substance in Indonesia was successfully completed. Exports of the bulk drug substance to local partners have commenced, and the locally made products have obtained Halal certification from MUI, contributing to improved health and well-being in the region.

## Improving the Vaccine Supply Chain

Walvax Biotechnology actively responds to global vaccine accessibility initiatives and is deeply engaged in strengthening vaccine supply chain capacity in developing countries. The Company consistently optimizes its vaccine supply chain system and, through systematic collaboration and technical support, assists local partners in enhancing their capabilities in product transportation and storage management. This ensures a compliant, safe, and efficient supply chain, safeguarding vaccine safety and accessibility.

### In the domestic market

The Company adopts a “trunk transportation + regional warehousing + regional distribution” logistics model. Under the “regional warehousing + regional distribution” approach, regional distributors deliver vaccines from regional warehouses to counties and districts, expanding nationwide delivery coverage and ensuring timely access to vaccines in remote areas, thereby improving accessibility. All products are fully traceable through electronic regulatory codes, enabling end-to-end visibility from production to final use, and ensuring the timeliness and safety of vaccine distribution, with zero complaints related to supply chain security.

### In overseas markets

The Company establishes clear transportation and storage requirements prior to shipment and utilizes temperature data loggers for real-time monitoring throughout the entire process to ensure controlled product quality. During delivery, while ensuring product safety and efficacy, the Company optimizes transportation solutions to reduce costs and enhance supply chain resilience and reliability.

## Supporting Post-Marketing Pharmacovigilance

Walvax Biotechnology has established a Vaccine Safety Committee and continues to advance a pharmacovigilance system covering the entire product lifecycle. The Company collects, monitors, identifies, and evaluates adverse events following immunization (AEFI) on a global scale to ensure the safety of its vaccine products throughout their lifecycle. Recognizing the potential resource and technical constraints faced by developing countries, the Company has developed standard operating procedures (SOPs) for overseas pharmacovigilance while expanding its international business. It collaborates with local partners to support the establishment of robust pharmacovigilance systems in these countries, ensuring that the safety of vaccines is adequately monitored and evaluated after market entry. This enables timely and appropriate responses to safety issues, safeguarding the health and safety of vaccinated populations. In 2025, the Domestic Marketing BU collaborated with local Centers for Disease Control and Prevention (CDC) to carry out multiple post-marketing safety observation studies for various products, supporting the continuous improvement of post-marketing evaluation methods and technologies.

- The Company has established standard operating procedures (SOPs) for pharmacovigilance audits and formed a dedicated audit team. In accordance with audit plans, regular internal and external pharmacovigilance audits are conducted. In 2025, pharmacovigilance audits were carried out for four overseas distributors, assessing the effectiveness of pharmacovigilance system operations, potential risks, and areas for improvement. For identified deficiencies, corrective and preventive actions (CAPA) are developed and implemented as required. The Company also supports local partners in developing mature pharmacovigilance management systems and mechanisms, contributing to the enhancement of post-marketing pharmacovigilance capacity in developing countries.
- The Company signs Safety Data Exchange Agreements (SDEAs) with service providers and partners to establish communication mechanisms and operational frameworks between pharmacovigilance teams, clearly defining data exchange standards and joint monitoring requirements. After product launch, pharmacovigilance responsible persons are designated in collaboration with local partners. Throughout the product lifecycle, safety data collected are systematically analyzed, evaluated, and reported in a timely manner, ensuring compliance with local and international pharmacovigilance standards and enabling continuous improvement through monitoring and feedback. In 2025, the Company exchanged safety data 16 times with overseas partners, with no new safety signals related to vaccine use identified, demonstrating a favorable safety profile.

## Enhancing Product Affordability

To foster a fair and equitable marketing environment and extend the benefits of high-quality vaccine products to a wider population, Walvax Biotechnology has formulated the *Walvax Biotechnology Co., Ltd. Fair Pricing Policy*. The Company adheres to the World Health Organization's principles on fair pricing, adopting a value-based, fair, and transparent product pricing strategy that ensures product quality while fully reflecting affordability considerations. The Company explores sustainable pricing models in various markets, establishes appropriate pricing for domestic and international markets, and extend its pricing policies to downstream distributors to ensure effective implementation of pricing policies and product accessibility, benefiting a wider population. Our comprehensive pricing model takes into account global market demands, considering vaccine R&D and production costs, market supply and demand, and pricing of comparable vaccine products. The Company adopts a tiered pricing strategy, offering more affordable prices to low-income countries and populations and expanding access to vaccine innovation in underserved regions. The Company's fair pricing principles are detailed in the *Walvax Biotechnology Co., Ltd. Fair Pricing Policy*.

### Domestic Market

In the domestic market, the Company complies with relevant laws and regulations, ensuring fair and reasonable pricing for its high-quality vaccines, with consistent product pricing nationwide. Prices are open and transparent across all regions and accessible on provincial platforms. The Company balances scale and economic efficiency, supplying vaccine products at more affordable prices. For products awarded in government tenders, the Company promptly publishes the information on the central government's procurement website as required and consistently monitors end-market prices across the supply chain to prevent price gouging and remain subject to public oversight. As of the end of the reporting period, three of the Company's marketed vaccines are included in China's National Immunization Program (NIP). Their procurement prices are regulated by the government, and they are provided to residents free of charge. In 2025, the Company strictly complied with NIP vaccine supply requirements, continuously strengthening production planning, quality control, and logistics support to ensure the timely and safe supply of NIP vaccines. The procurement volume for Group A and C meningococcal polysaccharide vaccines exceeded 4.5 million doses.

The Company actively supports national efforts to include HPV vaccines in China's National Immunization Program (NIP), advancing market access for its bivalent HPV vaccine and working closely with disease control authorities at all levels to support tendering and procurement, supply assurance, and vaccination services. To enhance vaccine accessibility, the Company actively participates in local government public health initiatives by offering preferential pricing. In 2025, the bivalent HPV vaccine was included in government-funded public welfare programs in Anhui and Yunnan, providing free HPV2 vaccination for eligible girls. In seven provinces, including Hebei, Sichuan, Liaoning, and Shanxi, vaccination subsidy programs were implemented for girls aged 9–14, under which a two-dose schedule was provided with the second dose free of charge.

### Overseas Markets

In overseas markets, the Company respects local pricing rules and tax policies. The Company has established the *Walvax Biotechnology Co., Ltd. Overseas Sales Pricing Management Measures* and formulates more accessible pricing strategies based on the specific needs and levels of economic development in different countries and regions. The Company adopts a differentiated and tiered pricing approach, taking into account factors such as economic development levels, local vaccine production and supply conditions, public healthcare expenditure, out-of-pocket healthcare costs, vaccine procurement budgets and policies, as well as the overall benefits of vaccines to target populations and healthcare systems. While ensuring reasonable profit margins, product quality, and a stable supply, the Company offers more affordable prices to countries and populations with lower ability to pay. For example, taking into account the fiscal capacity and vaccination benefits in lower-middle-income countries in regions such as Africa, the Company supplies vaccines for Egypt's Expanded Programme on Immunization (EPI) at prices lower than those in other international markets.

The Company recognizes the critical role of centralized procurement mechanisms in reducing costs, increasing vaccination coverage, and improving public health outcomes. In 2025, the Company further expanded cooperation with public health systems in a broader range of countries. The Company remained included in the national immunization programs of Morocco and Egypt, became a vaccine bulk supplier to Indonesia's National Immunization Program (NIP), and actively participated in public-sector vaccine procurement programs in multiple countries, including the Philippines and Egypt. In addition, we continue to expand partnerships with other countries, regions, and international organizations to further increase the reach of our vaccine products. In 2025, the Company signed a long-term supply agreement with UNICEF for HPV vaccines and officially became a UNICEF supplier, strengthened engagement with international organizations such as the Bill & Melinda Gates Foundation (BMGF), PATH, and the Clinton Health Access Initiative (CHAI), conducting technical exchanges on new vaccine development and cost optimization to enhance the accessibility of existing products, with the aim of reaching more populations in need.

## Enhancing Public Health Capabilities

Walvax Biotechnology regularly conducts professional vaccine training, public health education, and healthcare-related philanthropic initiatives. The Company actively donates vaccines to developing countries and remote, underserved regions and works with multiple stakeholders to expand the reach of public health services, helping to enhance disease prevention awareness and health management capacity among priority populations. For further details on healthcare-related philanthropic initiatives, please refer to the "Caring Public Welfare Initiatives" section.

### Strengthening Healthcare Worker Training

Walvax Biotechnology provides training and promotes knowledge exchange based on local development needs. These efforts include delivering specialized training to disease control centers using the Company's vaccine products, cultivating local talent in vaccine production and quality control, providing professional training to practitioners in the local vaccine industry, and offering training programs for local distributors. These initiatives support the improvement of healthcare service capacity in underserved regions.

- Delivered ongoing professional training to vaccine industry practitioners in Indonesia, Thailand, Egypt, and other countries, enhancing local workforce capabilities and strengthening healthcare service and public health management capacity.
- Supported the PCV13 Phase III trial in Indonesia as sponsor by providing systematic training and technical support, enabling investigators and partners across study sites to effectively manage key study processes and improve overall clinical trial execution.
- Provided systematic training in quality control testing methods and production technologies to quality control and manufacturing teams of technology transfer partners in Malaysia and other regions, supporting the establishment of in-house testing and manufacturing capabilities for transferred products.
- Delivered specialized training in vaccine production quality management and inactivated vaccine R&D during the China-AU Drug Regulatory Technology Training Program and the Uzbekistan Pharmaceutical Technology Enhancement Workshop held in Kunming. Facilitated in-depth exchanges to support regulatory capacity building and vaccine industry development in participating countries, while laying the groundwork for future cooperation.
- Conducted four leadership development training sessions for county-level CDC institutions in Kunming and Yuxi in 2025, in collaboration with the Chinese Preventive Medicine Association, with a total of 400 participants, contributing to workforce development and public health education.

### Public Education

The Company collaborates with local vaccination service providers to deliver public education on vaccines, providing vaccine recipients with scientific information on mechanisms of action, differences among vaccines, and potential side effects. Through various media platforms, public lectures, and forum events, the Company promotes vaccine knowledge and up-to-date professional information to the broader public. The Company also works with non-governmental organizations to implement tailored vaccine education programs for specific populations, including pregnant women and individuals with chronic diseases. Through multi-tiered public education efforts, it enhances overall vaccine awareness across society and supports public health. During the reporting period, the Company organized or participated in 11 national academic conferences on disease prevention and control, 26 provincial-level academic conferences, over 7,800 events at other levels, and 85 provincial- and municipal-level events marking the fifth anniversary of the launch of Weuphoria®, reaching nearly 50,000 participants. In collaboration with maternal and child healthcare institutions and obstetrics and gynecology departments, the Company conducted training on prenatal education, vaccination knowledge, and pneumococcal disease awareness, covering nearly 2,000 participants across 13 prefecture-level cities nationwide.

### Vaccine Donations

In 2020, the World Health Organization (WHO) launched the *Global Strategy to Accelerate the Elimination of Cervical Cancer*. At the Gavi Pledging Meeting and the Global Vaccine Summit held the same year, Walvax Biotechnology committed that, upon obtaining WHO prequalification (PQ) for its bivalent HPV vaccine, it would allocate more than half of its production capacity to meet Gavi procurement demand. Gavi is a public-private partnership that aims to improve vaccine access for children and adolescents in low- and middle-income countries. This commitment supports the Gavi 5.0 strategy, which is expected to benefit 84 million girls aged 9–14 worldwide. In 2024, the Company's bivalent HPV vaccine obtained WHO prequalification, and in 2025, the Company officially became a UNICEF supplier for HPV vaccines under bulk procurement arrangements. Furthermore, the Company continues to explore international vaccine donation pathways and actively participates in vaccine assistance and donation programs in other countries.

In 2025, the Company continued to advance its HPV Vaccine Donation Program, which aims to reduce the financial burden of cervical cancer vaccination for eligible women through a structured and sustainable donation mechanism. In collaboration with the Wu Lien-Teh Foundation, the Company also implemented the "Cervical Cancer Elimination Demonstration Project in Low-Resource Areas of China." During the year, more than 3,100 doses of bivalent HPV vaccine were donated to areas with limited health resources. In addition, the Company donated 3,000 doses of 13-valent pneumococcal conjugate vaccine and 6,000 doses of 23-valent pneumococcal polysaccharide vaccine to the China Primary Health Care Foundation for free vaccination of eligible residents in Fenyang, Lvliang, Shanxi Province.

## Mitigating Antimicrobial Resistance Risks

Walvax Biotechnology recognizes antimicrobial resistance (AMR) as a major global public health threat. The Company advocates the prudent and appropriate use of antimicrobial agents, including antibiotics, and consistently prioritizes vaccine strategies that help reduce antibiotic use. At the same time, it is committed to the development of innovative vaccines to help address AMR-related challenges.

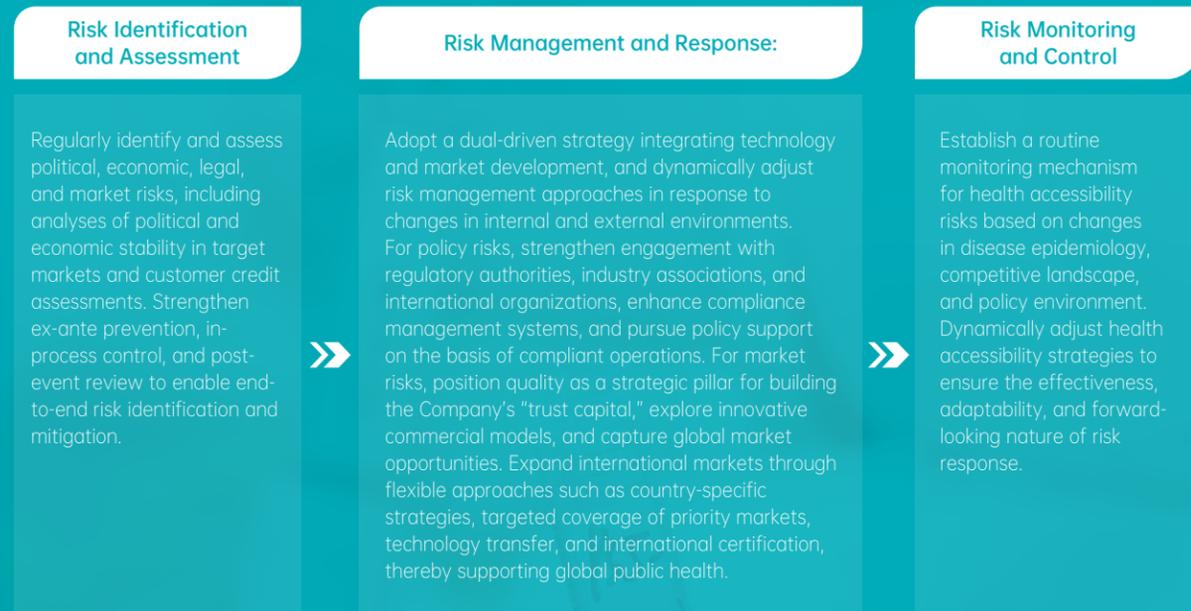
Bacterial vaccines represent a core strength of the Company. Since its inception, Walvax Biotechnology has continuously focused on the discovery and development of vaccines against infectious diseases. As of the end of 2025, the Company has obtained market approval for eight bacterial vaccines, including pneumococcal vaccines, meningococcal vaccines, and Haemophilus influenzae type b (Hib) vaccines. These vaccines prevent diseases caused by bacterial infections and significantly reduce the clinical use of antibiotics. In its investments in external vaccine development, the Company also prioritizes vaccine categories that contribute to reducing antibiotic use. For more information on AMR, please refer to the *Walvax Biotechnology Co., Ltd. Statement on Addressing Antimicrobial Resistance*.

The Company has established a dedicated AMR education and training program to enhance employee awareness internally. Externally, it raises AMR awareness among vaccine recipients and healthcare professionals through multiple channels, including official social media platforms, corporate websites, academic conferences, and public education initiatives. The Company also collaborates with governments, regulatory authorities, manufacturers, and healthcare providers to strengthen coordinated efforts in AMR prevention and control. In 2025, the Company incorporated the research outcomes of the "Immune Response and Protective Mechanisms of Vaccines Against Antimicrobial-Resistant Pathogens" project into both internal training and external public education activities.



## Impact, Risk, and Opportunity Management

Walvax Biotechnology regularly monitors domestic and international macroeconomic trends, policy developments, and industry dynamics. The Company consistently tracks and analyzes emerging technologies that may influence industry development, as well as new product development and iteration. Risks related to key business areas and priority domains are incorporated into a centralized risk database, enabling a clear understanding of risks and opportunities associated with health accessibility. The Company continuously refines its risk management framework, covering risk identification, assessment, management, monitoring, and improvement, to ensure the effectiveness and adaptability of risk control measures.



## Indicators and Targets

Indicator/Target	Achievement Status in 2025
Expand exports to one new low- or middle-income country or region and actively participate in public-sector procurement to enhance vaccine affordability and accessibility.	The Company's products have been exported to a cumulative total of 26 countries and regions. In 2025, exports expanded to five additional low- and middle-income countries and regions, achieving 100% of the annual target. Domestically, coverage was extended to five new cities. <b>Target achieved.</b>
Actively promote localized vaccine production to support the development of local vaccine industry value chains in low- and middle-income countries and regions.	In 2025, the Company completed two technology transfer projects and initiated five additional projects. It was also selected for the "Top 100 International Technology Trade Innovation Projects" at the 2025 ZGC International Technology Trade Fair. <b>Target achieved.</b>
Strengthen R&D and manufacturing capabilities for key vaccine products to ensure a sustainable supply of high-quality, cost-effective vaccines for low- and middle-income countries.	In 2025, with its bivalent HPV vaccine Walrinvox®, the Company officially became a UNICEF supplier for HPV vaccines under bulk procurement arrangements. The Company also supported national efforts to include HPV vaccines in the National Immunization Program (NIP), facilitating broader international access and benefiting more populations. <b>Target achieved.</b>

## Quality Services

### Service Assurance

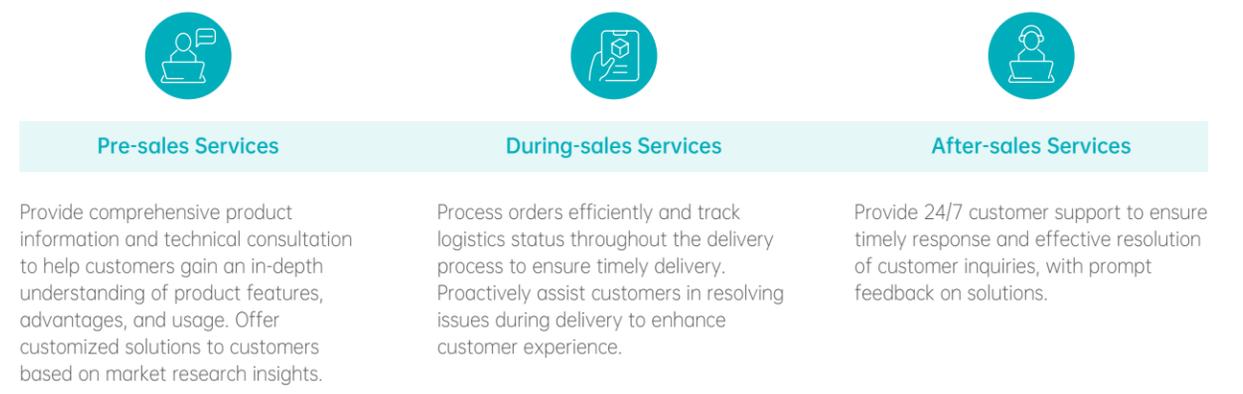
Building long-term and trust-based relationships with customers is a key foundation of Walvax Biotechnology's steady development. The Company adheres to the principles of "integrity in cooperation, mutual trust, mutual benefit, and shared development," and adopts a customer-oriented approach, consistently improving its end-to-end customer service management system covering pre-sales, during-sales, and after-sales processes. Relevant service indicators are incorporated into employee performance evaluations to enhance user experience on an ongoing basis.

The Company conducts annual customer satisfaction surveys to comprehensively collect customer feedback and suggestions, and constantly improve service quality based on customer needs. In 2025, the Company carried out a domestic customer satisfaction survey through questionnaires, covering dimensions such as product quality, packaging, cost-effectiveness, delivery cycle, and service quality. The overall satisfaction rate for service quality reached 99.67%.



### Efficient Service Response

Walvax Biotechnology has established a "3R" market service team structure, comprising Solution Experts (SR), Account Managers (AR), and Field Representatives (FR). The Company has also set up 24/7 multi-channel communication channels and an end-to-end customer support system covering pre-sales, sales, and after-sales processes. This enables the delivery of tailored solutions and reliable, agile service support to customers.



## Customer Complaint Handling

Walvax Biotechnology places strong emphasis on customer feedback and consistently improves its procedures for the investigation, handling, tracking, and oversight of customer complaints. The Company conducts post-incident reviews of customer feedback and actively implements improvements to systematically enhance customer satisfaction. For local partners, international sales agreements include after-sales provisions covering product quality, quantity, shelf life, and shipment. For complaints from overseas end-users (including individuals and government clients), all international sales agreements incorporate product quality complaint management clauses. These clauses require distributors to report complete complaint details within a specified timeframe upon receipt, ensuring a timely response, proper handling, and effective corrective actions by the Company.



## Responsible Marketing

Walvax Biotechnology actively upholds a scientific and rigorous approach to responsible marketing. The Company formulates and implements its responsible marketing framework in accordance with applicable laws and regulations in its operating regions, including the *Anti-Unfair Competition Law of the People's Republic of China*, the *Advertising Law of the People's Republic of China*, the *Vaccine Administration Law of the People's Republic of China*, and the *General Data Protection Regulation (GDPR)*, while also taking into account international guidelines such as the WHO Ethical Criteria for Medicinal Drug Promotion. The Company has established dedicated responsible marketing policies and systems, including the *Walvax Biotechnology Promotion Prohibition Rules* and the *Walvax Biotechnology Co., Ltd. Responsible Marketing Policy*. It also consistently refines end-to-end marketing management guidelines covering the full marketing lifecycle, including the visual identity system (VIS), management of marketing meetings and events, regional marketing activities, and standards and guidelines for promotional materials. These policies regulate the marketing conduct of all employees, including full-time, part-time, and temporary staff. The Company is committed to conducting all sales and marketing activities in an ethical, scientific, and objective manner, and strictly prohibits commercial bribery, unfair competition, and any other illegal practices in sales and marketing activities.

### Rigorous and Accurate Marketing

Walvax Biotechnology ensures accurate disclosure of product information in accordance with applicable laws and regulations, as well as relevant industry standards and guidelines in its operating regions. The Company follows internal policies, including the *Walvax Biotechnology Co., Ltd. Guidelines and Standards for Promotional Materials*, to ensure the accuracy of all product-related communications. During marketing and promotional activities, the Company strictly complies with anti-unfair competition and antitrust requirements. All referenced, cited, or reproduced content must be based on publicly available academic literature, clinical trial data, and authoritative third-party reports. The packaging design of vaccine products ensures that product information is clearly communicated to populations in different countries. A regular review mechanism is in place to ensure that promotional materials are updated in line with the latest scientific evidence and approved documentation. The Company strictly adheres to national vaccination policies and regulations in its operating regions. When promoting vaccines and providing usage recommendations, it does not exploit fear-based messaging or engage in coercive promotion. All promotional information complies with the principles of accuracy, clarity, and transparency, ensuring that stakeholders receive timely, truthful, rigorous, and compliant product and scientific information. The Company also respects each individual's right to make informed decisions regarding vaccination, in accordance with the principle of informed consent.

Walvax Biotechnology consistently improves its responsible marketing compliance management system and has established compliance review and control procedures covering the entire marketing lifecycle. All online and offline marketing activities and communications are subject to rigorous internal review to ensure accuracy and compliance. The Company has established a formal process for updating and filing marketing information. All marketing materials must undergo multi-departmental and multi-level review, including by the Medical Affairs Department, Legal Department, and Marketing Department, before being approved for use. External promotional materials are required to complete a Review Opinion Collection Form and may only be released upon approval. The Company has also established information transparency and cross-departmental coordination mechanisms to ensure the consistency and compliance of marketing information. In the management of academic conferences, the Company strictly follows the meeting and event management policies of the Medical Marketing Department and has strengthened review and approval procedures. For employee conduct in responsible marketing, clear compliance requirements and ethical standards are defined, supported by enhanced process oversight. For example, management at or above the manager level is required to participate in and guide customer communications, while written communications such as emails and messages must be reviewed by responsible supervisors and copied to management in real time to ensure oversight and mitigate marketing risks.

In addition, process compliance is incorporated into the performance evaluation system for sales personnel to ensure that sales activities are conducted in a professional, compliant, and lawful manner. During the reporting period, the Company received no sales-related complaints and recorded no cases of complaints or legal proceedings arising from misleading or deceptive promotional information.

### Responsible Marketing Audit

The Company continuously strengthens its responsible marketing audit practices and conducts at least one systematic audit annually. The audit scope covers all sales operations and includes assessing whether sales personnel comply with the Company's responsible marketing policies and systems, the compliance of sales processes and contract execution, marketing conduct and related expenses, and the consistency of product packaging with officially approved specifications. Corrective actions are formulated and implemented for identified issues to ensure that marketing activities consistently comply with business ethics requirements. The Company has also established a mechanism for sharing audit results to enhance cross-departmental collaboration and promote standardized performance of responsibilities. For violations, disciplinary actions are taken against the personnel involved based on the nature and severity of the misconduct. In addition, the Company conducts responsible marketing audits of third-party service providers and distributors, covering aspects such as business reputation, any history of unfair competition, and compliance with the Company's responsible marketing policies, ensuring responsible marketing practices across the entire value chain.

### Responsible Marketing Training

The Company develops an annual responsible marketing training plan covering relevant laws and regulations, internal policies and procedures, product knowledge, promotional standards, and compliant marketing practices, ensuring that all employees are aware of and strictly adhere to the Company's marketing, advertising, and sales requirements. For employees in marketing-related roles, the Company conducts regular specialized responsible marketing training. Post-training assessments and periodic spot checks are implemented to ensure a thorough understanding of the training content. Training curricula are constantly updated in line with market developments. For regional partners, the Company routinely delivers professional training to enhance business capabilities and compliance levels. In 2025, the Domestic Marketing BU and International Marketing BU actively conducted responsible marketing training and policy communication sessions, covering areas such as policies and compliance, marketing strategies and case studies, vaccine product knowledge, product training, and marketing capability and compliance development, ensuring that all activities and processes in market development and sales are compliant and lawful. During the reporting period, the Company conducted 32 responsible marketing-related training sessions.



# Environmental

## Green Development and Environmental Stewardship



Investment in environmental protection during the year

RMB **2.51** million

Greenhouse gas emission intensity

**0.181** tonnes of CO<sub>2</sub> equivalent per RMB 10,000 of revenue

Compliance rate for wastewater, air emissions, and solid waste

**100%**



# Strengthening Environmental Management

Walvax Biotechnology strictly complies with applicable environmental protection laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Energy Conservation Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, and the *National Catalogue of Hazardous Wastes (2025 Edition)*. In alignment with ISO 14001 Environmental Management System and ISO 50001 Energy Management System standards, the Company has established a series of policies and systems, including the *Walvax Biotechnology Environmental Management Policy*, *Environmental Protection Management System*, and *Emergency Response Plan for Environmental Incidents*. Environmental target responsibility agreements are signed to ensure the effective implementation of environmental objectives and commitments. The Company ensures compliance with applicable environmental regulations across all operations while minimizing environmental impacts. During the reporting period, the Company had no environmental pollution incidents, no exceedances in environmental monitoring, and no environmental administrative penalties.

## Environmental Management Structure

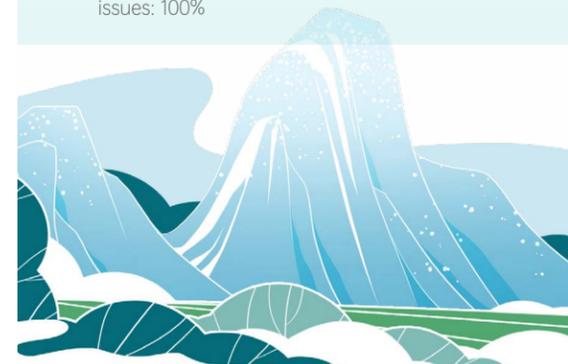
Walvax Biotechnology integrates environmental management as a strategic priority under the oversight of the Board of Directors. The Board regularly reviews the implementation of Environment, Health, and Safety (EHS) management and assumes ultimate responsibility for climate and environmental management policies, objectives, strategies, governance structures, and their implementation. The Board authorizes the Sustainability Committee to provide comprehensive oversight of climate and environmental matters. The EHS Working Group, which reports to the Sustainability Committee, is responsible for tracking updates in relevant laws and regulations, and for formulating and implementing EHS objectives and action plans. EHS departments are in place at the headquarters and across all production units. The Company's EHS management system covers 100% of its operations, and EHS performance is linked to executive remuneration.

## Environmental Management Objectives

The Company regularly evaluates the environmental impacts of its operations, establishes clear environmental targets, and periodically reviews progress and target achievement. Key environmental performance indicators are incorporated into management performance evaluations, forming a closed-loop management approach to continuously improve environmental performance.

### Achievement rate of environmental management objectives in 2025: 100%

- Number of major environmental pollution incidents and complaints: 0
- Coverage rate of environmental education and training for all employees: 100%
- Compliance rate for wastewater, air emissions, and solid waste: 100%
- Operational availability and integrity rate of environmental protection equipment: 100%
- Rectification rate of environmental inspection issues: 100%



## Environmental Certification and Audit

Walvax Biotechnology has established an internal EHS audit mechanism and regularly conducts environmental audits across all production units. The audits primarily cover EHS compliance, the operation of pollution control facilities, and the identification of environmental hazards. Audit approaches include headquarters-led audits, cross-audits among subsidiaries, and rigorous self-inspections (conducted at least once per month with the participation of senior management). In addition, the Company conducts standardized self-monitoring with the support of qualified third-party monitoring institutions. Each operational site actively cooperates with regulatory authorities and external stakeholders in conducting environmental audits. Dedicated departments are responsible for consistently tracking corrective actions and ensuring their effective implementation to maintain the applicability and effectiveness of the Company's environmental management system. Furthermore, the Company conducts regular spot-check inspections at least once a week on pollution control facilities operated by third-party service providers, including online monitoring equipment.

During the reporting period, internal environmental audits and external inspections by third-party organizations achieved 100% coverage of all production units. A total of 13 external environmental inspections were conducted, and all identified issues were rectified within the required timeframes.

## Environmental Risk Prevention, Control, and Emergency Management

The Company continues to improve its environmental risk management mechanisms in alignment with ISO 14001 Environmental Management System requirements. Environmental monitoring is conducted in accordance with internal policies, including the *Walvax Biotechnology Online Monitoring Operation and Maintenance Management System* and the *Online Monitoring Data Anomaly Handling Management System*. In addition, the Company strengthens the assessment and management of environmental risk factors arising from its production and operations in accordance with the *Guidelines for Environmental Risk Assessment of Enterprises (Trial)* and the *Environmental Risk Classification Method for Enterprises (HJ941-2018)*. The Company has established an emergency response team for environmental incidents. In 2025, it revised its *Emergency Response Plan for Environmental Incidents* and emergency response cards, and carried out targeted environmental emergency training and drills. During the reporting period, all environmental monitoring results were 100% compliant.

## Environmental Protection Training and Awareness

The Company places strong emphasis on environmental training and awareness-raising. Through various forms of training, employees are organized to learn environmental laws and regulations, standards, internal policies, and to enhance practical capabilities in environmental management. In addition, the Company promotes environmental awareness through a range of activities, fostering a culture in which all employees value environmental protection. During the reporting period, the Company conducted two environmental training sessions, covering topics such as hazardous waste management and the operation and maintenance of wastewater treatment facilities.

## Case Building a Smart Green Production Base

The newly constructed Shanxi production base for the Company's microecology business has integrated green and ecological principles throughout the entire project lifecycle. The objective is to create a benchmark modern nutritional food production facility that seamlessly combines green building design, smart operation and maintenance, and environmental sustainability. During the planning phase, the Company strictly adhered to the principle of minimizing ecological disruption. Comprehensive measures were implemented for vegetation protection and soil and water conservation. The project has rigorously followed the national standard for green buildings. This commitment is realized through optimized energy-efficient design, the selection of green building materials, the proposed integration of distributed photovoltaic systems, and the establishment of advanced water recycling and waste treatment systems. These measures collectively put low-carbon principles into practice throughout the facility's entire lifecycle. An integrated smart operations and maintenance management platform has been deployed. This platform enables real-time monitoring of environmental quality, precise control of energy consumption, and integrated smart security systems, fully delivering on the Company's commitment to prioritizing ecology and achieving sustainable development.



Investment in environmental protection during the year

RMB **2.51** million

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Environmental protection training coverage

**100%**

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Number of environmental incidents (general level and above)

**0**

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Shanghai Zerun has obtained

**ISO 14001**  
Environmental Management System certification

# Climate Change Mitigation

Walvax Biotechnology aligns with the framework recommendations of *IFRS S2 Climate-related Disclosures* and the *Shenzhen Stock Exchange Self-Regulatory Guidelines No. 17 for Listed Companies—Sustainability Report (Trial)*. The Company continues to pursue green and low-carbon development pathways, supports health-related solutions in response to climate change, and actively addresses climate change.

## Governance

The Company integrates climate change management into its sustainability governance framework, with the Board's Sustainability Committee responsible for overseeing climate-related matters. The Company consistently enhances its capabilities in identifying, assessing, managing, and disclosing climate-related risks and opportunities. Members of the EHS Working Group possess extensive professional knowledge and practical experience, enabling them to identify climate-related risks and opportunities in a comprehensive and timely manner, formulate environmental policies and emission reduction plans, and ensure their effective implementation.

Decision-Making Level	
<b>Board of Directors and Sustainability Committee</b>	<ul style="list-style-type: none"> <li>Review ESG-related risks and opportunities, including climate-related issues</li> <li>Approve climate-related plans, targets, and response measures, and oversee their implementation</li> <li>Review the effectiveness of climate risk management and internal control systems</li> </ul>
Management Level	
<b>ESG Office</b>	<ul style="list-style-type: none"> <li>Lead and coordinate the development of climate-related strategies, policies, and targets</li> <li>Assess and analyze climate-related risks and opportunities</li> <li>Coordinate and advance the implementation of climate-related actions</li> <li>Regularly collect and track climate-related data and progress towards targets</li> </ul>
Execution Level	
<b>EHS Working Group</b>	<ul style="list-style-type: none"> <li>Implement climate-related strategies, policies, and targets</li> <li>Develop and implement specific plans to advance climate-related actions and support the implementation of company-level climate strategies</li> <li>Regularly collect and report relevant data and information</li> </ul>

## Strategy and Approach

Walvax Biotechnology integrates climate risk management into its overall risk management framework and incorporates climate change considerations into strategic decision-making. The Company positions green and low-carbon development as a core element of its sustainability strategy, embedding these principles into the "planning–design–construction–operation" full lifecycle management of projects, to consistently enhance its climate adaptation capabilities.

## Climate Resilience

The Company conducts comprehensive analyses of climate-related risks and opportunities and develops targeted response measures. Its climate strategies are aligned with policy trends, market developments, and customer expectations, strengthening resilience to climate-related risks.

Category	Risk/Opportunity Description	Potential Financial Impact	Response Measures
 Physical Risks	<b>Acute Risks</b> <ul style="list-style-type: none"> <li>Extreme weather events resulting from climate change, including heavy rainfall, heatwaves, typhoons, and floods, may adversely affect the Company's production operations and supply chain continuity.</li> <li>The production, storage, and transportation of vaccines and microecological food products require stringent temperature control, and high temperatures and humidity fluctuations may compromise product stability. Extreme weather events may also increase operational costs.</li> </ul>	Operating revenue ↓ Operating costs ↑ Asset value ↓	<ul style="list-style-type: none"> <li>Closely monitor climate change trends, develop emergency response plans for extreme weather events, enhance emergency response capabilities, and maintain strict control over EHS risks.</li> <li>Incorporate regional climate risks into site selection, planning, and design of new projects.</li> <li>Deploy off-grid lithium battery energy storage systems to ensure emergency power supply for critical equipment during power fluctuations or abnormal conditions.</li> <li>Maintain safety stock and diversify suppliers to build a resilient supply chain.</li> </ul>
	<b>Chronic Risks</b> <ul style="list-style-type: none"> <li>Long-term changes in climate patterns, such as rising temperatures, shifts in precipitation patterns, and changes in humidity conditions, may affect the stability of microbial and algal growth and metabolism. Ensuring suitable production and operating environments may increase operational costs.</li> <li>Long-term climate change may lead to water scarcity in certain regions, thereby increasing water stress.</li> </ul>	Operating costs ↑	<ul style="list-style-type: none"> <li>Constantly monitor climate trends and emerging adaptation technologies, and establish process adaptation management mechanisms for chronic climate risks.</li> <li>Regularly track and assess changes in water resources and public services.</li> </ul>
 Transition Risks	<b>Policy and Regulatory Risks</b> <ul style="list-style-type: none"> <li>The ongoing introduction of policies and regulations to mitigate climate change, the advancement of carbon emissions trading mechanisms, and increasingly stringent environmental requirements may impose greater constraints on project development and operations and increase costs.</li> </ul>	Operating costs ↑	<ul style="list-style-type: none"> <li>Closely monitor changes in international and domestic environmental and carbon-related policies, mitigate risks through enhanced management, and ensure compliant operations.</li> <li>Promote green and low-carbon development by improving process equipment, optimizing energy structure, and enhancing production efficiency.</li> <li>Invest in emerging sectors such as photosynthetic biomanufacturing to develop efficient "carbon capture factories."</li> </ul>
	<b>Market and Technology Risks</b> <ul style="list-style-type: none"> <li>Long-term climate change may alter public health conditions, potentially affecting the Company's product R&amp;D directions and market strategies.</li> <li>Climate change may shift market preferences and increase costs associated with low-carbon transition, particularly the upfront costs of green and low-carbon technology transition.</li> </ul>	Operating revenue ↓ Operating costs ↑	<ul style="list-style-type: none"> <li>Monitor and assess the impact of climate change and natural disasters on disease patterns, track the application of advanced technologies, enhance feasibility assessments of new technologies, and enhance industry collaboration to address evolving disease patterns.</li> <li>Conduct cost-benefit analyses and feasibility assessments prior to implementing low-carbon transition projects to select optimal solutions.</li> </ul>
 Climate Opportunities	<b>Products and Services</b> <ul style="list-style-type: none"> <li>Identify new business opportunities in disease areas influenced by climate change, develop new vaccine and health solutions, and expand into emerging markets.</li> </ul>	Operating revenue ↑	<ul style="list-style-type: none"> <li>Develop and provide innovative vaccines, high-value biopharmaceutical products, and microecological intervention solutions to meet health needs and enhance market competitiveness.</li> </ul>
	<b>Resource Efficiency</b> <ul style="list-style-type: none"> <li>Optimizing energy structure and efficiency can provide stable long-term power supply and generate energy-saving benefits.</li> </ul>	Operating costs ↓	<ul style="list-style-type: none"> <li>Explore emission reduction potential and reduce energy costs through the development of in-house photovoltaic facilities and enhanced energy management.</li> </ul>

## Photobiosynthesis Production Base: Redefining the Green Health Industry Value Chain

The coordinated pursuit of carbon emission reduction, ecological improvement, and economic growth has become a fundamental principle for achieving high-quality industrial development. Walvax Biotechnology has deeply embedded sustainable development into its biomanufacturing strategy. With the Photobiosynthesis Production Base as its flagship project, the Company focuses on the precision photobiosynthesis of natural health-related compounds. By harnessing biotechnology to obtain natural extracts, it has successfully established a new business paradigm of "solar-driven + natural extracts + carbon-negative manufacturing," dedicated to creating a healthier and better life.

### Solar-Driven: An Industrial Philosophy Guided by Nature

The Photobiosynthesis Production Base operates on the principle of following the way of nature and applying technology appropriately. It uses solar energy to drive the natural metabolism of microalgae. The facility employs a controlled and selective application of biotechnology, utilizing techniques such as mutation breeding and directed evolution. These are combined with interdisciplinary scale-up technologies that integrate biology and engineering to enhance efficiency. This approach preserves the natural properties of the final products, meets the exacting demands of high-end health markets, and creates a unique competitive advantage.

### Natural Extracts: Green Biomanufacturing for Enhanced Health Accessibility

The base is dedicated to the production and supply of the natural nutrients astaxanthin and fucoxanthin, both prized for their antioxidant and fat-reducing properties. Astaxanthin, a potent antioxidant, is widely used in health supplements and skincare products. Fucoxanthin, leveraging its core biological activities such as lipid-lowering and antioxidant effects, is suitable for diverse health applications, including weight management and as an adjunctive therapy in cancer care. The facility employs a dual-path strategy, combining photoautotrophic and photosynthetic processes. The initial phase utilizes photoautotrophic processes for rapid production launch, while simultaneously advancing the validation of high-efficiency, large-scale photosynthetic processes. The base has already achieved its first revenues from both product sales and technical services.

### Carbon-Negative Manufacturing: A Leap from Reduction to Negativity

Covering an area of 220 mu (approx. 36 acres), the facility features the large-scale deployment of enclosed photobioreactors totaling 660,000 meters in length. Utilizing renewable raw materials such as carbon dioxide and simple organic compounds, it has been engineered as an efficient "carbon fixation factory" capable of consuming approximately 1,000 tonnes of CO<sub>2</sub> annually. This significantly reduces the environmental impact throughout the product lifecycle, creating a green business model centered on the carbon-negative potential of photobiosynthesis and achieving a win-win outcome for both economic and environmental benefits.



The photobiosynthesis technology and industrial platform directly consume

**1,000** tonnes of CO<sub>2</sub> annually.

## Energy Management

Walvax Biotechnology complies with applicable laws and regulations, including the *Energy Conservation Law of the People's Republic of China* and the *Cleaner Production Promotion Law of the People's Republic of China*. The Company has established policies and systems, including the *Walvax Biotechnology Energy Conservation and Emission Reduction Management System*, and advances energy consumption and efficiency management in alignment with ISO 50001 Energy Management System requirements. Employees are encouraged to follow clean production procedures, and energy management indicators and targets are incorporated into annual performance evaluations to support the Company's response to climate change.

### Energy Management Strategy

The Company has established a standardized energy management system and set up a dedicated equipment and energy management team to strengthen the management of energy performance indicators and continuously improve energy management practices.



Energy Conservation and Emission Reduction Initiatives

The Company has established and implemented carbon reduction targets and continues to advance energy conservation and emission reduction initiatives. It also encourages suppliers to align with its environmental policies and jointly address climate change.

Scope 1 and Scope 2	 <p>Energy Structure Optimization</p> <ul style="list-style-type: none"> <li>Yunnan Province is rich in hydropower resources. The Company takes advantage of low-carbon location factors in site selection, with approximately 70% of its electricity sourced from hydropower.</li> <li>The Company significantly increases the use of clean energy, such as natural gas and electricity (with a high proportion of hydropower in Yunnan), to replace traditional energy sources and improve the share of clean energy consumption. During the reporting period, the Company upgraded its industrial steam generation system by replacing traditional coal- and oil-fired boilers with gas-fired modular steam units, improving combustion efficiency and thermal energy utilization.</li> </ul>
	 <p>Management Energy Conservation</p> <ul style="list-style-type: none"> <li><b>Strengthening production management:</b> Steam generators are activated and deactivated based on production requirements. Refrigeration system monitoring is implemented to enable intelligent control of unit operation and pump frequency based on chilled water temperature and pipeline pressure data, ensuring precise matching of cooling supply and demand and improving system energy efficiency. Steam demand is collected in advance during the R&amp;D stage, enabling centralized and coordinated steam supply. Unnecessary steam usage is promptly halted to prevent energy waste. In addition, continuous manufacturing is adopted to replace batch production, reducing cleaning, sterilization, and waiting time between batches, improving equipment utilization, and achieving synergistic optimization of energy consumption and production efficiency.</li> <li><b>Enhancing equipment automation control:</b> Cleanroom air conditioning systems are equipped with Building Management Systems (BMS) and Environmental Monitoring Systems (EMS) to enable real-time monitoring of temperature and humidity. Automated control allows intelligent adjustment of air exchange rates and air supply volume. The purified water system dynamically adjusts production capacity during water generation and circulation processes, while special gas monitoring systems are implemented to prevent unnecessary waste.</li> <li><b>Establishing a dual-energy complementary heating system:</b> A regional centralized heating system is implemented under an energy management service model, combining biomass and natural gas heating. This dual-energy complementary approach provides steam for production within the industrial park, improves energy efficiency, and reduces environmental impact.</li> <li><b>Energy conservation training:</b> Regular training sessions are conducted to enhance employees' awareness of energy conservation and improve operational skills.</li> </ul>
	 <p>Technical Energy Conservation</p> <ul style="list-style-type: none"> <li>Energy-efficient dedicated equipment is procured, including freeze dryers with smaller drying capacity and refrigerators equipped with variable frequency control, to further reduce energy consumption while meeting current R&amp;D requirements.</li> <li>Large-capacity condensate treatment units are applied to enhance condensate collection, treatment, and reuse in industrial steam systems, improving energy efficiency and reducing carbon emissions. In addition, the water-for-injection (WFI) preparation system adopts multi-effect distillation units, where secondary steam is utilized sequentially across multiple stages to significantly improve steam utilization efficiency.</li> <li>Heat recovery units are integrated into air conditioning systems to utilize residual heat from exhaust air for heating or cooling fresh air, thereby recovering thermal and cooling energy. Insulation is applied to medium and refrigerant pipelines by qualified third-party service providers to reduce energy losses during transmission.</li> </ul>
Scope 3	 <p>Sustainable Procurement</p> <ul style="list-style-type: none"> <li>Promote the development of a green supply chain by prioritizing energy-efficient equipment during the selection process.</li> <li>Expand into the field of biomanufacturing to drive collaborative carbon reduction and sustainable transformation across the upstream and downstream value chain.</li> </ul>
	 <p>Green Logistics</p> <ul style="list-style-type: none"> <li>Enhance digitalization and intelligent management by establishing end-to-end vaccine traceability and control systems, and optimize logistics strategies to reduce carbon emissions.</li> </ul>

## Management of Impacts, Risks and Opportunities

To address potential risks and opportunities arising from climate change, Walvax Biotechnology has established a process and framework for managing climate-related risks and opportunities. This approach enables the identification, analysis, and assessment of climate-related risks and opportunities, as well as a clear delineation of their scope, thereby supporting more effective screening and management of significant climate-related risks and opportunities and enhancing climate resilience.

<b>Identification of Climate Risks and Opportunities</b>	<ul style="list-style-type: none"> <li>Drawing on recommendations from frameworks such as <i>IFRS S2 Climate-related Disclosures</i>, we identify climate-related risks and opportunities, including transition risks (such as policy and regulatory, technology, market, and reputational risks) as well as acute and chronic physical risks.</li> </ul>
<b>Materiality Assessment of Climate Risks and Opportunities</b>	<ul style="list-style-type: none"> <li>Through internal and external environmental analysis and the use of risk management tools, we assess likelihood, potential impact, and financial implications of risks, in order to identify significant climate-related risks and opportunities.</li> </ul>
<b>Mitigation and Control of Climate Risks and Opportunities</b>	<ul style="list-style-type: none"> <li>For significant climate-related risks and opportunities, we develop response strategies and manage them through avoidance, mitigation, and adaptation measures.</li> <li>Functional departments, business divisions, and subsidiaries carry out targeted risk management actions and regularly monitor and track implementation progress.</li> </ul>

## Indicators and Targets

Greenhouse Gas Emission Reduction Target

Reduce greenhouse gas emission intensity (Scope 1 and Scope 2) by 6% by 2028, using 2025 as the baseline

Indicator	Unit	2025	
Diesel	tonnes	79.00	
	million cubic meters	5.1	
Energy Consumption	Purchased electricity	GWh	61.14
	Total energy consumption <sup>1</sup>	tonnes of standard coal	14,412.98
	Energy consumption intensity	tonnes of standard coal per RMB 10,000 of revenue	0.0596
Greenhouse gas emissions	Direct greenhouse gas emissions (Scope 1)	tonnes of CO <sub>2</sub> equivalent	11,275.75
	Indirect greenhouse gas emissions (Scope 2)	tonnes of CO <sub>2</sub> equivalent	32,441.32
	Greenhouse gas emissions (Scope 1 and Scope 2) <sup>2</sup>	tonnes of CO <sub>2</sub> equivalent	43,717.07
Greenhouse gas emission intensity	tonnes of CO <sub>2</sub> equivalent per RMB 10,000 of revenue	0.181	

Notes: 1. Total energy consumption is calculated in terms of standard coal, in accordance with GB/T 2589-2020 *General Rules for Calculation of Comprehensive Energy Consumption*, issued by the State Administration for Market Regulation and the Standardization Administration of China. 2. Greenhouse gas emissions refer only to carbon dioxide (CO<sub>2</sub>) emissions and do not include other greenhouse gases such as methane (CH<sub>4</sub>) or nitrous oxide (N<sub>2</sub>O). Scope 1 greenhouse gas emissions refer to emissions generated from the combustion of fossil fuels, including diesel, gasoline, and natural gas, as well as industrial production processes. The emission factors for Scope 1 are determined with reference to the Guidelines for Environmental Key Performance Indicator Reporting issued by the National Development and Reform Commission. Scope 2 greenhouse gas emissions refer to emissions resulting from the consumption of purchased electricity and heat. The electricity emission factor is based on the *Notice on the Release of 2025 Electricity Carbon Dioxide Emission Factors* (Announcement No. 47 [2025]) jointly issued by the Ministry of Ecology and Environment and the National Bureau of Statistics.

# Pollution Prevention and Ecosystem Protection

## Emissions and Waste Management

Walvax Biotechnology strictly complies with environmental protection laws and regulations, including the *Regulations on the Administration of Pollutant Discharge Permits*. The Company integrates environmental protection requirements into its development strategy and corporate governance processes. Systematic management measures have been established for exhaust gas, wastewater, and solid waste. The Company strengthens the operation and maintenance of pollution control facilities and conducts regular inspections, while establishing a closed-loop mechanism for hazard identification and rectification. Continuous monitoring of the treatment and discharge of wastewater, exhaust gas, and solid waste is carried out, and monitoring data are reported and disclosed in the National Pollutant Source Monitoring Data Management and Sharing System. The Company is committed to building an industrial environment characterized by "no visible smoke, no detectable odors, no audible noise, and no perceptible dust." For detailed information on environmental permits, pollutant emissions, environmental emergency management, and self-monitoring plans, please refer to the *Walvax Biotechnology Co., Ltd. 2025 Annual Report* and the *Walvax Biotechnology Environmental Management Policy*.

During the reporting period, the Company conducted 18 self-monitoring activities, with all data uploaded to and disclosed through the National Pollutant Source Monitoring Data Management and Sharing System. No major environmental incidents occurred. The Company did not incur any administrative penalties or criminal liability due to major environmental incidents, and there were no instances of excessive or non-compliant emissions of air pollutants or wastewater, nor any violations related to waste disposal.



### Air Emissions Management

The Company's air emissions include volatile organic compounds (VOCs), sulfur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>), and particulate matter generated during R&D and production processes. The Company strictly complies with applicable laws and regulations, including the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Emission Standard of Air Pollutants for the Pharmaceutical Industry*, the *Emission Control Standard of Volatile Organic Compounds for Industrial Enterprises*, and the *Integrated Emission Standard of Air Pollutants*. The Company has revised its *Air Pollution Control Equipment Operation and Maintenance Management System*, installed high-efficiency end-of-pipe treatment facilities (such as high-efficiency filtration, UV photocatalytic oxidation, activated carbon adsorption, and biological deodorization systems), and consistently optimized treatment processes to further reduce emissions while ensuring compliant discharge.



For emissions generated from different sources, including R&D laboratories, quality inspection, canteens, and wastewater treatment facilities, the Company adopts classified collection and differentiated treatment measures. After treatment through high-efficiency filtration, activated carbon adsorption, photocatalytic oxidation, and biological deodorization processes, emissions are discharged in compliance with applicable standards. All five air emission outlets are designed and installed in accordance with national standards and are equipped with online monitoring systems to enable real-time monitoring of emission data and ensure regulatory compliance.

Indicator/Target	Achievement Status in 2025
Sulfur oxides (SO <sub>x</sub> ) emissions per unit of output value decreased by 1% compared with the previous year	<b>Target achieved</b>
Nitrogen oxides (NO <sub>x</sub> ) emissions per unit of output value decreased by 1% compared with the previous year	
Particulate matter emissions per unit of output value decreased by 1% compared with the previous year	
Chemical oxygen demand (COD) emissions per unit of output value decreased by 0.5% compared with the previous year	
Ammonia nitrogen (NH <sub>3</sub> -N) emissions per unit of output value decreased by 0.5% compared with the previous year	
Compliance rate for hazardous and non-hazardous waste disposal reached 100%	
Waste generation per unit of output value decreased by 1% compared with the previous year	

Indicator	Unit	2025
Total air emissions	tonnes	22,854.73
Emissions of volatile organic compounds (VOCs)	tonnes	14.68
Emissions of nitrogen oxides (NO <sub>x</sub> )	tonnes	21.57
Emissions of sulfur oxides (SO <sub>x</sub> )	tonnes	11.40
Particulate matter (PM) emissions	tonnes	2.51

## Wastewater Management

The Company's wastewater is primarily generated from domestic sewage, discharges from the circulating cooling system, and effluents from research and production activities. The Company strictly complies with relevant laws and regulations, including the *Law of the People's Republic of China on Water Pollution Prevention and Control*, the *Discharge Standard of Industrial Water Pollutants*, and the *Discharge Standard of Water Pollutants for the Pharmaceutical Industry (Bio-pharmaceutical Category)*. It has revised and implemented a series of internal management documents, including the *Wastewater Treatment Plant Operation Manual* and the *Wastewater Inactivation Treatment Operation Manual*, to standardize wastewater treatment processes, monitoring, and operational requirements.

- The drainage system adopts the separation of rainwater and sewage, as well as clean water and wastewater. Biologically active wastewater is treated through high-temperature inactivation in dedicated wastewater inactivation facilities (121°C for more than 30 minutes) before being mixed with other production wastewater and domestic sewage. All wastewater is collected through sealed pipelines and treated in septic tanks and wastewater treatment facilities. Effluent is discharged into the municipal sewer network only after meeting the *Discharge Standard of Water Pollutants for the Pharmaceutical Industry (GB21907-2008)*.

- An online monitoring system has been established to enable real-time monitoring of wastewater discharge. The Company operates three discharge outlets, including one main wastewater discharge outlet and two rainwater outlets. Data from the main wastewater outlet is connected to national, provincial, and municipal environmental authorities for real-time regulatory monitoring of wastewater flow, pH, chemical oxygen demand (COD), ammonia nitrogen (NH<sub>3</sub>-N), and other wastewater discharge parameters. The Company continuously strengthens the routine management of the online monitoring system and engages qualified third-party institutions to conduct regular maintenance and servicing of monitoring equipment.

Indicator	Unit	2025
Total wastewater discharge	tonnes	208,110.00
Chemical oxygen demand (COD) discharge	tonnes	5.16
Ammonia nitrogen (NH <sub>3</sub> -N) discharge	tonnes	0.15

## Waste Management

The Company generates various types of waste, including general industrial solid waste, domestic waste, laboratory liquid waste, waste organic solvents, waste alcohol, discarded hazardous chemicals, spent activated carbon, waste reagents, biological waste from R&D and testing, as well as pharmaceutical waste and expired medicines. The Company strictly complies with applicable laws and regulations, including the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Measures for the Administration of Hazardous Waste Transfer*, and the *Standard for Pollution Control on Hazardous Waste Storage*. It has established and continuously improved internal management systems, including the *Walvax Biotechnology Hazardous Waste Management Procedure*, *Waste Disposal Standard Operating Procedures*, and *Hazardous Waste Storage Management Procedures*, to ensure strict control of solid waste throughout its lifecycle, from generation, storage, transportation, to disposal.



- The Company has established dedicated hazardous waste storage facilities. Temporary storage of hazardous waste is managed in strict accordance with the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2023) and relevant site-specific requirements, with designated personnel responsible for management. Hazardous waste, including pharmaceutical waste, organic solvent waste, and spent activated carbon, is subject to on-site disinfection or sterilization treatment before being regularly transferred to qualified disposal contractors for proper disposal.
- The Company conducts annual self-inspections of hazardous waste management to identify and assess hazardous waste status. All hazardous waste is entrusted to qualified third-party service providers for collection, transportation, and disposal, ensuring proper and compliant treatment of all solid waste within operational sites.



- General industrial solid waste and packaging materials are collected and recycled by authorized waste collection stations. Waste from purified water preparation systems, spent filters from sterile areas, and domestic waste are regularly collected and transported by municipal sanitation departments. Waste oil from grease traps is handled by qualified contractors, and septic tank sludge is regularly removed and disposed of by sanitation authorities.

The Company adheres to the principles of reduction, resource utilization, and harmless disposal, and systematically promotes waste minimization at the source and efficient resource utilization through technological innovation, process optimization, and enhanced management.



### Green process technologies

Explore environmentally friendly technologies, prioritize the use of low- or non-toxic chemicals and rapidly degradable materials, and reduce process steps to minimize hazardous waste generation.

### Resource conservation and circular utilization

Establish a graded raw material utilization system and reuse qualified surplus materials from production in small-scale R&D activities, optimize culture media formulations through single-factor experiments to reduce unnecessary inputs, retain original packaging upon warehousing after inspection and release to avoid redundant repackaging, and set double-sided and black-and-white printing as the default to reduce paper and cartridge consumption.

### Production and sales coordination

Strengthen coordination between production and sales to improve product yield and reduce the generation of waste pharmaceuticals.

### Capacity building

Enhance professional capabilities and environmental awareness, and reduce waste caused by operational errors or inadequate management across all business activities.

Indicator	Unit	2025
Non-hazardous waste generation	tonnes	1,372.63
Hazardous waste generation	tonnes	376.88
Non-hazardous waste generation intensity	tonnes per RMB 10,000 of revenue	0.0057
Hazardous waste generation intensity	tonnes per RMB 10,000 of revenue	0.0016

## Biodiversity Protection

Walvax Biotechnology strictly complies with relevant laws, regulations, and international conventions, including the *Forest Law of the People's Republic of China*, the *Wildlife Protection Law of the People's Republic of China*, and the *United Nations Convention on Biological Diversity*. The Company regularly assesses its dependence on and impact on natural resources and integrates biodiversity protection practices throughout all stages of project planning, design, construction, and operation. The *Walvax Biotechnology Environmental Management Policy* clearly requires the protection of original vegetation and habitats within project development areas at key stages, including site selection, construction, and project acceptance. The Company strictly implements the "Three Simultaneities" system and adopts a mitigation hierarchy approach of "avoid, reduce, restore, and offset" to minimize impacts on surrounding land and biological habitats during project development.



# Resource Utilization and Circular Economy

## Water Resource Management

Walvax Biotechnology strictly complies with the water resource management requirements set out in the *Walvax Biotechnology Environmental Management Policy*. The Company regularly conducts water risk analyses and implements a range of water conservation management measures and technical solutions, with a focus on improving water use efficiency. Efforts are also made to enhance employee awareness of water conservation, aiming to maximize water use efficiency while minimizing environmental impact. During the reporting period, no major water-related non-compliance incidents occurred at any of the Company's operating sites.

### Water Risk Management

Walvax Biotechnology utilizes tools such as the World Wide Fund for Nature (WWF) Water Risk Filter and the World Resources Institute (WRI) Aqueduct Water Risk Atlas to assess water risks across its production units. Based on the assessment results, targeted risk mitigation measures are developed to manage and control risks and ensure business continuity. The assessment indicates that major production and operational sites with relatively high water consumption are located in regions with low water risk levels.

The Company has established a "dual-loop and ring network" water supply assurance system. Two independent water supply loops are designed to serve as mutual backups, preventing disruptions to production and operations caused by water supply interruptions. A ring network pipeline system interconnects all parts of the water supply system to form a closed loop, effectively reducing the impact of maintenance-related shutdowns and significantly enhancing supply stability and load security across the sites. In addition, a routine inspection and maintenance mechanism has been established. Water-use equipment and systems are activated or deactivated in a timely manner based on production needs, while real-time monitoring of water quality, along with equipment maintenance and servicing, is carried out to ensure that water supply continuously meets necessary operational requirements.

Water Resource Risk Assessment Process



Production Base	Water Stress Level	Water Conservation Measures				
		Reclaimed water reuse	Rainwater reuse	Concentrated water reuse	Condensate water reuse	Other water-saving technical modifications
Yuxi Walvax	Low	✓	✓	✓	✓	✓
Yuxi Zerun	Low	✓	✓	✓	✓	✓

## Water Resource Efficiency Improvement

Walvax Biotechnology incorporates industry best practices into its business operations and services, conducts water balance analyses, and designs and implements efficient water management measures to achieve its water resource management objectives.

### Water Conservation Target

Reduce water consumption intensity by 5% by 2028, using 2025 as the baseline.

#### Water Balance Analysis

- Conduct regular water balance analyses to measure and assess water supply, usage, and discharge in production processes, and develop targeted measures to improve water use efficiency.

#### Water Conservation

- Establish detailed water usage records to accurately track water consumption, strengthen precision control of water use, select water-saving facilities and equipment during project construction and operation, and optimize water allocation and utilization.
- Improve production processes and optimize cleaning procedures for equipment and containers to reduce water consumption per batch.
- Conduct regular inspection, upgrading, and maintenance of pipelines, strengthen maintenance of water and special gas systems, and promptly address leakage issues to prevent unnecessary waste.

#### Rainwater Reuse

- Install rainwater reuse systems where permitted under environmental regulations to utilize clean rainwater for road cleaning, landscaping, and toilet flushing, improving water recycling efficiency.

#### Water Recycling

- Condensate Water Reuse:** Actively promote water recycling technologies in projects by using condensate recovery units. All generated condensate is recovered and sent to the boiler room for treatment to meet applicable standards before being reused. Yuxi Walvax Industrial Park saved approximately 66,900 tonnes of water annually through condensate water recovery and reuse.
- Concentrated Water Reuse:** Automatically recover part of the concentrated water within the purified water preparation system, increasing the overall wastewater recovery rate of the system to over 80%.
- Reclaimed Water Reuse:** Establish a reclaimed water treatment and reuse system, under which treated wastewater is reused for landscaping irrigation after meeting applicable standards. This reduces water consumption while achieving zero discharge of production wastewater. Hot water is reused after natural cooling, saving approximately 11,900 tonnes of water.

Indicator	Unit	2025
Total water withdrawal	tonnes	612,604.50
Municipal (tap) water withdrawal	tonnes	612,604.50
Surface water withdrawal	tonnes	0
Groundwater withdrawal	tonnes	0
Total water discharge	tonnes	208,110.00
Discharge to municipal sewer network	tonnes	208,110.00
Discharge to surface water	tonnes	0
Other water discharge methods	tonnes	0
Total water consumption	tonnes	404,494.50
Water consumption intensity	tonnes per RMB 10,000 of revenue	1.67
Recycled water use	tonnes	78,771
Water recycling rate	%	11.39%

## Green Packaging

Walvax Biotechnology has established green packaging requirements under its *Environmental Management Policy* and continues to improve the utilization efficiency of packaging materials to support the development of a resource-conserving society. Across packaging design, manufacturing, distribution, transportation, and sales, we incorporate recyclable materials where feasible. While ensuring compliance with GMP requirements, we streamline packaging wherever possible. Through internal reuse and material recycling, we promote the reduction of packaging materials across the entire product lifecycle, thereby reducing natural resource consumption and minimizing environmental impact.

# Alliance

## Collaborating for Shared Benefits and Value Creation



Total number of suppliers

**621**

Significant labor and human rights risk incidents

**0**

Employee training coverage rate

**100%**

Total external donations during the year

RMB **13.99** million



# Sustainable Supply Chain

## Supply Chain Management System

Walvax Biotechnology has established internal rules and procedures such as the *Walvax Biotechnology Co., Ltd. Procurement Management System* and the *Walvax Biotechnology Co., Ltd. Supplier Management Implementation Rules*, in accordance with relevant national laws and regulations, including the *Law of the People's Republic of China on Bid Invitation and Bidding*. The Company has also published the *Walvax Biotechnology Co., Ltd. Supplier Code of Conduct*, applicable to all suppliers worldwide, and has established a dedicated Procurement Management Committee. Through these measures, the company is committed to building fair, transparent, and mutually beneficial relationships with its suppliers.

In 2025, the Company revised its *Supplier Management Implementation Rules*. These revisions further standardize full-lifecycle supplier management, including supplier screening and admission criteria, classification and tiered management, performance assessment and evaluation, as well as disqualification and exit mechanisms. The Company takes the quality of suppliers' products and services as the foundation of supplier management. It also places great importance on their performance in critical areas such as compliance and business ethics, environmental stewardship, labor rights protection, and occupational health and safety. These efforts support the development of a robust supply chain management system that safeguards the long-term development of both the Company and its valued suppliers.

Total number of suppliers      Suppliers in China (including Hong Kong, Macao, and Taiwan)      Overseas suppliers

**621**                                      **483**                                      **138**

Suppliers certified under quality management systems

**329**

Suppliers certified under occupational health and safety management systems

**91**

Suppliers certified under environmental management systems

**102**

On-time payment rate for SMEs

**100%**

Suppliers assessed via desk review or on-site audit during the year

**347**

Proportion of key suppliers **64%**

Suppliers supported during the implementation of corrective actions or improvement plans

**33**

Proportion of key suppliers **100%**

Suppliers terminated due to significant actual or potential negative impacts

**0**



## Supplier Lifecycle Management

Screening and Admission

The Company adheres to a policy of open and transparent procurement, with independent tendering as the primary approach, supplemented by other procurement methods. All personnel involved in bid evaluation are required to sign a *Bid Evaluation Commitment Letter* to ensure fairness and impartiality in procurement activities and the equal treatment of small and medium-sized suppliers.

A multi-departmental assessment team is responsible for supplier evaluation. When selecting suppliers, the team's decisions are based not only on product quality and service but also on a thorough assessment of their performance in key areas such as human rights compliance, business ethics, and environmental management.

Evaluation and Management

**Supplier Tiering:** The Company classifies suppliers into three distinct categories: strategic suppliers, preferred suppliers, and general suppliers. For each category, tailored management methods are applied, including qualification audits, on-site audits, remote audits, third-party audits, and annual performance evaluations. Supplier classifications are dynamically reviewed and adjusted based on a range of factors, including the supplier's country or region, procurement volume, market conditions, material characteristics, and quality and ESG risk profiles.

**Regular Supplier Review and Evaluation:** Based on the *Supplier Assessment and Evaluation Standards*, the Company conducts both regular performance reviews and on-site assessments. A rigorous annual audit plan is developed for all suppliers. These audits cover multiple dimensions, including qualifications, product and service quality, safety practices, and business ethics. Methods include documentation reviews, questionnaires, sample quality evaluations, and on-site or remote audits. Audit results are communicated promptly to suppliers, who are required to implement corrective actions within specified timeframes to consistently mitigate supply chain risks. In cases where on-site audits are not possible due to force majeure, the Company employs remote audits or engages qualified third-party auditors.

Exit

The Company may revoke supplier qualification in defined circumstances, including: the supplier's business license is revoked or canceled; the supplier engages in illegal or non-compliant activities; a major quality incident occurs; the supplier seriously breaches contract terms and refuses to fulfill its liability; or the supplier fails to meet requirements after a reassessment following corrective actions. A supplier that has been eliminated may apply for re-admission after a minimum period of three years from the date of elimination, provided that effective corrective actions have been completed during that period and supporting evidence can be furnished. Re-admission assessments are subject to a more stringent review process.



## Sustainable Procurement

Walvax Biotechnology is committed to upholding the Ten Principles of the UN Global Compact and other relevant requirements for responsible supply chain management. To formalize this commitment, the Company has established the *Walvax Biotechnology Co., Ltd. Supplier Code of Conduct*, which addresses key areas including compliance and business ethics, quality management, labor rights, occupational health and safety, and environmental protection. Annually, the Company systematically identifies, assesses, monitors, and manages potential supply chain risks, including those related to sustainability. With a primary focus on quality risks, the Company rigorously controls ESG risks throughout its procurement processes and across the entire supplier lifecycle. The sustainable supply chain initiative operates under the direct oversight of the Board's Sustainability Committee and is advanced through close collaboration among relevant departments, including procurement and quality management, at all operating locations. The shared objective is to build a supply chain characterized by reliable sourcing, assured quality, and sustainability.

**Walvax Biotechnology has joined the Supply Chain Branch of the China Association for Vaccines, serving as an Executive Council Member.**

The Company systematically promotes supplier capacity building by establishing a robust closed-loop mechanism of "audit, correction and improvement, and capability enhancement." Based on audit results, corrective actions and improvement plans are implemented, and targeted training, guidance, and technical exchanges are provided when necessary. The Company collaborates closely with suppliers to integrate strengths and resources, solve key problems in production, storage, and transportation, and enhance on-site service effectiveness. Multi-dimensional dialogue mechanisms have been established to facilitate timely sharing of information on production requirements and quality policies, fostering mutual growth through an open, cooperative approach.

Risk Type	Mitigation Measures
 Management Risk	The Company strengthens digital procurement management, advances the standardization of procurement procedures, and simplifies procurement approval processes. It achieved a 50% year-on-year reduction in the procurement approval cycle, effectively enhancing overall procurement efficiency.
 Cost Risk	Through a combination of measures such as platform-based management, centralized procurement, competitive tendering, direct contracting with manufacturers, and annual framework agreements, the Company strengthens cost control across the entire supply chain and improves operational efficiency.
 Quality Risk	In accordance with GMP requirements and other specifications, the Company signs <i>Quality Assurance Agreements</i> with suppliers and communicates quality requirements to them. It regularly performs qualification audits and on-site audits of suppliers, providing targeted quality training and facilitating technical cooperation and exchanges when necessary. For any quality issues, the Company implements a closed-loop management mechanism of "timely feedback, quality root cause analysis meetings, solution development, and assurance measures," enabling rapid response and systematic improvement.
 Compliance and Ethics Risk	The Company requires all suppliers to sign <i>Anti-Commercial Bribery Agreements</i> , with all contracts containing explicit anti-commercial bribery clauses. It conducts regular audits of supply chain partners' compliance with the code of conduct. When necessary and depending on the specific project, the Company performs due diligence, project audits, and compliance checks on partners.
 Environmental, Health & Safety, and Labor Rights Risks	The Company explicitly sets forth requirements for environmental management, climate change response, resource use and emission control, prohibition of child labor and forced labor, anti-discrimination, and occupational health and safety in the <i>Walvax Biotechnology Co., Ltd. Supplier Code of Conduct</i> . It actively promotes supplier adherence to these requirements and encourages their continuous improvement in these critical areas.

Feature

## Supplier Quality Management

In accordance with its comprehensive internal policies, including the *Supplier Management Implementation Rules*, the *Standard Operating Procedures for Supplier Management*, and the *Inspection Guidelines for Supplier Management*, Walvax Biotechnology clearly defines management requirements for supplier qualification review, quality evaluation, non-conformance complaints, and annual audits. This framework enables systematic evaluation of supplier quality performance. Suppliers must possess all required national registration qualifications and maintain ISO/GMP or other equivalent standard quality management system certifications. The Company signs *Quality Assurance Agreements* with all key suppliers, strengthening supply chain quality control across six critical dimensions: compliance, quality standards, logistics and transportation, accompanying documentation, batch management, and service response.

### Supply Chain Quality Audits

Based on factors such as supplier tier, previous year's audit results, production plans, and supply quality performance, the Company develops a differentiated audit plan each year. Comprehensive audits are conducted using a variety of methods, including qualification audits, questionnaires, remote audits, on-site audits, sample quality evaluation, and regular inspections of raw material quality. Key suppliers are audited annually, while major suppliers are audited every two years. Dynamic audits are conducted if any quality issues or other anomalies arise. On-site audits comprehensively cover quality management systems, organizational personnel, plant facilities and equipment, material storage, production management, utilities, and quality control and quality assurance, culminating in a formal audit report. For any deficiencies identified during audits, suppliers are required to complete a deficiency record form, provide a corrective action plan within seven days, and submit a final rectification report within one month. This process ensures that suppliers take effective action to resolve issues and achieve full compliance, thereby helping to build a transparent and high-quality supply chain.

#### On-site Supplier Audit Process



	Audit Type	Number of Audits in 2025
Supplier Quality Audits	Remote audits	4 suppliers
	On-site audits	17 suppliers
	Third-party audits	7 suppliers

### Supply Chain Quality Training

The Company has established comprehensive supplier quality training management documents. The Quality Department, in coordination with other relevant departments, develops an annual training plan tailored to different supplier categories. This ensures that suppliers fully understand the technical characteristics and quality requirements of products the Company develops and produces. Based on supplier evaluation results and issues identified during audits, targeted guidance and recommendations are provided to comprehensively enhance suppliers' own quality management system. When quality issues arise during routine procurement, the Company consistently empowers suppliers through methods such as "timely feedback, quality root cause analysis meetings, solution development, and assurance measures," proactively collaborating with suppliers to resolve product quality and safety issues and helping them improve product quality and technical service capabilities.

## Resilient Supply Chain

A resilient supply chain and business continuity are critical to the Company's sustainable supply chain efforts. Walvax Biotechnology has established comprehensive risk analysis models and robust risk assessment mechanisms. For different types of suppliers, in-depth analysis is conducted covering supplier risk identification, potential losses from identified risks, and specific mitigation measures. Supply chain contingency plans are consistently improved to effectively prevent and manage potential risks. In 2025, the Company maintained a stable raw material supply, with no production disruption due to material shortages.

### Improving Supply Chain Emergency Plans

Considering factors such as material criticality to production activities and the likelihood of supply delays, the Company conducts comprehensive supply chain risk assessments. Based on the severity of impact on production, the probability of supply delays, and the detectability of such delays, tailored assurance plans are developed. High and medium-risk materials are subject to focused tracking to ensure timely supply of production materials for all commercial projects. Comprehensive lists are established for all materials affecting production, such as raw materials, excipients, and critical consumables. Safety stock early warning mechanisms are implemented, with upper limits based on annual usage and lower limits based on six months' production requirements or available storage capacity. Real-time monitoring and dynamic management of material inventory data are conducted, and measures such as advance forecasting and appropriate stockpiling are taken to effectively avoid supply disruption risks.

### Building Strong Partnerships

Based on the principle of long-term cooperation, the Company signs annual framework agreements with suppliers and cultivates strategic partnerships to create more stable relationships, reducing both price fluctuation and delivery risks. The Company has established a delivery lead-time early warning mechanism. At least one month before the contractual delivery date, it communicates with suppliers in advance to understand their delivery readiness. Formal written feedback on delivery performance is provided to suppliers on a monthly basis to review and improve on-time delivery. The Company also increases communication with suppliers to promptly resolve potential issues identified during follow-up. For suppliers facing supply constraints, meetings are arranged in a timely manner to discuss and coordinate solutions, ensuring optimal material reserves and stable supply.

### Implementing Dual Sourcing Strategies

To prevent upstream raw material supply disruption risks caused by climate events, geographic distance, or policy changes, and to ensure production continuity, the Company adheres to the core principles of compliance, stability, timeliness, cost-effectiveness, and strategic importance. The management strategy of "at least two qualified suppliers for the same material" is rigorously followed. Multiple key raw material suppliers are engaged in different geographic regions, ensuring at least two qualified suppliers (domestic or international) for critical materials, and qualified backup suppliers are proactively identified. This approach effectively avoids supply delays and material shortages, further mitigating production risks arising from supply chain vulnerabilities.

### Promoting Local Procurement and Substitution with Domestic Alternatives

In light of historical delivery performance and current inventory data, the Company thoroughly assesses supply risks for all imported materials. From technical, commercial, capacity, and accessibility perspectives, it actively explores and selects products that meet all production requirements for substitution with domestic alternatives and local procurement, particularly for critical materials. This strategic approach enhances the security of the Company's supply chain. During the reporting period, the domestic substitution of critical consumable materials progressed steadily and according to plan.

## Diverse and Inclusive Workplace

Walvax Biotechnology places strong emphasis on attracting and retaining diverse talent. Guided by an open and inclusive philosophy, the Company has built a highly qualified and diverse professional workforce. This commitment fosters an equal, democratic, and harmonious working environment, enabling all employees to jointly contribute to a thriving workplace ecosystem.

## Compliance in Employment

Walvax Biotechnology adheres firmly to the principles of equality, respect, fairness, and justice in all employment practices. The Company strictly complies with all relevant national laws, regulations, and policies, including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Protection of Labor Rights and Interests*. Comprehensive internal management systems, such as the *Walvax Biotechnology Co., Ltd. Recruitment Management Measures* and the *Walvax Biotechnology Co., Ltd. Labor Contract Administration Regulations*, have been established to fully regulate all employee recruitment and hiring processes. The Company rigorously verifies employment compliance and resolutely prohibits child labor, forced labor, and any form of discrimination. Employees are never treated differently based on gender, education, age, race, family status, religious belief, or cultural background.



## Labor and Human Rights Management

Walvax Biotechnology strictly complies with international human rights standards, including the *International Bill of Human Rights*, the *International Labour Organization Conventions*, the *ILO Declaration on Fundamental Principles and Rights at Work*, the *UN Guiding Principles on Business and Human Rights*, and the *Ten Principles of the UN Global Compact*. The Company has established relevant policies and management measures, including the *Walvax Biotechnology Co., Ltd. Statement of Human Rights*, the *Walvax Biotechnology Co., Ltd. Management Measures for Employee Welfare*, and the *Walvax Biotechnology Co., Ltd. Management Measures for Employee Attendance and Leave*. A robust human rights risk assessment and prevention system has been implemented to effectively prevent human rights risks and ensure that labor rights are fully protected across all core business operations. The *Walvax Biotechnology Co., Ltd. Statement of Human Rights* explicitly covers the prohibition of forced labor, prohibition of child labor, freedom of association and collective bargaining, diversity and inclusion, and anti-discrimination. It applies to all full-time and part-time employees of the Company, as well as all suppliers, contractors, service providers, customers, and other partners with whom the Company has business dealings.

Major labor and human rights risk incidents

0

Employee complaints related to discrimination or harassment

0

Incidents involving child labor or forced labor

0

Percentage of employees covered by trade unions or collective agreements

100%

### Human Rights Due Diligence Management

The Company consistently strengthens its human rights due diligence management procedures, establishing a closed-loop management mechanism based on "prevention beforehand, monitoring during the process, and rectification afterwards." Employees are actively encouraged to report any suspected violations of company policies or regulations through public channels. For any confirmed violations, the Company conducts a thorough investigation in accordance with regulations and takes appropriate disciplinary action, which may include, but is not limited to, written warnings, circulating notices of criticism, disciplinary demerits, or termination of employment.

Guided by international frameworks such as the *United Nations Guiding Principles on Business and Human Rights* and the *EU Corporate Sustainability Due Diligence Directive (CSDDD)*, and in full consideration of local regulatory requirements, the Company's Recombinant Protein BU mandates that all projects must complete a human rights risk due diligence assessment before initiation. The results of this assessment serve as a core criterion for partnership admission. Additionally, a Human Rights Due Diligence Working Group, led by the Human Resources Department, has been established to conduct regular cross-departmental joint reviews, ensuring the independence of the due diligence process.



### Human Rights Risk Mitigation and Control



#### Prohibition of Child Labor

- The Company has established the *Walvax Biotechnology Co., Ltd. Recruitment Management Measures*. All operating locations regulate employment procedures in accordance with local laws and regulations. Measures include rigorous applicant identity verification and comprehensive background checks for all new employees. Anonymous reporting channels are also available. These procedures ensure that every employee has reached the legal working age in their country of employment.



#### Prohibition of Forced Labor

- The Company strictly prohibits any form of forced labor. All employees have the right to freely choose to accept or leave their positions. Unlawful detention, arbitrary deprivation of worker freedom, and any actions that bind employees through contracts, guarantees, or other coercive means are strictly forbidden.
- Staffing levels are fully maintained according to business development needs. Comprehensive policies, such as the *Walvax Biotechnology Co., Ltd. Management Measures for Employee Attendance and Leave*, have been formulated and are consistently improved. Tasks are allocated equitably through workload saturation analysis, and working time management, tracking, and review are diligently conducted. Work arrangements are adjusted promptly as needed, and all employee leave entitlements are fully respected and ensured.
- Unannounced inspections and anonymous employee interviews are regularly conducted in production workshops and with outsourcing partners. These initiatives primarily identify and mitigate any risks, such as forced overtime or restrictions on personal freedom.



#### Anti-Discrimination and Anti-Harassment

- The Company treats candidates from all backgrounds fairly and equitably throughout the recruitment, hiring, and promotion processes. Communication and training on these principles are consistently strengthened. Anonymous employee surveys and exit interviews are used to proactively identify any potential discrimination or workplace harassment risks in recruitment, promotion, or daily management practices, aiming at eliminating all forms of discrimination, prejudice, and harassment.
- Clear grievance reporting procedures and corresponding corrective or disciplinary measures have been established. Any confirmed violations are dealt with promptly and severely.



#### Pay Equity and Equal Pay for Equal Work

- The Company regularly analyzes compensation data and conducts employee surveys to assess any pay differences based on gender, position, or length of service. This process is designed to identify and address any potential instances of unequal pay for equal work.
- A dynamic compensation adjustment mechanism has been established. An annual pay equity audit is conducted to ensure that there are no unjustified pay differences for employees in the same position with equivalent performance levels.



#### Freedom of Association and Collective Bargaining

- The Company ensures that all employees have the right to freely join trade unions. Regular communication meetings between employee representatives and management are organized to safeguard workers' rights to information, participation, and supervision.
- A formal *Collective Consultation System* has been established. In 2025, collective wage consultations were successfully completed, clarifying core provisions such as wage growth mechanisms and benefit guarantees. A *2025 Collective Contract* covering all employees was duly signed. Yuxi Zerun held two collective consultation meetings, reaching consensus on topics including a special collective contract for the protection of female employees' rights and interests.



#### Health and Safety

- The Company has established a comprehensive occupational health and safety management system. Health hazards in all workplaces are strictly monitored and managed. Regular safety risk assessments, occupational disease hazard testing, and company-wide safety training and drills are conducted. Protecting employee safety and health is formally integrated into the Company's strategic objectives. Detailed information can be found in the "Occupational Health and Safety" section of this report.

### Training and Capacity Building

The Company has established a systematic training framework covering labor rights and human rights policies, ensuring full coverage across the organization. Regular internal training sessions are provided to all employees, and selected employees are nominated to participate in human rights-related training organized by external institutions. These efforts consistently enhance employee awareness of human rights and strengthen their ability to implement related practices. In 2025, the Bacterial Vaccine BU leveraged the Bopu Cloud digital platform to build a 24/7 online course library. Through a combination of online and offline methods, it provided systematic training to all employees on core labor rights topics, including labor contract standards, compensation and benefits, and working hours and leave management. This ensured 100% employee awareness of all relevant policies. The Recombinant Protein BU strictly implemented monthly reporting of risk monitoring data through the labor filing system, systematically tracking potential risks in employment processes. This established a robust closed-loop management mechanism of "monitoring, early warning, and rectification." The trade union at Yuxi Zerun organized five employees to participate in specialized training for labor law supervisor conducted by the Yuxi High-Tech District General Trade Union. All participants successfully passed the assessment and received certifications, significantly strengthening the Company's internal capacity for labor law supervision.

### Human Rights Complaints and Grievances

The Company maintains a zero-tolerance policy toward any violations of employee rights. A clear complaint and grievance mechanism has been established, and employees are actively encouraged to report any suspected violations of company policies or regulations through public channels. For all reported violations, the Company will conduct a thorough investigation and handle the matter with the utmost seriousness. Appropriate corrective actions will be taken when necessary, which may include, but are not limited to, formal warnings, circulating notices of criticism, disciplinary demerits, or termination of employment.

## Occupational Health and Safety

Walvax Biotechnology strictly complies with all applicable laws and regulations, including the *Law of the People's Republic of China on Work Safety*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Provisions on the Supervision and Administration of Occupational Health in the Workplace*, and the *Regulations on the Safety Administration of Hazardous Chemicals*. The Company also adheres to the requirements of the ISO 45001 Occupational Health and Safety Management System. A comprehensive suite of management policies, systems, and SOPs has been established, including the *Walvax Biotechnology Work Safety Accountability System* and the *Walvax Biotechnology Safety Risk Classification and Control System*. These cover all employees, contractors, and suppliers. Health and safety performance indicators are formally integrated into the annual performance appraisal metrics for both senior management and all other employees, firmly establishing safety as a core organizational priority.

Shanghai Zerun obtained

**ISO 45001**  
Occupational Health and Safety Management System certification.

The Company adheres to the fundamental principle of "safety first, prevention-oriented, and comprehensive management." A dedicated Risk Evaluation Leadership Group has been established, and a dual-prevention mechanism has been implemented, combining safety risk classification and control with hazard identification and rectification. Individual occupational health monitoring records are maintained for all workers, comprehensively strengthening occupational safety risk management. For contractors, the Company implements strict occupational health risk management measures throughout the entire engagement lifecycle, covering contractor selection, contractual safety notifications, site access requirements, training, process supervision, and performance assessment. During the reporting period, the medical examination coverage rate for employees in positions exposed to occupational disease hazard factors was 100%. There were zero new confirmed or suspected cases of occupational diseases.

### Health and Safety Emergency Management

The Company has formulated comprehensive regulations and systems, such as the *Comprehensive Emergency Response Plan for Production Safety Incidents*. Emergency plans for various types of safety accidents and sudden health events are consistently improved. Regular emergency drills are organized, covering fire safety, elevator accidents, poisoning and suffocation incidents, hazardous material leaks, and counter-terrorism and anti-violence drills. During the reporting period, the Company conducted a total of 7 safety emergency drills.

### Health and Safety Risk Prevention and Control System

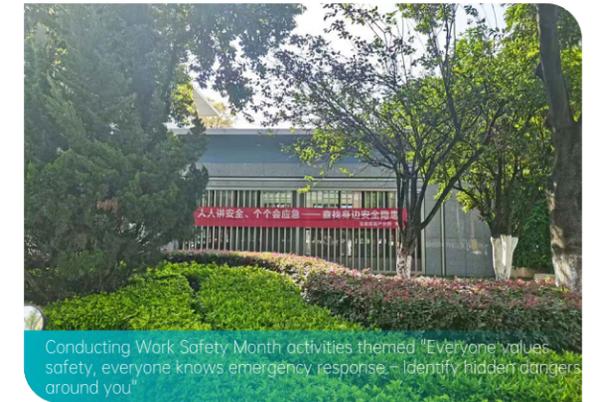
The Company has established a systematic hazard identification and assessment mechanism. Assessment results are integrated into core decision-making processes, including design scheme optimization, process selection, system layout, and equipment selection, to prevent and control risks at the source. A regular hazard identification and rectification mechanism is in place, with timely corrective actions and dynamic monitoring to ensure the complete elimination of hazards. During the reporting period, 171 hazards were identified, and the rectification rate was 100%.

## Health and Safety Culture Development

Through initiatives such as Work Safety Month campaigns, safety knowledge competitions, recognition of exemplary safety individuals and teams, and ongoing safety training, the Company has cultivated a positive safety culture where everyone prioritizes and actively engages in safety. In 2025, health and safety training coverage reached 100%, totaling over 800 training hours.



Fire emergency drills



Conducting Work Safety Month activities themed "Everyone values safety, everyone knows emergency response - Identify hidden dangers around you"

### Occupational Health and Safety Targets

### Achievement Status in 2025

Employee health examination coverage rate: 100%	Target achieved
Establishment rate of individual occupational health monitoring records: 100%	
Inspection rate of workplaces with occupational disease hazard factors: 100%	
Distribution and usage rate of personal protective equipment: 100%	
Occupational disease incidence rate in workplaces: 0%	
Major personal and equipment safety accidents: 0	
General and above safety accidents: 0	
Number of work-related fatalities: 0	
Investment in health and safety	RMB 1.78 million
Investment in work-related injury insurance	RMB 1.19 million
Coverage rate of employee work-related injury insurance	100%
Percentage of operating locations with completed employee health and safety risk assessments	100%

## Diversity and Equal Opportunity

Walvax Biotechnology regards diversity and inclusion as a key strategic priority for attracting talent, stimulating innovation, and achieving sustainable development. Centered on the principle of "respecting differences and empowering diversity," the Company has formulated the *Walvax Biotechnology Co., Ltd. Employee Diversity Policy*. The Company actively builds a diverse and inclusive corporate culture, regularly conducts diversity training covering all employees, and integrates diversity and inclusion requirements into recruitment and hiring, employment management, and training activities. In doing so, the Company is committed to creating a workplace environment that is diverse, equitable, and inclusive for all. Senior management oversees the development of an inclusive culture and monitors diversity performance. Diversity and inclusion considerations are systematically incorporated into internal surveys and assessments, enabling targeted improvements in diversity-related initiatives. In 2025, the proportion of female employees in both recruitment and promotion processes was maintained at no less than 50%, effectively promoting gender equality, diversity, and inclusion across the organization.

Proportion of female employees

**54.72%**

Proportion of female employees among new hires

**51.24%**

Proportion of employees from ethnic minorities

**21.05%**

Proportion of employees with disabilities

**0.15%**

Proportion of female employees in all management positions

**50.00%**

(including management talent reserves, middle management, and senior management)

Proportion of female employees in entry-level management positions

**52.80%**

(i.e., first-line management)

Proportion of female employees in senior management positions

**35.13%**

Proportion of female employees in management roles within revenue-generating functions

**55.77%**

(e.g., sales, excluding support functions such as HR, IT, and Legal)

Proportion of female employees in STEM-related positions

**61.65%**

(including R&D, technology, etc.)

### Diversity Training and Activities

To better advance its internationalization strategy, the Company has embedded diversity principles into its corporate culture. In accordance with the *Walvax Biotechnology Co., Ltd. Employee Diversity Policy*, the Company annually organizes diversity training covering all employees, as well as a series of activities including diversity-related lectures, seminars, and in-person thematic events. These initiatives help employees understand, internalize, and comply with relevant principles and regulations, promoting cultural integration and more effective team collaboration.

In 2025, to deepen employees' understanding of multicultural contexts in emerging markets and enhance inclusive practices in global operations, the Company conducted specialized Halal certification training, strengthening respect and inclusion for religious diversity and encouraging employees to integrate multicultural awareness into all aspects of customer service and business processes. Additionally, the Company advanced international professional training covering regulatory systems in different countries and regions, providing in-depth analysis of local social cultures, business customs, and religious norms. This extended DEI (Diversity, Equity, Inclusion) principles from internal cultural advocacy to market and service capability building, effectively enhancing employees' ability to conduct business compliantly, efficiently, and inclusively in complex, diverse international environments.

### Benefits and Support

The Company implements equitable employee development programs, ensuring fairness and justice in compensation incentives, training, and promotion processes. Management maintains an open and inclusive mindset, valuing and listening to diverse perspectives, and conducting performance evaluations and making promotion decisions fairly for employees from all backgrounds, avoiding any discrimination or bias.

For female employees, the Company ensures objective and fair promotion standards and transparent promotion processes through institutional safeguards. Equal training and promotion development opportunities are provided to promote the advancement and skills enhancement of female employees. They are actively encouraged and cultivated for management positions, breaking the glass ceiling and ensuring greater participation and development opportunities across all functions and management areas. Additionally, the Company strictly implements the *Special Provisions on Labor Protection for Female Employees*, ensuring equal compensation and benefits and guaranteeing equal pay for equal work regardless of gender. Benefits for female employees include paid prenatal check-up leave, maternity leave, breastfeeding leave, and parental leave; nursing rooms equipped with dedicated refrigerators; regular International Women's Day benefits; and tailored health check-up programs for female employees. Also, paternity leave is provided for male employees in accordance with regulations, helping balance family and professional responsibilities and enabling female employees to work with peace of mind.

Return-to-work rate after parental leave:

**100%**

In 2025, female employees accounted for 69.5% of all promoted managers, demonstrating the Company's substantial progress in promoting gender diversity and an inclusive culture.

### Recruitment and Hiring

Walvax Biotechnology actively recruits and attracts diverse talent by requiring that all job postings describe only the qualifications and competencies essential for the position, with any discriminatory content strictly prohibited. The Company welcomes applications from individuals with diverse educational and professional backgrounds, nationalities, genders, ages, marital and parental statuses, skin color, ethnicities, and religious beliefs. The Company evaluates candidates rigorously based on position requirements and competency criteria. Anonymous resume screening is used in all initial recruitment stages, and diverse interview panels are assembled for interview processes. This ensures objective evaluation standards and fair treatment of candidates from all backgrounds throughout the recruitment process, avoiding any potential discrimination or bias. These practices create a diverse, inclusive, and equitable workplace environment for all employees. During the reporting period, no discriminatory complaints were received regarding any recruitment process. A targeted recruitment initiative for female talent has been established for both campus and social recruitment. The Recombinant Protein BU has specifically promoted technical positions such as quality supervision and quality control to expand the recruitment of female talent. In 2025, the proportion of female employees hired for technical positions increased to 58%.



On International Women's Day, the Company organized exclusive empowerment activities for female employees, including office health training and specialized skincare knowledge sessions. These activities provided immediately actionable health programs tailored to office scenarios, supporting scientific health management and effective work stress relief.

# Human Capital Development

## Governance

Walvax Biotechnology has established and implemented a comprehensive human capital management framework, including the *Walvax Biotechnology Co., Ltd. Training Management Measures*, the *Walvax Biotechnology Co., Ltd. Performance Management Regulations (Trial)*, and the *Walvax Biotechnology Co., Ltd. Position and Job Level Management Measures*. These systems enable effective human resource planning, ensuring that employees are placed in roles that best utilize their unique talents and that their full potential is realized, while proactively mitigating organizational risks associated with the turnover or absence of key talent.

The Company's employee development strategy is led by the Human Resources Department and submitted to the Board of Directors for formal approval. The Company consistently refines its human resource management systems to ensure close alignment with its overall strategic goals. The Board of Directors, together with its subordinate Remuneration and Evaluation Committee and Sustainability Committee, serves as the decision-making bodies. The Remuneration and Evaluation Committee is responsible for specialized reviews of human capital incentive mechanisms, pay equity, and senior management talent development. The Sustainability Committee oversees the strategic synergy between human capital development and the Company's overall ESG strategy. The Human Resources Department is responsible for formulating and executing the Company's human resource strategic plans, objectives, and related policies and processes. All BUs have established dedicated human resources departments to implement these initiatives and collaborate closely with business departments to translate strategic requirements into effective daily practices, systematically driving talent development throughout the organization.

## Strategy and Approach

Acknowledging that "the most competitive employees in their positions are true talents," Walvax Biotechnology has formulated a forward-looking talent development strategy and continues to advance its "internal cultivation + external introduction" approach to meet the demand for versatile and diverse talent required by its evolving strategy and business development.

Adhering to the principle of "high morality, high quality, high energy, high efficiency, and growth for all," the Company has established Walvax College as a dedicated platform to implement this vision. Guided by strategic objectives, it provides a scientific and rational talent management model, consistently improving tiered and specialized training management systems, and enhancing promotion mechanisms and internal talent channels. The Ever-Thriving Walvax talent development system is implemented comprehensively, systematically enhancing the strength and quality of the talent pool, promoting optimization of the Company's talent structure, improving overall competitiveness, and consolidating a strong talent foundation for the Company's long-term, stable development.

### Talent Attraction

Walvax Biotechnology implements demand-driven strategic talent pool planning. Regular talent and organizational assessments are conducted based on the Company's strategic plans and business development directions. Talent needs are prospectively planned, recruitment requirements are actively forecast, and recruitment channels, efficiency, and costs are comprehensively evaluated. In all recruitment activities, the Company adheres to the principles of scientific planning, accurate targeting, standardized hiring, and fair assessment to broadly attract diverse talent. Multiple recruitment channels have been established to expand the dimensions of the talent pool, and information technology is utilized to improve recruitment efficiency and the accuracy of person-job matching.

The Company plans its employer brand for the long term, having created the "Dr. Walvax" IP image, built a multi-dimensional communications matrix, and established a unified Group-wide recruitment resource sharing platform to further implement its Employer Value Proposition (EVP). In 2025, the recruitment fulfillment rate was 90.36%, effectively ensuring talent supply for all core positions.

### University-Industry Collaboration

The Company has established the Modern Biomedical Industry College jointly with Kunming Medical University, cultivating high-caliber, innovative, interdisciplinary, and application-oriented talent for the biopharmaceutical industry through deepened integration of education and industry. Internal experts are selected to participate in Professional Master's Programs and curriculum development discussions, sharing practical experience through lectures and seminars and broadening talent acquisition channels.

### Internship Program

The Company has implemented a diversified growth plan for interns, categorizing internships into three types: introductory internships, general internships, and targeted pre-employment internships. This helps interns gain richer workplace experiences while also expanding channels for the Company to develop, cultivate, and build a pipeline of future talent.

### Campus Recruitment

The Company strengthens employer brand communication and attracts outstanding graduates through on-campus presentations and multi-channel information dissemination on third-party recruitment platforms and university career websites.

### Social Recruitment

The Company adheres to the principles of fairness, justice, and openness in all recruitment, rationally assessing the requirements for various positions and formulating annual plans to accurately target and attract required talent from the broader market.

### Internal Referral

The Company has established fair and transparent internal referral processes, actively encouraging employees to recommend outstanding talent through internal referrals to enrich the talent pool.

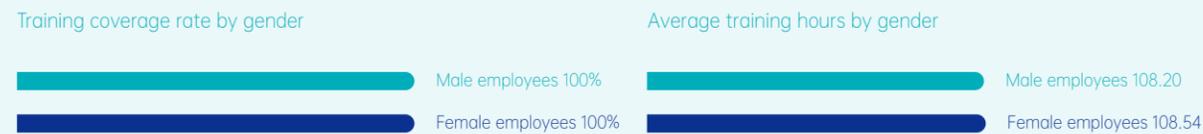
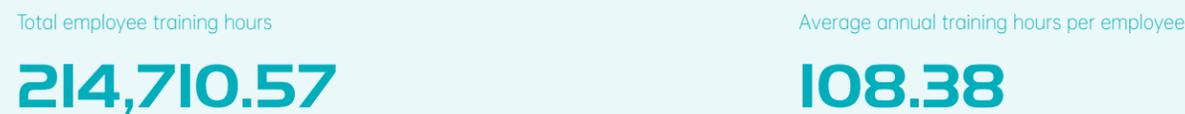
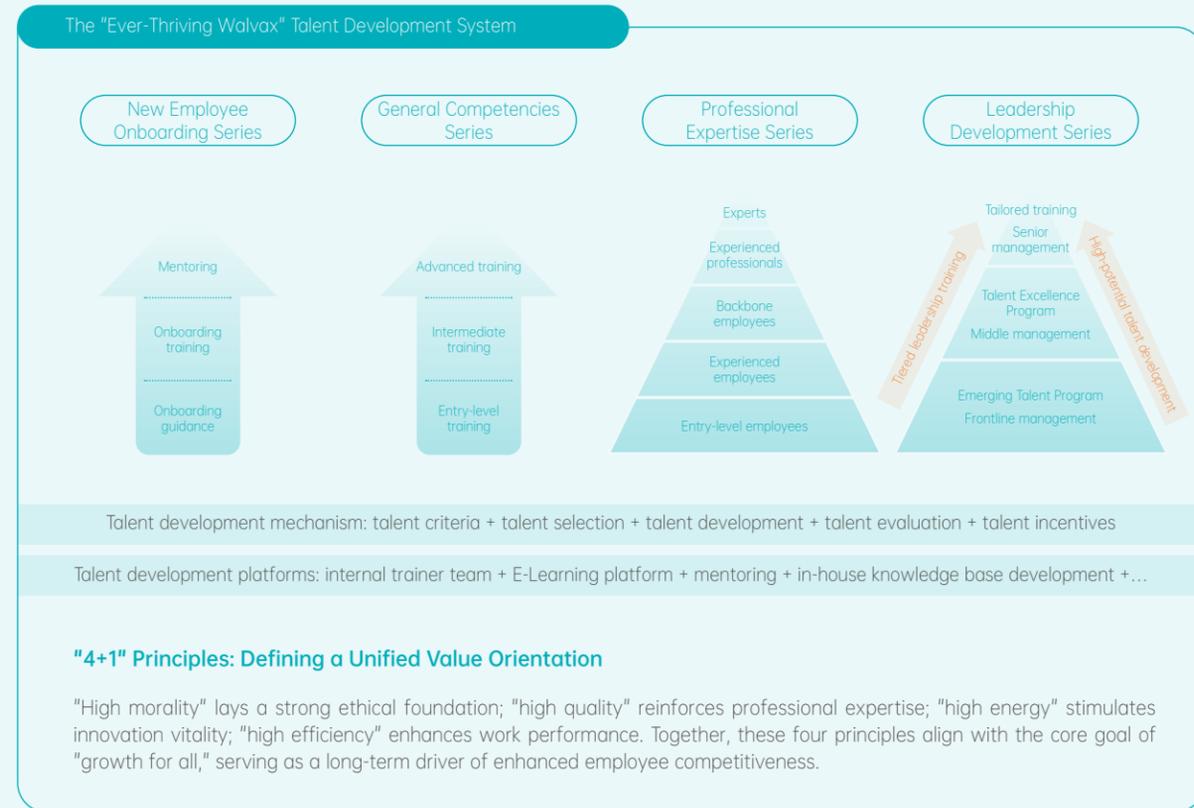
### Internal Recruitment/Competition

The Company timely posts internal position recruitment announcements, providing employees with opportunities for cross-departmental promotion and transfer. This activates internal talent mobility, enhancing employee loyalty and sense of belonging. Employees selected through internal recruitment demonstrate better job fit and faster adaptation, significantly boosting business responsiveness.

### Employee Training

Guided by its strategic objectives and leveraging Walvax College as the main platform, the Company has established the "Ever-Thriving Walvax" talent development system. Through the development of a "Learning Landscape Map," the system systematically covers four development tracks: new employee onboarding, general competencies, professional expertise, and leadership development. Following the "4+1" training principles, it strengthens job competency development for all employees and enhances their professional capabilities and leadership skills in a targeted manner. In 2025, to support the Company's strategic upgrade and business expansion needs for versatile, diverse, and highly specialized talent, the Company added specialized capability modules aligned with emerging business requirements, forming a more targeted and forward-looking training content matrix.

The Company conducts comprehensive evaluations and collects feedback for each training course. Questionnaires and other methods are adopted to collect training feedback and track effectiveness, consistently optimizing course content.



### Case Building the Ever-Thriving Walvax Digital Learning System

Through a "category-based operations and dual-platform collaboration" online learning management model, Walvax College has successfully constructed a comprehensive, multi-level professional training and lifelong learning system. This has created a complementary online learning ecosystem combining general capability empowerment with specialized compliance training, providing comprehensive support for the implementation of the Ever-Thriving Walvax talent development system while ensuring equal access to learning and growth opportunities for all employees.

#### Xuanxing Platform

General Capability Empowerment

The platform's core offering comprises four major modules: 1) Core position skills training; 2) Leadership development, providing courses on management skills and strategic thinking for employees at different levels (including frontline employees, middle management, and management reserve talents), linked to talent review and development planning; 3) Diversity awareness, covering compliance management, occupational health, diversity and inclusion, and other essential topics; 4) Personalized development, supporting employees to independently select courses based on their individual career plans, facilitating lifelong learning. As of the end of 2025, there were a total of 1,748 online courses available on the platform.

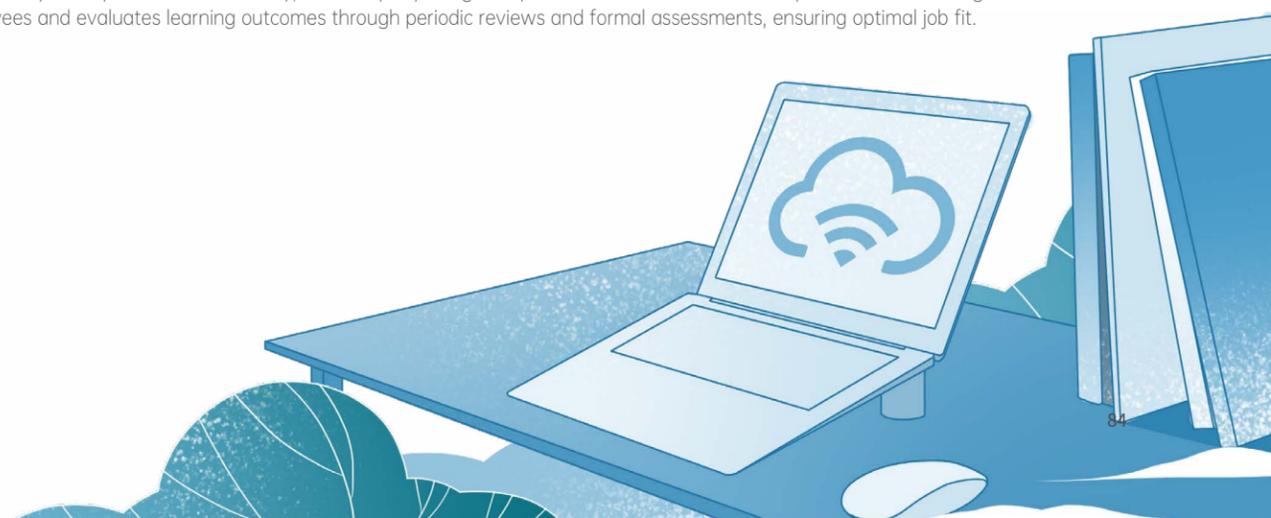
#### Bopu Cloud Platform

Specialized Compliance Training

Specializing in compliance training for the production system, this platform achieves training coverage across all positions and scenarios through fully online operations. Through multiple iterative improvements, it has strengthened capabilities to meet compliance audit requirements and enhanced the mobile learning experience, providing robust support for the Company's compliant operations.

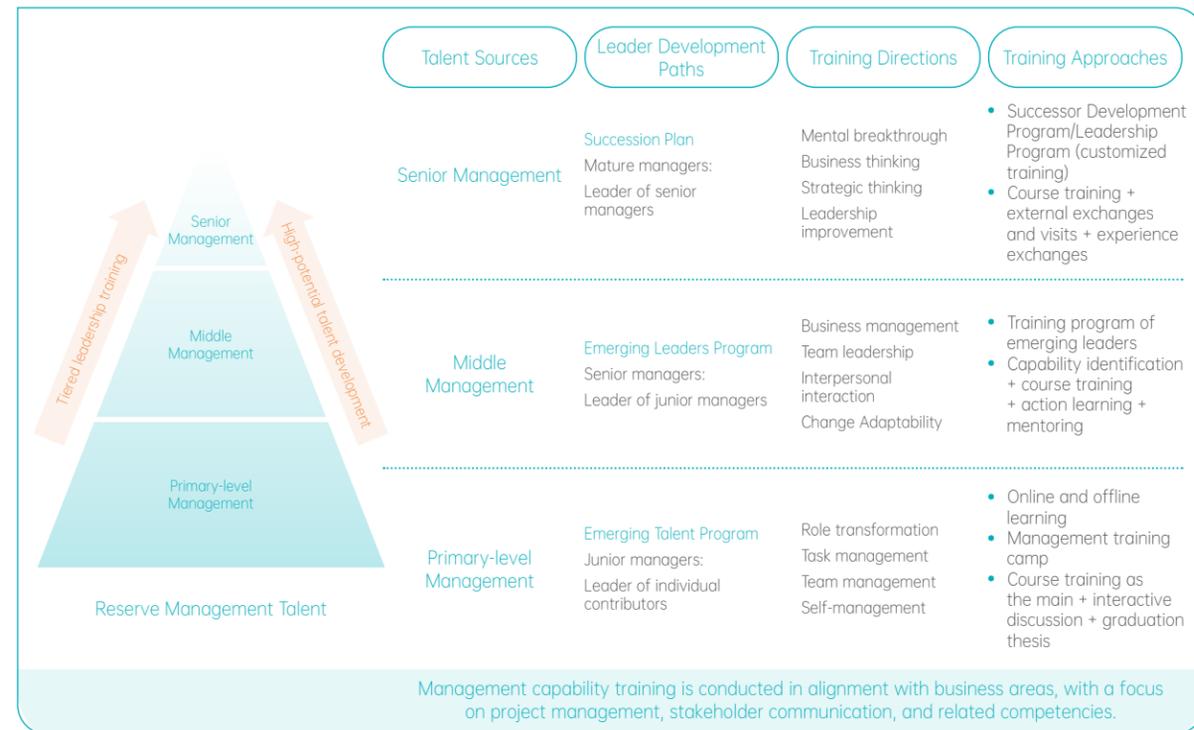
### New Employee Training

The Company places high priority on the growth and development of new employees. A comprehensive training and development system has been established, closely aligned with the core needs of new employees during their onboarding and initial development stages. Core modules cover Walvax Biotechnology's values and code of conduct, industry development trends and the Company's strategic planning, core product knowledge, quality management systems, cross-departmental collaboration processes, and career development paths. For new employees in production positions, specialized training in GMP fundamentals, aseptic operation standards, and safety management is added to strengthen role-specific compliance capabilities. Through this systematic learning, new employees are quickly integrated into the work environment, promoting standardized performance, efficient collaboration, and continuous growth in their daily work practices. Additionally, the Company assigns experienced business mentors to provide one-on-one guidance for new employees and evaluates learning outcomes through periodic reviews and formal assessments, ensuring optimal job fit.



### Leadership Training

Walvax Biotechnology consistently advances its talent succession planning efforts. Leadership competencies are formally integrated into position competency models, forming a tiered leadership development system closely aligned with evolving business needs. This system precisely identifies and focuses on cultivating high-potential management personnel. The leadership development framework connects managers at all levels, including reserve management talent, providing every employee with opportunities to develop into future leaders. This approach supports the Company's strategic goal of building a professional, younger, internationally-minded, and Walvax-cultured cadre of leaders. In 2025, the Company conducted systematic training for different types and levels of management personnel across core dimensions including mindset, behavioral patterns, and leadership capabilities. Key initiatives included the development of specialized leadership courses such as "The Manager's Advancement Path: Leadership Cultivation and Team Empowerment Practical Course" and the "Project Bedrock" (a foundational leadership program). These courses covered both management and non-management employees, supporting the construction of a sustainable leadership pipeline.



In 2025, Walvax Biotechnology collaborated with external professional institutions to conduct a comprehensive talent review project. This initiative systematically assessed the current status of the management talent pipeline, identified qualified successors for all key positions, and provided strategic recommendations for management cultivation, selection, and appointment, thereby strengthening the Company's long-term competitiveness.

### Specialized Skills Training

The Company has established a position-based training system guided by the principles of "strategic orientation, tiered and classified targeting, and precise capability empowerment." Firmly anchored in core business development needs and talent pipeline requirements, modular training programs are customized for key positions, comprehensively covering all areas of business development including R&D, clinical affairs, production, quality, EHS, supply chain, and sales. These programs consistently enhance employees' core professional capabilities throughout their career development. The Company annually develops detailed departmental professional training plans. Through an integrated "online + offline" training model, formal certification assessment mechanisms, and regular knowledge-sharing practices, the professional capabilities and performance effectiveness of key position personnel are systematically enhanced. Additionally, dedicated training funds are allocated within the annual budgets of all departments, allowing employees to participate in external professional skills training based on specific business needs.

- Launched a specialized "Country Manager" development program, delivering three comprehensive training sessions through a combination of online and offline methods. Achieved 100% coverage of all employed Country Managers, significantly strengthening their market expansion and regional management capabilities.
- Advanced professional skills development within the production system, with 132 intermediate and senior-level pharmaceutical preparation workers completing training and achieving a 100% certification rate.
- Conducted a HR system "Wisdom Voyage" series of knowledge-sharing sessions, consistently enhancing the professional service and talent management capabilities of the HR team.

### Case Launch of the Inaugural "Pharmaceutical Preparation Worker" Vocational Skills Training Program

To reinforce the critical lifeline of product quality and strengthen the development of a specialized talent pipeline, Walvax Biotechnology successfully launched its inaugural "Pharmaceutical Preparation Worker" vocational skills training program in August 2025. This training was targeted at key positions including production, Quality Assurance (QA), and Quality Control (QC). It adopted an integrated "online theoretical learning and offline practical training" model, delivering systematic instruction centered on core pharmaceutical preparation processes and GMP standards. Through the development of a customized curriculum that balanced technical skills enhancement with quality culture cultivation, all participants ultimately passed both theoretical and practical certification examinations and obtained nationally recognized "Pharmaceutical Preparation Worker" vocational skills level certificates.



### General Skills Training

Walvax Biotechnology continues to enhance its general skills training system, regularly conducting cutting-edge technology awareness programs and practical skills courses focused on critical areas such as digital transformation, AI applications, and vaccine-related science literacy. The Company designs blended learning programs that combine theoretical instruction, case discussions, simulation exercises, and hands-on practical training. These programs are carefully aligned with digital transformation trends, AI technology advancements, industry developments, and regulatory updates. Digital mindset, AI application capabilities, and scientific literacy enhancement are all integrated into the company-wide capability development framework, providing essential talent support for the Company's innovation-driven growth and strategic transformation.

### Case Inaugural Advanced "AI Trainer" Skills Training Program

To accelerate digital transformation and cultivate core AI application talent, Walvax Biotechnology successfully conducted its inaugural advanced "AI Trainer" training and certification program in September 2025, with all participants achieving national-level certification. The training covered R&D, marketing, and various functional departments, generating significant company-wide enthusiasm for digital learning. The curriculum was aligned with national vocational skills standards and featured customized "AI + Office" scenario-based modules, covering practical content such as prompt engineering techniques, data processing, document creation, and presentation creation. This ensured seamless integration of learning with practical application. The training program helped employees in key positions adapt to digital transformation requirements, empowered employees with enhanced workplace competitiveness, and explored a replicable pathway for industry-wide digital talent development.



### External Collaborative Training

Walvax Biotechnology actively introduces high-quality, specialized external training resources to support employees in deepening their expertise and excelling in their respective fields. In 2025, the Company collaborated with multiple external organizations on diverse training projects, providing robust support for employee growth and professional development.

- Collaborated with the Xuanxing Cloud Learning Platform, consistently improving Walvax College's online learning courses and programs using the platform as a primary delivery vehicle.
- Partnered with Kunming Frontier Vocational Skills Training School to conduct targeted specialized vocational skills training and assessments, providing strong support for employees' professional skills enhancement and their ability to effectively utilize AI technologies.

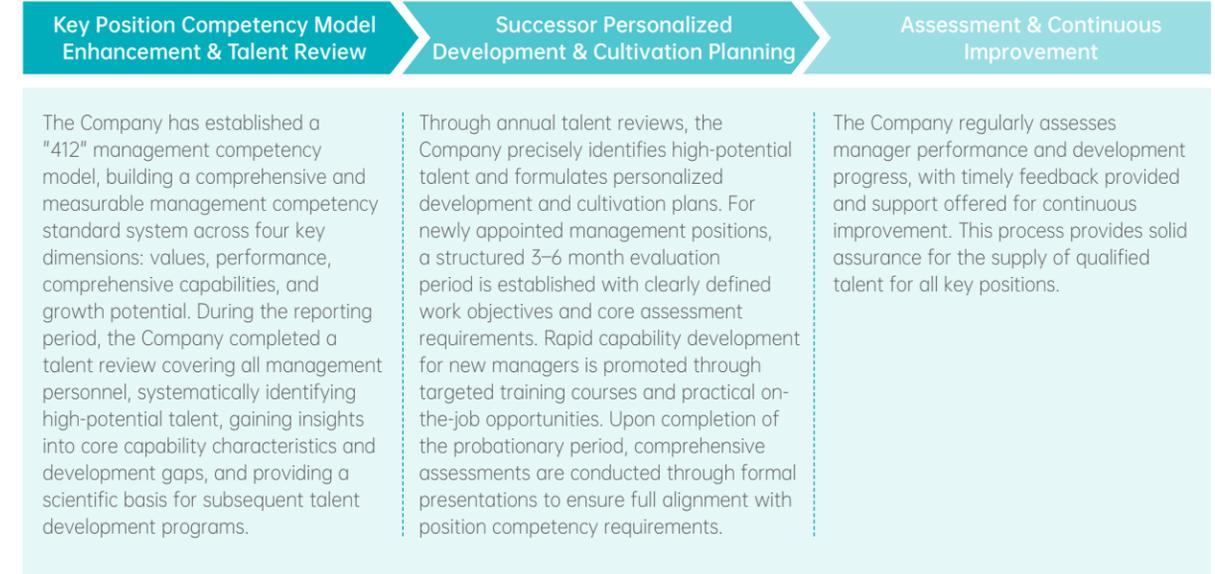
## Employee Development

### Career Development

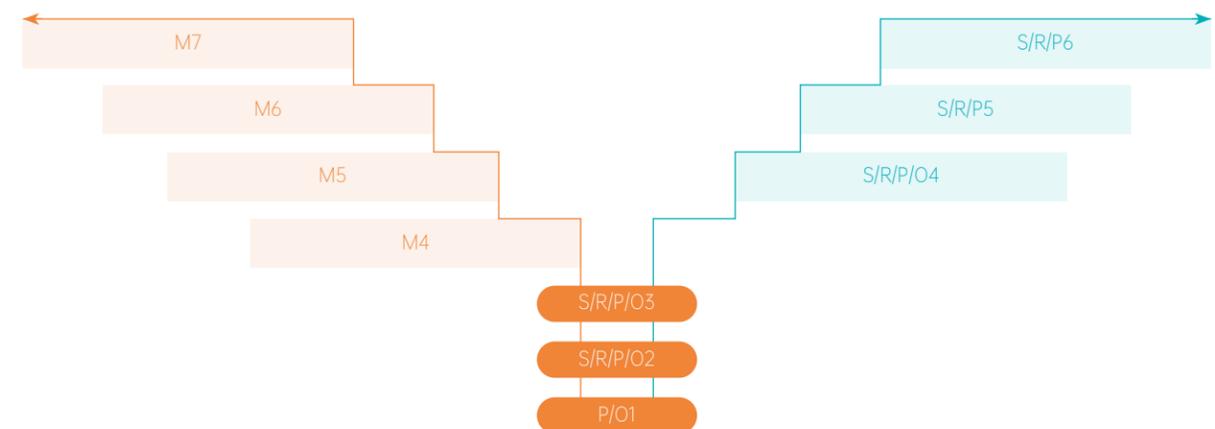
Walvax Biotechnology consistently enhances its talent succession planning processes. Using the "Walvax Eight Competencies" as its core competency framework, the Company systematically develops a tiered and sequenced "1+3" position competency model. This model is deeply integrated into all key talent management processes, including recruitment and selection, talent reviews, and training and development programs, enabling every employee to leverage their unique strengths and create value in their work.

Percentage of employees receiving performance and career development assessments during the year:

**100%**



The Company has formulated the *Walvax Biotechnology Co., Ltd. Position and Job Grade Management Measures*. Based on the established competency model, it consistently deepens the construction of a dual-track career development system for all employees. This system clearly defines career development paths, enabling employees to pursue promotion opportunities in both management and professional technical tracks, thereby providing broad growth space for all. In 2025, the Company systematically upgraded its career development framework, making the job grade system more standardized, transparent, and quantifiable. Focused improvements were made to promotion eligibility criteria and evaluation standards for position families on the professional technical track, providing employees with clearer and more accessible growth paths. Additionally, the Company established and fully implemented internal recruitment and competitive selection mechanisms, providing employees with more opportunities for lateral mobility and vertical development. The Bacterial Vaccine BU achieved a 100% internal promotion rate for all key positions throughout the year.



Note: Issued in 2025, the *Walvax Biotechnology Co., Ltd. Position and Job Grade Management Measures* replace hierarchical titles with a unified system of job grade codes for all career levels.

## Educational and Qualification Support

Walvax Biotechnology has established a support system based on the principle of "learning support and practical application." The Company actively encourages and supports all employees, including full-time and part-time staff, to pursue degree advancement, obtain professional qualifications or certifications, and thus consistently enhance their professional competencies. Employees can also receive support such as expense reimbursement and paid training leave upon approval, with additional rewards given to those who obtain corresponding professional titles. This approach fully encourages employees to pursue self-improvement in their professional fields and stimulates their motivation for further development, with support coverage extending to 100% of all regular employees. Additionally, the Company actively establishes cooperative relationships with higher education institutions, encouraging and supporting employees to advance their formal education and obtain business-critical qualifications, consistently empowering their professional growth.

In 2025, the Company precisely aligned support with identified needs and implemented differentiated measures. For position-essential certificates, unified training and examinations were organized, with all related expenses fully reimbursed. For certificates related to core business areas (e.g., information

security and finance/accounting), employees were encouraged to apply independently, broadening their professional capability boundaries. For skills enhancement certificates (e.g., certificates supporting transformation in areas such as production operations and digital applications), closed-loop training programs were customized in partnership with specialized third-party institutions, achieving seamless integration of training, assessment, certification, and practical application. The Company also actively recommended outstanding employees to participate in worker skills competitions and programs such as the Yunnan Talent Support Program, contributing to the development of a highly skilled talent pool.



Presenting awards to employees who won prizes in the First Yunnan Provincial Biological Products Industry Worker Skills Competition.

## Comprehensive Compensation and Benefits

### Compensation Incentives

The Company has formulated the *Walvax Biotechnology Co., Ltd. Compensation Management Measures*. Based on the 3P compensation philosophy (Pay for Position, Pay for Person, and Pay for Performance), the Company has established a compensation system for all employees, including those in non-management and non-sales positions, consisting of fixed and variable components. Variable compensation includes performance bonuses, allowances, and other incentives. Performance bonuses are closely linked to both individual and organizational performance, fully leveraging the incentive role of the compensation system in motivating talent. Compensation for directors and senior management is determined and paid in accordance with the *Director and Senior Management Compensation and Performance Assessment Management System* and other relevant regulations. In determining compensation, factors such as position, responsibilities, capabilities, and market compensation levels are taken into account. Variable compensation for senior management is closely linked to the Company's operating performance and the achievement of strategic objectives and represents a significant proportion of total compensation, ensuring that the interests of senior management remain aligned with the Company's overall performance. For general employees, variable compensation is linked to the Company's operating performance, organizational performance, and individual performance. Through dynamic compensation management, employee income is adjusted in line with performance outcomes, ensuring that all employees receive compensation commensurate with their work contributions and enabling them to enjoy decent work and a good quality of life.

Walvax Biotechnology regularly monitors and evaluates market compensation levels to ensure the overall competitiveness of its compensation system and enhance the attractiveness of key and strategic positions. All employees and departments undergo regular performance assessments and evaluations, achieving 100% coverage. In 2025, the Company innovated its organizational performance assessment model by adopting a combination of "objective data presentation + collective evaluation of key initiatives." This approach appropriately balances quantitative results with contributions to strategic priorities, enhancing both the fairness and strategic direction of assessments. Guided by performance outcomes, the Company determines compensation levels for each position and designs incentive schemes that combine both short-term and long-term elements. This ensures all management personnel and frontline employees, including those in non-sales functions, receive compensation that reflects their assessment results while remaining both externally competitive and internally equitable. The Company has also established tiered non-material incentives, including Quarterly Star awards and special recognition honors, providing timely recognition for outstanding contributions.

Furthermore, the Company has established performance-based bonus clawback and adjustment mechanisms. The *Director and Senior Management Compensation and Performance Assessment Management System* stipulates that annual performance bonuses will not be granted, or must be returned if already paid, in cases of serious violations of company policies, internal disciplinary sanctions at the level of serious warning or above, or actions that cause significant damage to the Company's interests. In addition, equity incentive plans stipulate that corresponding equity incentives will be revoked if incentive recipients fail to meet performance assessment criteria at either the company or individual level.

### Employee Performance Feedback and Appeals

The Company has formulated the *Walvax Biotechnology Co., Ltd. Performance Management Regulations (Trial)*, adhering to the core principles of justice, openness, and fairness. Multiple assessment dimensions are utilized, including self-assessments, direct supervisor evaluations, and collaborative department assessments, along with various assessment tools. This approach enables comprehensive and objective evaluation of each team's and individual's performance, ensuring employees receive appropriate rewards for their value contributions.

Walvax Biotechnology has established accessible performance coaching communication procedures, providing employees with timely and comprehensive feedback and guidance throughout the entire performance assessment process to support goal achievement and performance improvement. During the performance planning and implementation stages, departmental goals are made transparent and work outcomes are clearly tracked. Managers provide timely feedback and improvement suggestions through both formal and informal communication channels. The Plan-Do-Check-Act (PDCA) closed-loop control of company-wide performance management is

consistently strengthened. The Human Resources Department reviews, summarizes, and provides feedback on performance assessment results, proactively following up on issue resolution and ensuring continuous improvement of performance management processes.

After receiving performance assessment results, if employees have objections or concerns regarding aspects they were unaware of, they may submit a *Performance Appraisal Appeal Form* to the Human Resources Department within three working days, in accordance with the Company's established performance appeal and feedback procedures. The Human Resources Department is required to review and respond to the appeal within seven working days. Upon completion of the appeal process, the Human Resources Department promptly records the corrected results to ensure full transparency and fairness. Performance appeal procedures and mechanisms are clearly defined in the *Individual Performance Management Measures* and communicated in each performance assessment notification, ensuring all employees are fully aware of their pertinent rights and procedures.

### Employee Stock Ownership

For senior management and core employees, the Company actively promotes employee stock ownership and stock option incentive plans. These plans directly link their compensation objectives with the Company's long-term goals and interests, better attracting top talent and retaining key personnel. This

approach promotes mutual development and creates a win-win partnership between the Company and its employees. Detailed information on employee stock ownership can be found in the *Walvax Biotechnology Co., Ltd. 2025 Annual Report*.

### Welfare Benefits and Care

Walvax Biotechnology has constructed a comprehensive welfare system covering all employees. In addition to all statutory basic benefits, it provides a wide range of supplementary benefits, enhancing employees' sense of belonging and well-being and creating a warm, fulfilling workplace.

The Company places high value on employee care and well-being, providing a variety of cultural and sports activities, encouraging employees to maintain a healthy work-life balance,

and actively promoting sports and wellness initiatives. The mechanism for supporting employees facing difficulties has been consistently improved, expanding coverage, refining categorized care measures, conducting care effectiveness evaluations, and establishing long-term follow-up mechanisms to ensure effectiveness. Special attention is given to specific groups such as pregnant women and employees with disabilities, providing genuine support to alleviate challenges and fostering an open, inclusive, and mutually supportive working atmosphere.



### Basic Benefits

Social insurance package, housing provident fund, and paid leaves (including sick leave, work-related injury leave, marriage and funeral leave, prenatal check-up leave, maternity leave, paternity leave, breastfeeding leave, and annual leave)



### Allowances & Subsidies

Housing subsidies, women's hygiene allowance, travel allowances, employee canteen, holiday gift money, holiday welfare gifts



### Employee Health Programs

Annual health check-ups, supplementary medical insurance (including accidental injury insurance, accidental medical insurance, and critical illness insurance), reimbursement for vaccination with the Company's vaccine products (covering employees themselves, their children, spouses, and parents of both spouses), and medical mutual assistance; Establishing employee fitness centers



### Work Stress Relief

Providing diverse recreational and cultural activities for employees; Offering professional psychological support services; Creating the WALVAX STYLE Café



### Special Employee Care

Attention to special employee groups, including support for parents (e.g., breastfeeding facilities, paid parental leave), employees with disabilities, and employees facing difficulties, implementing diversified welfare and targeted assistance measures



1



2



3



4



5



6

- 1 Creating the WALVAX STYLE Café, enabling employees to better enjoy work and life
- 2 Renovating and upgrading fitness space, creating employee fitness centers
- 3 Special care program for employees with critical illnesses
- 4 Reading festival activities
- 5 Organizing employee participation in badminton competitions, chess competitions, and other events
- 6 Employee birthday celebrations

## Employee Communication and Engagement

### Communication and Grievance Reporting

Walvax Biotechnology provides employees with open, diverse communication channels and secure, confidential grievance mechanisms. These include workers' congresses, communication and exchange activities, internal telephone hotlines, reporting email addresses, the President's dedicated email, online feedback platforms, employee suggestion boxes, and performance reporting communications. The Company consistently improves its reporting procedures and processing workflows, strengthening democratic management and communication, and ensuring that every employee concern receives a timely response and appropriate follow-up. Detailed information on representative communication channels, including the workers' congress, President's email, and employee feedback platform, can be found in the *Walvax Biotechnology Co., Ltd. 2024 Sustainability Report*.

The Company has established accessible, standardized, and confidential grievance and reporting mechanisms covering all regular and part-time employees. Employees are encouraged to promptly submit grievances to their immediate supervisors or the Human Resources Department when encountering unfair treatment. For matters involving employees' vital interests, such as internal recruitment competitions and performance evaluations, the Human Resources Department, in conjunction with the Audit and Inspection Department, is responsible for grievance acceptance, investigation, handling, and tracking. The core principles of authenticity, confidentiality, and effectiveness are strictly upheld, ensuring timely and independent investigations of all legitimate reports. The Company strictly maintains the confidentiality of all whistleblower information and related content, taking effective measures to protect whistleblowers' safety and legal rights. Any acts of retaliation or information leakage, upon confirmation, are dealt with seriously. The Company regularly audits the operation of all employee communication and feedback mechanisms to ensure communication channels remain open and that all employee concerns are addressed promptly and effectively.

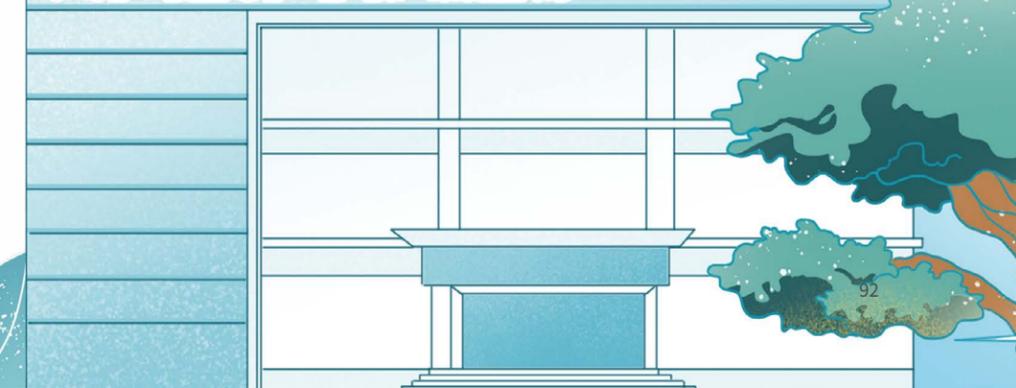
### Engagement Surveys

The Company regularly conducts comprehensive employee engagement surveys. Survey content is carefully designed around three dimensions of "engagement" and eight corresponding behaviors, as well as four dimensions of "engagement drivers." Opinions and suggestions are systematically collected from all employees, and management practices are consistently improved based on engagement survey data analysis and direct employee feedback.

#### Representative Improvements from Engagement Surveys

- In response to identified issues with cross-departmental collaboration, the Company further clarified departmental functional boundaries and responsibilities. An evaluation of interdepartmental collaboration relationships was formally incorporated into the 2025 organizational performance assessment system for all departments, effectively improving previously inefficient collaboration.
- In response to identified issues with work processes, the Company mandated all departments to conduct comprehensive reviews, streamlining and optimizing existing workflows. Redundant steps were eliminated, responsibilities at key process nodes were clarified, and information system efficiency was improved. As a result, the average time required for management approval processes was significantly reduced, resulting in more efficient workflows across the organization.

**WALVAX 沃森生物**



## Impact, Risk, and Opportunity Management

Addressing critical human capital risks—including talent turnover, key talent shortages, diversity and inclusion risks, inadequate training and development, lack of compensation competitiveness or fairness, legal compliance issues, and organizational culture risks—Walvax Biotechnology, guided by its strategic objectives, consistently identifies, assesses, responds to, and monitors all human capital risks. The Company optimizes its human resource management strategies across the entire talent lifecycle of attraction, cultivation, utilization, and retention, ensuring all human capital development risks remain controllable and shaping a dynamic, resilient organization capable of adapting effectively across business cycles.



## Indicators and Targets

Indicator/Target	Achievement Status in 2025
Percentage of employees receiving performance and career development assessments during the year: 100%	<b>Target achieved</b>
Employee training coverage rate: 100%	<b>Target achieved</b>
Performance management system optimizations during the year: ≥ 1	<b>Target achieved</b>
Proportion of female employees in recruitment and promotion: ≥ 50%	<b>Target achieved</b> Proportion of female employees among promoted managers: 69.5% Proportion of female employees among new hires: 51.24%
Voluntary turnover rate: < 10%	<b>Target achieved</b> Employee voluntary turnover rate: 6.13%

## Caring Public Welfare Initiatives

While pursuing its own development, Walvax Biotechnology bears in mind its social responsibility. The Company actively explores public welfare models that align with contemporary social development, viewing each project as an opportunity for shared growth with communities and remaining steadfast in its commitment to safeguarding life and health.

Total external donations during the year: RMB **13.99** million

Yuxi Walvax received the **"Caring Donation" and "Education Support Enterprise" honors in 2025**



Partnering with Cedar Highrise to foster youth growth and improve understanding of the industry, guided by the dual focus of "youth development + industry outreach"



Participating in the Tree Planting Day activity themed "Building Green Villages, Supporting Rural Revitalization" organized by the Kunming High-Tech Industrial Development Zone

### Case Digital Empowerment for Health Science Popularization

To better advance consumer science education through new media channels, Guangzhou Walvax established a dedicated New Media Operations Department, mobilizing multiple resources to build a comprehensive science popularization communication network. In 2025, the company achieved significant milestones, including leading 32 professional training sessions, publishing over 3,000 pieces of content on Xiaohongshu and more than 1,700 short videos on Douyin and WeChat Video Channels, and collaborating with KOLs in pediatrics and parenting fields to conduct over 50 online events, reaching tens of millions of users. Additionally, it partnered with the China Association for Vaccines to operate the "Vaccine China" WeChat Video Channel, producing timely and professional content aligned with current health topics. The company also conducted Weuphoria media launch activities in multiple provinces including Guangdong, Yunnan, and Hainan, reaching over 700 media outlets. These efforts consistently enhance public awareness of disease prevention and improve overall health literacy.



### Case Peace of Mind Action • Maternal and Infant Care Program

Starting in June 2025, Walvax Biotechnology joined forces with the China Children and Teenagers' Fund to conduct 290 sessions of the "Happy Families · 1,000 Days of Maternal and Infant Health Action – Peace of Mind Action · Maternal and Infant Care Program." This program focuses on promoting and disseminating scientific knowledge on maternal and neonatal nutrition and healthcare, childhood vaccination health education, as well as newborn care practices and prevention and treatment of common diseases. Activities included newborn immunization and vaccination training conducted in hospitals, maternal and child health hospitals, and parenting education centers across the country. A total of 80,000 copies of educational materials on pneumonia disease prevention were distributed through postpartum home visit services. These comprehensive efforts aim to enhance vaccination awareness and ensure that every baby can grow up healthy with proper care.

# Thrive

## Strengthening Governance for Long-Term Stability and Growth



Operating revenue

RMB **2.42** billion

Anti-corruption training coverage rate

**100%**

Major information security incidents

**0**



# Strengthening Party Building to Consolidate the Foundation

Guided by the principles of the Fourth Plenary Session of the 20th CPC Central Committee and Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Walvax Biotechnology aligns Party-building initiatives with its strategic plans and operational goals. The Company continues to enhance its "Wo Health" Party-building program while deepening the integration of Party building with business operations and promoting coordinated progress between Party building and production and operations, empowering the Company's high-quality development through high-quality Party building.



Awarded the title of **Advanced Primary-Level Party Organization and Clean Governance Culture Demonstration Base** by the Kunming High-Tech Industrial Development Zone, Yunnan Province

Cases Selected as **"Strong Party Building, Strong Development" Exemplary Cases** by the Society Work Department of the CPC Central Committee

## Organizational Development

The Party Committee of Walvax Biotechnology oversees nine subordinate Party branches (including one general Party branch). In 2025, the Company completed mid-term adjustments to the Party Committee of the Yuxi Vaccine Industrial Park and the general Party branch of Yuxi Walvax, and established a new Party branch for the Yunnan Vaccine Laboratory, achieving full coverage of primary-level Party organizations and further enhancing organizational vitality.

## Capability Building

The Company completed the development of the "Smart Party Building" platform to improve the efficiency of Party-building work. Together with the "Wo Focus" and "Walvaxer" platforms, it forms a distinctive and coordinated communication matrix that enables more systematic and effective communication of the Party's guidelines and policies and the Company's corporate culture, inspiring employees to strengthen their sense of mission and responsibility. In 2025, the Company delivered 106 learning materials through the "Smart Party Building" platform and organized specialized training programs with a cumulative attendance of over 450.



Thematic learning and education on thoroughly implementing the central Party leadership's Eight-Point Decision on Improving Work Conduct

## Institutional Development

The Company revised and clarified the statutory position, responsibilities, authority, and operating mechanisms of Party organizations within its corporate governance framework. It continues to enhance its corporate governance standards by integrating Party leadership into key areas such as strategic planning and risk management.

## Business Integration

The Company actively cultivates new-quality productive forces by organizing seminars and discussions on frontier fields such as AI applications in R&D and synthetic biology. It identifies key pathways for the deep integration of Party building with business operations, laying a solid ideological foundation for Party members to play exemplary roles in critical positions across R&D, production, and sales. Focusing on the frontlines of scientific research, manufacturing, and market expansion, the Company has admitted a number of key business professionals into Party membership, consistently optimizing the structure of Party membership and reinforcing the core strength supporting the Company's high-quality development.



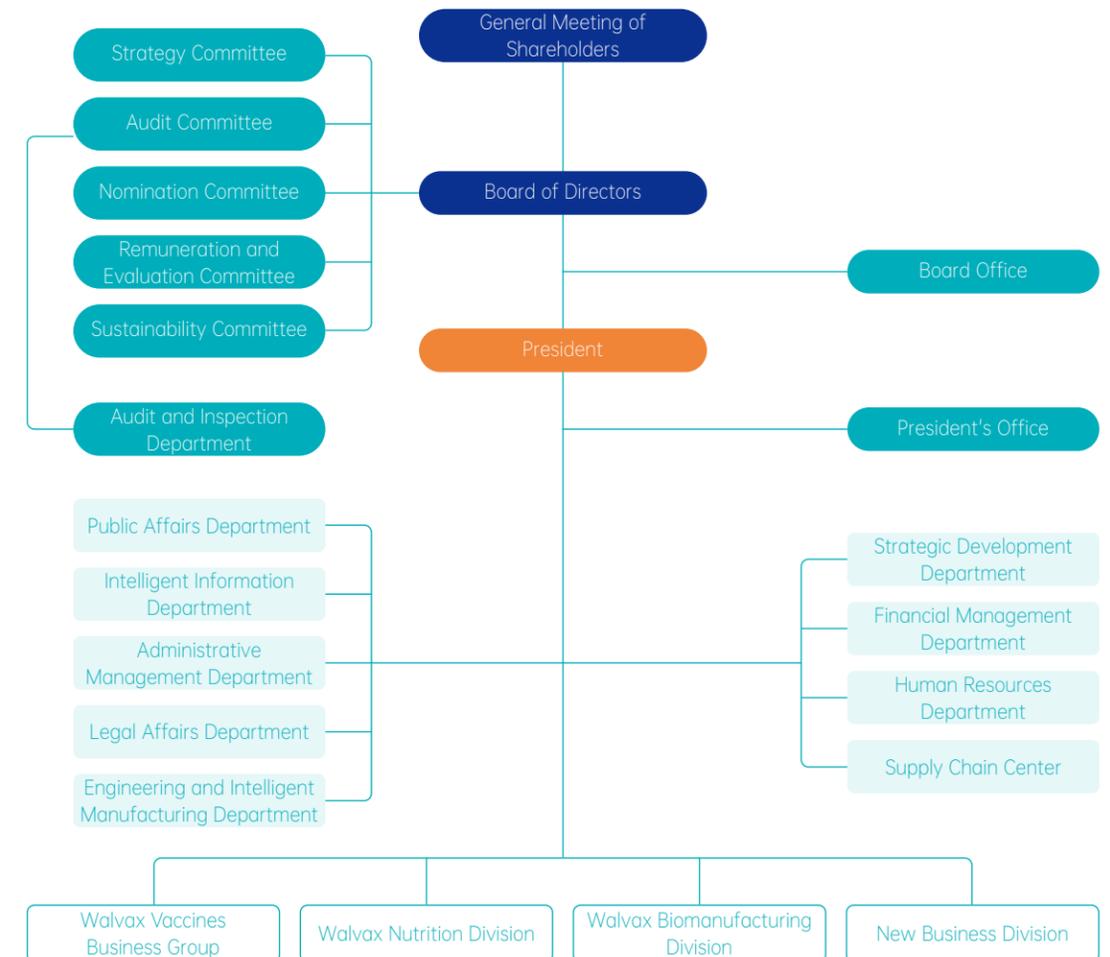
Special Feature: AI Empowering Vaccine R&D Innovation

# Strengthening Corporate Governance

## Enhancing the Governance System

Walvax Biotechnology strictly complies with the provisions of relevant laws, regulations, and regulatory documents, including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Measures for the Administration of Stock Exchanges*, the *Code of Corporate Governance for Listed Companies*, and the *Shenzhen Stock Exchange Growth Enterprise Market (GEM) Listing Rules*, as well as the requirements of the Articles of Association and other internal corporate regulations. The Company has established a corporate governance structure with clearly defined responsibilities, effective checks and balances, and standardized operations among the General Meeting of Shareholders, the Board of Directors, and the management team. In 2025, following the revision of the *Company Law*, the Company adjusted its governance framework and internal systems to align with the updated laws, regulations, departmental rules, and regulatory documents. The Company discontinued the Supervisory Board, and the Audit Committee of the Board of Directors assumed the powers and functions of the Supervisory Board as stipulated under the new *Company Law*.

The Company continues to improve and implement its internal control systems, clearly defining the rights and obligations of shareholders, directors, and senior management. It fully respects and safeguards the legitimate rights and interests of its stakeholders, including shareholders, employees, customers and consumers, suppliers, and creditors. At the same time, the Company continues to strengthen the governance of its subsidiaries, improve mechanisms to ensure independent directors effectively perform their duties, and effectively control operational risks. For details on the Company's governance structure, governance mechanisms, shareholding structure, and information about the controlling shareholders and actual controllers, please refer to the *Walvax Biotechnology Co., Ltd. 2025 Annual Report*.



General Meeting of Shareholders

The General Meeting of Shareholders, as the Company's highest authority, exercises decision-making and supervisory powers. It is convened and held in accordance with the Rules for Shareholders' Meetings of Listed Companies, the Articles of Association, and the Rules of Procedure for the General Meeting of Shareholders, ensuring that all shareholders, particularly minority shareholders, are treated equally and are able to fully exercise their lawful rights.

Held

**2** General Meetings of Shareholders

Adopted

**22** resolutions throughout the year

Board of Directors

The Board of Directors is accountable to the General Meeting of Shareholders and is responsible for decisions on major matters and business management of the Company. The Board has established five specialized committees: the Strategy Committee, the Audit Committee, the Nomination Committee, the Remuneration and Evaluation Committee, and the Sustainability Committee, which provide professional opinions and recommendations to support the Board's decision-making. Among them, the Audit Committee, Nomination Committee, and Remuneration and Evaluation Committee are composed of a majority of independent directors, who also serve as the chairpersons of these committees. For major decision-making matters, the Company convenes special meetings of independent directors in strict accordance with the *Administrative Measures for Independent Directors of Listed Companies*, the *Articles of Association*, and other relevant requirements. Through these meetings, the Company further strengthens the oversight and review functions of independent directors, ensuring that the Board's decisions remain well-informed and compliant.

In 2025, the Board of Directors held

**10** meetings

Remuneration and Evaluation Committee meetings held

**3**

Sustainability Committee meetings held

**4**

Adopted

**64** resolutions

Audit Committee meetings held

**11**

Nomination Committee meetings held

**1**

Special meetings of independent directors held

**1**

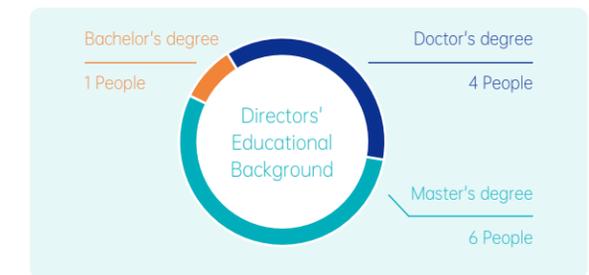
## Board Diversity and Effectiveness

Walvax Biotechnology firmly believes that board diversity strengthens the rigor and effectiveness of decision-making, playing a vital role in advancing the Company's strategic objectives and sustaining long-term development. Walvax Biotechnology firmly believes that board diversity enhances the soundness and effectiveness of the Board's decision-making and serves as an important factor in supporting the Company's strategic objectives and sustainable development. In accordance with the internal *Rules of Procedure for the Nomination Committee of the Board of Directors*, the nomination of Board members follows a rigorous selection process. Board diversity is taken into account during the nomination and review process, with candidates comprehensively evaluated based on factors such as educational background, industry experience, professional expertise, skills, and career experience. Emphasis is placed on candidates' strengths and the value of board diversity, as well as their potential contributions to the Board, ensuring that the Board maintains an appropriate balance of capabilities, skills, experience, gender, age, and cultural and educational backgrounds. This approach helps enhance corporate governance and decision-making capability, while supporting the Company's strategic transformation and long-term stable development.

The Company's Board of Directors currently consists of 11 members, including 4 independent directors, accounting for more than one-third of the Board. Two of the directors are women. The current members of the Board possess diverse professional backgrounds and industry experience in areas including industry and operational management, risk management, financial accounting, law, and finance. They demonstrate strong capabilities in anticipating industry trends, integrating resources, and managing risks. All members of the Audit Committee are independent directors, including two

independent directors with professional expertise in financial accounting. In addition, several directors have extensive experience in risk management and compliance oversight, including establishing risk control systems and risk management frameworks, as well as handling and resolving major risk events. Their expertise effectively supports the Company in identifying, preventing, mitigating, and addressing risks. The remuneration of Board members is reviewed and approved annually by the General Meeting of Shareholders. A clawback mechanism is clearly stipulated in the *Management Measures for the Remuneration and Performance Evaluation of Directors and Senior Management*. If performance falls short of expectations or misconduct occurs, the Company may recover part or all of the remuneration already paid, or suspend the payment of any outstanding remuneration. As of the end of 2025, the average tenure of Board members was 5.2 years.

To further enhance corporate governance, Walvax Biotechnology actively promotes professional training for Board members. Directors are encouraged to participate in training sessions on internal policies, codes of conduct, and relevant securities market laws and regulations to strengthen their professional expertise and fulfill their duties more effectively.



Type	Name	Gender	Professional Capacity				
			Industry Experience	Risk management	Financial accounting	Law	Operations management
Director, Chairman of the Board	Li Yunchun	Male	✓				✓
Employee Representative Director, Vice Chairman	Dong Shaozhong	Male	✓				✓
Director, President	Yao Wei	Male	✓				✓
Director	Fan Yongwu	Male		✓	✓		
Director	Liu Zhaohui	Male	✓				✓
Employee Representative Director, Vice President	Sun Mingbo	Male	✓				✓
Employee Representative Director	Yan Ting	Female					✓
Independent director	Zhao Jianmei	Female		✓	✓		
Independent director	Zhu Jinyu	Male		✓	✓		
Independent director	Sun Ganghong	Male		✓		✓	
Independent director	Zeng Lingbing	Male	✓	✓			



## Protection of investor rights and interests

### Information disclosure

Walvax Biotechnology strictly complies with the *Securities Law of the People's Republic of China*, the *Measures for the Administration of Information Disclosure by Listed Companies*, the *Provisions on the Registration and Administration of Persons with Access to Insider Information of Listed Companies*, and other relevant regulatory requirements. The Company has revised the *Walvax Biotechnology Information Disclosure Management System*, the *Accountability System for Major Errors in Annual Report Information Disclosure*, and other related policies to ensure that information is disclosed in a truthful, accurate, complete, timely, and fair manner. In 2025, the Company disclosed 4 periodic reports and 151 ad hoc announcements, ensuring that all shareholders have fair access to information. During the reporting period, there were no false records, misleading statements, material omissions or other improper disclosures in the Company's information disclosure. We also keep a close eye on the public opinion environment and market trading conditions to effectively protect the legitimate rights and interests of investors.

### Investment Returns

The Company is committed to providing shareholders with reasonable investment returns, with cash dividends as a key method of shareholder compensation. While adhering to profit distribution principles and ensuring the Company's stable operations and long-term growth, we also enhance its investment value through measures such as share buybacks and cancellations. Our goal is to establish a shareholder value return mechanism that is long-term, stable, and sustainable. In 2025, the Company distributed cash dividends totaling RMB 63.97 million (tax inclusive).

### Investor Communication

The Company consistently refines internal policies, such as the *Walvax Biotechnology Investor Relations Management System* and the *Walvax Biotechnology Investor Reception Management System*, and has established diversified channels for communication with investors. Through channels including General Meetings of Shareholders, investor site visits, investor hotlines, dedicated email responses, earnings briefings, investor reception meetings, and responses to investor inquiries via the crinfo platform, the Company engages in open and transparent communication with investors on topics such as corporate governance, development strategy, operating performance, financing plans, and sustainability. These efforts effectively enhance interaction and mutual trust between the Company and its investors.

The Company treats all shareholders equally. At each General Meeting of Shareholders, both on-site and online voting channels are provided to facilitate the participation of minority investors. For major matters that may affect their interests, the votes of minority investors are counted separately and the results are disclosed. A dedicated session for questions from minority investors is included in the meeting agenda, and the Company maintains regular communication with minority shareholders through diversified investor communication channels, actively listening to their opinions and suggestions. The timing and venue of the General Meeting of Shareholders are arranged to facilitate the participation of as many shareholders as possible, and modern information technologies are fully utilized to expand shareholder participation in shareholder meetings. When reviewing and making decisions on profit distribution plans, independent directors strictly perform their review and oversight duties to effectively protect the legitimate rights and interests of minority shareholders.

Investor communications through various channels throughout the year

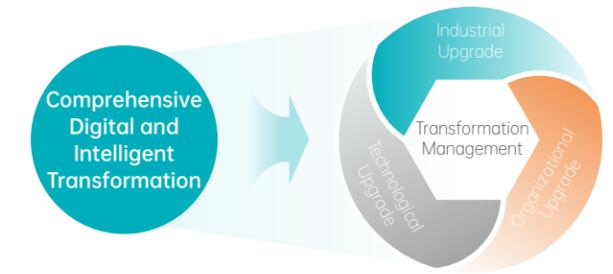
over **2,800**

## Tax Management

Walvax Biotechnology strictly complies with the *Enterprise Income Tax Law of the People's Republic of China*, the *Law of the People's Republic of China on the Administration of Tax Collection*, as well as other applicable domestic and international tax regulations. The Company has formulated the *Walvax Biotechnology Tax Management Measures*, covering tax declaration and payment, tax risk management, and tax records management, and continues to improve its tax management system and tax risk management mechanisms to ensure compliant tax reporting and payment, safeguarding the compliance and soundness of tax management. We are committed to responsible tax practices and pledge not to shift the value we create to low-tax jurisdictions, not to adopt tax planning structures lacking commercial substance, to follow the arm's length principle in transfer pricing, and not to use secrecy jurisdictions or so-called "tax havens" for any form of tax avoidance. With the expansion of its international business, the Company further strengthened tax compliance management in 2025 by conducting internal self-inspections and external audits, optimizing tax planning, and consistently enhancing its capability to respond to tax-related risks. During the reporting period, Walvax Biotechnology did not encounter any significant tax compliance violations.

## Digital Intelligence-Driven Transformation

Walvax Biotechnology has formulated a five-year digitalization plan that clearly outlines the medium- and long-term strategic blueprint for digital and intelligent transformation. The plan establishes an implementation roadmap across dimensions such as technology architecture, data governance, and application scenarios, effectively advancing the development of "Digital Walvax, Intelligent Walvax, and Smart Walvax." The Company has built an integrated information system covering R&D, manufacturing, and marketing. Guided by a technology-empowerment approach to development, this system enables seamless connectivity between business processes and data flows across the front-end, mid-end, and back-end operations.



### Upgrading core business systems to strengthen the digital foundation.

The Company completed the upgrade and launch of a new Customer Relationship Management (CRM) system, integrating core capabilities such as customer lifecycle management, automated sales processes, data analytics, and decision-support tools, which significantly enhanced customer response efficiency and accuracy. Meanwhile, production sites continued to upgrade core business management platforms and supporting IT infrastructure, including data centers and information security systems, accelerating digital connectivity across business units and enabling intelligent lifecycle management and traceability of products.

### Expanding AI frontier applications to drive innovation breakthroughs.

The Company completed its AI strategic planning and pilot AI application projects, and has explored intelligent applications of AI in R&D scenarios, empowering the development of new-quality productive forces. At the same time, it advanced the cultivation of AI talent and strengthened its technological capabilities, creating new momentum for technological innovation and the commercialization of research outcomes.

### Enhancing process efficiency to activate organizational momentum.

The Company launched a "Process Efficiency Improvement" initiative to optimize process frameworks, strengthen supporting management mechanisms, and implement digital tools. These efforts promote the digitalization and standardization of end-to-end processes, enhance cross-departmental collaboration, and support the precise execution of the Company's strategic objectives.

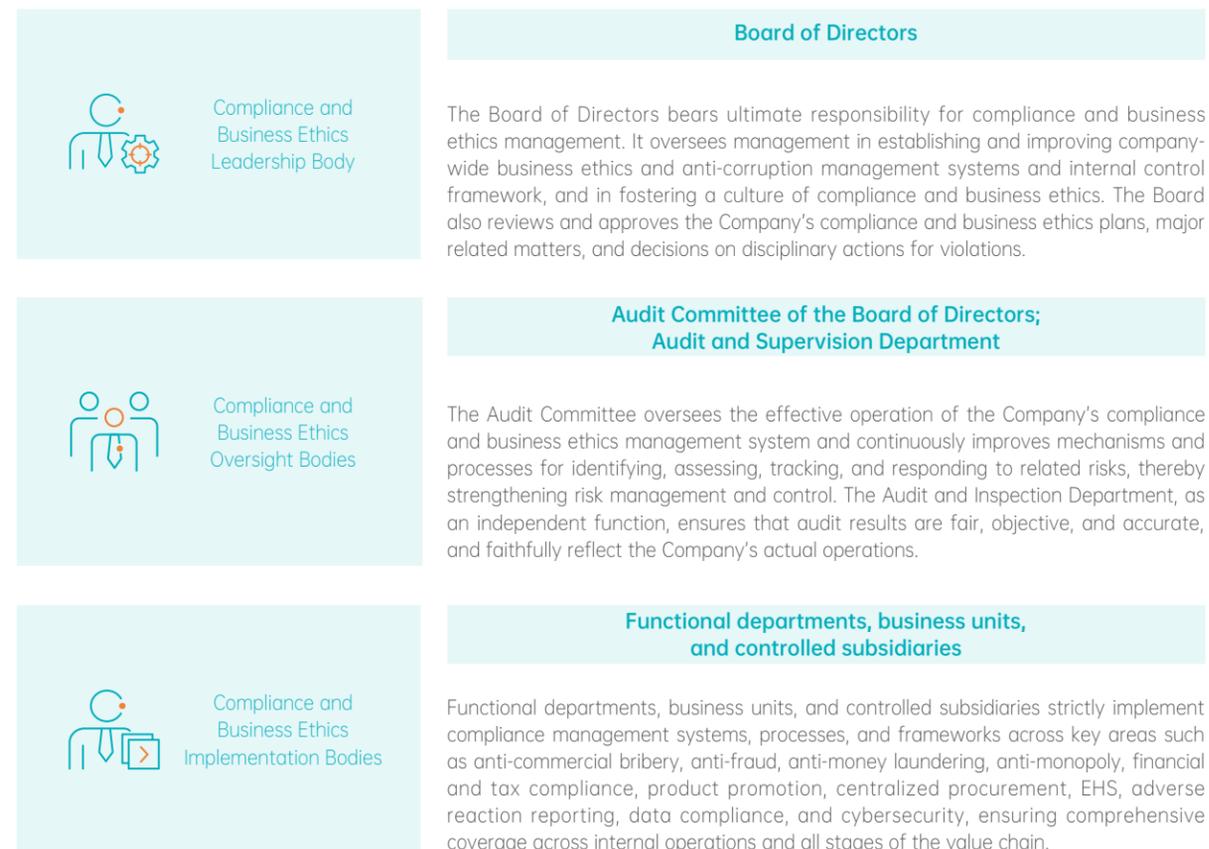


## Upholding Business Ethics

Walvax Biotechnology strictly complies with the *United Nations Declaration Against Corruption and Bribery in International Commercial Transactions*, the *CEPI Third-Party Code*, as well as relevant laws, regulations, and industry standards, including the *Criminal 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 Prohibiting Commercial Bribery*, the *Drug Administration Law of the People's Republic of China*, the *Pharmaceutical Industry Compliance Management Standards*, and the *Compliance Guidelines for Preventing Commercial Bribery Risks in Pharmaceutical Enterprises*. In line with compliance and business ethics requirements for international cooperation, the Company consistently improves its compliance and business ethics governance framework and risk management systems, and has established internal audit and whistleblowing mechanisms. Through rigorous standards, professional integrity, and sound management practices, the Company reinforces its safeguards against unethical business conduct. During the reporting period, Walvax Biotechnology was not involved in any litigation related to corruption or unfair competition, and did not receive any related regulatory inquiries or complaints. The Company's business ethics management system operated effectively.

### Governance

Walvax Biotechnology regards compliance and business ethics as strategic issues and has incorporated them into the Board's oversight and management framework. The Board of Directors serves as the leadership and decision-making body for compliance and business ethics management. The Board's Audit Committee performs dedicated oversight and decision-making functions, while the Audit and Inspection Department is responsible for the day-to-day execution of supervision. Dedicated personnel are assigned to these roles to ensure full coverage of oversight. The Company incorporates compliance and business ethics management assessments into its performance evaluation system. The performance evaluation covers the performance of duties by directors, supervisors, senior management, and risk management personnel, as well as the performance of risk management duties by business departments, subsidiaries, and overseas entities.



Walvax Biotechnology continues to improve its business ethics governance system with a structure that extends horizontally across all functions and vertically through all organizational levels. Clear responsibilities and accountability mechanisms are established, and requirements covering anti-fraud, anti-money laundering, anti-corruption, anti-bribery, fair competition and anti-monopoly, and conflict-of-interest prevention apply to the Company's directors, all employees (including part-time staff), as well as all supply chain partners and business collaborators. This ensures full compliance coverage across business operations, functional management, and supply chain management.

#### Walvax Biotechnology Compliance and Business Ethics Policy Framework

- Walvax Biotechnology Values and Code of Conduct
- Code of Business Ethics of Walvax Biotechnology Co., Ltd.
- Employee Code of Ethics and Conduct of Walvax Biotechnology Co., Ltd.
- Implementation Guidelines for the Employee Code of Conduct of Walvax Biotechnology Co., Ltd.
- Walvax Biotechnology Co., Ltd. Implementation Policy for the Pharmaceutical Industry Compliance Management Standards — Appendix A: Anti-Commercial Bribery
- Anti-Fraud, Anti-Money Laundering and Anti-Bribery Management Policy of Walvax Biotechnology Co., Ltd.
- Conflict of Interest Declaration Policy of Walvax Biotechnology Co., Ltd.
- Annual Personal Disclosure and Information Management Policy of Walvax Biotechnology Co., Ltd.
- Policy on Handling Violations of Walvax Biotechnology Co., Ltd.
- Whistleblowing and Misconduct Reporting Policy of Walvax Biotechnology Co., Ltd.
- Whistleblower Protection Policy of Walvax Biotechnology Co., Ltd.
- Supplier Code of Conduct of Walvax Biotechnology Co., Ltd.
- Anti-Commercial Bribery Agreement of Walvax Biotechnology Co., Ltd. (applicable to all employees and suppliers)



## Strategy and Approach

Walvax Biotechnology maintains a zero-tolerance stance toward violations of business ethics and strictly adheres to its Code of Business Ethics. In alignment with standards such as ISO 37001 Anti-Bribery Management System, the Company has formulated compliance and business ethics management plans and improvement initiatives. Compliance and business ethics requirements are integrated into the Company's corporate culture, business processes, and supply chain management, forming a comprehensive line of defense for compliance and ethical conduct.

### Business Ethics Audits

The Company has formulated a series of normative documents, including the *Walvax Biotechnology Co., Ltd. Internal Audit Management System* and the *Walvax Biotechnology Co., Ltd. Internal Audit Quality Assessment Manual*, to ensure the effective implementation of audits related to business ethics and anti-corruption. The Audit and Inspection Department develops targeted audit plans each year to conduct Audit and Inspection activities on the implementation of business ethics policies and potential business ethics risks across various operational scenarios. For "red flag matters" (issues that may indicate potential corruption risks), the Company expands the scope of audits. Based on audit results, improvement plans are formulated, corrective actions are regularly tracked, and relevant progress is reported to the Audit Committee and the Board of Directors. During the reporting period, the Audit and Inspection Department carried out ongoing special audits and supervision on compliance and business ethics, constantly identifying and assessing potential risks. No material issues were identified that required expanding the audit scope for further in-depth investigation. The Company maintained long-term supervision of rectification efforts, urging all units to refine and implement control measures in response to identified management gaps and to ensure closed-loop remediation. It also consistently strengthened institutional systems, business processes, and risk control mechanisms in key areas and critical processes. At the end of 2025, the Company engaged an external accounting firm to audit its internal control system for 2025, with the audit scope covering business ethics, anti-bribery, anti-fraud, and whistleblowing mechanisms.

The Company has established strict supplier admission requirements and conducts reviews of supply chain partners' compliance with the Company's Code of Conduct, including business ethics and anti-corruption requirements. Where necessary, the Company performs due diligence, project audits, and in-depth inspections of partners. Due diligence methods may include, but are not limited to, public information checks, questionnaires, on-site inspections, and investigations conducted by professional agencies. Depending on business circumstances, some or all of these methods may be adopted to conduct routine or high-risk due diligence, ensuring continuous oversight and control of compliance and business ethics risks within the supply chain. The Company applies a "zero-tolerance" policy toward corruption-related misconduct by suppliers and strictly enforces procurement prohibitions. Suppliers involved in serious violations may be placed on a blacklist and penalized in accordance with the Company's relevant policies, so as to prevent improper, illegal, or fraudulent activities. During the reporting period, the Company conducted integrity due diligence on 91 key third-party partners focusing on compliance and business ethics. No high-risk behaviors requiring special attention or expanded audit investigations were identified.

### Business Ethics Training and Communication

Walvax Biotechnology continuously promotes a culture of business ethics and anti-corruption. The Company has established policies including the *Walvax Biotechnology Values and Guidelines – Code of Prohibited Conduct* and the *Walvax Biotechnology Employee Professional Ethics and Code of Conduct*, which clearly define the business ethics standards that employees must follow. All employees are required to sign the *Walvax Biotechnology Values and Guidelines Commitment Letter*. Employees' adherence to the Company's values and their performance in professional ethics and conduct serve as important criteria for performance evaluation, promotion, appointment, and dismissal.

Based on its operational needs and management requirements, the Company organizes publicity, awareness, and training activities on business ethics and anti-corruption on a regular basis to enhance employees' awareness, recognition, and sense of accountability. These initiatives include, but are not limited to, anti-corruption training for directors, compliance training for new employees, integrity and compliance training for functional personnel, specialized compliance and business ethics training for audit personnel, and targeted training for suppliers. The Company also reports the latest domestic and international developments in anti-fraud, anti-corruption, anti-bribery, and business ethics policies, as well as relevant case analyses and the Company's implementation practices, to the Board of Directors and management in a timely manner to ensure their capability to address business ethics risks. In 2025, Walvax Biotechnology achieved 100% coverage of anti-corruption and business ethics training for Board members, all employees (including part-time staff), key partners, and critical suppliers through various methods including offline training, online learning, thematic briefings, email communication, and examinations.

Coverage rate of business ethics and anti-corruption training for directors

**100%**

Average hours of anti-corruption training per participant for directors

**4** hours

Coverage rate of business ethics and anti-corruption training for employees

**100%**

Average hours of anti-corruption training per participant for employees

**2** hours

**Business Ethics Training for Directors**

The Company regularly provides all directors with training on business ethics, anti-corruption, and risk management. Directors are encouraged and supported to participate in courses and seminars organized by professional institutions to enhance their professional competence and compliance awareness.

**Business Ethics Training for Employees**

The Company promotes business ethics and anti-corruption policies and procedures through multiple channels, including employee handbooks, policy releases, communication materials, and digital platforms. All employees, including part-time staff, are required to participate in business ethics and compliance training at least once each year to strengthen compliance awareness and capabilities. The Company also strengthens its culture of integrity through case-based learning, expert lectures, and seminars, promoting the integration of compliance principles into daily business practices.

### Case Learning Visit to the Yunnan Provincial Anti-Corruption and Integrity Education Base

In 2025, the Company organized directors, senior management, and core management teams in Yunnan to visit the Yunnan Provincial Anti-Corruption and Integrity Education Base for on-site learning. Through systematic learning on laws and regulations related to integrity and self-discipline, case-based analysis of anti-corruption practices, and professional ethics education, participants strengthened their understanding of sound values and appropriate conduct in managing interests. These efforts enhanced their awareness of integrity and self-discipline and supported a clean and principled corporate environment.



## Supply Chain Integrity Management

The *Supplier Code of Conduct of Walvax Biotechnology Co., Ltd.* sets out clear requirements on business ethics, anti-corruption, and anti-fraud, and applies to all suppliers, achieving 100% coverage. Suppliers are required to comply with applicable laws, regulations, policies, and industry standards in the jurisdictions where they operate, and must not engage in or tolerate any form of corruption, fraud, extortion, or embezzlement. The Company has established centralized procurement management policies and procedures. Internally, potential conflicts of interest are reviewed in accordance with procurement procedures, and all employees involved in bidding and tender evaluation are required to sign the *Bid Evaluation Personnel Commitment Letter of Walvax Biotechnology Co., Ltd.* Externally, all suppliers and business partners are required to sign an *Anti-Commercial Bribery Agreement*, and business ethics and compliance clauses are incorporated into contracts to ensure that the Company's business ethics and anti-corruption policies are binding on all suppliers.

The Company advocates compliant operations across its supplier network. Each year, suppliers undergo integrity due diligence focused on compliance and business ethics, while business departments strengthen oversight of cooperation processes. The Company also promotes supply chain integrity through training and communication, emphasizing anti-fraud and anti-bribery requirements and the Company's business ethics policies during procurement bidding activities and supplier meetings. The Company provides accessible reporting channels to encourage business partners to report misconduct and work together to build a transparent and efficient supply chain. In 2025, the Company conducted supplier anti-fraud and anti-bribery awareness activities at all 34 procurement bidding supervision sessions. No litigation cases related to corruption or unfair competition occurred in procurement activities during the reporting period.

## Anti-unfair Competition

Walvax Biotechnology strictly complies with the *Anti-Unfair Competition Law of the People's Republic of China*, the *Several Provisions on Prohibiting Infringements upon Trade Secrets*, and relevant anti-monopoly and fair competition laws and regulations in the countries and regions where it operates. The Company commits not to obtain competitors' trade secrets or other confidential information through illegal means, nor to engage in unlawful activities such as collusive pricing with industry peers that could disrupt market order. Anti-unfair competition principles are incorporated into the Company's compliance and business ethics training system, contributing to the maintenance of a fair and orderly market environment. In 2025, Walvax Biotechnology had no violations of fair competition or anti-monopoly laws and regulations.

## Whistleblowing and Whistleblower Protection

Walvax Biotechnology maintains a zero-tolerance stance toward corruption and other conduct that violates business ethics. The Company has established the *Misconduct Reporting Mechanism and Handling Procedures of Walvax Biotechnology Co., Ltd.*, under which multiple reporting channels are available, including hotlines, text messages, WeChat, email, and written correspondence. Employees, customers, suppliers, contractors, business partners, and other stakeholders with business dealings with the Company are encouraged to report actual or suspected violations of business ethics by the Company or its personnel. The Audit and Inspection Department designates dedicated personnel to receive reports related to fraud, bribery, and other misconduct. The department is responsible for investigating disciplinary cases and reporting them to the President's Office and the Board of Directors. In accordance with the *Policy on Handling Violations of Walvax Biotechnology Co., Ltd.*, confirmed violations of laws or company regulations are addressed based on their severity. Disciplinary measures may include job transfer, reassignment, demotion, rank reduction, salary reduction, termination of employment contracts, or referral to judicial authorities. Accountability may also be pursued for both directly responsible individuals and relevant managers. The Company has also established employee integrity records to document violations of laws, regulations, or internal rules. Employees with records in the integrity files are not eligible for appointment or promotion to key positions within the Company.

### Walvax Biotechnology Whistleblowing Channels and Contact Information

 Audit and Inspection Department, 395 Kexin Road, High-Tech Zone, Kunming, Yunnan Province, China

 0871-68312586

 ynwsia@walvax.com

Walvax Biotechnology has established the *Whistleblower Protection Policy of Walvax Biotechnology Co., Ltd.* to protect whistleblowers and witnesses. The Company is committed to maintaining strict confidentiality throughout the reporting and investigation process. Personal information such as the whistleblower's name, employment-related information, contact details, and home address, as well as the content of reports and the status of their handling, are kept strictly confidential at all stages, including acceptance, registration, custody, and investigation. Reporting leads and related materials are received by designated personnel and managed according to confidentiality classification requirements. Access to such information is not permitted without approval from the President or the Chairman of the Board. While ensuring the confidentiality of whistleblowers, the Company strictly prohibits any form of retaliation. Individuals who violate confidentiality requirements or retaliate against whistleblowers will be held accountable according to the severity of the misconduct, and those responsible for retaliation will be subject to strict disciplinary action. These measures aim to provide the highest possible level of protection for whistleblowers and complainants. Where reported information is verified and makes a significant contribution to safeguarding the Company's interests, whistleblowers who actively provide leads or assist in investigations may receive both moral and material rewards.

## Impact, Risk, and Opportunity Management

Walvax Biotechnology follows requirements such as the *Compliance Guidelines for Preventing Commercial Bribery Risks in Pharmaceutical Enterprises* and regularly conducts business ethics risk identification and assessment. The Company analyzes factors that may give rise to ethical risks, including potential conflicts of interest, improper transfer of benefits, and unfair competition risks in activities such as academic exchanges, clinical research, business hospitality, retail terminal sales, donations, and sponsorships. Based on these assessments, the Company formulates compliance policies and procedures to ensure that all business activities comply with ethical standards and applicable laws and regulations. To ensure the timely identification of potential risks, the Company continues to improve its monitoring system, including but not limited to internal audits, compliance inspections, and whistleblowing mechanisms.



## Indicators and Targets

Indicator/Target	Achievement Status in 2025
Zero major corruption incidents Zero corruption-related litigation cases filed against the Company or its employees and concluded during the reporting period Zero litigation cases or major administrative penalties arising from unfair competition	<b>Target achieved</b>
100% signing rate of the <i>Walvax Biotechnology Values and Code of Conduct</i> commitment letter	<b>Target achieved</b>
100% effective handling rate of whistleblowing reports	<b>Target achieved</b>

# Information Security and Privacy Protection

## Governance

Walvax Biotechnology strictly complies with applicable laws and regulations, including the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and the *World Health Organization (WHO) Guideline on Data Integrity: Good Data and Record Management Practices*. The Company has established a comprehensive policy framework, including the *Information Security and Privacy Protection Policy of Walvax Biotechnology Co., Ltd.*, the *Information Security Management Measures (Interim) of Walvax Biotechnology Co., Ltd.*, and the *Personal Information and Privacy Protection Management Measures of Walvax Biotechnology Co., Ltd.* In 2025, the Company introduced an additional 17 management policies, including the *Information Technology Security Management Policy of Walvax Biotechnology Co., Ltd.*, covering multiple dimensions such as data security, endpoint security, application security, data and integration security, IT security, IT infrastructure security, and cross-border data transfer. Information security and privacy protection requirements are effectively embedded into business processes, ensuring comprehensive data protection and information security management across all operations.

The Company continues to strengthen its information security governance structure and has established an Information Security Management Committee directly led by the Chairman. The committee comprises senior management and general managers of subsidiaries and is responsible for key functions including approval, decision-making, supervision, and the handling of major information security incidents. In 2025, the Company further optimized the committee's organizational structure and staffing to enhance organizational coordination and execution capabilities. At the same time, an information security reward and accountability mechanism has been integrated into the business management system to ensure effective implementation and closed-loop management. For further details on the Company's principles, governance structure, policies, and protection systems for information security and privacy protection, please refer to the *Information Security and Privacy Protection Policy of Walvax Biotechnology Co., Ltd.*

Information Technology Security Management Committee	
<ul style="list-style-type: none"> <li>Formulate information technology security management policies and systems</li> <li>Approve information technology security strategies and work plans</li> <li>Approve the organizational structure and staffing of the Information Technology Security Management Office</li> </ul>	<ul style="list-style-type: none"> <li>Make decisions in response to major information technology security incidents</li> <li>Review information technology security reports on a regular or ad hoc basis</li> </ul>
Formulate information technology security management policies and systems	
<ul style="list-style-type: none"> <li>Define information technology security objectives, requirements, and protection strategies</li> <li>Develop operational procedures and manuals for information technology security management</li> <li>Establish, test, and refine information technology security emergency response plans</li> <li>Conduct awareness and training programs on information technology security for employees</li> </ul>	<ul style="list-style-type: none"> <li>Organize routine inspections and remediate identified security vulnerabilities</li> <li>Report on information technology security on a regular or ad hoc basis</li> <li>Establish dedicated task forces based on operational needs</li> </ul>
Technical Team	Communications and Awareness Team
<ul style="list-style-type: none"> <li>Implement information technology security solutions to prevent risks and defend against threats</li> <li>Monitor and review the implementation of information technology security policies</li> <li>Conduct information technology security monitoring and incident response, and deliver technical training</li> </ul>	<ul style="list-style-type: none"> <li>Promote information technology security awareness across departments</li> <li>Support the implementation of security strategies led by the Information Technology Security Management Office</li> <li>Assist the Information Technology Security Technical Team in other related tasks</li> </ul>

## Strategy and Approach

Walvax Biotechnology fully recognizes the critical importance of information assets. In alignment with international standards such as the ISO 27001 Information Security Management System and the ISO 27701 Privacy Information Management System, the Company has established a comprehensive information and data security framework across management, technical, and operational dimensions. At the management level, the Company has developed a series of information security policies and systems, including the *Information Security Management Measures of Walvax Biotechnology Co., Ltd.*, *Information Security and Privacy Protection Policy of Walvax Biotechnology Co., Ltd.*, and *Information System Emergency Response Plan of Walvax Biotechnology Co., Ltd.* It has strengthened off-site disaster recovery capabilities, implemented classification and graded management of personnel and information, and established compliance self-assessment and filing mechanisms for cross-border data transfers. Employee conduct is strictly regulated to minimize information security risks. At the technical level, the Company has implemented a range of security measures, including network isolation, transmission encryption, tracking and early warning mechanisms, and antivirus protection, forming a comprehensive and multi-layered security protection system to safeguard information and data. At the operational level, the Company reinforces information and data security awareness through training and communication, and conducts regular audits to enhance overall information security performance.

### Information Access Control

The Company implements classification and graded management of personnel and information assets, applying differentiated protection measures in accordance with relevant management requirements. In line with the principle of least privilege, data access permissions are strictly controlled to prevent unauthorized access to sensitive data. Comprehensive encryption and decryption management is applied to server and endpoint data to prevent interception or tampering during transmission. Key systems are equipped with audit mechanisms to ensure that all operations are recorded and traceable. In addition, log audit systems and operation and maintenance (O&M) audit systems are deployed to monitor and record access activities of O&M personnel in information systems.

### Enhancing Technical Protection

The Company completed the network architecture upgrade and node expansion of its hyper-converged platform, enhancing overall security capabilities across four dimensions—underlying protection, risk resilience, compliance, and business continuity. This enabled the achievement of a "proactive defense + defense-in-depth" security management approach, providing strong support for the Company's high-quality digital transformation. During the year, five technical protection initiatives were implemented, including the deployment of IT O&M monitoring systems and upgrades to the hyper-converged network architecture. Nearly 200,000 network attacks were successfully defended against, ensuring secure data transmission between endpoints and servers. The Company also continued to improve audit tracking and early warning mechanisms to identify and promptly address potential security risks, further strengthening information security safeguards.

### External Personnel Information Security Management

The Company has established the *External Personnel Information Technology Management Measures of Walvax Biotechnology Co., Ltd.*, which set out detailed security requirements for external personnel accessing and using the Company's information systems and physical resources. These measures include the definition and classification of external personnel, information access control, server room access management, and account and permission management, effectively mitigating information security risks arising from external personnel access and ensuring the security of the Company's information resources.

### Data Backup and Recovery

In accordance with the *Backup and Recovery Management Measures of Walvax Biotechnology Co., Ltd.*, the Company performs periodic full local backups of application systems and the data they generate. Two data centers in Kunming and Yuxi are established to provide cross-city, off-site mutual backup, ensuring rapid recovery in the event of data loss or damage. The backup system is equipped with deletion protection features to prevent accidental data deletion or alteration. The Company has also established mechanisms for emergency response and recovery testing drills to minimize potential losses. In 2025, the Company completed a backup project for R&D electronic data, further ensuring the integrity, security, and traceability of experimental data.

### Cross-border Data Transfer Control

In accordance with applicable laws and regulations, including the *Regulations on Promoting and Regulating Cross-border Data Flow*, the *Measures for Security Assessment of Data Exports*, and the *Measures for Standard Contracts for Cross-border Transfer of Personal Information*, the Company revised the *Information Technology Personal Information and Privacy Protection Management Measures of Walvax Biotechnology Co., Ltd.* and the *Information Technology Security Management Measures for International Business of Walvax Biotechnology Co., Ltd.* in 2025, and progressively implemented these policies. These measures help prevent unauthorized access, disclosure, or misuse of data, protecting the personal information of customers, employees, and business partners. The Company also enhanced information technology security management for its international operations to prevent potential information security incidents in cross-border business activities.

### Information Security Training and Awareness

The Company conducts regular information security training and awareness activities for all employees. Training is tailored to different roles to ensure that relevant personnel understand information security risks and requirements related to their responsibilities. In 2025, the Company organized three dedicated information security training sessions, reaching employees across the Company and its subsidiaries and controlled entities. Information security has also been incorporated into mandatory training for new employees. In addition, 12 issues of information security bulletins were published to promote knowledge and awareness, enhancing employees' ability to identify and prevent data security risks.

### Information Security Emergency Management

The Company has established policies such as the *Emergency Plan Management Measures of Walvax Biotechnology Co., Ltd.* and the *Backup and Recovery Management Measures of Walvax Biotechnology Co., Ltd.*, and continues to refine information security emergency response plans, including data breach response plans. Based on the principles of scenario-based, routine, and comprehensive management, the Company conducts regular cybersecurity attack and defense drills and recovery testing to ensure timely and effective protection of information security. In 2025, the Company carried out data and application recovery drills for core systems such as ERP, OA, FSSC, and e-HR, ensuring the security of data and systems.

### Personal Information and Privacy Protection

Walvax Biotechnology's core business focuses on vaccines and involves limited direct contact with end users and their personal information. To address potential privacy risks, the Company has established the *Personal Information and Privacy Protection Management Measures of Walvax Biotechnology Co., Ltd.*, building a privacy data management system that covers multiple data types. Through stricter access controls and strengthened data management, the Company ensures transparency in the collection and use of product and service data, and safeguards stakeholders' rights to be informed, to make choices, and to control their personal information.

### Case Strengthening Security Resilience through Practical Drills

In September 2025, Walvax Biotechnology successfully completed government-organized cybersecurity attack-and-defense drills and network protection initiatives, and completed the rectification of all identified issues, effectively fulfilling its primary responsibility for cybersecurity and its broader social responsibility. This practical exercise enabled the precise identification of gaps in security protection, enhanced overall security awareness, and strengthened emergency response capabilities, effectively safeguarding core business operations and data assets. Building on this effort, the Company further improved its routine cybersecurity management and emergency response mechanisms, advanced network architecture optimization and the cleanup of redundant systems, and upgraded its IT governance and risk management framework. At the same time, it improved the efficient use of IT resources and reduced energy consumption, achieving dual improvements in security capabilities and sustainability performance.

### Clinical Research Data Security and Privacy Protection

Walvax Biotechnology strictly complies with applicable laws, regulations, and guiding principles, including the *Provisions for Drug Registration*, the *Declaration of Helsinki*, and the *Personal Information Protection Law of the People's Republic of China*. Clinical trials are conducted by qualified research institutions and their affiliated trial sites. As such, the Company does not directly access or collect personal information of trial participants during the conduct of clinical trials, and only uses subject data that has been encoded or de-identified. The Company has also established a proactive privacy protection management system for trial participants, covering the entire R&D lifecycle. During the reporting period, no incidents involving the leakage of participants' personal information occurred in any clinical trial projects.

The Company integrates the requirements of laws and regulations, including the *Personal Information Protection Law of the People's Republic of China*, into its core management systems and standard operating procedures (SOPs). In line with the principle of data minimization, the scope, purpose, and access permissions for data collection are clearly defined to avoid unnecessary data collection. Through mandatory training for all personnel, confidentiality agreements, and contractual obligations, the Company ensures aligned awareness and accountability among all relevant parties. An independent clinical quality management team has been established to consistently oversee and audit the implementation of protection measures through regular monitoring and quality management activities.

The Company has established comprehensive procedures for the evaluation and management of electronic data capture (EDC) system providers, and deploys systems that meet established security standards. Strict hierarchical access control and full-process data encryption are implemented. Throughout all stages of research data flow, including collection, processing, analysis, and publication, de-identification (such as the use of unique study identifiers) and anonymization are strictly enforced. Clinical trial materials are managed by authorized personnel at trial sites to prevent personal data leakage.

The Company places strong emphasis on protecting research participants' rights over their personal data. A transparent and comprehensive informed consent process is implemented, clearly explaining the scope of data collection, purposes of use, and data protection measures. Participation is based on fully informed and voluntary consent, and participants have the right to withdraw from the trial at any time and revoke consent for future data use.

## Impact, Risk, and Opportunity Management

To strengthen the management of information technology security incidents and risks, standardize reporting and response procedures, and ensure the secure and stable operation of information systems, in 2025, the Company revised the *Information Technology Security Incident and Risk Management Measures of Walvax Biotechnology Co., Ltd.*

The Company conducts regular external information security audits, including internal reviews of the establishment and implementation of internal control systems. These reviews cover organizational structure and performance of responsibilities, policy development and implementation, routine management practices, and information system governance. Historical risks and the status of corrective actions are reviewed, with existing risks identified and corresponding mitigation measures proposed. In 2025, the Company engaged an independent third-party institution to audit its information systems and information security policies, enabling comprehensive identification and assessment of related risks. Based on audit findings, the Company carries out corrective actions and continuous improvements to enhance the security and reliability of its information and data protection framework.

While balancing cost considerations and risk management, the Company selects appropriate control objectives and control measures to maintain information security risks within an acceptable level. The Intelligent Information Department conducts information security risk assessments on a regular or ad hoc basis and formulates measures to mitigate identified risks.

## Indicators and Targets

Indicator/Target	Achievement Status in 2025
Information security training coverage reached 100%	<b>Target achieved</b>
No material information security risks occurred	<b>Target achieved</b> The number of material information security risk incidents remained at zero No incidents of personal data breaches involving customers or employees occurred
The success rate of data backup and recovery drills for core business systems reached 100%	<b>Target achieved</b>

## Key Performance Table

Indicator	Unit	2023	2024	2025
Total assets	billion RMB	15.59	14.72	12.07
Operating revenue	billion RMB	4.11	2.82	2.42
Net profit attributable to shareholders of the listed company	million RMB	419	142	178
Total tax payment	million RMB	297	139	166
R&D investment	million RMB	911	700	381
R&D investment as a percentage of operating income	%	22.14%	24.82%	15.76%
Number of R&D personnel	persons	216	172	206
Proportion of female directors	%	18%	18%	18%
Anti-corruption training coverage	%	100%	100%	100%
Effective report resolution rate	%	100%	100%	100%
Labor contract signing rate	%	100%	100%	100%
Social insurance coverage rate	%	100%	100%	100%
Number of employees recruited during the reporting period	persons	400	67	201
Total number of employees	persons	2,388	1,932	1,981
Incidents of labor discrimination	cases	0	0	0
Training coverage rate	%	100%	100%	100%
Total employee training hours	hours	270,079.9	167,469.3	214,710.57
Annual production safety incidents	cases	0	0	0
Employee physical examination coverage rate	%	100%	100%	100%
Occupational disease incidence rate	%	0%	0%	0%
Total number of suppliers	companies	418	486	621
Number of suppliers certified to quality management systems	companies	146	185	329
Number of suppliers certified to occupational health and safety management systems	companies	51	61	91
Number of suppliers certified to environmental management systems	companies	69	71	102

Indicator	Unit	2023	2024	2025
Customer complaint response rate	%	100%	100%	100%
Customer complaint resolution rate	%	100%	100%	100%
Product recall rate during the year	%	0%	0%	0%
Total number of countries and regions exported to	No.	19	22	26
Finished vaccines exported to developing countries and regions during the year	million doses	6+	9+	8+
Bulk vaccine exported to developing countries and regions during the year	liters	200+	500+	2,900+
Total external donations during the year	million RMB	9.18	5.11	13.99
Investment in environmental protection during the year	million RMB	2.16	2.97	2.51
General or above-level environmental incidents	cases	0	0	0
Total chemical oxygen demand emissions	tonnes	5.83	7.71	5.16
Total ammonia nitrogen emissions	tonnes	0.26	0.25	0.15
Total particulate matter emissions	tonnes	2.92	4.70	2.51
Total nitrogen oxide (NO <sub>x</sub> ) emissions	tonnes	30.76	26.39	21.57
Total energy consumption	tonnes of standard coal equivalent	13,466.91	12,652.10	14,412.98
Energy consumption intensity	tonnes of standard coal equivalent/RMB 10,000 revenue	0.0327	0.0448	0.0596
Direct greenhouse gas emissions (Scope 1)	tonnes of CO <sub>2</sub> equivalent	10,331.04	7,643.23	11,275.75
Indirect greenhouse gas emissions (Scope 2)	tonnes of CO <sub>2</sub> equivalent	35,682.25	34,859.04	32,441.32
Total greenhouse gas emissions (Scope 1 and Scope 2)	tonnes of CO <sub>2</sub> equivalent	46,013.29	42,502.27	43,717.07
Greenhouse gas emission intensity	tonnes of CO <sub>2</sub> equivalent/RMB 10,000 revenue	0.112	0.151	0.181
Total water withdrawal	tonnes	713,256.75	692,940.39	612,604.50
Recycled water volume	tonnes	61,040	87,476	78,771
Water consumption intensity	tonnes/RMB 10,000 revenue	1.73	1.46	1.67
Total volume of hazardous waste discharged	tonnes	356.62	338.92	376.88
Hazardous waste emission intensity	tonnes/RMB 10,000 revenue	0.0009	0.0012	0.0016

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## About This Report

This report adopts an open and transparent approach to disclosing the Company's sustainability philosophy, management practices, and key performance, in order to effectively address issues of concern to stakeholders.

### Reporting Scope

**Organizational Scope:** The scope of this report aligns with that of the annual consolidated financial statements of the Company.

**Time Range:** This report covers the period from January 1, 2025, to December 31, 2025. Some information may be appropriately extended to previous or subsequent years where relevant. This is an annual report; the previous edition was released in April 2025.

### Basis of Preparation

This report has been compiled according to the GRI Standards by the Global Sustainability Standards Board, the Shenzhen Stock Exchange's Guideline No.17 on Self-Regulation for Listed Companies — Sustainability Reporting (Trial) and the Guideline No. 3 on Self-Regulation for Listed Companies — Preparation of Sustainability Reports (Trial), the European Sustainability Reporting Standards (ESRS), the national standard Guidance on Social Responsibility Reporting (GB/T36001-2015), and the United Nations Sustainable Development Goals (SDGs).

### Source of Information

All data and information presented in this report are derived from the Company's official documents, statistical reports, financial statements, and sustainability-related data submitted by various business units and consolidated and verified by the Company's sustainability management department. Unless otherwise specified, all monetary figures in this report are denominated in RMB.

### Assurance of Accuracy

The Company assures that there are no false records, misleading statements, or significant omissions in the contents of this report, and is responsible for its truthfulness, accuracy, and completeness. This report has been reviewed and approved by the Board of Directors and is released to the public.

### Definition of Terms

For ease of reference and reading, "Walvax Biotechnology Co., Ltd." is also referred to in this report as "Walvax Biotechnology," "the Company," or "we."

### Reporting Principles

This report follows the principles of materiality, quantification, balance, and consistency.

**Materiality:** Walvax Biotechnology conducts materiality assessments to identify and evaluate ESG issues that are significant to our business operations and to both internal and external stakeholders. The key material topics identified through this process are highlighted in this report. For more details on the materiality assessment process and results, please refer to the "Materiality Assessment" section in this report.

**Balance:** This report presents an objective and balanced view of the Company's ESG performance by disclosing both positive and negative information without bias. No significant negative events requiring disclosure were omitted during the reporting period.

**Quantification:** ESG performance indicators are disclosed in quantitative terms, and measurable performance targets have been set when appropriate. The methodologies, assumptions, measurement standards, calculation tools, and sources of conversion factors used for key performance indicators are explained in the relevant sections of the report, where applicable.

**Consistency:** The statistical methods and disclosure approaches for the same indicators remain consistent across reporting periods. Any changes to the statistical or disclosure methodologies are fully explained in the report's notes to ensure meaningful analysis and evaluation by stakeholders.

### Report Availability

This report is available in both printed and PDF electronic formats. The electronic version can be accessed on the official website of Walvax Biotechnology at <https://www.walvax.com>. To continuously improve our reporting practices, we welcome your feedback and suggestions. If you have any questions or comments regarding this report, please contact us via email at [ir@walvax.com](mailto:ir@walvax.com) or by phone at +86 871-68312779.

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Help Everyone Live a Healthy Life



Walvax Biotechnology Co., Ltd.

☎ Phone: 0871-68312779

📍 Address: No. 395, KeXin Road, High-Tech Zone, Kunming City, Yunnan Province

🌐 Website: <https://www.walvax.com>