

2024

Environmental, Social,
and Governance (ESG) Report
Aurisco Pharmaceutical Co., Ltd.



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About the Report

This is the 2024 Environmental, Social and Governance (ESG) Report issued by Aurisco Pharmaceutical Co., Ltd. (hereinafter referred to as “Aurisco”, “the Company” or “we”), and is the first ESG report of the Company, which aims to provide our stakeholders with comprehensive information on our ESG practices and relevant performance in 2024.

Reference Standards

- The standards, frameworks and principles referenced for the preparation of the Report are as follows:
- *GRI Sustainability Reporting Standards* (GRI Standards 2021) issued by the Global Sustainability Standards Board (GSSB)
- *Framework of the Task Force on Climate-related Financial Disclosures* (TCFD)
- *United Nations Sustainable Development Goals* (UN SDGs)
- *No. 4 Guidelines for Self Governance of Listed Companies of the Shanghai Stock Exchange – Preparation of Sustainable Development Reports*

Scope of the Report

Time Period: The Report covers our activities undertaken from January 1, 2024 to December 31, 2024, and may refer to the information of other years in order to improve its comparability and perspectiveness.

Organizational Scope: The Report focuses on Aurisco Pharmaceutical Co., Ltd., including its subsidiaries.

Designations

To facilitate the presentation, the titles of the subjects involved in the Report are hereby explained. "Aurisco", "the Company", "our Company" or "we" refers to Aurisco Pharmaceutical Co., Ltd., "Yangzhou Aurisco" refers to Yangzhou Aurisco Pharmaceutical Co., Ltd., and "Yangzhou Lianao" refers to Yangzhou Lianao Biopharmaceutical Co., Ltd.

Data Sources

The data presented in the Report is extracted from the original data of the Company's actual operation and the public data from government departments. Unless otherwise stated, the data in the Report are measured in metric system and the currency is denominated in Renminbi (RMB). Should there be any discrepancies with the financial statements, the latter shall prevail.

Reliability Statement

We promise that there is no false record, misleading statement, or significant omission, and we will assume full liabilities for its authenticity, accuracy, and completeness.

Access to the Report

The Report is made in Chinese and English. You can download the electronic version of the Report from our website (www.aurisco.com).

For any questions or access to further information, please contact us with the contact information below:

Tel.: 0576-83177301

Email: aurisco@aurisco.com

Address: No. 1, Longxing Road, Badu Industrial Park, Tiantai County, Zhejiang, China

Message from the Chairman



The year 2024 is full of challenges and risks, struggles and rewards. In the face of a complex and volatile economic environment at home and abroad and increasingly fierce competition, we always adhere to the mission of "creating a better world through providing our clients the highest quality pharmaceutical products". We uphold the spirit of "openness, cooperation, mutual learning and mutual benefit" and unswervingly incorporated ESG concepts into our development strategy, writing a new chapter of high-quality development, contributing Aurisco's wisdom to sustainable development, providing Aurisco solutions, and demonstrating Aurisco's responsibility.



We implement lean governance to lay a solid foundation for our development. We scrupulously abide by the highest standards of business ethics, keep ourselves clean and honest, constantly optimize the governance system, comprehensively enhance governance efficiency, and effectively safeguard the legitimate rights and interests of shareholders and stakeholders. We have improved the three-level ESG management structure (decision-making, management and implementation), fully considering ESG factors in business operations, so as to build up ESG governance from top to bottom with full participation of all employees. In July 2024, we joined the United Nations Global Compact (UNGC) and achieved Gold in EcoVadis sustainability rating.

We are empowered with innovations to achieve industrial cooperation. Aurisco has always focused on its main business and regarded innovation as the core engine for high-quality development. We continuously increase our R&D investment, strengthen R&D construction, promote the implementation of R&D achievements, and enhance brand influence. We endeavor to provide global customers with high-quality products and perfect services, winning international reputation for Aurisco. We make it our mission to promote industry development, take part in the industry ecosystem, and incorporate ESG concepts into the construction of the supply chain. We cooperate with upstream and downstream partners to build a sustainable supply chain and create a more resilient and competitive industrial ecosystem.

We put vigorous efforts into green transformation, laying an ecological foundation. We have acted on the idea that lucid waters and lush mountains are the most universal welfare for people's livelihoods. We continue to promote the standardized management of environmental protection, strengthen the treatment of pollutants and wastes, fulfill the main responsibility of environmental protection, and contribute to the construction of "Green China" and "Clean Earth". In response to the goals of "peak carbon dioxide emissions" and "carbon neutrality", we have integrated the functions related to climate change response into the ESG system, actively addressed the challenges of climate change, and seized the opportunities brought by climate change. We signed the Letter of SBTi Commitment in April 2023, setting greenhouse gas reduction targets and committing to achieve carbon neutrality by 2030. In the future, we will continue to follow the path of low-carbon development, and advance the realization of our climate goals in an orderly manner.

Putting people first, we strive to create a harmonious future. Aurisco prioritizes the protection of employees' rights and interests, and strives to create a diverse, equal and inclusive working environment. We establish a competitive compensation system and an all-round welfare security system, carry out a variety of employee care activities, and continuously enhance their sense of happiness, belonging, acceptance and contentment. We provide employees with smooth development channels and scientific training system, promote the deep integration of employee growth and corporate development, and help employees tap their own potential and realize their self-actualization. We fulfill the requirements for occupational health and safety production, reduce health and safety risks, build solid defense for workplace safety, and effectively protect the health and safety of all employees.

With joint contribution for shared benefits, we give back to society. As a responsible corporate citizen, Aurisco not only creates economic value but also insists on conveying the humanistic care spirit, actively promoting the "Hehe Culture", forming distinctive brands such as Hehe Tiaojie, Hehe Cunju, and Hehe Qingfeng. Focusing on people's livelihood, the Company engages in social benefits, volunteer services, rural revitalization and other actions, responds to social expectations, shares development achievements with society, and demonstrates corporate responsibility. In 2024, we donated over RMB 3 million in total.

Steadfastly committed to original intention, we need to constantly adapt to the challenges of the times. Looking ahead, Aurisco will continue to uphold the corporate spirit of "holding integrity and responsibility, forging ahead with concerted effort, and keeping harmonious and win-win development". We will work together with stakeholders to foster a new development pattern, create greater environmental, social and governance value, and steadily advance on the path of sustainable development toward building an "international first-class pharmaceutical enterprise!"

董事长：彭志恩



About Aurisco

Company Profile

Aurisco Pharmaceutical Co., Ltd. (stock code: 605116), established in 1998, focuses on the development, production and sales of complex active pharmaceutical ingredients (API) and preparations, as well as the CRO/CDMO of oligonucleotide drugs. It has established six major technology platforms, including biofermentation technology platform, complex synthesis technology platform with multi-chiral centers, synthetic biology technology platform, photochemical technology platform, crystal research and micro-powder technology platform, and oligonucleotide synthesis technology platform.

Aurisco has been deeply engaged in the pharmaceutical industry for more than 20 years, continuously promoting technological innovation and implementing an integrated development strategy of APIs and preparations. Our main products include respiratory, cardiovascular, anti-infective, neurological, anti-tumor and women's health drugs, etc., with more than 90% of special APIs exported, and we have registered the DMF documents of Eplerenone, Abiraterone and other APIs in countries such as the United States, the European Union, and Japan. We also have obtained quality system certifications of the mainstream markets, such as FDA, EDQM, WHO, BGV, and NMPA. The first domestic generic version of Dydrogesterone Tablet was available in 2023.

Aurisco has a complete production line of pharmaceutical APIs and intermediates, advanced testing equipment and facilities, as well as reliable three-waste treatment facilities, safety and fire control systems and other public works facilities. In the past three years, the Company has established a relatively complete scientific research system, introduced and trained a group of high-end technicians, and carried out a series of industry-academia-research cooperation projects. It has focused on independent research and development, with cooperative research and development as a supplement. Oriented at market and driven by innovation, we have cooperated with excellent research institutions and universities, comprehensively improving the Company's technical merit and R&D strength, and create the core competitiveness.

Aurisco has been rated as National High-Tech Enterprise, National SRDI "Little Giant" Enterprise, "Hidden Champion" Enterprise in Zhejiang Province, Zhejiang Leading Enterprise in Average Benefits per Mu of Manufacturing Industry in 2019 (among the Top 20 Biopharmaceutical Companies), Zhejiang AAA Enterprise of Keeping Promise & Honouring Contracts, Zhejiang High-Growth Enterprise in Biomedicine Industry, and Taizhou Headquarters Enterprise. It has established "Zhejiang Key Enterprise Research Institute", "High-Tech Enterprise Research and Development Center", "Enterprise Technology Center", "Academician Workstation", "Postdoctoral Workstation", and "Taizhou Key Laboratory".

Corporate Culture



Mission

Creating a better world through providing our clients the highest quality pharmaceutical products



Vision

Strive to be a world-class pharmaceutical company through our continuous efforts and a respected enterprise for our employees, customers, partners, and the communities we live in.



Core Values

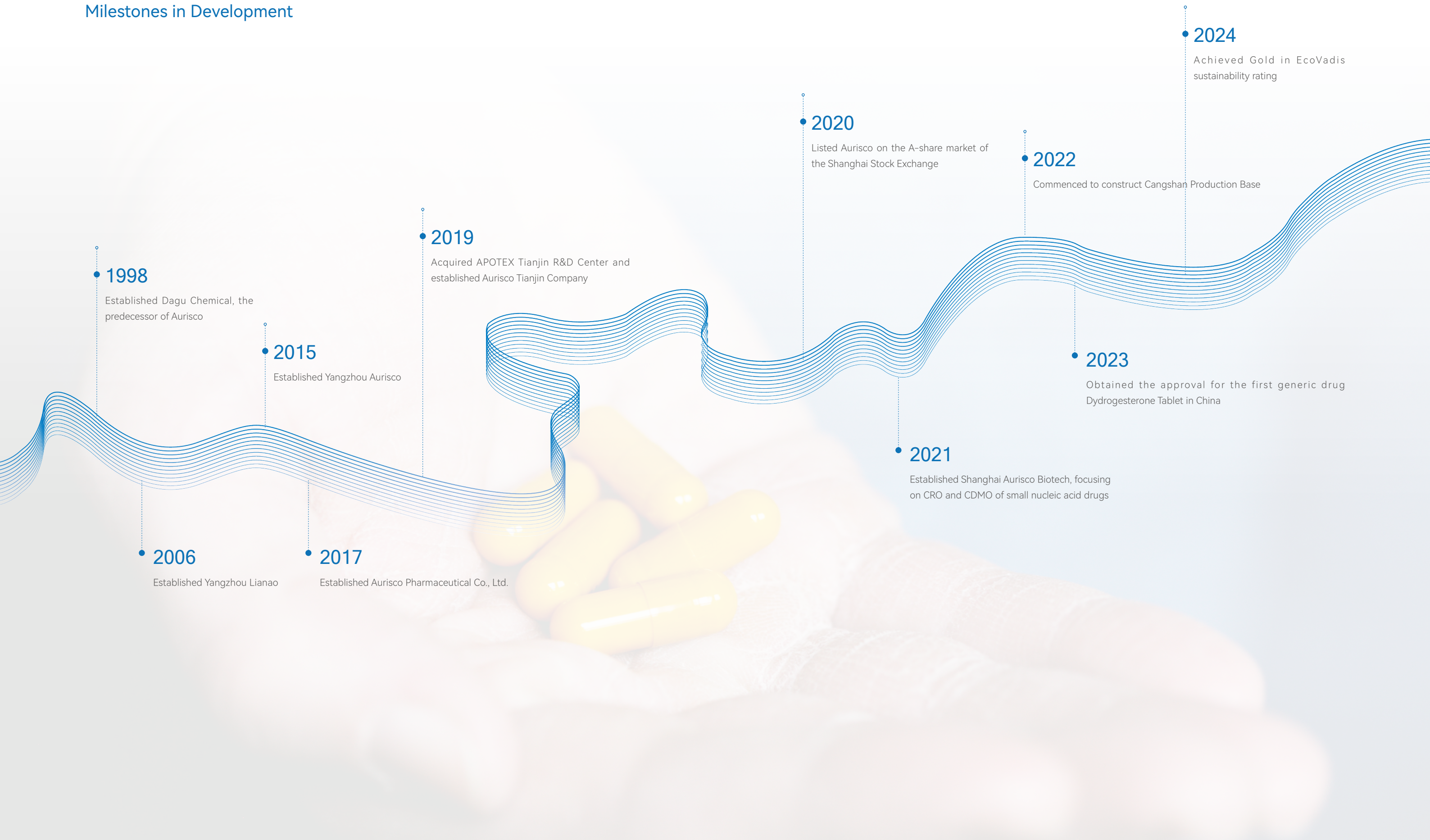
Focus on customers; continuous innovation; Teamwork spirit; equal treatment and incentive to employees; hard work.



Corporate Spirit

Hold integrity and responsibility; forge ahead with concerted effort; keep harmonious and win-win development.

Milestones in Development



Achievements and Honors

Ecovadis Granted by
Gold in EcoVadis Sustainability Rating

Department of Science and Technology of Zhejiang Province
Zhejiang Provincial Department of Finance
Zhejiang Provincial Tax Service, State Taxation Administration
Granted by
High-tech Enterprise Certificate

Zhejiang Administration for Market Supervision
Granted by
Zhejiang AAA Enterprise of Keeping Promise & Honouring Contracts

China Nonferrous Metals Industry Association
Nonferrous Metals Society of China
Granted by
Second Prize of Science and Technology Award in China Nonferrous Metal Industry

Department of Commerce of Zhejiang Province
Granted by
2022 Key Contact Foreign Trade Enterprise in Zhejiang

Zhejiang Office of Water Conservation Department of Water Resources of Zhejiang Province
Economy and Information Technology Department of Zhejiang Department of Housing and Urban-Rural Development of Zhejiang Province
Granted by
Zhejiang Water Conservation Benchmark Enterprise

Economy and Information Technology Department of Zhejiang
Granted by
Top Runners in Average Benefits per Mu in Zhejiang

Organizational Department of the CPC Taizhou Municipal Committee Two-New Working Committee of the CPC Taizhou Municipal Committee
Granted by
Demonstration Base for Party Building of "Double Integration and Double Strength" Two-New Organization in Taizhou

Organizational Department of the CPC Taizhou Municipal Committee Taizhou Association for Science and Technology
Granted by
Academician Expert Workstation

CPC Tiantai County Committee People's Government of Tiantai County
Granted by
2022 Advanced Group in Building a Modernized "Hehe City" with High Quality in Private Industry

GOLD | Top 5%
ecovadis
Sustainability Rating
NOV 2024

高新技术企业证书
企业名称: 奥锐特药业股份有限公司
证书编号: GR20223002182
发证日期: 2022年12月24日
有效期至: 三年
批准机关:

浙江省AAA级“守合同重信用”公示企业
奥锐特药业股份有限公司
为浙江省AAA级“守合同重信用”公示企业,公示期两年。公示期间实行动态管理,接受社会监督。
公示机关: 浙江省市场监督管理局
公示网站: <https://scs.zj.gov.cn/>
公示时间: 2024年8月26日-2026年8月25日

Science and Technology Bureau of Tiantai County
Granted by
Patent Demonstration Enterprise of Tiantai County

China Patent Award Review Office
Granted by
The 25th China Patent Award

"Hidden Champion" Enterprise in Zhejiang Province
Granted by
"Hidden Champion" Enterprise in Zhejiang Province

Department of Commerce of Zhejiang Province
Granted by
Zhejiang Famous Export Brand

Economy and Information Technology Department of Zhejiang
Granted by
Zhejiang High-Growth Enterprise in Biomedicine Industry

Economy and Information Technology Department of Zhejiang
Granted by
Zhejiang Key Enterprise Research Institute

Economy and Information Technology Department of Zhejiang
Granted by
Headquarters Enterprise of Private Economy in Zhejiang Province

Ministry of Industry and Information Technology
Granted by
National SRDI "Little Giant" Enterprise

Economy and Information Technology Department of Zhejiang
Zhejiang Provincial Department of Finance
Zhejiang Provincial Tax Service, State Taxation Administration
Hangzhou Customs District P.R.China
Granted by
Zhejiang Enterprise Technology Center

中国有色金属工业科学技术奖
证书
为表彰中国有色金属工业科学技术奖获得者,特颁发此证书。
项目名称: 基于金属有机框架材料和无金属催化剂的有机合成反应
奖励等级: 三等奖
获奖者: 奥锐特药业股份有限公司
2022年12月24日
颁奖单位: 中国有色金属工业总公司

2022年度浙江省重点联系外贸企业
浙江省商务厅
2022年12月

浙江省节水标杆企业
浙江省节约用水办公室
浙江省水利厅
浙江省经济和信息化厅
浙江省住房和城乡建设厅
2021年12月

证书
浙江省亩均效益领跑者
(制造业企业)
浙江奥锐特药业有限公司
2024.12.2

台州市“双融双强”两新组织党建示范点
中共台州市委组织部
中共台州市委两新工委
2023年12月

奥锐特药业股份有限公司
台州市院士工作站
中共台州市委组织部
台州市科学技术协会
2020年4月

奥锐特药业股份有限公司
(2022年度)
民营工业十强
高质量建设现代化“和合之城”先进集体
中共天台县委
天台县人民政府

天台县专利示范企业
天台县科技局

ESG Governance

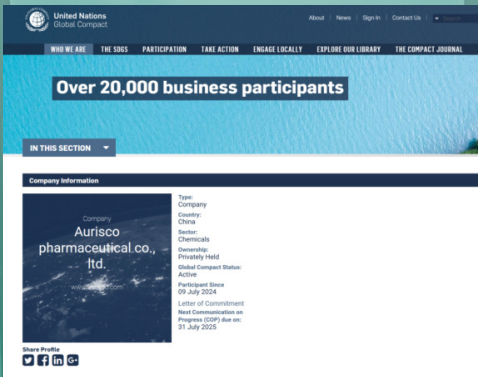
ESG Management

Aurisco has always implemented the concept of sustainable development, constructed an internal and external integrated sustainable development strategy, integrated ESG management into business operations and management, and relied on its own capabilities and strengths to carry out ESG practices in multiple dimensions, in order to strive for the sustainable development of the enterprise and create long-term value. We joined the United Nations Global Compact (UNGC) in July 2024, supporting the UN's 10 principles in human rights, labor standards, environment and anti-corruption.

In order to promote the effective development and implementation of ESG work, we have established a three-level ESG management structure (decision-making, management and implementation), including the Board of Directors, senior management, functional departments and subsidiaries. The responsibilities of each level are clearly defined to ensure that Aurisco can fully consider ESG factors in business operations and management and further enhance the initiative and sustainability of ESG governance.

Aurisco ESG Management Framework

Hierarchical Function	Hierarchy Name	Responsibilities
Decision-making Level	Board of Directors	<ul style="list-style-type: none">Lead the Company's ESG affairs and formulate the ESG strategic plans and policies;Supervise the assessment on the Company's ESG-related impacts, risks, and opportunities;Review and approve the Company's annual ESG report;Supervise and inspect the implementation of ESG-related work, and provide guidance when appropriate.
Management Level	Senior Management	<ul style="list-style-type: none">Evaluate and manage the material topics to provide analysis and recommendations for discussion at the decision-making level, ensuring oversight by the Board of Directors;Promote and guide the ESG work of all functional departments and subsidiaries;Review and submit the annual ESG report to the Board of Directors.
Execution Level	Functional Departments and Subsidiaries	<ul style="list-style-type: none">Develop stakeholder engagement plans and organize stakeholder communication activities;Take charge of ESG-related management, data, case statistics, and analysis;Regularly report the ESG achievements to the management;Coordinate the preparation of annual ESG reports.



Communication with Stakeholders

The expectations and demands of stakeholders are the source and driving force for us to continuously improve our ESG performance. In Aurisco, we are highly concerned about the impact of the Company's operations on all stakeholders, respect and safeguard the legitimate rights and interests of all parties, understand the expectations and demands of all parties in a timely manner by establishing a variety of online and offline communication channels, and dynamically incorporate them into the Company's ESG strategic planning.

According to its own development strategy and operational characteristics, and the four principles (Inclusiveness, Materiality, Responsiveness and Impact) of AA1000 Stakeholder Engagement Standard (AA1000 SES), the key stakeholders defined by Aurisco include shareholders and investors, government and regulatory agencies, customers, employees, suppliers and partners, environment, community, etc.

- * Inclusiveness: Ensure that all stakeholders are involved in the decision-making process.
- Materiality: Identify and focus on the most important issues for the Company and stakeholders.
- Responsiveness: Respond promptly and effectively to the needs and expectations of stakeholders.
- Impact: Measure and report the actual environmental and social impact of corporate actions.

Stakeholders	Concerned Topics	Communication and Response
Shareholders and Investors	Economic performance Corporate governance Compliant Business Operation	Profitability enhancement Improvement of governance system Robust internal control mechanism
Government and Regulatory Agencies	Tax payment by laws Compliant operations Information disclosure Environmental management	Tax Payment in Full by Law Compliance with laws and regulations Standardized information disclosure Implementation of environmental protection
Customers	Product quality and safety Customer service management Customer privacy protection	Supply of quality and safe products After sales service and complaint channels Customer communication activities Customer data and privacy management
Employees	Protection of employees' rights and benefits Generous compensation and benefits Talent training and development Open channels of communication Occupational health and safety	Compliant Employment Protection of Legitimate Rights and Interests of Employees Competitive compensation system and all-round welfare system Comprehensive training programs Clear pathway to development Employee satisfaction survey Provision of healthy and safe working environment
Suppliers & Partners	Open and fair procurement procedures Sustainable Supply Chain Industry co-construction	Sunshine purchase Supplier empowerment Participation in industry activities
Environment	Pollution reduction Climate change response Energy Conservation and Consumption Reduction Water conservation	Standardization of Pollution and Waste Management Action on climate change Engagement in the SBTi Implementation of energy conservation programs Implementation of water conservation programs
Communities	Public welfare and volunteer services Caring for vulnerable groups Community co-construction	Participation in public welfare programs Implementation of volunteer activities Participation in rural revitalization Community communication and publicity activities

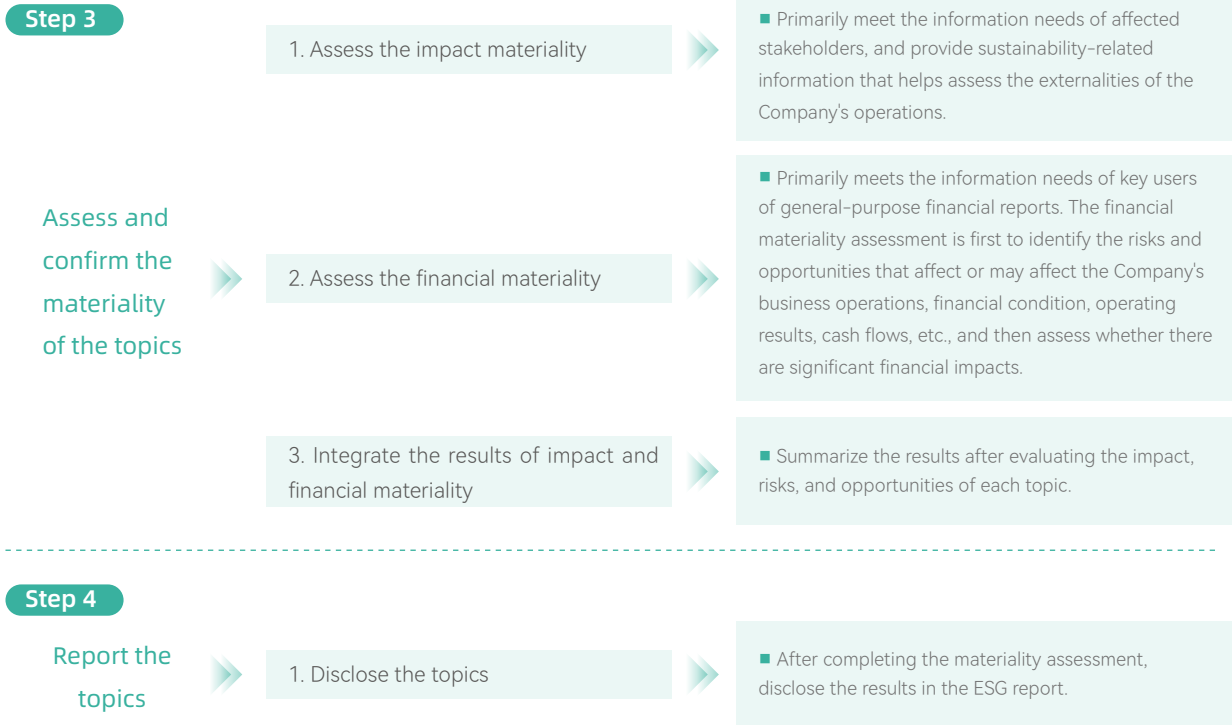
Management of Material Topics

The regular management of material topics can provide important reference for our ESG work. We have analyzed the dual materiality of material topics, namely, the financial materiality and impact materiality, comprehensively analyze and rank the material topics, develop a matrix of material topics, and make responses in the ESG report according to the latest international and domestic disclosure standards such as sustainability standards (*GRI Sustainability Reporting Standards* issued by the Global Sustainability Standards Board (GSSB), *Standards of Sustainability Accounting Standards Board* (SASB), etc.), standards of mainstream ESG rating agencies (MSCI ESG rating, Ecovadis rating, etc.), relevant policy documents (*Shanghai Stock Exchange's Self-regulatory Guidelines No. 14 for Listed Companies – Sustainability Reporting (Trial) (Exposure Draft)*, *No. 4 Guidelines for Self Governance of Listed Companies of the Shanghai Stock Exchange – Preparation of Sustainable Development Reports*). Based on the results of the dual materiality assessment, we identified a total of 24 material topics.

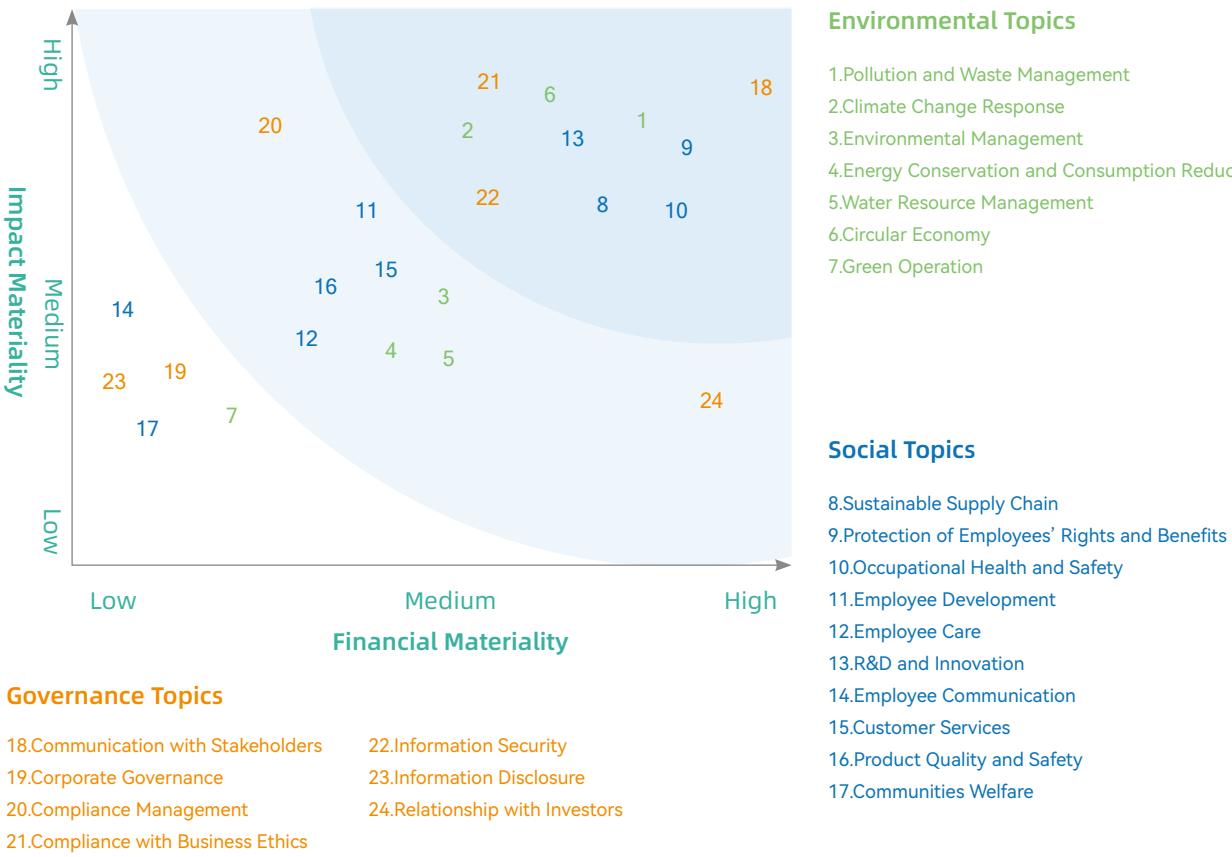
Dual Materiality Analysis

Financial Materiality	Whether the topics are expected to have a significant impact on the Company's business model, business operations, development strategy, financial position, operating results, cash flow, financing methods and costs in the short, medium and long term.
Impact Materiality	Whether the Company's performance on the relevant topics has an actual or potential significant impact on economy, society and environment.

Flow Sheet of Topic Materiality Analysis



Matrix of Material Topics





Prudent Governance to Build A Solid Foundation for Development

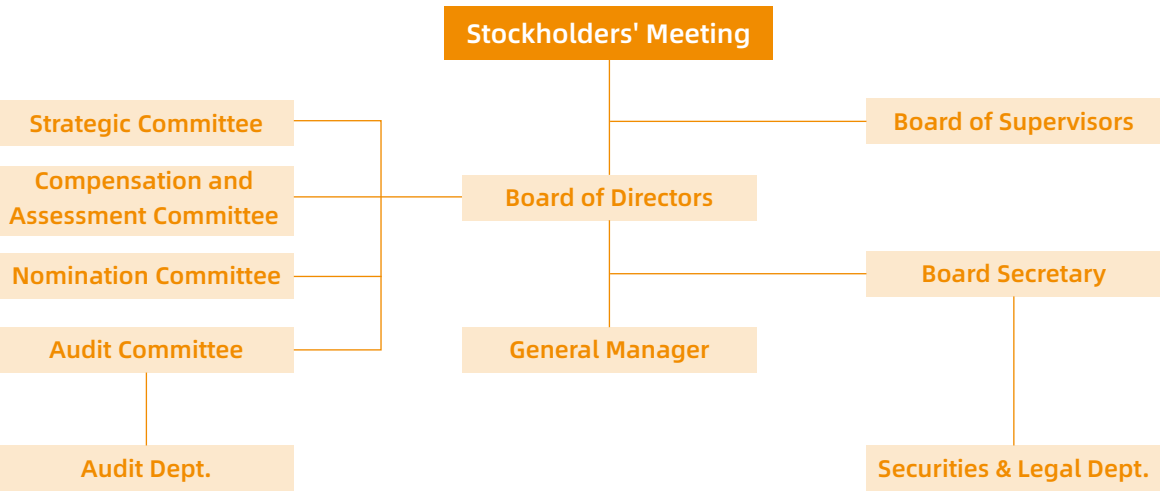
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- Investor Relations Management



Corporate Governance Strengthening

Aurisco has built a standardized and orderly governance system in accordance with the requirements of the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Governance for Listed Companies*, the *Rules for Listing of Stocks on the Shanghai Stock Exchange* and other laws, regulations and normative documents on the governance of listed companies. The Company sets up a corporate governance structure which is primarily consisted of the Shareholders' Meeting, the Board of Directors, the Board of Supervisors and the General Manager, with clear rights and responsibilities, and effective checks and balances, continuously improving the Company's governance level and operational efficiency.



Governance Structure



Stockholders' Meeting

The Shareholders' Meeting is the highest authority of the Company. We develop the *Rules of Procedure for the Shareholders' Meeting* in order to convene and hold the shareholders' meeting normatively and exercise their functions and powers according to law. We hold the shareholders' meeting on site, and provide convenience for shareholders to participate in the meeting through a safe, economic and convenient network, and fully protect their rights and interests.

Key Performance in 2024

Number of shareholders' meetings held: **2**

Number of resolutions approved: **12**



Board of Directors

The Board of Directors is the executive body of the Company, responsible for operation and management according to law, and accountable to the shareholders' meeting and reporting on its work. The Company formulates the *Rules of Procedure of the Board of Directors*, further regulating the deliberation methods and decision-making procedures of the Board of Directors, urging the Directors and the Board of Directors to effectively perform their duties, and improving the standard operation and scientific decision-making level of the Board of Directors. We also develop the *Working System of Special Meetings of Independent Directors*, give full play to the functions of independent directors in the Board of Directors in terms of participation in decision-making, supervision and check-and-balance, and professional consultation, so as to safeguard all the benefits of the Company and protect the legitimate rights and interests of small and medium-sized shareholders. We also attach importance to the diversity of board members. The Board of Directors is complementary in terms of gender, professional background, industry experience, etc., which contributes to making more comprehensive and objective decision-making, thereby enhancing the effectiveness of the Board of Directors.

Key Performance in 2024

Number of board members: **9**

Number of female directors: **1**

Number of independent directors: **3**

Number of board meetings held: **7**

Number of resolutions approved: **42**



Board of Supervisors

The Board of Supervisors is the supervisory body of the Company. In strict accordance with the *Company Law of the People's Republic of China*, the Articles of Association and other requirements, the Board of Supervisors upholds its supervisory functions to inspect the Company's finances, supervise the behavior of directors and senior managers in performing their duties, so as to safeguard the legitimate rights and interests of the Company and shareholders and promote the standardization of corporate governance.

Key Performance in 2024

Number of members of the Board of Supervisors: **3**

Number of employee supervisors: **1**

Number of meeting held by the Board of Supervisors: **6**

Number of resolutions approved: **27**



Internal Control Fortification

In accordance with the provisions of the Basic Standards for Enterprise Internal Control and its supporting guidelines and other internal control regulatory requirements (referred to as the "Standard System for Enterprise Internal Control"), Aurisco establishes a set of internal control systems and evaluation methods that are compatible with the actual operating conditions of the Company. The internal control system covers key business processes such as organizational structure, development strategy, human resources, and social responsibility, effectively preventing various risks and promoting the healthy and sustainable development of the Company.

Based on the requirements of risk assessment of the internal control standard system, we accurately identify internal and external risks related to the realization of control objectives through questionnaires, interviews, data analysis and other means, determine the relevant risk tolerance, and improve the risk management mechanisms and processes. The Audit Department regularly conducts inspection and internal supervision on the risk management mechanisms and processes, and timely feeds back problems and improvement measures to help the responsible departments find internal control defects, so that they can control the risks in the round, and provide effective guarantee to realize the Company's strategies and business objectives. In 2024, the Company's internal environment was favorable, internal control measures were effective.

Elements Concerned in Risk Identification by Aurisco

Internal risk	External risk
Human resource factors such as the professional ethics of directors, supervisors, managers and other senior management personnel and the professional competence of employees	Economic factors such as economic situation, industrial policies, financing environment, market competition, and resource supply
Management factors such as organization, operation mode, asset management, and business process	Legal factors such as laws, regulations and regulatory requirements
Independent innovation factors such as R&D, technology investment, and information technology application	Social factors such as security and stability, cultural tradition, social credit, education level, and consumer behavior
Financial factors such as financial status, operating results and cash flow	Scientific and technological factors such as technological progress and process improvement
Safety and environmental factors such as operational safety, employee health, and environmental protection	Natural environment factors such as natural disasters and environmental conditions
Other factors related to internal risks	Other factors related to external risks

High-risk Areas Concerned by Aurisco



Compliance with Business Ethics

Business ethics is a core value of corporate governance. Aurisco keeps to the stringent specification of business ethics, and sets forth business ethics principles in the *Business Ethics Policy*, expressly prohibiting commercial corruption, bribery, unfair competition and other conducts. It also works with employees and partners to maintain a sunny and transparent business environment. We require all employees to sign the *Commitment Letter of Business Ethics Policy* to ensure that the policy can be implemented.

Anti-Corruption and Anti-Bribery

The Company adheres to the relevant laws and regulations on anti-corruption and anti-bribery, establishes a sound anti-bribery management system, and applies a zero-tolerance policy on employees giving or accepting bribes. We resist all forms of corruption and bribery, and standardize the business behaviors of employees, managers, suppliers and other partners to promote the sound development of the Company. In 2024, the Company maintained the validity of ISO 37001 anti-bribery management system certificate, and Yangzhou Lianao and Yangzhou Aurisco passed the ISO 37001 certification.



The Company has always prevented against corruption and bribery into daily governance and business processes, adopts severe punishment for corruption, prevent and control corruption and bribery in a more scientific and standardized way, ensuring that employees do not have the audacity, opportunity or desire to become corrupt. We develop the Measures for the Management of Labor and Moral Hazard Assessment, and fully identify the risks of corruption and bribery with the help of tools such as the Labor and Business Moral Hazard Assessment Form, constantly plugging loopholes in the system and eliminating regulatory blind spots, so as to build a more complete security barrier for the healthy development of the Company.

We carry out anti-corruption and anti-bribery training and publicity at all levels to all employees. The main contents include anti-corruption regulations and typical case analysis. We intend to build a work culture that meets business ethics, guide employees to establish a sense of compliance with regulations and discipline, and set up a strong "firewall" against corruption. In July 2024, we organized four sessions of business ethics training for all employees, promoting a culture of integrity comprehensively.



Business Ethics Training of Aurisco



Anti-Bribery Training in Yangzhou Lianao



Training on Anti-Corruption and Anti-Bribery Awareness in Yangzhou Aurisco

Fair Competition

According to laws and regulations such as the *Anti-Monopoly Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*, Aurisco conducts business activities in an honest and transparent way, and actively pushes forward the construction of a fair competition environment, thereby promoting the stable and sustainable development of the Company's businesses.

The Company establishes an efficient monitoring system and protects the legality and compliance of business transactions through scientific evaluation procedures. We promise to refuse to seek competitive advantage through unethical or illegal behavior, and explicitly prohibit employees from using illegal means to obtain trade secrets or other confidential information of third parties, as well as maliciously spreading untrue information about competitors and their products and services. We advocate winning the market with quality products and excellent services. We unswervingly defend the principle of fair competition and promote the healthy development of the market economy. In 2024, the Company did not engage in unfair competition, monopolistic behavior, or related legal proceedings.



Fair Competition Training

Complaint and Whistleblowing Mechanisms

In order to prevent business ethics risks, we provide smooth whistleblowing channels and encourage employees and other stakeholders to report violations of business ethics (including but not limited to corruption, bribery, favoritism and fraud). We take every whistleblowing case seriously, verifies and investigates the case, strictly implements the whistleblower protection mechanism, promises to keep confidential the personal information and information provided by the whistleblower, and prohibits any retaliation against them. In addition, each subsidiary sets up a number of whistleblowing channels according to own operational characteristics to prevent and control business ethical risks in an all-round way. In 2024, we did not receive any whistleblowing cases.

Whistleblowing Channel



Whistleblowing Hotline:
0576-83177335
Whistleblowing Email:
shenji@aurisco.com



Whistleblowing Channel Information of Yangzhou Lianao

Key Performance in 2024

- Number of business ethics training sessions: 21
- Coverage rate of business ethics training: 100%
- Hours of business ethics training per employee: 2
- Number of complaints and whistleblowing cases: 0
- Number of confirmed corruption incidents: 0

Information Safeguarding

Information Security Management System

In the digital age, information security has increasingly become the core competitiveness of enterprises. Aurisco strictly follows the ISO/IEC 27001 system, formulates internal regulations and operational procedures such as the *Information System Security Management System*, and builds a comprehensive, efficient and closed-loop information security management system to ensure the normal operation of the Company's network platform and information systems, as well as the security of information data. The Company implements the information security responsibility system, appoints the information security responsible persons for each department and position, and ensures that the responsibility is assigned to specific individual. Employees in important posts must be examined for information security skills before taking up their posts, and strictly abide by confidentiality regulations and relevant information security management regulations. In 2024, Aurisco maintained the validity of the ISO/IEC 27001 certificate, and Yangzhou Lianao and Yangzhou Aurisco passed the ISO/IEC 27001 certification.



ISO/IEC 27001 Certificate



Information Security Management Measures

Information Security Risk Management

Information security risk management is a key link to strengthen the construction of information security guarantee system. The Company regularly assesses the information security risks, establishes scientific risk assessment methods, clarifies risk acceptance criteria, and identifies acceptable levels of risks. In addition, we review the residual risks to verify that they are acceptable. For unacceptable participation risks, we take control measures until all information security risks are reduced to be acceptable.

Control Process of Information Risks

Risk identification

- Identify all assets and their owners; assign a quantitative value to each asset in terms of confidentiality, integrity, availability, laws and regulations, and level of importance; determine whether it is an important asset in accordance with the guidelines for determination of important assets, and prepare a *List of Information Asset Identification*;
- Identify threats to these assets, vulnerabilities that could be exploited by threats, and existing control measures and their effectiveness; calculate the impact on important assets in the event of loss of confidentiality, integrity and availability by assigning values.

Risk analysis and evaluation

- Calculate the impact value of risk occurrence based on the value and vulnerability severity of important assets;
- Assign values to each threat based on its frequency of occurrence, vulnerability, and ease of exploitation, and calculate the likelihood of risk occurrence;
- Calculate and determine the risk level according to the *Risk Management Procedure for Information Security*;
- Determine whether the risk is acceptable or needs to be addressed according to the *Risk Management Procedure for Information Security* and risk acceptance criteria.

Risk treatment

- According to the results of risk assessment, develop a Risk Management Proposal for Information Security, specify the responsible department, person in charge, handling methods, as well as the start and completion time for risk management.

Residual risk management

- Review residual risks after risk treatment and verify whether they are acceptable.

Case Yangzhou Aurisco assessed information security risks

In October 2024, Yangzhou Aurisco assessed information security risks and issued a *Report on Information Security Risk Assessment*. A total of 741 assets were identified in this assessment, including 268 high-risk assets. Management measures were developed for all high-risk assets. After the implementation of control measures, all high-risk assets were changed to be acceptable. This assessment gave a comprehensive presentation of threats in the information systems, clearly disclosing the vulnerabilities and security risks in the construction of information systems, and laying the foundation for the establishing a long-term mechanism for risk assessment and management.

Regular Governance of Information Security

Based on information security risk assessment and management, we prevent against network attacks, strengthen password security, control cloud application security, deploy a security monitoring system, and enhance awareness of information security, so as to strengthen information security and network security governance, further consolidate the foundation of information security, and provide a secure information use environment for employees and partners.

Measures	Targets	Strategies
Prevent against network attacks	Protect the security of systems and services by effectively defending against external network attacks through technical means.	<ul style="list-style-type: none">Firewall and Intrusion Detection System: Deploy advanced firewall and intrusion detection system to monitor and block malicious traffic in real time.Security Updates and Patch Management: Install the latest security patches for systems and applications in a timely manner to fix known bugs.Threat Intelligence Collection: Subscribe to professional threat intelligence services for early warning of potential attacks.
Strengthen password security	Ensure the effectiveness of passwords as the first line of defense against unauthorized access	<ul style="list-style-type: none">Complex Password Policy: Require a strong password (containing capital and lower-case letters, numbers, and special characters) and change it regularly.Multi-Factor Authentication: Enhance account security by the combination of password, biological recognition, cell phone verification code, and other authentication methods.Password Management Tool: Promote the use of password manager to help employees securely store and manage complex passwords.
Control cloud application security	Ensure the security of data and applications in the cloud environment and prevent the security risks of cloud service providers from affecting users	<ul style="list-style-type: none">Cloud Security Assessment: Conduct a detailed security assessment when selecting a cloud service provider, including data encryption and access control.Cloud Service Configuration Review: Regularly review cloud service configurations to ensure that best security practices are followed.Data Backup and Recovery Plan: Develop and implement a data backup policy to ensure rapid recovery in the event of data loss or corruption.
Deploy a security monitoring system	Reduce potential losses by detecting and responding to security incidents in time through relevant systems	<ul style="list-style-type: none">Encryption Software: Install encryption software in the Company to effectively protect data from unauthorized access.Network Access: The Company's internal network is controlled by a network access system, and unauthorized users cannot access the internal network.Internet Behavior Monitoring: By monitoring employees' Internet activities, managers can discover and correct improper behaviors in time to improve work efficiency; Apply a monitoring software to effectively prevent the leakage of sensitive data and protect the core interests of enterprises.
Enhance awareness of information security	Enhance all employees' awareness of and attention to information security, and form a cultural atmosphere of "everyone is a guardian of information security".	<ul style="list-style-type: none">Regular Training: Regularly organize information security training, including the latest threat trends, security operation norms and other contents.Practical Exercises: Enhance employees' prevention awareness and response capabilities by simulating scenarios such as phishing emails and malware attacks.Incentive Mechanism: Organize information security knowledge contests, excellent security practice recognition, etc. to stimulate employees' enthusiasm for participation.



Information Security Training of Aurisco



Information Security Training of Yangzhou Lianao



Information Security Management System Training of Yangzhou Aurisco



Handbook on Confidentiality Knowledge of Aurisco



Information Security Emergency Management

The Company sets up a comprehensive information security incident response and emergency disposal mechanism so as to quickly respond to various security incidents. We have a command group for handling security incident emergency of information system, which is responsible for the organization, command and emergency handling of information system security incidents. To respond more efficiently to information security incidents, we establish emergency response processes based on the causes, scenarios and other properties of the incidents, including hardware failures, system failures, virus failures, network failures, etc., so as to standardize the management of information security emergencies. Furthermore, we regularly conduct emergency drills to improve employees' ability to deal with unexpected information security incidents by simulating real scenarios.

Key Performance in 2024

Number of confirmed information security incidents: 0



Investor Relations Management

Information Disclosure

According to laws and regulations and the requirements of the Articles of Association of the Company, we disclose information in a true, accurate, complete, promptly, concise and clear manner, and continuously optimize the content and presentation of information disclosure. The Company formulates the *Information Disclosure Management System*, faithfully performs the obligation of continuous information disclosure, releases it to the public within the prescribed time, through the prescribed media, in a prescribed manner, and submits it to the securities regulatory authorities in accordance with the regulations. In 2024, the Company had not been punished by the regulatory authorities for information disclosure violations.

The Company discloses the information based on the needs of investors, and constantly strengthens the daily management of insider information, effectively avoids selective information disclosure, and safeguards the rights and interests of small and medium-sized investors. The Company was rated as Grade B ("Good ") in the *Evaluation Results of Information Disclosure of Shanghai Listed Companies (2023-2024)* released by the Shanghai Stock Exchange.

Key Performance in 2024

Number of periodic reports issued: 4

Number of temporary announcements issued: 71



Investor Communication

We make great efforts to expand communication channels for investors, promptly convey strategic planning, business performance, and other information to investors through various channels such as shareholders' meetings, performance presentations, field investigation, "SSE e-Interaction", hotline, and investor relations email. We keep prompt and efficient communication with investors, get full understanding of investors' demand, answer their questions, and listen to their opinions and suggestions, creating an open and transparent capital market.

Case Aurisco held a performance briefing for the third quarter of 2024

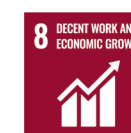
On December 2, 2024, Aurisco held a performance briefing for the third quarter of 2024 at the Shanghai Roadshow Center of Shanghai Stock Exchange, communicating with investors on issues of their concern, and helping them gain a more comprehensive and in-depth understanding of the Company's operating results and financial situation.



Innovation-Driven Development to Create Lean Products

This chapter page table of contents

- Adherence to Innovation-Driven Development
- Pursuit for the Premium Quality
- Provision of High-Quality Service



Adherence to Innovation-Driven Development

Technological innovation is the core engine to drive continuous breakthroughs. Adhering to the R&D spirit of continuous improvement and innovation”, Aurisco actively promotes the development and innovation of fluoridation technology, photochemical reaction technology, catalyzed oxidation technology, and selective oxidation technology, continuously enhancing the core competitiveness.

R&D Construction

R&D Team

The Company closely combines talent development with corporate growth. Following the principle of self-training as the main approach, supplemented by introduction and joint training, we set a R&D team with strong technical strength, rich practical experience and reasonable age structure. By the end of 2024, the Company has more than 269 R&D personnel, including 252 employees with bachelor's degree or above (accounting for 93.68%). They are engaged in the R&D of APIs and preparations, assay development, etc., and provide comprehensive technical support and innovative solutions for the R&D of different products.

In order to strengthen the reward management of R&D projects such as new products, new processes, and technological progress in products and supporting facilities, and to stimulate the enthusiasm, initiative and creativity of employees engaged in the transformation of scientific and technological achievements, the Company has formulated the *New Project Incentive System* and the *Innovation Management Procedure*, which provides detailed reward provisions for the implementation of new product projects and the improvement and update of online products. In addition, we develop a *Patent Reward System* to provide appropriate rewards for intellectual property inventors and ensure that the Company's invention achievements are applied for patents in a timely manner.

R&D Platform



R&D Center

The Company is an important research center of steroid drugs, anti-tumor drugs and antiviral drugs in Zhejiang Province. It has established "Zhejiang Enterprise Technology Center", "Provincial High-Tech Enterprise R&D Center" and "Taizhou Key Laboratory of Green Synthesis Technology of Hormone Drugs", providing strong technical support for new product R&D, process optimization and quality control. In 2024, the "Zhejiang Key Enterprise Research Institute of Prostate Cancer Drug" of Aurisco was included into the *List of Provincial Key Enterprise Research Institutes to be Recognized in 2024* in Zhejiang Province.

Yangzhou Aurisco has also strengthened the construction of its R&D platform, optimized the innovation environment by optimizing resource allocation and providing funding guarantee, and improved the R&D efficiency, laying the foundation for the birth of new technologies and products. With solid innovation capabilities, Yangzhou Aurisco has been rated as "High-Tech Enterprise" and "SRDI Small and Medium-sized Enterprises in Jiangsu Province", and included in the "List of Provincial Engineering Technology Research Centers".



Industry-Academia-Research Cooperation

We are committed to building a comprehensive industry-academia-research system, achieving technological innovation and upgrading through complementary advantages of all parties. At present, the Company has established long-term close cooperation with Shanghai Jiaotong University, Zhejiang University, Zhejiang University of Technology, Shanghai Institute of Organic Chemistry,CAS, Shanghai Institute of Pharmaceutical Industry Co.,Ltd., East China University of Science and Technology, East China Normal University and other colleges, universities and institutions. It also establishes provincial postdoctoral workstation and provincial academician workstation, to achieve the deep integration of technological innovation and industrial development. In the future, the Company will continue to strengthen cooperation with universities and research institutions, promote the transformation and application of scientific research results, and inject new impetus into the high-quality development of the Company.

Innovation Achievements

Aurisco continues to increase R&D investment, strengthen key technology breakthroughs, and deepen its innovation. Multiple innovative achievements have been successively implemented, injecting inexhaustible power into the Company's high-quality development. In 2024, the Company submitted 29 patent applications in total, including 6 for PCT international invention patent and 7 for foreign national-phase invention patent. We were authorized 13 new invention patents and 1 new foreign invention patent (in the United States).In December 2024, one of the Company's invention patents – "preparation method of Eplerenone (Patent No.: ZL200910049351.0)", was granted the "Excellent Award of the 25th China Patent Award".

The two R&D projects of the Company were included in the Science and Technology Plan of Zhejiang Province, namely "Study on High-End Generic Drug Development – High-end Imitation Technology and Application of Androgen Receptor Antagonist Enzalutamide in the First-Line Treatment of Prostate Cancer" and "Preclinical Study of DIP-1018, An Anti-prostate Cancer Drug Based on Novel AR dimerization Site". In addition, we are actively engaged in R&D projects to further improve our R&D and technological innovation system for new products and processes.

List of Provincial Science and Technology Programs

S/N	Project No.	Project Name	Positioning
1	2022C03178	High-end imitation technology and application of androgen receptor antagonist Enzalutamide in the first-line treatment of prostate cancer	Contractor
2	2023C03110	Preclinical study of DIP-1018, an anti-prostate cancer drug based on novel AR dimerization site	Participant

Case The Company initiated the R&D of the preparation process for Upadacitinib.

In January 2024, in order to improve technical reserve capacity and enhance product competitiveness, the Company decided to establish a project for R&D of the preparation process for Upadacitinib. The Company deeply studied the key points of technology, sorted out innovative ideas, determined research programs and technical routes, and laid a solid foundation for the birth of new technologies, new products and new directions.

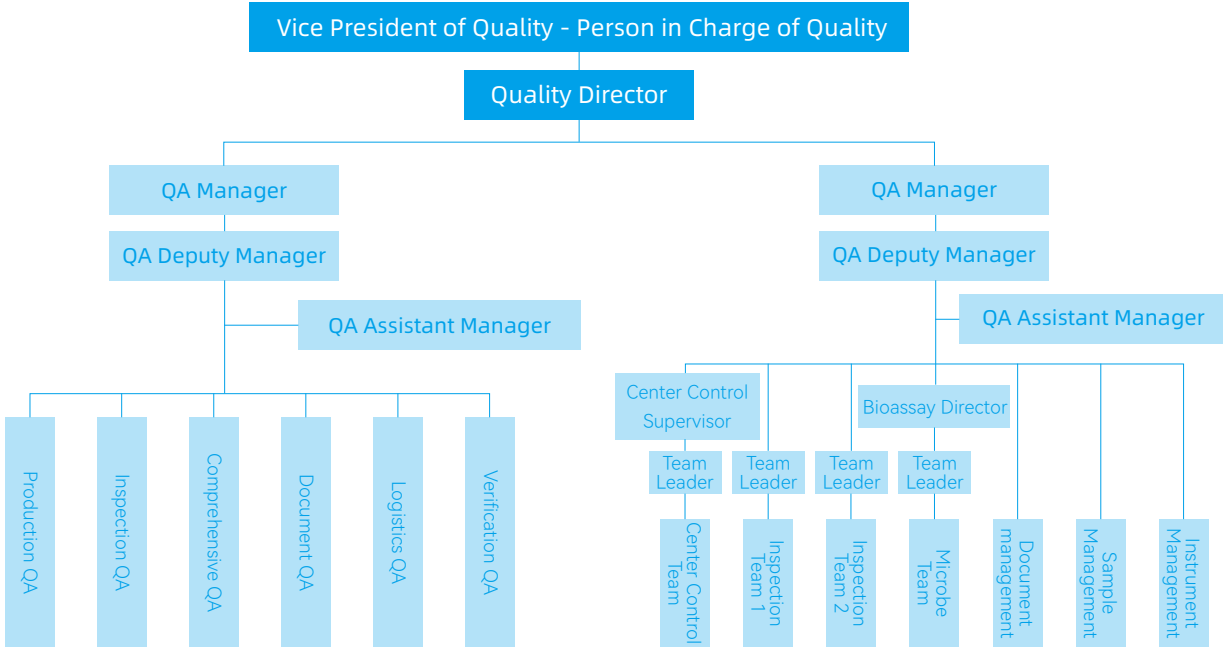
Pursuit for the Premium Quality

Quality Management System

Aurisco adheres to the quality policy of "meticulous production, high quality and efficiency, dedicated service, continuous innovation". According to the ISO 9001 quality management system, *ICH Q7: the Guidelines for the Good Manufacturing Practice of APIs* and the *Good Manufacturing Practice*, it has established a sound quality management system and a perfect quality organization structure to monitor and manage the quality of products throughout their lifecycle. According to the quality policy, we comprehensively evaluate the Company's performance and product quality, set quality objectives, and decompose them to functional departments, promoting the enhancement and continuous improvement of the quality management system.



AU-GMP Certificate of Aurisco ISO 9001 Certification of Yangzhou Lianao



Quality Organizational Structure

Achievement of Quality Objectives in 2024

S/N	Items	Targets	Actualization of Quality Objectives
1	First-pass Yield of Finished Products	≥ 98%	Achieved
2	Customer satisfaction	Number of major quality incident complaints in 2024: 0	Achieved
3	Pass rate of quality audit	100%	Achieved

Quality Management Measures

The Company integrates quality management throughout the product lifecycle, including contract review, design control, document and data control, control of customer-provided products, product identification and traceability, process control, and inspection, to ensure that the products strictly comply with the relevant standards from design to delivery.

Quality Risk Management

We identify, analyze and assess quality risks from the perspectives of human, machine, material, law, environment and testing. For the identified quality risks, the Company defines the person in charge of quality risk prevention and control, and adopts a variety of means to implement scientific risk prevention and control, effectively avoiding or reducing risks. Any production process that affects product quality is configured with clear process specifications, and all process specifications must be verified by process. When there is a deviation from control requirements in the production process, it should be managed according to the deviation handling procedure. We regularly inspect raw materials, packaging materials, intermediates and finished products required. They can only be put into next production step after passing the inspection.

Case

Yangzhou Aurisco built a LIMS system to enhance quality control

In 2024, Yangzhou Aurisco built a LIMS system to realize the full traceability of pharmaceutical products from raw material procurement, production and preparation to finished product testing, record the testing data of each link, and ensure the integrity and accuracy of the data, helping the Company quickly locate the source of product quality problems, take corrective measures in time, and improve the controllability of product quality.

Nonconforming Product Management

The Company has established a standard procedure for handling nonconforming products, in order to control and strictly manage nonconforming materials or products that are found in the Company's daily receiving, inspection, production, packaging, and storage processes, preventing confusion and loss of nonconforming products. Nonconforming products must be clearly marked and placed in the nonconforming products warehouse, effectively isolate them and preventing misuse. The QA organizes relevant departments to review the cause analysis, corrective and preventive measures, and treatment suggestions for nonconforming products, which may include rework, reprocessing, scrapping, etc. After reworked, the nonconforming products must be re-assessed for quality, and can only be warehoused or used after passing the inspection.

Product Recall

The Company formulates the Management Procedures for Product Recall to clarify the responsibilities and collaboration methods of various departments, ensuring that products with quality problems or safety risks can be effectively recalled from the market, safeguarding patient medication safety, and preventing drug safety incidents. After the product recall is completed, the Recall Team prepares a Product Recall Report, clarifying the quantity of products issued, recalled and handled, and proposing corrective and preventive measures for approval by the General Manager.

The Company regularly conducts simulated recalls, and the QA comprehensively evaluates and confirms the selection of simulated recall products, batches, and market distribution factors to ensure the representativeness of simulated recalls, and evaluates the traceability, effectiveness, and feasibility of simulated recall experiments and product recall procedures. In 2024, there were no product recalls in the Company.

Product Recall Level

Level 1 recall	The medicine may cause or has caused serious health hazards, for example, wrong products (labeling and contents are different), recall ordered by domestic and foreign drug regulatory authorities, etc.	Products sold at home: recalled within 30 days Products sold abroad: recall within 60 days
Level 2 recall	The medicine may cause or has caused temporary or reversible health hazards, such as failure to meet quality standards (content, stability).	Products sold at home: recalled within 60 days Products sold abroad: recall within 90 days
Level 3 recall	The medicine generally does not cause health hazards, but needs to be recalled for other reasons, such as incorrect label and packaging pollution.	Products sold at home: recalled within 90 days Products sold abroad: recall within 180 days

Provision of High-Quality Service

Customer Relationship Management

Aurisco adheres to the core values of "customer-focused", specifically providing customers with safe and reliable products and services based on their needs. It also constantly optimizes the hardware and software resources such as manpower resource, infrastructure and technology so as to provide leading products and quality services to global customers.

We establish diversified communication channels with customers, including Email, telephone, on-site visits and exhibitions, ensuring that customers can get prompt assistance and support in the lifecycle of products, whether it is before, during or after sales. We extensively collect customer feedback, deeply understand the personalized needs of different customers, and apply these needs to the design, marketing, process improvement, and other business development of products and services, continuously improving customer satisfaction.

Case

Aurisco participated in CPHI CHINA 2024

In June 2024, Aurisco participated in the CPHI China 2024, showcasing its new products and achievements, cooperating and exchanging with multiple customers, collecting their opinions and suggestions, laying the foundation for building new connections and creating new value.



Customer Complaint Management

In order to ensure that customer complaints can be resolved in a timely and effective manner, and to protect the rights and interests of customers, the Company has developed the *Management Procedures for User Complaints Handling* and established a comprehensive closed-loop management mechanism for customer complaints. According to the impact of customer complaints on product quality, we divide complaints into major complaint, main complaint, and general complaint.

Customer Complaint Level

Complaints that seriously endanger or harm the safety of users, such as allergens in products, and TSE/BSE contamination
Complete preliminary investigation in 7 days, propose handling suggestions, and identify the scope of impact.

The product under complaint has inherent quality defects and risks that may endanger or harm the safety of users, such as non-compliance in content, purity, and loss on drying.
Complete the complaint investigation report in 10 working days and put forward preliminary handling suggestions.

Complaints that do not pose a risk to product quality and safety (such as particle size nonconformity) and complaints that have no clinical significance (such as label information and weight shortage)
Complete the complaint investigation report in 10 working days and put forward preliminary handling suggestions.



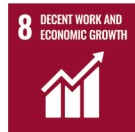
We analyze the causes of customer complaints, formulate targeted corrective and preventive measures, and evaluate their effectiveness, ensuring that each complaint is handled appropriately. Complaints are not closed until a satisfactory response is received from the customer. After the complaint is closed, if the customer has further feedback, the complaint will be re-investigated and fed back until the customer agrees. In 2024, the Company did not receive any customer complaints.



Responsibility Coordination to Draw a New Chapter in the Industry

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- Contribution to Industrial Development
- Sustainable Supply Chain



Contribution to Industrial Development

Aurisco makes it own mission to promote industry development, takes part in the industry ecosystem, participates in standard setting, and contributes to the standardized development of the industry. The Company has participated in many industry conferences, and had in-depth exchanges with domestic and foreign partners, continuously strengthening information sharing and work collaboration, discussing industry trends and challenges, and promoting the prosperity and sustainable development of the industry.

In 2024, one group standard was prepared.

- ◆ Byproduct of Chemical API Manufacturing – Sodium Iodide

Case

Aurisco participated in the 2024 TIDES Conference in the United States

In May 2024, Aurisco participated in the Oligonucleotide & Peptide Therapeutics (TIDES) conference held in Boston, USA. During the conference, Aurisco leveraged its own advantages to engage in exchanges and negotiations with industry colleagues on business cooperation. It focused on industry development strategies, trends and technologies, and shared the latest market dynamics to plot the future development of the industry. Aurisco intended to promote the exchange and circulation of industry resources, advanced the complementation of advantages, and joined hands to write a new chapter of mutually beneficial cooperation, contributing more wisdom, solutions and strength to the high-quality development of the industry.



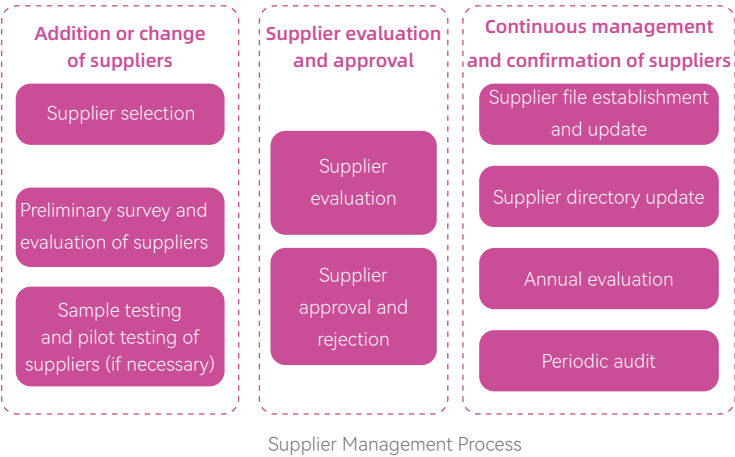
SUSTAINABLE CRDMO SERVICES
Modified Amides
GalNAc, ASOs, siRNAs, Aptamers
Oligo-Conjugates
Recombinant Peptides
R&D and cGMP Supply

Sustainable Supply Chain

Aurisco knows that good supply chain management is crucial to enhancing its core competitiveness. We integrate ESG concepts into supply chain construction and promote supplier diversification, creating more opportunities for vulnerable suppliers. We strive to create a responsible supply chain and work with upstream and downstream partners to build a sustainable supply chain ecosystem.

Supplier Control Procedure

In order to maintain the products always at high quality and high standard, we have formulated internal systems such as the *Standard Management Procedures for Material Classification and Supplier Management* and the *Supplier Audit Management Procedures*. Based on digital technologies, we have established a comprehensive supplier management process that covers all aspects of supplier addition or change, evaluation and approval, and continuous management and confirmation, strictly ensuring that suppliers meet company requirements and reducing supply chain risks.



Supplier Addition or Change


Supplier selection principle

- Two or three suppliers should be selected for materials that have a significant impact on product quality and are used in a large amount.
- The production organization and quality management of suppliers of APIs, pharmaceutical adjuvants and registered intermediates used in the production of preparations shall fully meet the requirements of GMP and comply with relevant statutory standards.
- Packaging materials and containers in direct contact with pharmaceutical products should comply with relevant statutory standards.


Supplier screening requirements

- The Purchasing Department selects potential suppliers based on the material specifications, and has a preliminary understanding of their qualifications, production capacity, price, reputation, delivery speed, etc.
- After distributing survey questionnaires to potential suppliers and getting back the answered questionnaires, the purchasers preliminarily evaluate and confirm that they basically meet the requirements, and then fill in the *Supplier Approval Form*.


Supplier evaluation and approval


Preliminary survey and evaluation of suppliers

- After receiving the Supplier Approval Form, the logistics QA evaluates and confirms the basic information and qualifications, and reviews the results of the questionnaire survey.
- The QA conducts a preliminary quality assessment based on survey questionnaires, information provided by the suppliers and relevant supporting documents to assess whether they can proceed with the next quality assessment.


Quality re-assessment of suppliers

- The QA evaluates the quality results of suppliers based on the results of incoming materials inspection and of materials inspection, providing a basis for supplier approval.
- After the purchased materials are used in formal production or production trial, the Production Department explains the use and results of the materials.


Audit and approval of suppliers

- The Logistics Department evaluates whether the supplier can be approved according to the comments of the QA and the Commerce Department.
- The QA Manager provides review comments on supplier approval.
- The QA Head comprehensively evaluates whether the supplier is approved as a qualified supplier.
- After the supplier is approved, it will be included in the catalog of approved suppliers.

Continuous Management and Approval of Suppliers

Quality assurance agreement signing	Supplier audit management
<ul style="list-style-type: none">• A separate quality assurance agreement is signed with the supplier or the quality assurance requirements are integrated into the procurement contract.• Intermediates suppliers should clarify that the production process of intermediates strictly follows GMP regulations and promise to accept the GMP audits and inspections by the Company and the regulatory framework.	<ul style="list-style-type: none">• We develop an annual audit plan, and conduct on-site audit, questionnaire audit or remote audit of suppliers according to ISO 9001 or GMP regulations.• On-site audits for new suppliers and those caused by emergencies may not be included in the annual audit plan.
Assurance of supplier continuous quality	Supplier evaluation
<ul style="list-style-type: none">• When materials provided by the same supplier are found to be non-conforming more than twice, the supplier will be warned and required to take corrective action.• In case of multiple nonconformities, the QA will determine and track the quality of three consecutive batches.• The material suppliers failing to pass the inspection for 5 times in a year will be revoked for its qualification.• The QA will track the supplier's handling methods and results for non-conforming intermediate materials.	<ul style="list-style-type: none">• Supplier evaluation includes quality evaluation, commercial evaluation, and usage evaluation.• Quality evaluation: Make a general evaluation on the overall quality of products provided by the supplier within one year.• Commercial evaluation: Conduct a detailed evaluation on the supplier's delivery speed, reputation and price once a year.• Usage evaluation: The Production Department evaluates the utilization of materials provided by the supplier in production within one year.
Establishment of supplier files	Management of supplier directory
<ul style="list-style-type: none">• The Purchasing Department collects relevant information and archives them in a timely manner to form a supplier file, and establishes a file list.	<ul style="list-style-type: none">• Based on the approved suppliers, the QA categorizes and establishes a catalog of qualified suppliers, and updates the directory every quarter.
Revoke of qualified supplier qualification	
<ul style="list-style-type: none">• For suppliers that fail to meet the requirements of the Company in audit and evaluation or have serious quality problems without correction, their qualification will be revoked.	

ESG Management of Supply Chain

Supplier ESG Management

The Company has formulated the *Sustainable Procurement Policies*, established the supplier ESG evaluation system, and put forward clear requirements for suppliers' labor and human rights, occupational health and safety, environmental protection, sustainable procurement management, etc. Priority is given to suppliers with outstanding ESG performance to be the long-term partners, so as to build a more responsible supply chain ecosystem.

Supplier ESG Evaluation System of Aurisco

<p>Labor and Human Rights</p> <ul style="list-style-type: none">• Prohibit the employment of child labor and forced labor• Follow the principle of voluntariness and legal requirements for overtime work, and ensure employees' right to rest• Advocate for diversity and inclusiveness, and strictly prohibit any form of discrimination• Monitor the labor and human rights in the supply chain, etc.	<p>Occupational Health and Safety</p> <ul style="list-style-type: none">• Detect occupational hazards in the workplace• Provide employees with personal protective equipment for free• Arrange annual occupational health examinations for employees, etc.
<p>Environmental Protection</p> <ul style="list-style-type: none">• Adopt environment-friendly business practices• Provide complete supply chain data to ensure transparency• Obtain internationally recognized environmental management certification• Implement resource- and energy-saving business practices and use green energy• Reduce environmental impacts by adopting eco-friendly and sustainable waste disposal methods, etc.	<p>Sustainable Procurement Management</p> <ul style="list-style-type: none">• Strictly comply with local and national laws and regulations• Maintain integrity in product quality and effectiveness• Avoid irregularities such as bribery and embezzlement, and properly protect trade secrets and intellectual property rights, etc.

We assess suppliers' ESG performance and evaluate their ESG risks through methods such as the *Supplier EHS Questionnaire* and the *Supplier Questionnaire on Human Rights and Labor*. The new suppliers who pass the audit need to sign the *Letter of Anti-Commercial Bribery Commitment*, the *Letter of Supplier Social Responsibility Commitment* and the *Supplier Code of Conduct* before they become qualified suppliers.

We conduct on-site audits on suppliers' social responsibilities and require them to provide qualification certificates and documents. Upon completion of the audit, we issue an audit report and send a list of deficiencies to the audited supplier. The supplier submits a corrective action report within 30 days after receiving the list. The audit can be closed only after the corrective measures responded by the supplier are approved, and the corrective measures will be verified on site in the next audit. In 2024, we conducted on-site audits on 20 suppliers.

While strengthening our own ESG construction, we also take the initiative to share ESG knowledge and excellent ESG practices with suppliers, help them carry out ESG management, and encourage them to improve their ESG management and performance. We provide independently developed training courses for suppliers, covering topics such as supplier code of conduct, anti-corruption and business ethics, quality management, occupational health and safety, environmental management, and labor rights, to promote mutual advancement in ESG work.

Purchaser Empowerment

Purchasers are an important part of sustainable supply chain. We actively carry out training for purchasers to enhance their awareness and ability for sustainable development, helping them better identify and effectively control ESG risks in the supply chain and ensuring the implementation of the Company's sustainable procurement policies. In 2024, the percentage of purchasers trained on sustainable procurement was 100%.



Green Development to Practice Low- Carbon Operations

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- Enhancement of Environmental Management
- Standardization of Pollution and Waste Management
- Optimization of Resource Utilization
- Climate Change Response
- Practices in Green Operations



Enhancement of Environmental Management

Aurisco adheres to the concept of sustainable development, strengthens environmental management throughout the entire lifecycle, continuously improves the environmental management system, intensifies the construction of environmental protection standardization, constantly enhances the environmental performance, and unremittingly reduces the impact of its operations on the environment while ensuring compliance.

In 2024, Aurisco and its subsidiaries invested about RMB

2643.2930 in environmental protection projects

without any environmental violations or penalties from the environmental protection department

Commitment to Environmental Management

- ◆ Prevent and control pollution throughout production and operation, and minimize the emission of pollutants;
- ◆ Comply with relevant national and local environmental laws, regulations and other requirements, and operate in a law-abiding manner;
- ◆ Continuously improve the Company's environmental behavior and environmental quality.

Environmental Management System

The Company strictly abides by the relevant laws and regulations of environmental protection, develops a number of internal environmental management procedures based on the ISO 14001 environmental management system, promotes standardized, systematic and scientific environmental management, and effectively fulfills its environmental responsibilities. In 2024, Aurisco, Yangzhou Lianao and Yangzhou Aurisco maintained the validity of ISO 14001 environmental management system certificate.



To ensure the comprehensive and efficient implementation of the environmental management system, we evaluate the environmental performance, including environmental policies, objectives, and indicators. Based on the evaluation results, we determine corrective measures and responsible persons, form a closed-loop management system, and further strengthen the effectiveness of the environmental management system, laying a solid foundation for the Company's green development.

Environmental Risk Control

The Company prepares emergency plans for environmental emergencies according to the requirements, ensuring to respond to environmental emergencies in a timely, scientific and effective manner, and minimizing their impact. In 2024, the Company revised the Emergency Plan for Sudden Environmental Incidents and re-filed it with Tiantai Branch of Taizhou Municipal Ecology and Environment Bureau on April 16, 2024 (File No.: 331023-2024-015-M). We also carried out emergency drills to test the effectiveness of the emergency plan and improve the overall emergency response efficiency.



Emergency Drills for Environmental Emergencies

We establish a Self-inspection System for Environmental Safety Risks, and implement self-inspections for environmental safety risks on a regular (special, seasonal, holiday, etc.) and irregular (daily) basis. For problems and hazards discovered, we take reliable corrective actions, ensuring they are corrected and effectively preventing and resolving environmental risks.

Self-Inspection for Environmental Safety Risks

- | | | |
|---------------------------------|--|--|
| ■ Chemicals storage | ■ Temporary storage of hazardous waste | ■ General solid waste dump |
| ■ Emergency response facilities | ■ Exhaust gas treatment system | ■ Rainwater collection and discharge system |
| ■ Fire alarm system | ■ Wastewater treatment system | ■ Operation and maintenance of environmental protection facilities |

Standardization of Pollution and Waste Management

Aurisco strictly abides by the environmental control requirements, and intensifies the control and management of wastewater, exhaust gas, waste and other pollutants, ensuring compliant discharge and treatment. It is committed to minimizing the impact of production and operation on the environment, and preventing the occurrence of environmental pollution incidents.

Wastewater Treatment

The Company selects the wastewater treatment processes with strong applicability, advanced and reliable technology, mature and stable process, high treatment effect, low operating cost, and convenient operation and management. It establishes standard operating procedures for wastewater treatment, understands the wastewater discharge through the combination of online and manual monitoring, and strictly guarantees that the discharge meets the standards.

The high-concentration process wastewater is pre-treated by Fe-C micro-electrolysis and Fenton oxidation to reduce its biological toxicity and improve its biodegradability. After treatment, the high-concentration wastewater is mixed with low-concentration one, and further treated by anaerobic-anaerobic-aerobic activated sludge method to reduce pollutants concentration in wastewater including COD, ammonia and phosphorus, suspended matter.



Aurisco Wastewater Treatment Plant



Yangzhou Aurisco Wastewater Treatment System

In addition, we have formulated the *Operational Procedures for Emergency Wastewater Treatment* and established emergency plans for abnormal wastewater discharge. When the COD value measured by the automatic monitoring meter at the wastewater discharge outlet is up to the warning value, or when the COD value measured by manual daily sampling reaches the warning value, we appoint dedicated monitoring personnel to test the quality of the water discharged from the main wastewater section. When the wastewater treatment system fails, we use the emergency wastewater collection tank. The high-concentration wastewater generated in the workshop is collected into the high-concentration water collection tank, and the low-concentration wastewater is collected into the emergency low-concentration wastewater collection tank. Domestic sewage and laboratory wastewater are stored in the comprehensive collection tank of the wastewater treatment system.

Exhaust Gas Treatment

The Company strictly adheres to the requirements of laws, regulations, and standards such as the *Law of the People's Republic of China on the Prevention and Control of Air Pollution*, the *Integrated Emission Standard of Air Pollutants*, and the *Emission Standard of Air Pollutants for Pharmaceutical Industry*. It formulates the *Operating Procedures for Exhaust Gas Treatment*, and insists on the comprehensive treatment of exhaust gas from the source, process, monitoring, equipment inspection and maintenance and other aspects, ensuring stable and compliant emissions and safeguarding the clean and blue sky.



Source

- On the premise of meeting the requirements for use and quality, purchase equipment that generates less exhaust emission or no exhaust gas.



Process

- The exhaust gas containing halogen from the production workshop needs to be treated and discharged through resin adsorption/desorption device and then through regenerative thermal oxidizer (RTO) system;
- Non-halogenated exhaust gas from the production workshop, as well as exhaust gas from wastewater stations and hazardous solid waste room are directly treated and discharged through the RTO system.



Equipment Inspection and Maintenance

- Local employees on duty are responsible for conducting daily inspections of the spray tower and keeping records;
- Regularly maintain the spray tower;
- Inspect the exhaust gas pipe regularly, and keep records.



Adsorption Device



RTO Device

Waste Treatment

Following the principle of "minimization, recycling, and harmlessness" in waste management, the Company classifies and manages general waste and hazardous waste, improves the treatment efficiency in terms of waste generation, storage and transfer, and continues to explore comprehensive utilization of waste.

Waste Treatment Methods

Type	Treatment Methods
Household waste	◇ Commission the sanitation department for treatment.
General waste	◇ Collected centrally and handed over to a third party for recycling and reuse.
Hazardous waste	◇ Strictly dispose of hazardous wastes in accordance with the <i>Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste</i> , the <i>Standard for Pollution Control on Hazardous Waste Storage</i> , and the <i>Management Measures for the Transfer of Hazardous Waste</i> , develop a comprehensive hazardous waste management plan, and clarify the types, weights (quantities), and flow directions of hazardous waste to be transferred;
	◇ The EHS Department implements measures and responsibilities for the declaration and registration of hazardous wastes, and assign a dedicated person to handle the declaration and registration of hazardous wastes through the "Solid Waste Management Information System";
	◇ All containers and packages containing hazardous waste are pasted with hazardous waste labels, and facilities and places for storing hazardous wastes are set up with hazardous waste storage facility signs and hazardous waste storage zoning signs;
	◇ Entrust qualified institutions to treat the hazardous wastes, manage the whole process with hazardous waste manifest system, and keep the files of hazardous wastes;
	◇ Develop emergency plans for hazardous waste according to law, and organize annual drills as per the plans.

Case The Company improved production processes and reduced wastes

The Company improved the process of Abiraterone Acetate product line, used the original hazardous waste filter residue as raw material to prepare sodium iodide, and sold it as a by-product. With an annual output of 30 tons of Abiraterone Acetate, 44 tons of sodium iodide was prepared, achieving comprehensive utilization of filter residue and reducing waste generation, with high environmental and economic value.



Main Equipment for Sodium Iodide Preparation

Case Yangzhou Aurisco reduced waste emissions with multiple measures

For reducing sludge in wastewater treatment,: the water in sludge was first removed by a sludge dewatering crew press, and the sludge was dried by a rake dryer to remove residual moisture and solvents, reducing the amount of sludge produced. In 2024, 12.96 tons of sludge in wastewater was disposed of by this method.



Sludge dewatering crew press

Rake Dryer

For reducing waste solvents: the height of distillation column was increased in the distillation workshop, and the solvent was distilled to reach the standard for recovery, further improving the recovery rate, minimizing the amount of waste solvents generated, and lowering production costs.



Distillation Unit

Noise Abatement

The Company has formulated the *Noise Pollution Prevention and Control System* in accordance with the requirements of the *Law of the People's Republic of China on Prevention and Control of Noise Pollution*, the *Emission Standard for Industrial Enterprises Noise at Boundary*, etc., comprehensively strengthening the daily noise control and reducing the impact on surrounding environment. In 2024, the Company's noise monitoring data were all compliant.

Noise Control Measures

Prevention and control at source

- ★ Gradually update and replace noisy equipment;
- ★ Comply with the “Three Simultaneities” requirements for new construction, expansion and reconstruction projects;
- ★ Increase the vertical greening area around production workshops;
- ★ Enhance the lubrication and maintenance of noisy equipment.

Prevention and control of individuals

- ★ Organize more training on occupational health and safety for employees, and enhance personal noise protection measures and occupational health and safety awareness;
- ★ Employees should wear noise-proof earplugs or ear caps when entering the places where noise is still loud after noise source treatment.

Noise monitoring

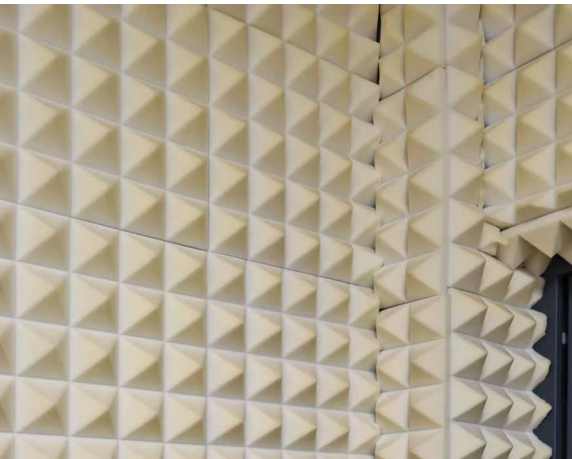
- ★ Entrust a qualified third party to regularly detect noise sources and plant boundary noise in the production area.

Noise monitoring within the plant

- ★ The responsible persons of each production workshop get to know the operation status of noise sources through listening, observing, and questioning during production; equipment maintenance and repair personnel need to strengthen the maintenance of noisy equipment, discover abnormalities and troubleshoot them in time, and make appropriate emergency preparations and responses;
- ★ Learn about daily feedback from surrounding residents and internal staff on noise issues, and inspect, repair or replace relevant facilities and equipment promptly to prevent noise pollution.



Noise-canceling Headphone



Soundproof Room

Optimization of Resource Utilization

Water Resource Management

In Aurisco, the water is taken from tap water, without negative impacts brought on local water resource management. The Company strictly abides by the *Water Law of the People's Republic of China* and other laws and regulations, actively responds to the national call for water conservation, and maximizes the efficient utilization of water resources. We advocate the initiatives of water conservation, technological innovation and process optimization among employees to incorporate the concept of water conservation into production and operation. We install smart water meters in the workshops to prevent water leakage and strictly control water consumption. In 2024, our total water consumption was 306,649 tons.

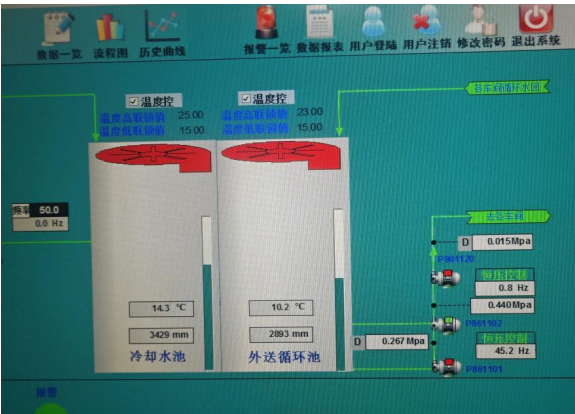


Zhejiang Water Conservation Benchmark Enterprise

Aurisco and its subsidiaries set up a circulating cooling water system, which is used to collect steam condensate and send it to the circulating water system for reuse, so as to improve water resource utilization. We regularly check the circulating cooling water system, including pipes, valves, cooling towers and other devices, ensuring the safe and stable operation of the system.



Circulating Water Pump



Constant Pressure and Variable Frequency Control of Circulating Water Pump

Energy Management

As a production-oriented enterprise, Aurisco regards energy conservation, emission reduction and green low-carbon as one of the important strategies for sustainable development. We develop a comprehensive energy management system, set clear energy management objectives, and establish a dedicated energy management organization with full-time and part-time energy managers and statisticians, to strengthen the whole process of energy management and maximize energy efficiency. We actively purchase green electricity, constantly optimize the energy mix, and inject clean energy into the Company's development.



Green Electricity Consumption Certificate of Aurisco



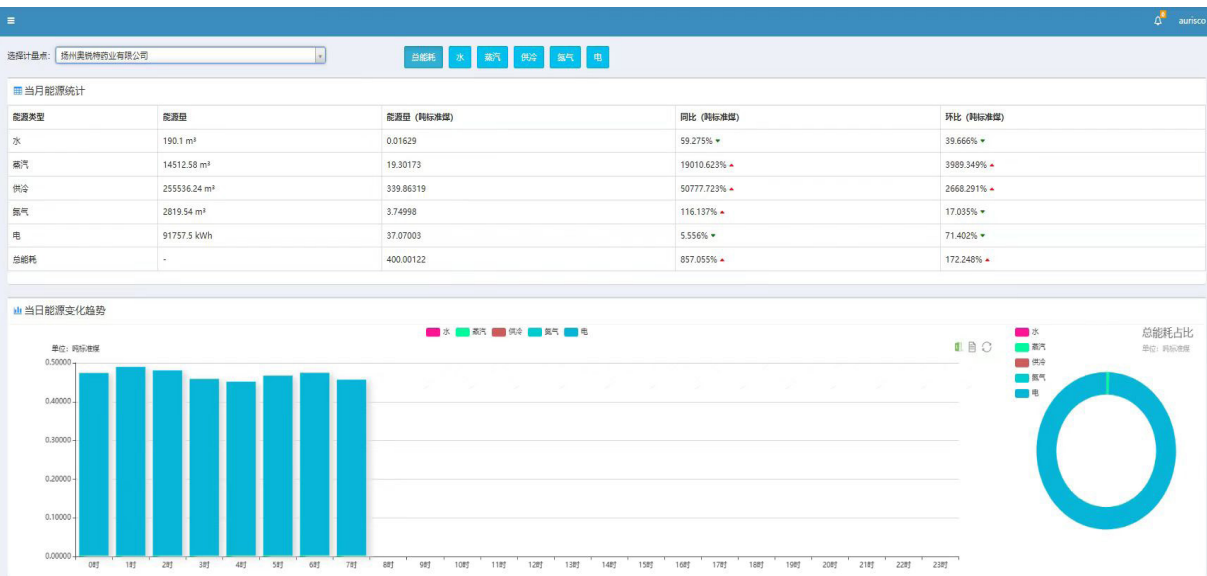
Green Electricity Certificate Transaction Voucher of Aurisco



Green Electricity Certificate Transaction Voucher of Yangzhou Aurisco

Intelligent Energy System

Yangzhou Aurisco has launched an intelligent energy system, which monitors the consumption data of various types of energy in real time, calculates and analyzes the energy consumption level and energy efficiency of the process flow, and applies big data analysis technology to identify energy usage patterns, explore energy-saving potential, and further improve energy efficiency. Moreover, we will continue to upgrade the system, expand the application scope of the system, cover secondary and tertiary power distribution facilities, and build a unified intelligent energy management platform. In 2024, thanks to the intelligent energy system, the on-site operators of Yangzhou Aurisco strictly controlled electricity consumption in peak, flat and valley periods without affecting the production of the workshop, making the proportion of power consumption at peak time drop from 36.0% to 30.2%, and achieving the purpose of energy saving and consumption reduction.



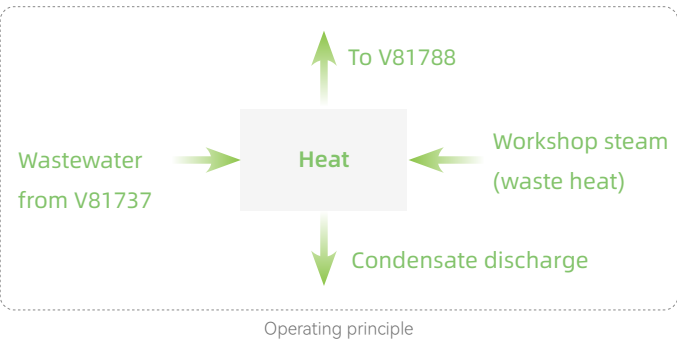
Intelligent Energy System

Energy Conservation and Consumption Reduction Projects

We pay attention to our own energy consumption, analyze energy-saving potential, and promote a series of energy conservation and consumption reducing projects. We effectively save energy resources and improve energy efficiency by using energy-saving equipment, phasing out high-energy-consuming and old equipment, and utilizing waste heat, etc.

Case Aurisco carried out waste heat reuse project

Aurisco launched a waste heat recycling project, replaced the spiral-plate heat exchanger, and transferred the generated steam waste heat to the wastewater treatment system. The wastewater from V81737 (equipment number) entered V81788 (equipment number) after heat exchange in the heat exchanger, not only significantly improving the utilization efficiency of waste heat, but also reducing the direct discharge of waste heat and reducing the negative impact on the environment.



Case

Yangzhou Lianao promoted multiple energy-saving renovation projects, promoting energy efficiency in the first place

Heating Energy Transformation: Upgrade the direct heating of individual steam device into centralized heating, saving about 300 tons of steam per month.

Replacement with Electric Forklifts: Purchase the electric forklifts, and replace existing diesel forklifts achieving the purpose of energy saving, reducing the exhaust emissions generated by the forklift, and making the production more energy-efficient and eco-friendly.



Electric Forklift

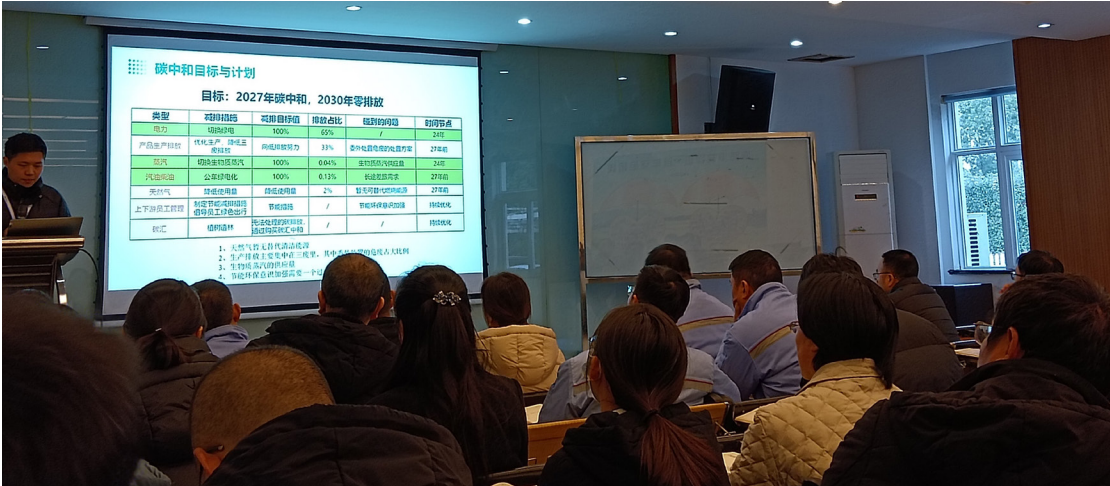
Reinforcement of Energy Conservation Awareness

We carry out various forms of publicity activities on energy conservation and emission reduction, including posters, special lectures, and training. We intend to publicize the policies on energy management and the knowledge on energy conservation and emission reduction to employees, create a green and low-carbon atmosphere with all employees engaged, enhance their awareness of energy conservation, and strive to set a model of green and sustainable development.

Case

The Company held a mobilization meeting on "carbon neutrality, energy conservation and emission reduction"

In January 2024, the Company held a mobilization meeting on "carbon neutrality, energy conservation and emission reduction". The meeting focused on the target plan for carbon neutrality, the 2024 target plan for energy conservation and emission reduction, and the current status of energy utilization. At the meeting, we introduced the news on existing carbon neutrality, energy conservation and emission reduction, guided employees to care about energy management, actively implemented the 2024 work plan, refined the means of energy consumption data collection, and improve the Company's energy management system.



Climate Change Response

Governance

It is a global consensus to take positive climate actions. Aurisco integrate the functions related to climate change response into the ESG system, establish a climate governance structure led by the board of directors, set up a carbon neutrality team to promote the identification, assessment and management of climate-related risks and opportunities from top to bottom, and respond to stakeholders' concerns about climate issues.

Aurisco Architecture of Climate Governance

Hierarchical Function	Hierarchy Name	Responsibilities
Top governance and decision-making level	Board of Directors	<ul style="list-style-type: none">Review and confirm climate change response systems and mechanisms;Review the strategic planning, objectives and implementation progress of climate action, and the identification, assessment and management of climate risks and opportunities.
Management Level	Carbon Neutrality Team	<ul style="list-style-type: none">Guide the design and implementation of goals and measures related to climate change issues;Identify, assess and manage risks and opportunities related to climate change;Develop climate action strategic plans, development goals, institutional policies, etc.
Execution Level	Collaborative departments	<ul style="list-style-type: none">Promote the implementation of climate action at all business terminals;Cooperate with the implementation of climate strategies.

Strategy, Risk and Opportunity Management

We recognize that is significant to develop a scientific climate strategy for the Company's green transformation and sustainable development. The Carbon Neutrality Team identifies, assesses and manages the short -, medium - and long-term impacts of significant climate change risks and opportunities on the Company in conjunction with the systematic guidance from the Task Force on Climate-Related Financial Disclosures (TCFD), develops targeted countermeasures based on the identification results, actively addresses the challenges of climate change, seizes the opportunities brought by climate change, and continuously enhance climate resilience.



Climate Change Risk/Opportunity Impact Analysis and Countermeasures

Type	Risk and Opportunity	Risk and Opportunity Description	Impact Period	Impact Degree	Countermeasures
Physical Risk	Acute physical risk	<ul style="list-style-type: none">● Extreme weather caused by climate change may affect employees' commuting and even result in personnel and property damage;● Extreme weather may cause road blockage, preventing prompt delivery and affecting supply chain stability.	Short to medium term	Medium	<ul style="list-style-type: none">● Formulate complete emergency plans and conduct emergency drills;● Enforce supplier diversification policies and strengthen the overall environmental risk management in the supply chain.
	Chronic physical risk	<ul style="list-style-type: none">● Climate change causes abnormal global temperature, affecting refrigeration equipment and thermal facilities, resulting in higher operating costs;● Global change causes sea level rise, affecting the security and stability of coastal foundations.	Long term	Low	<ul style="list-style-type: none">● Introduce advanced and intelligent equipment and facilities, and strengthen energy management;● Construct the Yangzhou production base to enhance climate resilience.
Transition risk	Policy/legal risk	<ul style="list-style-type: none">● Climate change related policies/laws are becoming more stringent in various regions around the world; regulatory requirements should be met in all operational processes; failure to meet these requirements may result in penalties.	Short term	Medium	<ul style="list-style-type: none">● Pay attention to domestic and international policies/legal updates, and communicate and collaborate with internal departments in time.
	Market risk	<ul style="list-style-type: none">● Green and low-carbon products are preferred on the market, and failure to meet customers' demand for low-carbon manufacturing may lead to loss of orders and market share.	Mid to long term	Medium	<ul style="list-style-type: none">● Promote the development of green products and provide more products that meet market expectations.
	Technical risk	<ul style="list-style-type: none">● Enhancement of innovation capabilities is required to control product carbon emissions, which may result in increased operating costs.	Mid to long term	High	<ul style="list-style-type: none">● Conduct research on carbon emission reduction technologies and promote innovation in energy-saving technologies;● Introduce new technology R&D talents and strengthen employees' innovation ability.
	Reputation Risk	<ul style="list-style-type: none">● Stakeholders' concern about climate is increasing, and failure to take positive climate action could damage the reputation;● Negative impacts on climate and environment during production and operations may result in negative public opinion and exposure to reputation risk.	Short to medium term	Low	<ul style="list-style-type: none">● Take positive climate action and strengthen greenhouse gas management;● Strengthen climate information disclosure and communicate progress in addressing climate change and carbon reduction through ESG reports and other means.

Opportunities	Clean energy	<ul style="list-style-type: none">● Promoting clean energy is an important initiative to achieve carbon neutrality, and climate change has gradually increased the accessibility of clean energy.	Mid to long term	Medium	<ul style="list-style-type: none">● Increase the proportion of clean energy and continuously improve the energy mix;● Actively purchase green electricity to reduce greenhouse gas emissions.
	Emerging Market	<ul style="list-style-type: none">● Respond to customer demand for green and low-carbon products, bring new market opportunities to the Company, and help to enter emerging markets.	Mid to long term	High	<ul style="list-style-type: none">● Accelerate technological innovation, conduct environmental impact assessments throughout the product lifecycle, and control carbon emissions from key products.
	Climate Resilience Enhancement	<ul style="list-style-type: none">● Climate change response is conducive to continuously enhance the Company's adaptability and create greater space for seizing climate opportunities.	Long term	High	<ul style="list-style-type: none">● Develop a scientific and rational path to realize carbon neutrality;● From the perspective of the lifecycle of the whole value chain, focus on clean energy opportunities, energy-saving technological upgrades, green supply chain construction and other aspects to continuously improve climate resilience.

Metrics and Targets

Aurisco actively implements the strategy of "peak carbon dioxide emissions and carbon neutrality", actively responds to the Science Based Targets initiative (SBTi), follows the 1.5 °C temperature control path, and sets scientific emission reduction targets. The Company signed the *Letter of SBTi Commitment* in April 2023, committing to setting emission reduction targets.

We have formulated documents such as the *Management Procedures for Identification and Quantification of Greenhouse Gas Emission Sources*, set up a dedicated greenhouse gas management team, organized activities for

the identification and quantification of greenhouse gas emission sources with reference to ISO 14064 and other standards, systematically promoted the inventory and management of greenhouse gases, and evaluated our performance in climate change response. Moreover, we carry out greenhouse gas verification training and summarize the results to improve the carbon management capabilities of relevant personnel. In the future, we will refer to ISO 14067 and other standards to carry out product carbon footprint verification and provide data support for continuous improvement of product environmental performance.



Summary of GHG Verification Training

Practices in Green Operations

Green Culture

We carry out a wide range of environmental protection publicity and training, aiming to create an atmosphere of "green environment, full participation", and continuously improve employees' enthusiasm for environmental protection. In 2024, we organized environmental protection activities from time to time to deepen the green culture in the mind of employees and create a green home together.

Case Aurisco launched the "Mountain Cleaning Action"

In November 2024, Aurisco launched a Mountain Cleaning Action" with the theme of "Clean the Mountain for a New Look, We are in Action". The Carbon Neutrality Team joined hands with the staff of the EHS Department to pick up man-made waste along the road and promote the concept of "Save Energy, Reduce Emission, Create a Better Future", creating a good green culture and contributing to the construction of a green home.



Green Office

The Company advocates green office by starting from "saving water, energy and materials", encourages employees to participate in green development, continuously advance the process of green office, and form a green and low-carbon work and life styles, in order to reduce the impact on the environment.

Water Saving

- Make statistics on monthly water consumption; identify causes and take corrective measures if there are any abnormalities;
- Strengthen the management of local water equipment and prevent water leakage. The tap is turned off immediately to prevent the case of long running water.

Energy Saving

- Adhere to the principle that whoever applies for electrical equipment in public areas is responsible, and turn off all power supplies in time after use;
- Turn off all electrical appliances in office areas after work;
- Set the air conditioner temperature not exceeding the standard. The air conditioner temperature should not be set lower than 26 °C in summer, and not be higher than 20°C in winter.
- Minimize the use of lighting fixtures when natural light is sufficient and make full use of natural light;
- Plan reasonable routes before traveling to reduce fuel consumption.

Material Saving

- Promote paperless office and reduce paper consumption. When copying and printing documents, print the paper on both sides as far as possible; if the paper is printed on one side, the other side can be used as appropriate.
- Recycle reusable raw and auxiliary materials and never discard them at will.

Green Buildings

We introduce the concept of green buildings in engineering construction. Yangzhou Aurisco is constructing a first-class industrial building, which meets the requirements of Table 3.1.12-6 in the *General Code for Energy Efficiency and Renewable Energy Application in Buildings* (GB55015-2021) through energy-saving design of enclosure structure insulation and air conditioning system, so as to achieve the purpose of reducing energy consumption of air conditioners in summer.





People Foremost to Pass on Warmth and Power

Aurisco is fully aware that employees' sense of happiness and belonging is vitally important for the Company's prosperous development. We adhere to the principle of putting people first, respect and safeguard the legitimate rights and interests of employees, and establish a sound compensation and welfare mechanism and a training and development system. We share the development achievements with employees, and take their health and safety as the premise of development, continuously reducing occupational health and safety risks. Moreover, as a responsible corporate citizen, we take the initiative to engage in social welfare and contribute to the prosperity and harmony of the community.

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- Improvement of People's Wellbeing



Protection of Employees' Rights and Interests

Human Rights Protection

The Company strictly abides by laws and regulations such as the *Labor Law of the People's Republic of China*, and actively follows the *Universal Declaration of Human Rights* issued by the United Nations and the core conventions of the International Labor Organization. We resolutely prohibit child labor, discrimination, harassment, forced labor and other violations of employees' human rights, and persistently create a fair and harmonious working environment. We have established a comprehensive labor risk management mechanism to effectively protect employees' human rights. In 2024, we found no violations of employees' human rights.

Management Procedures for Employees' Human Right Risks

Risk Classification and Identification

- Analyze the risks, including child labor and discrimination, in accordance with relevant government laws and regulations, customer social responsibility requirements, and relevant international codes of conduct.

Risk Assessment

- Conduct an annual labor risk assessment, determine the risk rank according to "possibility of occurrence", "frequency of occurrence", and "severity of consequences", fill out the labor risk identification and assessment form, and form a list of major, higher, moderate and minor risks.

Risk Control

- Develop management and control measures against different levels of risks;
- Develop internal audit plan, check its implementation status regularly, analyze the inspection results, and formulate improvement countermeasures;
- Constantly improve preventive measures, facilitate complaints and whistle-blowing channels, and effectively prevent and control various labor risks.

Remedial Action

- Strictly hold accountable and provide legal aid, psychological counseling, etc. for those affected;
- Enhance employees' awareness of human rights through daily training and identify potential violations of human rights.

Remedial Actions for Key Labor Risks

Key Labor Risks	Specific Description	Remedial Measures
Child Labor	<ul style="list-style-type: none"> Strictly abide by the <i>Regulations on Prohibiting Child Labor</i>, prohibit the recruitment of child labors under the age of 16, and strictly check the age and other information of applicants during recruitment to avoid the risk of employing child labor. 	<ul style="list-style-type: none"> The Human Resources Department first report the case to the local labor department for reviewing and confirming the case.
Discrimination	<ul style="list-style-type: none"> Ensure that no one is discriminated against based on geography, race, religion, gender, age, marital status, disability, nationality, etc. when engaging in employment activities such as recruitment, training, promotion, rewards, and benefits distribution. 	<ul style="list-style-type: none"> Conduct investigations as soon as discovering relevant incidents or receiving complaints, and provide reasonable assistance to victims, such as legal aid and psychological counseling.
Harassment	<ul style="list-style-type: none"> Prohibit all forms of harassment, including but not limited to sexual harassment, verbal harassment, and physical harassment. 	<ul style="list-style-type: none"> Impose severe penalties on those who violate human rights, and refer those who violate the law to the judicial authorities to be dealt with in accordance with the law.
Forced labor	<ul style="list-style-type: none"> Conclude labor contracts according to law, prohibit using forced labor or employing prisoner, enslaved workers or trafficked workers, and ensure that employees are free to choose their jobs. Employees do not need to pledge their identity documents, passports or deposits as a condition of employment. Employees have the freedom to resign upon reasonable notice. 	<ul style="list-style-type: none"> Provide labor and human rights training to enhance employees' awareness and sensitivity.

Channels for Reporting Employees'

Human Right Complaints

Tel: 0576-83177286

Email: auriscohr@aurisco.com

Key Performance in 2024

Number of confirmed violations
of employees' human rights:

0

Number of complaints on employees' human rights:

0

Inclusiveness and Diversity

Diversity is an important source of corporate vitality and can stimulate the full potential of the team. Aurisco always holds a open and inclusive attitude in employment, respects and appreciates the differences among individuals, and works on promoting communication and integration among employees from different backgrounds, creating a diversified employment environment.

We are concerned about the welfare of people with disabilities and provide them with equal employment opportunities and welfare protection under the premise of normal business operations. We strive to explore new modes of education for employees with disabilities, create a new education service system, help them integrate into large families in Aurisco, and support them in realizing their full potential. By the end of 2024, the Company employed 7 employees with disabilities.

Female employees play an important role in "supporting half of the sky" in the sustainable development of Aurisco. We adhere to the principles of gender equality and equal pay for equal work, fully respect the value and special rights and interests of female employees, encouraged them to explore and seize career development opportunities, and help them optimize creative ability. We clarify the protection measures for female employees during menstruation, pregnancy, childbirth, breastfeeding and menopause, and designate full-time and part-time staff to take charge of labor protection for female employees. In addition, we organize special physical examinations for female employees to safeguard their health. To enhance concerns on female health, Aurisco provided free physical examination for female employees and family members of male employees in May 2024.



Physical Examination for Female Employees



We also carry out a variety of exclusive activities for female employees, offer special condolences to them on Women's Day, fully demonstrating our care and respect for them, and enhance their sense of happiness and belonging. In March 2024, Yangzhou Lianao organized female employees to watch movies on International Women's Day (March 8). Yangzhou Aurisco invited experts to make speeches on health, career planning, family relationships, and other topics to female employees, and awarded holiday condolence money.



Yangzhou Lianao Organized Female
Employees to Watch Movies

Yangzhou Aurisco Organized Health
Lectures for Female Employees

Key Performance in 2024

Number of employees
with disabilities:

7

Percentage of female employees:

33.58%

Number of female employees:

599

Percentage of female executives:

50%

Enhancement in Democratic Governance

The Company respects employees' rights to equal consultation, collective bargaining and freedom of association, build diversified communication channels for employees, understand their needs and voices, and solve their problems and difficulties in work. We also safeguard their rights to participation, expression and information, promote the organic combination of democratic supervision and management, and assist in the common development of the Company and employees.

Labor Union Management

The Company establishes a labor union organization according to law, strengthen communication and cooperation between employees and executives, and jointly promote the harmony and stability of labor relations. Through collective consultation meetings and other forms, the labor union conducts equal consultation and makes resolutions on matters related to the practical interests of employees, such as salary, protection of female workers' rights and interests, and labor hygiene, so as to effectively protect the legitimate rights and interests of employees.

Case

Aurisco collectively consulted on ability-level wages to achieve mutual benefit and progress between the Company and employees

In June 2024, the labor union of Aurisco set up a leading group for collective consultation of ability-level wages, and recommended and elected employee representatives to collectively negotiate the ability-level wages with the Company on behalf of employees. Both parties engaged in equal negotiations on how to expand the channels for employee promotion and development, and increase allowances, subsidies and special awards for honors. In July, a congress of workers and staff was held to sign the *Agreement on Collective Consultation of Ability-Level Wages*, the *Special Collective Agreement for the Protection of Women's Rights and Interests*, the *Special Collective Contract for the Protection of the Rights and Interests of Female Employees*, the *Special Collective Contract for Labor Safety and Health*, the *Special Collective Contract for Working Conditions*, and the *Special Collective Contract for Training and Career*, achieving mutual benefit and progress between the Company and employees.

Employee Symposium

The Company regularly organizes symposiums to encourage employees to communicate and exchange with the Company in an open and honest way, and establishes an effective and orderly mechanism for expressing their demands. For the demands of employees, we strive to respond and solve them in a timely manner, ensuring that every demand is responded and every issue is addressed, continuously improving employee satisfaction.



Employee Symposium

Key Performance in 2024

Percentage of employees signing collective contracts: **100%**

Implementation of Welfare and Care

Compensation and Benefits

We follow the principles of distributing according to work, prioritizing efficiency, and taking into account fairness and sustainable development. Based on the contributions, abilities, and responsibilities of employees, we establish a compensation system that is suitable for the Company's development needs. We provide employees with competitive compensation packages in the industry and in the region, fully tap into their potential, and achieve the goal of "attracting, retaining, and motivating talents". The compensation includes attendance, allowance, performance, bonus and other parts, which are both fair and incentive, continuously enhancing talent attraction. We make salary adjustment plan according to price index, market situation, business performance, etc., hereby achieving coordinated development between employees and the Company.

Compensation Structure		
Attendance	Attendance pay Overtime pay	Allowance Academic qualification allowance Third-shift allowance Team leader allowance Seniority allowance Post allowance Professional title allowance Skill allowance
Performance	Mission performance GMP performance EHS performance	Bonuses Special bonus Year-end bonus Benefit bonus
		Others Transfer fee Vacation allowance Apprenticeship allowance Pension benefit, etc.

On the basis of providing competitive compensation, we continue to optimize our welfare management system and provide diversified welfare support to enhance employee happiness and solve their difficulties. In addition to statutory benefits, we also provide employees with health benefits, livelihood benefits, holiday benefits, etc. to ensure that they live a healthy life and work happily.

Aurisco Employee Welfare System

Statutory Benefits	Endowment insurance, medical insurance, employment injury insurance, maternity insurance, unemployment insurance, and housing provident fund; vacation leaves such as marriage leave, maternity leave, breastfeeding leave, childcare leave, nursing leave, bereavement leave and statutory holidays.
Health Benefits	Commercial medical supplementary insurance, quarterly labor insurance, employee physical examination, Free medical diagnosis for employees, exclusive physical examination for female employees, etc.
Livelihood Benefits	Meal subsidies, high temperature subsidies, rental subsidies, travel expenses for visiting relatives, travel expenses for funeral leave, etc.
Holiday Benefits	Benefits for Mid Autumn Festival, Spring Festival, Women's Day, etc.
Other Benefits	Travel benefits, departmental activity funds, etc.



Free Medical Diagnosis for Employees



Mid-Autumn Festival Party

Employee Care

We care for every employee, organize a variety of employee care activities, enrich their leisure time, and continuously enhance their sense of belonging and acceptance. We pay attention to employees' mental health and provide assistance to those in need, fully demonstrating our humanistic spirit.

Work-Life Balance

We encourage employees to enrich their daily life after work, guide them to develop hobbies and interests by organizing diversified activities, including fun sports games, basketball games, table tennis games, and billiards games, create a healthy and civilized staff culture, and achieve a balance between their work and life.



Sports Games



Basketball Games



Table Tennis Games

Case Aurisco organized “the Third Billiards Games”

In order to enrich the spiritual and cultural life of employees, the Company held the "Third Billiards Games" in April 2024. The employees actively participated in the games, demonstrating the aggressiveness and united spirit of Aurisco and enhancing the cohesion of employees.



Mental Health Care

The Company attaches great importance to the psychological health of employees, and strives to build a mechanism to protect the psychological health of employees by combining internal psychological counseling and external resources. In August 2024, Yangzhou Lianao invited external experts to provide mental health training for employees. They introduced the basic knowledge of mental health, psychological adjustment skills, mental illness identification and intervention, etc., helping employees to do a good job of stress management, relieving negative emotions, and enhancing their ability of psychological adjustment.



Assistance for Employees in Difficulties

We establish a regularized assistance mechanism for employees in difficulties, and treat their difficulties as those of the Company. We focus on the needs of employees in difficulties, actively coordinate the forces of all parties, and convey the deepest condolences to employees for “marriage, illness, injury, childcare and retirement”, fully demonstrating the spirit of unity and mutual assistance of Aurisco.

Support for Employee Growth

Employee Training

We follow the principle of combining training with operational need and emphasizing effectiveness, strive to provide employees with comprehensive and customized training programs, create a training system with Aurisco characteristics, develop the Company into a learning organization, and improve the comprehensive quality of all employees. The Human Resources Department develops an annual training plan based on job training needs. Through a combination of online, offline, internal and external training, we carries out new employee training, on-the-job training, general skills training and other types of training activities in an orderly and efficient manner to help employees in different positions and at different levels give fuller play to their own values and potentials.

Aurisco Training System

Content

- Pre-job training for new employees
- Training on corporate culture, rules and regulations
- EHS, GMP and other related professional knowledge
- Training on job descriptions and related requirements
- Skills and qualifications for special operations and special equipment
- Training on business knowledge
- Training on the necessary skills and qualifications required for cadre promotion and transfer
- Training on management concepts, skills, and methods for executives at all levels
- On-the-job education and training
- Other training required by the Company

Mode

- Self-study by employees
- In-class teaching
- On-site training
- Problem-based learning
- Online training

Type

- Internal training
- External training



Training on Motivation and Cultivation



Training on Management Essentials of Role Recognition

We appoint competent employees as trainers, develop Internal Trainer Management Measures, and enhance the professionalism and specialization of the Company's internal trainers with complete internal training resources and scientific selection, assessment and incentive mechanisms for internal trainers, to achieve standardized and scientific management of internal trainers. At the end of each year, the trainer evaluation team selects the annual gold medal internal trainer according to the number of courses, class hours, training feedback, and summary evaluation of the training applicant, and issues honorary certificates and gives certain material rewards to the employees who are awarded the annual gold medal internal trainer. Under equal conditions, employees with the qualification of internal trainer enjoy priority in technical sequence promotion, which encourages them to actively participate in the Company's internal trainer construction.

Key Performance in 2024

Training coverage rate: **100%** Percentage of employees undergoing skills-related training: **100%**

Employee Development

The Company works to provide employees with fair development opportunities and unimpeded development channels, set up four major sequences (management, research and development, professionalism, and operation), clarify the job responsibilities and promotion conditions of each sequence, and strive to create a scientific and reasonable promotion system. We insist on developing talents through practice, helping employees make appropriate career plans and select suitable career development paths based on their interests and strengths, and achieving the organic unity of career planning and development channels.

Post Rank Structure of Aurisco

Pay Scale	Management Sequence (M)	R&D Sequence (N)	Professional Sequence (P)	Operation Sequence (C)
Level 12	General Manager			
Level 11	Senior Deputy General Manager			
Level 10	Deputy General Manager	Chief Officer		
Level 9	Senior Director	Senior Consultant	Chief Officer	Senior Technician
Level 8	Director	Consultant	Senior Consultant	Senior Technician
Level 7	Senior Manager	Senior R&D Expert	Consultant	Intermediate Technician
Level 6	Manager	R&D Expert	Senior Expert	Junior Technician
Level 5	Deputy Manager	Senior Researcher	Expert	Assistant Technician
Level 4	Supervisor	Intermediate Researcher	Senior Specialist	Senior Engineer
Level 3	Team Leader	Junior Researcher	Intermediate	Intermediate
Level 2		R&D Assistant	Junior Specialist	Junior Engineer
Level 1			Assistant	Apprentice



Technical Sequence Evaluation Exam



Defense in Technical Sequence Assessment



Employee Career Planning



Key Performance in 2024

Percentage of employees undergoing career development planning and evaluation: **100%**

Occupational Health and Safety

Management System

Committed to providing employees with a healthy, hygienic and safe working environment, Aurisco develops internal standards and policies such as the Environmental Health and Safety Management Manual in strict accordance with the Workplace Safety Law of the People’s Republic of China, the Occupational Disease Prevention and Control Law of the People’s Republic of China, and other laws and regulations, deals with issues related to occupational health and safety management in a timely manner, and ensure that the occupational health and safety management system is effectively implemented and maintained. We ensure that all employees participate in OHS work and effectively safeguard their occupational health and life safety. In 2024, Aurisco, Yangzhou Lianao and Yangzhou Aurisco maintained the ISO 45001 occupational health and safety management system certificate valid.



Objectives and Policies of Environmental and Occupational Health and Safety (EHS)

- Reduce environmental pollution, continuously improve workplace safety technology, enhance the working environment for employees, prevent major environmental and safety incidents, and safeguard the occupational health and safety of employees.

Commitment to Occupational Health and Safety

- Comply with the law, establish safety awareness;
- Prioritize prevention, improve safety facilities;
- Strictly control, ensure safety performance.

Objectives of Occupational Health and Safety

- Zero incident of personnel poisoning, serious injury, or death (including local contractors);
- Zero incident of major fire and explosion (with witness of county emergency bureau, fire brigade, and environmental protection bureau);
- No occupational disease incident;
- No food poisoning incident;
- 100% rate of signing the liability statement for workplace safety;
- 100% rate of risk identification and control.

Occupational Health Protection

The Company pays attention to the occupational health of each employee. When signing the labor contract with the employees in positions exposed to occupational hazards, we inform them truthfully of the occupational hazard factors and consequences they may be exposed to in their work, occupational disease protection, etc. We do not conceal any job risks, and provide necessary health training to enhance employees' awareness of occupational health and protect their health rights and interests.

Detection of Occupational Hazard Factors

We commission a qualified occupational health technical service institution to detect occupational hazard factors in the workplace every year, publish the *Detection Report of Occupational Hazard Factors in the Workplace* to employees in a timely manner, and set up corresponding warning signs and instruction signs at prominent positions of each post in the production workshop, so that they can understand their occupational environment. In addition, based on the results of occupational hazard factor detection, we develop effective prevention and control measures to reduce the exposure of occupational hazard factors.

Occupational Health Examination

We regard occupational health examination as an important means of preventing and treating occupational diseases. For employees exposed to occupational hazards, we provide them with pre-job, on-the-job and off-the-job physical examinations, and establish occupational health monitoring files. For employees suspected of occupational diseases or with occupational diseases, the Company reports them to the local health and labor security departments in accordance with regulations, and arranges for occupational disease diagnosis, medical observation and treatment as per the requirements of occupational health examination institutions. For employees found with occupational taboos, they are promptly transferred from their post and properly arranged.

Key Performance in 2024

Coverage rate of occupational health examination: **100%** Number of occupational diseases found: **0**

Labor Protection

The Company strictly implements the "Three Simultaneities" Supervision and Management Measures for Occupational Disease Prevention Facilities of Construction Projects, ensuring that the occupational disease prevention facilities are designed, constructed, and put into production and service at the same time as the main project, giving priority to adopting new technologies, new processes, new equipment and new materials which are conducive to the protection of workers' health, assigning dedicated staff to take charge of the daily maintenance and maintenance of occupational disease prevention facilities, and guaranteeing their effectiveness.

We provide employees with personal protective equipment that meets the requirements for preventing and controlling occupational diseases, so as to protect them from or mitigate against occupational hazards in work. Employees must wear the PPE correctly when starting their job. Those who do not wear and use the PPE as specified shall not work. In addition, we re-evaluate the adaptability and effectiveness of the personal protective equipment every year based on changes in equipment and working materials in the workplace to promptly prevent potential new hazards.

Workplace Safety Management

Aurisco adheres to the workplace safety policy of "Safety First, Prevention Oriented, and Comprehensive Governance", stands tall and firm in the primary concept of workplace safety in the development, always makes safety the focus of our work, and puts more efforts into workplace safety in a standardized and standardized way. We follow the principle of "engaging all employees in the safety responsibility across all aspects of operation", and establish a workplace safety responsibility system from top to bottom. We clarify the safety responsibility of employees at all levels and management departments, strengthen the "red line" awareness, ensure the safe development of production and business activities, and constantly improve the safety management.

Dual Prevention Mechanism

We make continuous progress in the establishment of a dual prevention mechanism for multi-level control of safety risks and identification and management of hidden hazards, and entrust a third-party professional organization to evaluate safety status, identify and evaluate major hazards and safety risks in each workshop and department. We also set up a bulletin board of Workplace Safety risk classification and control prominent locations and key areas, make notification card of post safety risks, and develop targeted risk control measures to achieve in-depth defense, early prevention and source management.

We establish a long-term mechanism for identifying and addressing hazards in workplace safety incidents, and inspect the safety and identify and address the hazards in an all-round way. The Company's hazard identification includes annual safety inspection, quarterly company-level safety inspection, monthly safety inspection, weekly team-level safety inspection, and daily safety inspection. For the hazards and problems discovered during identification, we clarify the correction plan and responsible person and supervise the correction to ensure the complete elimination of safety hazards and comprehensive control of safety risks.**In 2024, the completion rate of the Company's safety hazard correction was 100%.**



Competition on Hazard Identification



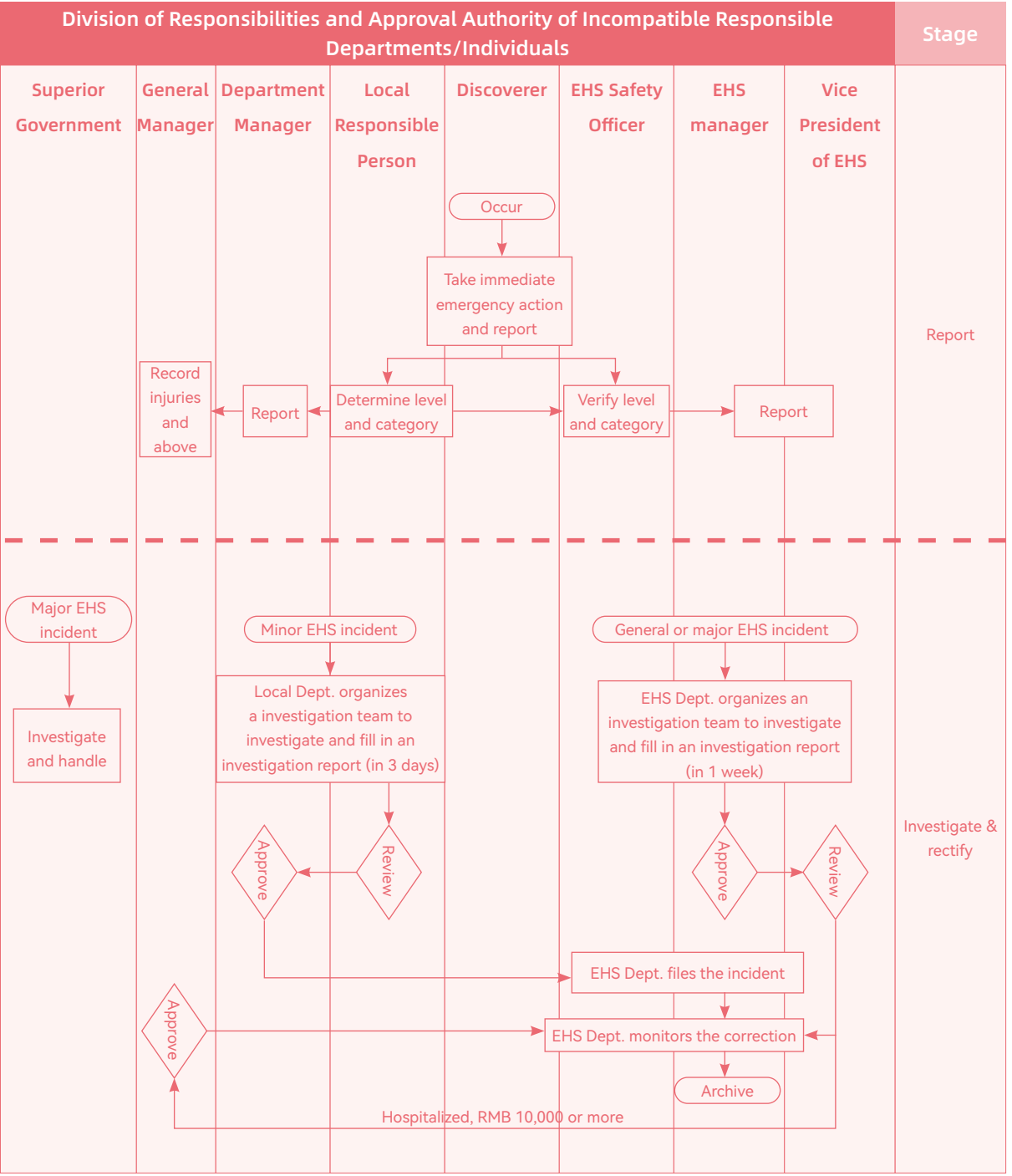
Pre-Holiday Safety Inspection



Summer Safety Inspection

EHS Incident Management

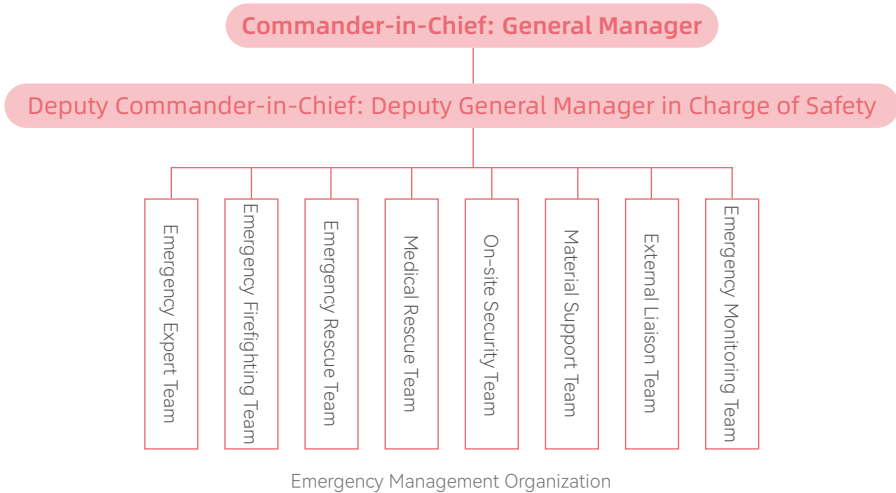
We have developed the *EHS Incident Management System* and established comprehensive procedures for classifying, grading, reporting, investigating, and handling EHS incidents. After an incident occurs, the responsible person is required to report it immediately and inform the superior government within the prescribed time based on incident level. The EHS Department conducts monthly statistics on the occurring EHS incidents, analyzes the causes of hazards exposed by the incidents, and formulates and implements appropriate corrective measures. We encourage employees to participate in EHS incident management, and commend and reward the relevant meritorious personnel to mobilize the enthusiasm of all staff to participate.



Flow Chart of EHS Incident Investigation and Handling

Safety Emergency Management

In order to improve the Company's ability to deal with emergency safety incidents, we have formulated emergency management procedures such as the *Emergency Management System and Emergency Materials Management Regulations*, set up a safety emergency management organization, and defined the emergency support responsibilities of each department, in order to guarantee effective rescue emergencies and minimize casualties, property losses and environmental hazards.



We have prepared the *Emergency Plan for Workplace Safety Incidents* and conducted emergency drills regularly to test the effectiveness and rationality of the emergency plan and to improve the emergency response ability of the participants, including the ability to organize, command, respond quickly and deal with emergencies, so as to enhance their ability to respond to emergencies.

Drill Content, Frequency, etc.

Drill Content	Drill Frequency	Drill Mode	Participants	Responsible Department
Comprehensive emergency drill	At least once a year	On-site drills (fire drills, leakage plugging drills, personnel evacuation, etc.)	Emergency rescue team members and employees in relevant positions	Emergency Command Center
Special emergency drill	At least once a year	Tabletop drills, on-site drills (fire drills, leakage plugging drills, personnel evacuation, etc.)	Emergency rescue team members and employees in relevant positions	Emergency command center or functional department
On-site disposal scheme	At least twice a year	On-site drills, shift-level safety activities	Employees in relevant positions	Relevant departments or teams



Emergency Drill of Yangzhou Lianao



Emergency Drill of Yangzhou Aurisco

Case Aurisco organized comprehensive emergency drills for emergencies

Aurisco conducted two rounds of "tabletop rehearsal of hydrochloric acid bottom valve leakage" on June 18 and 26, 2024, and carried out a "comprehensive practical drill of hydrochloric acid bottom valve leakage" on June 28. The comprehensive drill tested the adaptability and effectiveness of the Company's emergency plan for workplace safety incidents, as well as the emergency response and coordination capabilities of the emergency rescue team. In addition, we summarized the shortcomings in the drill, developed an emergency drill correction plan, and constantly improved the emergency plan.



Emergency Command



Material Transportation



On-site Alert, Rescue, Firefighting



Emergency Evacuation



Emergency Monitoring

Construction of Safety Culture

Safety culture development is an important part of safety management. We carry out safety publicity and training through multiple channels in various forms, strive to create a strong atmosphere of safety culture, enhance the workplace safety awareness of all employees, and enrich their safety knowledge. We carry out a series of workplace safety education activities, such as Workplace Safety Month and EHS Culture Season, build a safety culture with the characteristics of the Company, establish the ideology that "everyone controls safety, everyone should be safe", and further improve the workplace safety management. In 2024, the Company's safety training coverage rate was 100%.

Case Aurisco carried out a series of activities of "Workplace Safety Month" in 2024

June 2024 is the 23rd National Workplace Safety Month. Aurisco launched a series of "Workplace Safety Month" activities with the theme of "Everyone Puts Safety First, Everyone Knows Emergency Response, Smooth Access to Help", promoting the sustained stability of the workplace safety.

The "Workplace Safety Month" activities covered all employees, including kick-off meeting, HAZOP training, safety awareness enhancement training, comprehensive emergency drills, emergency competitions, hazard identification competitions, etc. We popularized safety knowledge through special activities, concentrated publicity and other forms, impressed the concept of safety development into the mind of employees, developed the safety culture, and improved the safety quality of all employees, in order to effectively prevent and curb safety incidents.



Publicity Materials for Workplace Safety Month



Kick-off Meeting of Workplace Safety Month

Emergency Response Competition

Emergency Drill

Case Yangzhou Lianao carried out a series of activities of "Workplace Safety Month" in 2024

To establish a work style of "emphasizing safety and responding to emergencies", further consolidate the foundation of workplace safety, and ensure safe and stable production, Yangzhou Lianao conducted a series of "Workplace Safety Month" activities.

The activities included "Crossing the Frontline", "the Best Firefighter", emergency response drills, and safety skills competitions, strengthening the safety quality of all employees and creating a strong safety culture.



Speech by General Manager



Speech by Vice General Manager



Fire Safety Training



Fire Safety Practice



Safety Month Award

Case Yangzhou Aurisco launched “EHS Culture Quarter” Activity in 2024

The second quarter of 2024 was the EHS Culture Season of Yangzhou Aurisco. In order to comprehensively improve the capability of preventing and controlling EHS risks, Yangzhou Aurisco organized a series of "EHS Culture Season" activities, including evacuation drill, EHS knowledge and theory exams, protection guard, control star, fire hose shooting and comprehensive emergency drills, aiming to comprehensively and multi-dimensionally enhance employees' EHS awareness and strengthen their emergency response capabilities.



Evacuation Drill



“One-Stop EHS Knowledge Contest”



“Guardian” Campaign



“Control Star” Campaign



“Fire Hose Shooting” Campaign

Key Performance in 2024

Investment in workplace safety:RMB	1960.58	Number of incidents that cause loss of working hours:	5	Number of employee fatalities:	0
Number of lost workdays due to work-related injuries:	354	Coverage rate of safety training for on-duty personnel:	100%		

Improvement of People's Wellbeing

Adhering to the public benefit concept of "caring for life, taking care of health, contributing to society, and keeping continuous innovation", Aurisco takes the initiative in social benefits, volunteer services, rural revitalization and other actions. We are committed to improving people's well-being in development, sharing development achievements with society, demonstrating its responsibility through practical actions, and making every effort to promote a lively situation of charity for all and public welfare for all.

Promoting Hehe Culture

Together with 13 other enterprises, we jointly initiated Tiantaishan Hehe Cultural Foundation, and formed a council to jointly publicize, support and promote Tiantaishan Hehe culture, guide enterprises to fulfill their social responsibilities, and form distinctive brands such as Hehe Tiaojie, Hehe Cunju, and Hehe Qingfeng, contributing to the high-quality construction of a modern Hehe City. In November 2024, the 2024 Global Forum on Hehe Culture was held in Tiantai County, Taizhou City, Zhejiang Province. Taking this forum as an opportunity, we promoted cooperation and exchanges on a larger scale, in a wider range of fields, and at a deeper level, sharing Hehe wisdom and carry forward Hehe culture.



Tiantaishan Hehe Culture Foundation Conference



2024 Global Forum on Hehe Culture

Conducting "Overseas Chinese Heartwarming" campaign

In order to enhance the sense of happiness and achievement of overseas Chinese, and promote the sharing of the achievements among the overseas Chinese community, Aurisco launched an "Overseas Chinese Heartwarming" campaign. We collaborated with charitable organizations to present New Year scrolls to overseas Chinese enterprises, and organized three activities for overseas Chinese to commemorate Wang Aliang, a "model of loving hometown", in order to unite the overseas Chinese. We organized more than 60 overseas Chinese and their families to participate in first aid training to improve their health literacy. We held charity bazaar for students, offered condolences to the families of overseas Chinese, family members of overseas Chinese students, left-behind elderly people in overseas Chinese communities, and hospitalized overseas Chinese, conveying warmth and care.



New Year Scrolls for Overseas Chinese Enterprises



Commemoration for Wang Aliang, a "Model of Loving Hometown"



First Aid Training for Overseas Chinese and Their Families



Condolences for the Elderly Left Behind in Overseas Chinese Communities

Empowering rural revitalization

In response to the national strategies on rural revitalization, concentrates public welfare and charity resources on the fields of "agriculture, rural areas and rural residents", collaborates with rural areas to promote the construction of education mechanisms, and promotes the vigorous and healthy development of rural education. We cooperated with Baihe Primary School to build an extracurricular practice base, and practicing the requirements of Moral Education, Labor Education, Aesthetic Education, Sports Education and Intellectual Education, promoting the overall development of students. With the characteristics of "love, play and beauty", we help Baihe Central Kindergarten to become "Grade 1 Kindergarten in Zhejiang". Relying on the rural revitalization workstation of Tsinghua University, we organize students from more than 10 universities such as Tsinghua University and Peking University to carry out summer practice in Baihe Town, contributing their power to rural revitalization.



Extracurricular Practice of Baihe Elementary School



"Children's Day" Caring Activities



"Teacher's Day" Condolence Activity



Rural Revitalization Workstation Visit to Zhejiang Tiantai Support Team

Concern for Life Safety

As a responsible pharmaceutical company, Aurisco pays great attention to life safety. Based on the "Tiantai Aurisco Orange Life Buoy" program, we promote drowning prevention with the strength of public welfare organizations, and build a solid defense line to ensure the safety of people's lives. On May 8, 2024, the Humanitarian Public Welfare Day, we continued to participate in the program "Drowning Prevention and Rescue Around Us" of the Tiantai County Red Cross. The program was intended to set up a life network to prevent drowning incidents by installing drowning rescue equipment such as "one circle, one pole and one rope" (i.e. life buoy, life pole and life rope) in key waters, rivers and reservoirs. We also carried out publicity and training on drowning prevention in communities and schools to further raise the awareness of the public, especially teenagers, of drowning prevention. In 2024, the "Aurisco Orange Life Buoy" was placed in 100 water areas in Tiantai County.

Engaging in volunteer services

We always adhere to the volunteer spirit of "dedication, friendship, mutual assistance and progress", encourage employees to participate in volunteer activities and community construction, and work together to create a harmonious society. We organized blood donation in September 2024, calling on our employees to contribute to the society as far as they can. A total of 69 people participated in blood donation activity and donated 24,400 ml of blood. Adhering to the traditional virtue of respecting and loving the elderly, we offered condolences to the elderly on the Double Ninth Festival, allowing them to fully feel the warmth of society and enhance their psychological happiness.



Voluntary Blood Donation



Condolences for Elderly on the Double Ninth Festival

2024 Charitable Donation Programs of Aurisco

S/N	Projects	Type	Signatory	Date	Amount (RMB 10 ⁴)
1	Improvement of Residential Environment in Bixia Xuxin Village, Shifeng Sub-district	Environmental Protection	Environmental Protection Charity Federation of Tiantai County	2024.1	5
2	Tianyi Funds	Social Public Construction	Education Foundation of Tiantai County	2024.2	100
2	Education Fund of Baihe Town	Education	Red Heart Society of Tiantai County	2024.3	30
3	Warm Care for Overseas Chinese, Overseas Chinese, Overseas Students' Families in Tiantai and Support for Other Students with Difficulties in Their Study and Life	Social Public Construction	Red Cross Society of Tiantai County	2024.4	3
4	Orange Life Buoy Program in Tiantai	Social Public Construction	Red Cross Society of Tiantai County	2024.5	10
5	Road Construction in Banqiao Village (Dongwan Natural Village)	Social Public Construction	Charity Federation of Tiantai County	2024.5	5
7	New Country Squire Sodality	Social Public Construction	Charity Federation of Tiantai County	2024.6	15
6	One-Day Charitable Donation of Yangzhou Lianao	Social Public Construction	/	2024.6	0.5
7	Charity (Co-Prosperity) Undertaking of New Country Squire Sodality in Chicheng Street	Social Public Construction	Charity Federation of Tiantai County	2024.6	15
8	One-Day Charity Donation of Yangzhou Aurisco	Social Public Construction	/	2024.7	0.5
11	Human Resource Service	Social Public Construction	Human Resources Association of Tiantai County	2024.7	0.6
9	Charity (Co-Prosperity) Undertaking of New Country Squire Sodality in Tantou Town	Social Public Construction	Charity Federation of Tiantai County	2024.9	20
10	Low-carbon Planting of Upland Rice in Nanping Township	Environmental Protection	Charity Federation of Tiantai County	2024.10	10
11	Scholarship Funded by Yangzhou Lianao	Education	/	2024.10	0.5
12	Condolences for Elderly on the Double Ninth Festival in Badu Village	Social Public Construction	Charity Federation of Tiantai County	2024.10	3
13	Project of Promoting Hehe Culture	Culture	Hehe Culture Foundation of Tiantai Mountain	2024.12	100
14	Winter Supplies Procurement for Sanitation Workers in Tiantai County	Social Public Construction	Charity Federation of Tiantai County	2024.12	20
In Total					338.1

Appendixes

Key Performance

Governance Performance

Performance in Business Ethics		
Indicator	Unit	2024
Total number of business ethics training sessions	Time	21
Coverage rate of business ethics training	%	100
Average hours of business ethics training per employee	Hour	2
Number of whistleblowing cases (in terms of business ethics)	Nos.	0
Number of confirmed corruption incidents	Nos.	0
Performance in Information Security		
Indicator	Unit	2024
Coverage rate of information security training	%	100
Number of confirmed information security incidents	Nos.	0

Performance in Sustainable Supply Chain

Performance in Sustainable Supply Chain		
Indicator	Unit	2024
Number of suppliers who completed questionnaire survey on social responsibility	Nos.	22
Number of suppliers who undergone on-site audit for social responsibility	Nos.	20
Number of suppliers who signed the Supplier Code of Conduct	Nos.	22
Number of suppliers who received ESG construction such as social responsibility training	Nos.	3
Percentage of purchasers trained on sustainable procurement	%	100

Environmental Performance¹

Performance in Environmental Management				
Indicator	Unit	2024	2023	2022
Investment in environmental protection projects	RMB 10,000	2643.2930	2874.48	2551.42
Percentage of employees trained on environmental management	%	100	100	100
Percentage of operational sites undergoing environmental risk assessment	%	100	100	100

²The environmental performance primarily sourced from the company's three production bases: Aurisco, Yangzhou Aurisco, and Yangzhou Lianao.

Performance in Wastewater Treatment				
Indicator	Unit	2024	2023	2022
COD (sewer-connected amount)	Ton	22.0443	20.068	23.91
Ammonia nitrogen (sewer-connected amount)	Ton	0.9681	0.447	0.468
Total nitrogen (sewer-connected amount)	Ton	3.2507	1.905	2.603
Total phosphorus (sewer-connected amount)	Ton	0.187	0.158	0.134
Performance in Exhaust Gas Treatment				
Indicator	Unit	2024	2023	2022
Nitrogen oxide	Ton	1.6692	2.45	3.53
Total non-methane hydrocarbons	Ton	6.38	4.7534	3.17
Sulfur dioxide	Ton	0.1656	0.1896	0.2174
Performance in Waste Treatment				
Indicator	Unit	2024	2023	2022
Total general waste generated	Ton	179.46	137.67	110.79
General waste treated	Ton	179.46	138.54	109.93
Total hazardous waste generated	Ton	4571.91	3921.64	3144.50
Hazardous waste transferred	Ton	4571.91	3921.64	3144.50
Performance in Water Resource Management				
Indicator	Unit	2024	2023	2022
Total water consumption	Ton	320968	261670	251394
Performance in Energy Consumption				
Indicator	Unit	2024	2023	2022
Natural gas	m3	206387	218948	205625
Gasoline	Liter	13606.33	16551	10162.35
Diesel oil	Liter	7912	6100	4981
Purchased electricity	kWh	53162792	44965610	44842564
Purchased steam	Ton	66936	56352	53159
Performance in GHG Management				
Indicator	Unit	2024	2023	2022
Direct GHGs emissions (Scope 1)	tCO2e	2731.19	2014.95	1137.61
Indirect GHGs emissions (Scope 2)	tCO2e	57520.25	48964.95	48022.32
Indirect GHGs emissions (Scope 3)	tCO2e	25694.61	20637.52	/

Performance in Labor and Human Rights Protection

Performance in Labor Protection				
Indicator	Unit	2024	2023	2022
Total number of employees	Person	1784	1521	1355
Number of new employees	Person	380	292	280
Number of employees with disabilities	Person	7	7	2
Gender Structure				
Number of female employees	Person	599	407	352
Percentage of female employees	%	33.58	26.76	25.98
Number of executives	Person	8	8	8
Number of female executives	Person	4	4	4
Percentage of female executives	%	50	50	50
Number of Board of Directors	Person	9	9	9
Number of female directors	Person	1	1	2
Percentage of female directors	%	11.11	11.11	22.22
Educational Background Structure				
Number of employees with doctorate degree and above	Person	14	11	13
Number of employees with master degree	Person	138	109	77
Number of employees with bachelor's degree	Person	669	529	426
Number of employees with junior college degree	Person	387	318	286
Performance in Employee Training and Development				
Indicator	Unit	2024	2023	2022
Total investment in training	RMB 10,000	17.806	4.776	11.643
Number of employees receiving training	Person	55072	44038	40290
Number of training sessions	Time	6520	5084	4374
Training coverage rate	%	100	100	100
Percentage of employees undergoing skills-related training	%	100	100	100
Percentage of employees undergoing career development planning and evaluation	%	100	100	100

Performance in Occupational Health and Safety

Performance in Occupational Health				
Indicator	Unit	2024	2023	2022
Number of employees undergone occupational health examination (onboarding)	Person	520	384	320
Number of employees undergone occupational health examination (on-post)	Person	903	769	577
Number of employees diagnosed with occupational diseases (on-post)	Person	0	0	0
Number of employees diagnosed with occupational contraindications (on-post)	Person	2	6	5
Number of employees undergone occupational health examination (off-post)	Person	65	75	103
Number of employees diagnosed with occupational diseases (off-post)	Person	0	0	0
Number of employees diagnosed with occupational contraindications (off-post)	Person	0	0	0
Coverage Rate of Employee Physical Exam (for positions with occupational hazards)	%	100	100	100
Performance in Occupational Safety				
Indicator	Unit	2024	2023	2022
Investment in workplace safety	RMB 10,000	1960.58	703.14	921.79
Number of employee fatalities	Person	0	0	0
Lost workdays due to work-related injuries	Nos.	5	6	5
Number of lost workdays due to work-related injuries	Day	354	196	80
Coverage rate of safety training for on-the-job personnel	%	100	100	100

Indicator Index

GRI Content Index

Statement of Use	Aurisco Pharmaceutical Co., Ltd. has reported the information cited in this GRI content index for the period from January 1, 2024, to December 31, 2024 with reference to the GRI Standards.		
GRI 1 used		GRI 1: Foundation 2021	
GRI Standards		Disclosures	Corresponding Position
GRI 2: General Disclosures 2021	The organization and its reporting practices	2-1 Organizational details	Company Profile
		2-2 Entities included in the organization’s sustainability reporting	About the Report
		2-3 Reporting period, frequency and contact point	About the Report
	Activities and workers	2-6 Activities, value chain and other business relationships	Company Profile
		2-7 Employees	People Foremost to Pass on Warmth and Power
	Governance	2-9 Governance structure and composition	Corporate Governance Strengthening
		2-12 Role of the highest governance body in overseeing the management of impacts	ESG Governance
		2-13 Delegation of responsibility for managing impacts	ESG Governance
		2-14 Role of the highest governance body in sustainability reporting	ESG Governance
		2-15 Conflicts of interest	Compliance with Business Ethics
		2-16 Communication of critical concerns	Communication with Stakeholders
		2-17 Collective knowledge of the highest governance body	ESG Governance
	Strategic, policies, and practices	2-22 Statement on sustainable development strategy	ESG Governance
		2-23 Policy commitments	ESG Governance
		2-24 Embedding policy commitments	ESG Governance
		2-25 Processes to remediate negative impacts	Compliance with Business Ethics
		2-26 Mechanisms for seeking advice and raising concerns	Compliance with Business Ethics
2-27 Compliance with laws and regulations		Refer to the Report	
Stakeholder engagement	2-29 Approach to stakeholder engagement	Communication with Stakeholders	
	2-30 Collective bargaining agreements	Enhancement in Democratic Governance	
GRI 3: Material Topics 2021		3-1 Process to determine material topics	Management of Material Topics
		3-2 List of material topics	Management of Material Topics
		3-3 Management of material topics	Management of Material Topics





GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Company Profile
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Compliance with Business Ethics
	205-2 Communication and training about anti-corruption policies and procedures	Compliance with Business Ethics
	205-3 Confirmed incidents of corruption and actions taken	Compliance with Business Ethics
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Key Performance
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Optimization of Energy Management
	303-2 Management of water discharge-related impacts	Optimization of Energy Management
	303-3 Water withdrawal	Optimization of Energy Management
	303-4 Water discharge	Optimization of Energy Management
	303-5 Water consumption	Optimization of Energy Management
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emission	Key Performance
	305-2 Energy indirect (Scope 2) GHG emissions	Key Performance
	305-3 Other indirect (Scope 3) GHG emissions	Key Performance
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Standardization of Pollution and Waste Management
	306-2 Management of significant waste-related impacts	Standardization of Pollution and Waste Management
	306-3 Waste generated	Key Performance
	306-4 Waste diverted from disposal	Key Performance
	306-5 Waste directed to disposal	Key Performance
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainable Supply Chain
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Implementation of Welfare and Care
	401-3 Parental leave	Implementation of Welfare and Care






GRI 403: Occupational Health and Safety 2018	Occupational health and safety management system	Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
	403-3 Occupational health services	Occupational Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
	403-5 Worker training on occupational health and safety	Occupational Health and Safety
	403-6 Promotion of worker health	Occupational Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety
	403-9 Work-related injuries	Occupational Health and Safety
	403-10 Work-related ill health	Occupational Health and Safety
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	Key Performance
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate Governance Strengthening Protection of Employees' Rights and Interests
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Protection of Employees' Rights and Interests
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Protection of Employees' Rights and Interests
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Protection of Employees' Rights and Interests
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forces or compulsory labor	Protection of Employees' Rights and Interests
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable Supply Chain
	414-2 Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Pursuit of Excellent Quality
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Safeguarding




TCFD Content Index

Dimensions		Disclosure	Corresponding Chapter
Governance	Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	Climate Change Response - Governance
		b) Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Climate Change Response - Strategy, Risk and Opportunity Management
		b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	
		c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario.	
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	Climate Change Response - Strategy, Risk and Opportunity Management
		b) Describe the organization's processes for managing climate-related risks.	
		c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to access climate-related risks and opportunities based on its strategy and risk management processes	Climate Change Response - Metrics and Targets
		b) Disclose Scope 1 (direct discharge), Scope 2 (indirect discharge), and, if appropriate, Scope 3 (other indirect discharge) greenhouse gas (GHG) emissions, and the related risks.	
		c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	

SDGs Content Index

SDGs	Our Actions	Corresponding Chapters
	We establish a regularized assistance mechanism for employees in difficulties, and treat their difficulties as those of the Company.	Implementation of Welfare and Care
	<p>We set up a compensation system that is suitable for the Company's development needs, providing employees with competitive compensation packages in the industry and in the region, and fully stimulating their potential.</p> <p>We continue to optimize our welfare management system and provide diversified welfare support to enhance employee happiness and solve their difficulties.</p> <p>We strive to build a mechanism to protect the psychological health of employees by combining internal psychological counseling and external resources.</p> <p>We commission a qualified occupational health technical service institution to detect occupational hazard factors in the workplace every year.</p> <p>We stand tall and firm in the primary concept of workplace safety in the development, always make safety the focus of our work, and put more efforts into workplace safety in a standardized and standardized way.</p>	<p>Implementation of Welfare and Care</p> <p>Occupational Health and Safety</p>
	<p>We strive to provide employees with comprehensive and customized training programs, create a training system with Aurisco characteristics, develop the Company into a learning organization, and improve the comprehensive quality of all employees.</p> <p>We work together with rural areas to promote the construction of education mechanisms and facilitate the vigorous and healthy development of rural education.</p>	<p>Support for Employee Growth</p> <p>Improvement of People's Wellbeing</p>
	<p>We adhere to the principles of gender equality and equal pay for equal work, fully respect the value and special rights and interests of female employees, encouraged them to explore and seize career development opportunities, and help them optimize creative ability.</p> <p>We organize special physical examinations for female employees to safeguard their health.</p>	Protection of Employees' Rights and Interests

	We advocate the initiatives of water conservation, technological innovation and process optimization among employees to incorporate the concept of water conservation into production and operation.	Optimization of Resource Utilization
	We develop a comprehensive energy management system, set clear energy management objectives, and establish a dedicated energy management organization with full-time and part-time energy managers and statisticians, to strengthen the whole process of energy management and maximize energy efficiency.	Optimization of Resource Utilization
	We launch a number of energy conservation and consumption reduction projects to effectively save energy resources and improve energy efficiency.	<p>Protection of Employees' Rights and Interests</p> <p>Enhancement in Democratic Governance</p>
	We actively promote the development and innovation of fluoridation technology, photochemical reaction technology, catalyzed oxidation technology, and selective oxidation technology, continuously enhancing our core competitiveness.	Adherence to Innovation-Driven Development
	<p>We carry out quality management throughout the life cycle of our products to ensure that our products strictly comply with the relevant standards from design to delivery.</p> <p>We adhere to the core values of "customer-focused", specifically providing customers with safe and reliable products and services based on their needs; we also constantly optimize the hardware and software resources such as manpower resource, infrastructure and technology so as to provide leading products and quality services to global customers.</p>	<p>Pursuit for the Premium Quality</p> <p>Provision of High-Quality Service</p>

	<p>We integrate the functions related to climate change response into the ESG system, and establish a climate governance structure led by the board of directors and a carbon neutrality team to promote the identification, assessment and management of climate-related risks and opportunities from top to bottom.</p> <p>We identify, assess and manage the short -, medium - and long-term impacts of significant climate change risks and opportunities on the Company in conjunction with the systematic guidance from the Task Force on Climate-Related Financial Disclosures (TCFD), and develop targeted countermeasures based on the identification results.</p> <p>We follow the 1.5 °C temperature control path and set science-based emissions reduction targets; we signed the Letter of SBTi Commitment in April 2023, committing to achieving carbon neutrality by 2030.</p>	Climate Change Response
	<p>We joined the United Nations Global Compact (UNGC) in July 2024, supporting the UN's 10 principles in human rights, labor standards, environment and anti-corruption.</p> <p>We keep to the stringent specification of business ethics, and set forth business ethics principles in the Business Ethics Policy, expressly prohibiting commercial corruption, bribery, unfair competition and other conducts; we also work with employees and partners to maintain a sunny and transparent business environment.</p>	ESG Governance Compliance with Business Ethics
	<p>We are highly concerned about the impact of the Company's operations on all stakeholders, respect and safeguard the legitimate rights and interests of all parties, understand the expectations and demands of all parties in a timely manner by establishing a variety of online and offline communication channels, and dynamically incorporate them into the Company's ESG strategic planning.</p> <p>We make it own mission to promote industry development, take part in the industry ecosystem, participate in standard setting, and contribute to the standardized development of the industry.</p> <p>We regard sustainable development as an important component of procurement, and set clear requirements for suppliers in terms of labor and human rights, occupational health and safety, environmental protection, sustainable procurement management, etc., to build a more responsible supply chain ecosystem.</p>	ESG Governance Contribution to Industrial Development Sustainable Supply Chain

Indexes for Preparation of Sustainable Development Reports of Listed Companies Issued by Shanghai Stock Exchange

Dimension	S/N	Topics	Corresponding Chapters
Environment	1	Climate change response	Climate Change Response
	2	Pollutant Release	Standardization of Pollution and Waste Management
	3	Waste Treatment	Standardization of Pollution and Waste Management
	4	Ecosystem and Biodiversity Conservation	/
	5	Environmental Compliance Management	Enhancement of Environmental Management
	6	Energy Utilization	Optimization of Resource Utilization
	7	Water Resource Utilization	Optimization of Resource Utilization
	8	Circular Economy	Standardization of Pollution and Waste Management Optimization of Resource Utilization
Society	9	Rural Revitalization	Improvement of People's Wellbeing
	10	Social Contribution	Improvement of People's Wellbeing
	11	Innovation-driven Development	Adherence to Technology-Driven Development
	12	Science and Technology Ethics	/
	13	Supply Chain Security	Sustainable Supply Chain
	14	Equal Treatment to Small and Medium-sized Enterprises	/
	15	Safety and Quality of Product and Service	Pursuit for the Premium Quality Provision of High-Quality Service
	16	Data Security and Customer Privacy Protection	Information Safeguarding
Governance Related to Sustainable Development	17	Employees	People Foremost to Pass on Warmth and Power
	18	Due Diligence	ESG Governance
	19	Communication with Stakeholders	ESG Governance
	20	Anti-Commercial Bribery and Anti-Corruption	Compliance with Business Ethics
	21	Anti-Unfair Competition	Compliance with Business Ethics

Feedback Table

Thank you very much for reading the 2024 Environmental, Social and Governance (ESG) Report of Aurisco Pharmaceutical Co., Ltd. In order to continuously improve the Company's ESG work and provide valuable information to our stakeholders, we sincerely invite you to give us your valuable comments and suggestions on the Report and Aurisco's ESG work, and feed back to us through the following ways. Thanks for your substantial support to our ESG!

Optional questions: (Please select "√" in the appropriate position)

- 1.For Aurisco, your identity is:
- ☐ Shareholder & Investor ☐ Government & Regulatory Agency ☐ Customer ☐ Employee ☐ Supplier & Partner ☐ Community & the Public ☐ Other (please specify)
- 2.Your overall assessment on the ESG Report is ?
- ☐ Very Good ☐ Good ☐ Average ☐ Poor ☐ Very Poor
- 3.Response to and disclosure of stakeholder concerns in the Report are:
- ☐ Very Good ☐ Good ☐ Average ☐ Poor ☐ Very Poor
- 4.Clarity, accuracy and completeness of the information, indicators and data disclosed in the Report are:
- ☐ Very Good ☐ Good ☐ Average ☐ Poor ☐ Very Poor
- 5.The text, structural arrangement, and layout design of the Report are ?
- ☐ Very Good ☐ Good ☐ Average ☐ Poor ☐ Very Poor

Open question:

What do you like most about the Report ?

What other information would you like to see in the Report besides the disclosed content ?

Do you have any comments or suggestions on our ESG ?

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