



Jiangsu Hengrui Pharmaceuticals Co., Ltd.

Environmental Management Policy

1 Purpose

Jiangsu Hengrui Pharmaceuticals Co., Ltd. (hereafter “Hengrui Pharma”, “the Company” or “We”) fully recognizes the environmental impacts of its productions and operations. We are committed to building a green enterprise that is environment-friendly and resource-efficient, effectively responding to climate change and protecting the ecology for mankind by building a comprehensive environmental management structure and system, implementing standardized and efficient environmental control initiatives, and continuously promoting pollutant emission reduction and energy conservation.

This Policy is formulated to further regulate and specify the requirements and work regulations regarding environmental management for employees at all levels in the Company and its subsidiaries.

2 Scope

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

3 Compliance with External Laws and Regulations

The Company complies with the *Environmental Protection Law of the People’s Republic of China*, the *Energy Conservation Law of the People’s Republic of China*, the *Water Law of the People’s Republic of China*, the *Water Pollution Prevention and Control Law of the People’s Republic of China*, the *Air Pollution Prevention and Control Law of the People’s Republic of China*, the *Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes*, the *Soil Pollution Prevention and Control Law of the People’s Republic of China*, the *Law of the People’s Republic of China on Noise Pollution Prevention and Control*, the *Law of the People’s Republic of China on Environmental Impact Assessment*, and all other applicable environmental laws and regulations.

4 Management Structure

The Strategy Committee, under the Board of Directors, is in charge of examining, overseeing and taking responsibility for the relevant environmental management matters involved in this



Policy. The Strategy Committee consists of six directors, including one independent director: Mr. Sun Piaoyang, Mr. Dai Hongbin, Mr. Jiang Ningjun, Mr. Zhang Lianshan, Ms. Guo Congzhao, and Mr. Dong Jiahong (independent director).

Division of responsibilities for environmental management

Board of Directors: The Board of Directors bears ultimate responsibility for environmental management matters and is accountable for making strategic decisions on significant environmental issues.

Strategy Committee: The Strategy Committee is responsible for proposing and evaluating the Company's environmental management objectives and strategic plans. It regularly tracks the implementation of environmental policies and the progress toward achieving environmental targets. The Committee receives reports from the EHS Management Department every six months and conducts annual reviews of revisions to environmental policies.

EHS Management Department: The EHS Management Department is tasked with executing environmental management initiatives, overseeing and coordinating efforts across all business units, and providing guidance to ensure compliance with environmental requirements.

EHS Departments of Production and Operational Units: The EHS Departments of Production and Operational Units are responsible for implementing all corporate environmental directives, including pollution control and emissions reduction programs, comprehensive management of industrial waste streams (wastewater, air emissions, and solid waste), oversight of environmental capital expenditures and environmental protection technology initiatives, and administration of occupational health and safety compliance programs in accordance with company policies and applicable regulations.

5 Environmental Targets

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

- **Environmental Management System Standardization Certification Target:** By 2025, at least three manufacturing operation companies will have passed the environmental management system certifications.
- **Emissions/Wastewater/Noise Control Targets:** By 2025, the Company will maintain 100% compliance with wastewater and air emission standards, as well as 100% compliance with noise control requirements.
- **Solid Waste Management Targets:** By 2025, the Company will ensure 100% regulatory compliance in hazardous waste disposal annually, while achieving a minimum 70% recycling rate for hazardous waste processed by licensed third-party treatment providers by 2025.

6 Control Measures



6.1 Environmental performance assessment and management

The Company has established a quantitative assessment mechanism for EHS management, signed annual target responsibility agreements, and implemented an incentive system that combines rewards and penalties. Environmental performance is incorporated as one of the key metrics influencing executive compensation.

6.2 Management of Exhaust Gas, Wastewater, and Waste

6.2.1 Assessment and Management of Major Pollutants

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

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

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

6.2.2 Exhaust Gas Management

The Company places emphasis on the treatment of exhaust gases generated in its productions and experiments, and focuses on controlling and reducing emissions at source, in an effort to minimize the adverse impact on atmospheric environment. We have developed a series of rules and regulations including the *Exhaust Gas Discharge Management System*, and the *Standard Operating Procedures for Exhaust Gas Treatment Systems*, which serve as guidelines for us to treat the exhaust gases generated in production workshops and laboratories with strict and effective tailor-made treatment techniques, ensuring the exhaust gases are emitted in line with standards after treatment. Additionally, the Company has also made continuous efforts in upgrading and renovating exhaust gas collection and treatment facilities to enhance its treatment capacity and efficiency.

Exhaust Gas Management Objective

Ensure the exhaust gases generated are emitted in line with relevant standards, based on which the efficiency of exhaust gas treatment facilities is continuously enhanced to lower the concentration of exhaust gas emission.



Exhaust Gas Management Measures (including but not limited to)

- Production workshop exhaust gases: Waste gases containing volatile organic compounds are discharged according to the standard after “pretreatment + absorption + activated carbon adsorption/regeneration treatment”; waste gases containing dust are treated by dust removal facilities such as filters and sinter-plates.
- Laboratory exhaust gases: Waste gases are collected by fume hoods and universal exhaust hoods, and treated by filtering or absorption device; absorption materials are changed on a regular basis to achieve effective treatment of exhaust gases.

6.2.3 Wastewater Management

The Company has developed internal rules and regulations including the *Rainwater and Wastewater Discharge Management System*, and the *Standard Operating Procedures for Wastewater Treatment Systems*. We are committed to continuously reducing the amount of wastewater generated by its operational activities, strictly implementing wastewater disposal, and eliminating the illegal discharge of wastewater. In order to further improve our environmental management standard, we have also implemented key control measures such as the assessment of wastewater discharge indicators for personnel in charge of environmental management.

Wastewater Management Objective

Ensure wastewater is discharged according to relevant standards, reduce wastewater discharge concentration, improve and strengthen the pipeline network for channeling wastewater, and continuously prevent wastewater leakage during channeling.

Wastewater Management Measures (including but not limited to)

- Strictly follow the principles of "separate collection of rainwater and sewage, clean water and sewage, and separate treatment based on wastewater quality" and categorize and treat production wastewater, sewage in living areas, initial rainwater and clean sewage accordingly;
- Strictly supervise and manage the discharge and transportation of wastewater and optimize wastewater treatment facilities based on specific scenarios to ensure that water pollutants remain stable and are discharged in compliance with relevant standards.

6.2.4 Waste Management

The Company attaches great importance to the collection, storage, transportation and whole life-cycle management of wastes, ensuring long-term compliant waste disposal and zero discharge of solid wastes. We have formulated internal rules and regulations such as the *Waste Management Procedures* and the *Solid Waste Management Regulations* to regulate waste storage, transportation and disposal following the “Reduce, Reuse and Recycle” principle. By doing so, we aim to guarantee safety throughout the process of waste disposal and continuously improve the reutilization rate.



Waste Management Objective:

By 2025, no less than 70% of hazardous waste will be treated through entrusted utilization.

Waste Management Measures (including but not limited to)

- Advocate the concept of environmental protection, promote paperless office, and initiate Clean Your Plate Campaign, so as to reduce domestic and food waste generation at source;
- Classify and collect various solid wastes, store them in a standardized manner, and formulate special emergency plans to prevent environmental risks caused by hazardous waste leaks.

6.3 Environmental System Certification and Management

At Hengrui Pharma, all operating entities have established Environmental Management Systems, and we will continue to facilitate all manufacturing operation companies to obtain relevant certifications such as the ISO 14001. The Company has implemented a comprehensive internal audit mechanism covering all manufacturing sites and operational locations. In addition, we engage independent third-party organizations to conduct regular supervisory and recertification audits in accordance with environmental management system requirements.

- Annual internal audits are conducted for all manufacturing operation entities, while other entities undergo internal audits every three years;
- We have contracted with independent third-party certification organizations to conduct annual supervisory audit on the environmental management systems of our member companies that have passed the certification and a recertification (renewal) audit every three years.

6.4 Resource and Energy Management

- The Company has developed rules and regulations such as the *Procedure for Resource and Energy Management* to regulate the utilization of resource and energy, thus ensuring that the resource and energy management is legal and compliant.
- The Company continues to upgrade and renovate its energy and water conservation projects, and actively deploys photovoltaic power generation projects to increase the proportion of renewable energy utilized, improve its energy mix, and enhance the efficiency of resource and energy use.
- Since 2018, the Company has conducted annual statistics and accounting of carbon emission data to continuously track and improve environmental performance.

6.5 Green Office

The Company has formulated the *Management Regulations on Administrative R&D Building*, and the *Vehicle Fueling and Maintenance Management Process*, among other rules and regulations, to fully implement the low-carbon, energy-efficient green office initiative and green operation mode by promoting green travel, paperless office, and optimizing



transportation management.

6.6 Green Supply Chain

The Company has developed the *Supplier EHS Audit Management Procedures* to ensure that the environmental qualifications and performance of suppliers meet the Company's requirements, and to minimize pollutant emissions from the product supply chain and the environmental impacts of the service providers' operations.

6.7 Climate Change Response

At Hengrui Pharma, we have incorporated climate change and related issues into corporate governance, as well as sustainability management and decision-making. In response to extreme weather or major events caused by climate change, we have developed a comprehensive emergency response system and emergency work plan to enhance our climate resilience.

7 Environmental Protection Training and Promotion

The Company carries out environmental protection trainings for employees and related management personnel from time to time, and conducts environmental protection promotion campaigns in important days such as the "6.5 Environment Day" to comprehensively enhance employees' awareness of environmental protection.

8 Availability and Revision

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