

CSPC Pharmaceutical Group Limited

Environment, Health and Safety (EHS) Policy

I. Preface and Objectives

CSPC Pharmaceutical Group Limited and its subsidiaries (hereinafter collectively referred to as the "Group") are deeply aware that safeguarding employee health and safety and fulfilling environmental protection responsibilities are the cornerstones for achieving corporate sustainable development. We uphold the core principles of "Life first, safety foremost; green pharmaceutical manufacturing, responsibility prioritised", and strictly adhere to the EHS policy of "Prevention first, full participation, compliant operations, and continuous improvement". We are committed to creating a safe, healthy, and green working environment for our employees, partners, the communities in which we operate, and all stakeholders.

This policy aims to clarify the Group's firm commitment to EHS management, guiding us to comply with and exceed the local environmental, health and safety laws, regulations, and internationally recognised standards in our global operations.

II. Scope of Application

This policy applies to the Group and all its subsidiaries, branches, R&D centres, and production bases globally (collectively referred to as the "Group's units"). The policy covers all formal employees, dispatched workers, and interns of the Group, and extends to all contractors, suppliers, and partners who provide services or conduct business on

behalf of the Group. The Group is committed to promoting EHS management within the supply chain, encouraging and requiring business partners to jointly follow the purpose and requirements of this policy.

III. Commitment to Laws, Regulations and Standards

The Group is committed to strictly complying with all applicable environmental, occupational health and safety laws and regulations in the locations where we operate, and actively adopting international good practices. Our EHS management system primarily follows (but is not limited to) the following legal frameworks and standards:

- **Occupational Health and Safety:** *Production Safety Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, Labour Law of the People's Republic of China, etc.*
- **Environmental Protection:** *Environmental Protection Law of the People's Republic of China, Regulation on the Administration of Pollutant Discharge Permits, Atmospheric Pollution Prevention and Control Law of the People's Republic of China, Energy Conservation Law of the People's Republic of China, Water Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, Administrative Measures for Industrial Water Conservation, etc.*

- **International Conventions and Standards:** We actively monitor and follow relevant international conventions, and are committed to building and continuously improving our EHS management system in accordance with international standards such as the ISO 45001 Occupational Health and Safety Management System and the ISO 14001 Environmental Management System.

IV. Our Commitments and Actions

4.1 Occupational Health and Safety

4.1.1 Governance and Supervision Mechanism

The Board of Directors serves as the highest regulatory body for occupational health and safety, with a Safety Production Committee established under it to coordinate major matters. Each business unit sets up a dedicated safety management organisation, forming a multi-level management structure with clear responsibilities and professional support.

4.1.2 Institutional System Construction

In accordance with the aforementioned laws and regulations, we formulate and continuously refine a series of institutional documents, such as the *Safety Production Responsibility System*, *Safety Management System for Hazardous Operations*, and *Measures for the Investigation and Governance of Hidden Dangers*, to systematically regulate the Group's safety production management.

4.1.3 Resource Guarantee and System Promotion

The Group continuously guarantees safety investments, optimises resource allocation, constantly improves the occupational health and safety management system, and actively promotes international standard certifications such as the ISO 45001 Occupational Health and Safety Management System to enhance the system's operational efficiency.

4.1.4 Risk Hierarchical Control

We regularly conduct safety risk identification and assessments. Based on the assessment results, we establish management priorities and formulate actionable plans to effectively control potential risks and hazards, thereby preventing accidents.

4.1.5 Occupational Health Protection

We strictly implement procedures for the testing and evaluation of occupational disease hazard factors, provide employees with labour protection equipment that meets the requirements of their positions in accordance with regulations, and supervise its correct use to effectively prevent and control occupational hazards.

4.1.6 Safety Training and Awareness Enhancement

We conduct layered and classified safety training tailored to different job requirements, communicate safety concepts to employees, enhance their accident prevention and emergency response capabilities, and foster a corporate safety culture.

4.1.7 Employee Participation Mechanism

We encourage frontline employees to actively participate in safety management, establish open communication channels, and fully listen to and adopt the opinions and suggestions of employee representatives to jointly promote the continuous improvement of the safety environment.

4.1.8 Stakeholder Safety Management

We incorporate occupational health and safety requirements into the entire process management of suppliers and partners, clarifying requirements for admission standards, the signing of safety agreements, and on-site supervision, to drive coordinated improvements across the value chain.

4.1.9 Target and Performance Management

We establish key occupational health and safety performance indicators, set quantitative improvement targets based on management needs, and regularly track progress to achieve dynamic monitoring and effective management of risks.

4.1.10 System Audit and Continuous Improvement

We regularly implement internal and external audits and carry out system certification work to ensure that the occupational health and safety management system continuously complies with the requirements of laws, regulations, and standards, driving continuous improvement in management levels.

4.2 Environmental Protection

4.2.1 Environmental Protection System

Strictly following national and local environmental protection laws and regulations where we operate, and integrating the Group's actual conditions, we have established a sound internal institutional system including the *Environmental Protection Responsibility System*, *Environmental Management Manual*, *Regulations on Environmental Impact Assessment Management*, and *Management System for the Identification, Evaluation and Control of Hazard Sources and Environmental Factors*. We require all business segments and subsidiaries of the Group to detail their environmental management systems on this basis and actively promote environmental management system certification, ensuring that environmental protection duties are fulfilled and environmental compliance management is institutionalised and standardised.

4.2.2 Environmental Governance Structure

The Board of Directors serves as the highest decision-making body for the Group's environmental management and bears ultimate responsibility for addressing climate change and environmental governance. An ESG professional guidance team assists the Board in formulating environmental strategic objectives, with a Safety Production and Environmental Protection Committee established underneath to take charge of the overall coordination, supervision, and assessment of the Group's environmental management, ensuring the effective implementation of environmental performance indicators.

4.2.3 Hidden Danger Investigation and Governance Mechanism

We have established a normalised mechanism for the investigation and governance of hidden environmental dangers to continuously optimise environmental management processes. Through regular audits and special inspections, we promptly identify environmental risk points, improve the environmental protection prevention and control system, and ensure the continuous enhancement of environmental management performance.

4.2.4 Energy Management

We have established a robust energy management process for the Group and strengthened the monitoring and analysis of energy data. We regularly evaluate the energy efficiency levels of all production processes and promptly correct energy-wasting behaviours. We actively promote clean energy and energy-saving technologies, committing to reducing the carbon emission intensity during our production and operations.

4.2.5 Water Resource Management

We implement strict water resource management strategies. By optimising pharmaceutical processes and introducing advanced water-saving equipment, we reduce water consumption at the source, strengthen the advanced treatment of wastewater, and increase the recycling rate of water resources. In areas with water shortages, we actively collaborate with local communities and professional institutions to jointly explore and implement sustainable water resource solutions.

4.2.6 Biodiversity Protection

We scientifically plan the construction of production bases and adhere to the principle of intensive land use. During site selection and project development, we prioritise environmental impact assessments to minimise the destruction of original landforms and improve land use efficiency.

4.2.7 Reduction of Waste and Hazardous Substance Emissions

We prioritise the use of environmentally friendly raw materials and low-carbon technologies. We promote the recycling and regeneration of materials at the research and production stages, reduce the use and emission of toxic and hazardous substances, and lower the environmental footprint of our products from the source.

Adhering to the waste management principles of "reduction, resource utilisation, and harmlessness", and using the waste management ledger system as a focal point, we accurately record information such as the source, flow, and quantity of various wastes, and standardise the control of collection, treatment, storage, and disposal procedures. The Group strictly implements the requirements for the whole-process management of hazardous waste, and all subsidiaries have set hazardous waste reduction plans covering key stages such as source reduction, classified storage, and compliant disposal.

Group-level waste targets: The Group is carrying out control work in an orderly manner based on the 2030 waste emission reduction plan (using 2017 as the baseline), achieving a steady and optimised decrease in hazardous waste emissions per unit of revenue. The reduction of non-hazardous waste is still in a phase of continuous tackling and improvement; the Group will continuously explore pathways for source reduction, accelerate the implementation of various waste reduction measures, and gradually approach our medium- and long-term emission reduction targets.

4.2.8 Supplier Environmental Standard Management

We formulate strict supplier environmental admission standards and a dynamic evaluation and elimination mechanism, incorporating environmental compliance and performance into procurement contracts and the partner assessment system. We encourage suppliers to implement effective environmental management systems, conduct internal environmental management inspections, continuously monitor and improve supplier environmental performance, and supervise suppliers to adopt strategies such as reducing exhaust gas, wastewater, non-hazardous waste, and hazardous waste, conserving resources, and avoiding ecological damage, thereby minimising the negative environmental impacts caused by operations, products, and services.

4.2.9 Environmental Protection Training and Awareness Enhancement

We have established a multi-level environmental education and training system to enhance the environmental compliance awareness and professional skills of all employees and relevant parties. We actively cultivate a green environmental protection culture with the Group's characteristics and establish an industry-leading EHS brand image.

4.2.10 Target and Performance Management

Based on the characteristics of the Group's business development, we scientifically set medium- and long-term environmental targets. We regularly monitor key environmental performance indicators and, strictly in accordance with regulatory requirements, publicly disclose environmental impact assessment results, governance measures, and target achievement progress through channels such as the company's official website and the annual ESG report, maintaining transparent communication with stakeholders.

4.3 Emergency Preparedness and Response

The Group attaches great importance to the construction of an emergency management system. We formulate and continuously improve special emergency response plans for various identified potential emergencies, including production safety, environmental pollution, and public health incidents. Through regularly organising emergency drills and training, we ensure that all staff are familiar with response procedures and responsibilities, effectively enhancing our capabilities for rapid response, coordinated handling, and consequence control in the face of sudden events, thereby minimising the adverse impacts of accidents on human health, safety, and the environment.

V. Review and Update

This policy shall come into effect upon approval by the Board of Directors of CSPC Pharmaceutical Group Limited. The Group commits to auditing this policy and its implementation at least once a year, and making necessary revisions and updates based on changes in laws and regulations, technological advancements, strategic adjustments of the Group, and the expectations of stakeholders, to ensure its continuous suitability, adequacy, and effectiveness.