



康臣药業集團有限公司

CONSUN PHARMACEUTICAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

股份代號: Stock Code: 1681

2025

Environmental, Social and Governance (ESG) Report



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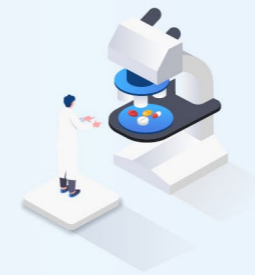
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About the Report

Welcome to the tenth Environmental, Social and Governance Report (the "ESG Report" or the "Report") published by Consun Pharmaceutical Group Limited (01681.HK) (the "Company") and its subsidiaries (collectively referred to as "Consun Pharmaceutical", "Consun" or the "Group" or "we"). The Report aims to disclose our environmental, social and governance ("ESG") related management approaches, performance, and latest developments throughout 2025 across various sections of the Report.

Reporting Scope

The reporting scope of the Report covers the principal business of Consun Pharmaceutical, including its main subsidiaries: Guangzhou Consun Pharmaceutical Co., Ltd. ("Guangzhou Consun"), Consun Pharmaceutical (Inner Mongolia) Co., Ltd. ("Inner Mongolia Consun"), Guangxi Yulin Pharmaceutical Group Co., Ltd. ("Yulin Pharmaceutical"), Consun Pharmaceutical (Horgos) Co., Ltd. ("Horgos Consun"), and Guangzhou Consun Drug Research Co., Ltd. ("Consun Drug Research"). Unless otherwise stated, the reporting period of the Report covers 1 January 2025 to 31 December 2025 (the "Reporting Period").

Basis of Preparation

The Report has been compiled in accordance with the four reporting principles of the Appendix C2 *Environmental, Social and Governance Reporting Code* (the "ESG Code") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("SEHK"), namely materiality, quantitative, balance and consistency.

- Materiality** | The Report discloses the process of identifying material ESG factors and the criteria chosen, as well as the engagement of material stakeholders.
- Quantitative** | The Report discloses the standards, methods, assumptions, calculation references and sources of conversion factors used for reporting emissions and energy consumption.
- Balance** | The Report presents the Group's ESG performance objectively, and the application of the relevant principles is reflected in the respective chapters of the Report. The Report has complied with all mandates.
- Consistency** | The Report discloses changes in statistical methods or key performance indicators.

Access to the Report

The Report has been prepared in Traditional Chinese and English, respectively. If there is any contradiction or inconsistency between the two versions, the Traditional Chinese version shall prevail. The Report has been published electronically, which can be downloaded from Consun Pharmaceutical's website.



Consun Pharmaceutical's Official website

Please scan or visit: www.chinaconsun.com

Confirmation and Approval

The Company's board of directors (the "Board") is responsible for identifying and evaluating ESG-related risks and ensuring that appropriate and effective risk management and internal control systems are in place. At the same time, the Board has overall responsibility for the Group's ESG strategy and reporting. The Report was approved by the Board on 26 March 2026.

Feedback

We value your comments and feedback, and appreciate you contacting us through:



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Chairman's Speech

Dear shareholders, partners, employees and friends from all walks of life,

On behalf of the Board of Consun Pharmaceutical Group Limited (hereinafter referred to as the "Group" or "Consun"), I would like to express my sincere gratitude to all those who have long supported and cared for the Group's development. On the occasion of the publication of this 2025 Environmental, Social and Governance Report (hereinafter referred to as the "Report"), I am delighted to share with you the progress Consun has made on the path of sustainable development, and to look ahead to our future direction and commitments.

2025 was a year in which Consun achieved innovative breakthroughs while maintaining steady progress. The nation continued to promote the high-quality development and transformation of the pharmaceutical industry, setting higher requirements in areas such as green development, public health and industry compliance, hereby pointing us in the right direction. Facing new opportunities and challenges, Consun has always upheld its corporate mission of "inheriting traditions, innovating for the future, and providing effective medicines for the well-being of the people", fully integrating ESG principles into our corporate strategy and daily operations. Through innovation, we drive high-quality, sustainable growth, and contribute to the advancement of the "Healthy China" strategy and global sustainable development goals.

Practicing Integrity and Responsibility, Safeguarding Public Health

Consun is keenly aware that the core value of a pharmaceutical enterprise lies in safeguarding public health. Over the past year, we have adhered to integrity and responsibility as our guiding principles, continuously enhancing our corporate governance and compliance risk management systems, strengthening business ethics and integrity requirements, and extending compliance management across the entire value chain encompassing R&D, production and marketing. During the Reporting Period, we achieved positive results in anti-corruption advocacy, regulatory training and internal auditing, striving to foster an open, fair and clean business environment.

At the same time, adhering to a "patient-centred" philosophy, we have placed medicine quality and medication safety at the forefront, continuously optimising our quality management system, enhancing product accessibility and service experience, and ensuring that every medicine is safe, effective and affordable, thereby putting into practice our founding commitment of "providing effective medicines for the well-being of the people".

Channeling Innovation and Transformation, Advancing Scientific Research

Innovation is the core engine driving Consun's sustainable development. In 2025, we focused on our areas of strength, such as chronic kidney disease, accelerating the development of internationalised innovative drugs. Several pipeline projects (such as "SK-08" and "SK-09") successively received approval from pharmaceutical regulatory authorities in both China and the United States to enter clinical stages, marking an important step in Consun's global R&D presence.

We continued to deepen strategic cooperation with leading universities and research institutions, including Hong Kong Baptist University, Peking University Health Science Centre, Guangdong Pharmaceutical University and Southeast University, promoting innovative drug R&D and the modernisation of traditional Chinese medicine, and accelerating the translation of research achievements into clinical value and industrial advantages, thereby helping to enhance the overall competitiveness of our nation's pharmaceutical innovation system.

Upholding Green Principles, Contributing to Dual Carbon Goals

In alignment with the national development of new quality productive forces and the "carbon peak, carbon neutrality" objectives, Consun has integrated the concept of green development throughout its entire production and operational processes, systematically advancing energy conservation and emissions reduction, clean production and efficient resource utilisation. We have continuously enhanced our environmental management system, strengthened energy management and pollution prevention, and actively explored green processes and circular economy models, striving to reduce the environmental impact of our operations. At the same time, we have incorporated climate change response into our corporate strategy and risk management, laying a solid foundation for green, low-carbon development.

Enhancing ESG Governance, Strengthening Sustainable Development Capabilities

The Group attaches great importance to the development of its ESG governance framework. The Board assumes ultimate responsibility for ESG matters and has incorporated ESG targets into the Group's medium- and long-term development plans. We have continuously optimised our ESG management structure and institutional processes, strengthened the supervision and guidance of the Board and its specialised committees on ESG issues, enhanced our ESG indicator system and performance appraisal mechanism, and promoted the deep integration of ESG principles with business decision-making.

By identifying material ESG issues, engaging with stakeholders and strengthening ESG data management and information disclosure, we have continuously improved the transparency and effectiveness of our ESG management, striving to create long-term, stable value for shareholders, employees, customers, partners and the wider public.

Nurturing Human Capital, Building a People-Centred Consun

Consun has always regarded its people as the most valuable asset of the enterprise. We have continuously improved our talent development system, providing employees with diversified training and development opportunities, fostering a work environment of respect and inclusivity, and sharing the fruits of development with our employees. At the same time, through ongoing community engagement and caring for vulnerable groups, we have put the philosophy of a people-centred Consun into action.

Looking ahead, Consun will continue to uphold its founding mission of "inheriting traditions, innovating for the future, and providing effective medicines for the well-being of the people". Against the backdrop of the "Healthy China" strategy and global sustainable development, we shall advance our ESG practices to ever higher standards, continuously enhancing our environmental management, social responsibility and corporate governance, and driving the enterprise towards development of greater quality and sustainability.

We sincerely look forward to joining hands with all sectors of society, working together to build a healthier, safer and more sustainable future.

With sincere gratitude.

Chairman of the Board



26 March 2026

About Consun

Company Profile

Consun Pharmaceutical is a modern pharmaceutical enterprise that integrates research and development ("R&D"), production and marketing. Founded in 1997 and listed on the Main Board of SEHK in 2013, the Group owns multiple subsidiaries including Guangzhou Consun, Inner Mongolia Consun, Horgos Consun, and Yulin Pharmaceutical, operating well-known pharmaceutical brands such as Consun and Yulin. Consun Pharmaceutical has strategically established a complementary north-south production network, with bases located in Guangzhou (Guangdong), Tongliao (Inner Mongolia), Yulin (Guangxi) and Horgos (Xinjiang), ensuring the efficient and stable supply of quality pharmaceuticals.



Xinjiang, Horgos

- ▶ Outstanding Contribution Award for High-Quality Economic Development in Ili Prefecture (2025) Advanced Collective



Inner Mongolia, Tongliao

- ▶ "Specialised, Refined, Distinctive, and Innovative" Small and Medium-Sized Enterprise



Guangdong, Guangzhou

- ▶ Council Member of the Medical Chamber of the All-China Federation of Industry and Commerce (2025)
- ▶ Member unit of Guangdong Provincial Pharmaceutical Industry Association
- ▶ "Specialised, Refined, Distinctive, and Innovative" Small and Medium-Sized Enterprise
- ▶ General member unit of Guangdong Provincial Association for Circular Economy and Comprehensive Utilization of Resources (4th Session)



Guangxi, Yulin

- ▶ 2025 Guangxi Smart Factory (Advanced-Level Smart Factory)



Note: New honours added in 2025

Company Products

Consun Pharmaceutical inherits the time-honored wisdom of traditional Chinese medicine, integrates it with modern pharmaceutical technology, and, driven by innovation at its core, has built a rich and diversified product portfolio. The flagship product, Uremic Clearance Granule, is the first modern Chinese patent medicine in the domestic nephrology field to have undergone RCT evidence-based medical research. Owing to its outstanding clinical value, it has consistently topped the nephrology Chinese patent medicine market for many years.

Consun Pharmaceutical is committed to providing integrated Chinese and Western medicine solutions spanning the full disease course in the field of nephrology, whilst continuing to deepen its presence in core segments including imaging, women's and children's health, and OTC products. Key products also include Yishen Huashi Granule, Gadopentetate Dimeglumine Injection, Iron Dextran Aldehyde Oral Solution, Bone-Setting Liquid, Shiduqing Capsules, and Jigucuo Capsules, meeting the diverse healthcare needs of patients.

During the Reporting Period, the Group's products were featured at various domestic and international expos and academic conferences, receiving numerous accolades, which fully demonstrated the capacity and influence of Consun Pharmaceutical.

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Varieties

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Varieties Entered the National Essential Medicine List

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Chinese Herbology Varieties

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Western Medicine Varieties

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Varieties Entered the National Medical Insurance (2025 edition)



Skin Series

Imaging Series

Women's and Children's Series

Renal Series

Bone and Injury Series

Liver and Gallbladder Series

Digestive series

Product Honours



"Xihu Award: Most Popular Star Product Among Pharmacies"



2024-2025 Must-Have Medicines for Chinese Households
"Topical Analgesic Brand"



"2025 Meisihui Marketing Vane Award"



"2025 Innovative Scenario Marketing Gold Case Award"



"2025 Outstanding Innovative Solution Award"



"2024-2025 Best Home Medicines List - Best Skin Medicine Brand List"



2025 Healthy China Brand Ranking "Xipu Gold Award"



"Rising Star Pharmaceutical Digital Marketing Campaign of the Year"



"Class II Protected Traditional Chinese Medicine Variety"

Note: New product honours added in 2025

Consun 2025

January



Bone-Setting Liquid was featured on CCTV6 Movie Channel and selected for the Must-Have Medicines for Chinese Households brand promotion programme

February



Yulin Pharmaceutical was honoured with the title of "2024 Outstanding Contribution Enterprise for High-Quality Economic Development in Yuzhou District"

April



Yulin Pharmaceutical was honoured as a "2025 Wuzhen Health Conference VIP Strategic Partner Enterprise"

May



The Group's headquarters at the Pazhou office area in Guangzhou was officially inaugurated

June



Consun Pharmaceutical's Beijing branch office at the new premises was inaugurated

June



Consun Pharmaceutical has once again been listed among "China's 500 Most Valuable Brands," with a brand value of 14.755 billion yuan

June



The second phase of Consun's production line in Horgos has officially started trial production and will be fully operational in August

July



Consun Pharmaceutical was awarded the title of "Leading Unit in Technological Innovation"

August



Uremic Clearance Granule was ranked on the "2025 Healthy China Brand List", receiving the industry's highest honour "Xipu Gold Award"; Group Vice President Huang Leisheng was named "2025 Driving the New Industrial Era - Awakener Representative"

September



Inner Mongolia Consun Eastern District Phase II Expansion and TCM Granule Intelligent Expansion Project officially commenced construction

October



Roxadustat Capsules successfully transferred to in-house production

March 2026



Consun Pharmaceutical was honoured to be ranked among the Top 50 in the "2025 China Pharmaceutical Market Enterprise Rankings (Traditional Chinese Medicine)" and the Top 100 in the "2025 China Pharmaceutical Market Enterprise Rankings"

Stability at Consun

Upholding Our Responsibility

Consun Pharmaceutical is committed to firmly implementing its sustainable development management policies, driving comprehensive progress in the ESG field with a top-down approach. We place great emphasis on maintaining close connections with stakeholders, gaining a deep understanding of their expectations for the Group's development direction, and actively responding to their concerns. At the same time, we attach importance to business integrity, strictly adhering to laws, regulations and business ethics, and fostering an open, fair and clean business environment.



ESG Governance

Embracing the concept of sustainable development, the Group has established an ESG governance structure led by the Board, with clearly defined responsibilities between the Board and the ESG Committee, integrating ESG principles into business decision-making. The Group formulates ESG policies and targets based on its business characteristics, continuously driving sustainable, high-quality development. We have also established a regular ESG risk management mechanism to ensure the effective operation and continuous optimisation of the system.

Governance Structure

Consun Pharmaceutical has established an ESG governance structure led and overseen by the Board, ensuring unified planning and management of the Group's ESG initiatives, integrating ESG management into the Group's overall strategies and decision-making processes, and comprehensively advancing the Group's sustainable development efforts.



The Group pays close attention to its governance responsibilities and effectiveness regarding climate change issues. In accordance with the framework requirements of the SEHK's *Guidance on Climate Disclosures* and the *IFRS S2*, we have developed a Climate Change Governance Manual, explicitly incorporating the management of climate-related risks and opportunities into the terms of reference of the Board's ESG Committee.

In September

The Group engaged a professional consulting firm for the first time to provide systematic, comprehensive and up-to-date ESG training to approximately 30 participants, including Board members, ESG Committee members, heads of various centres and the ESG Working Group. The training, lasting two hours, covered the evolution of sustainability concepts and introduction to standards, ESG report compilation, and climate change management.

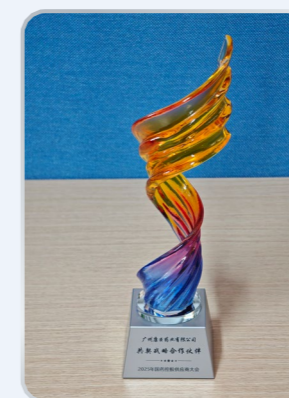


In November

To further implement the Group's ESG strategic deployment and promote the effective implementation of its ESG management system, the Company engaged a professional consulting firm to organise a second ESG training session for approximately 45 department heads and core ESG personnel.



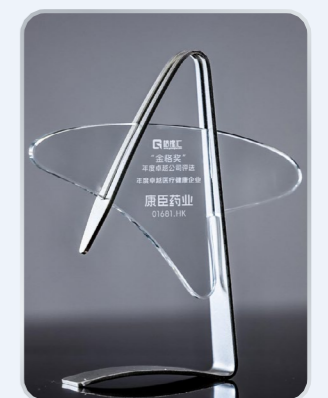
"Healthy China Golden Ruyi Select Solution Award – Value-Based Healthcare Solution"



"Strategic Partnership Alliance Award"



"Most Valuable Pharmaceutical Listed Company" (10th Zhitong Finance Listed Company Awards)



"Gelonghui Golden Grid Award – Outstanding Healthcare Enterprise of the Year"

ESG Target Principles

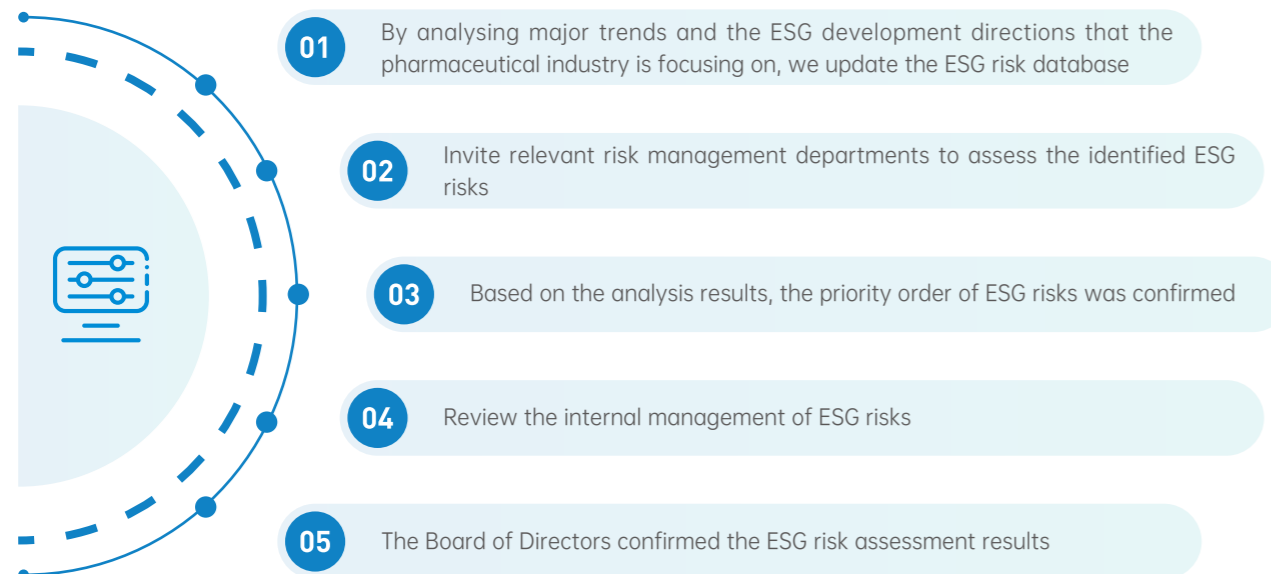
Based on the operational characteristics of each production base, the Group has established qualitative and quantitative management goals and indicators for air pollutant emissions, greenhouse gas emissions, waste management, and energy and water resource usage. The production bases submit annual environmental goal record documents. The Board and the ESG Committee regularly evaluate and supervise the achievement of these environmental goals, adjusting targets and optimising management measures as needed.

For details on the Group's ESG goal execution during the Reporting Period, please refer to the chapter "Environmental Stewardship at Consun – Upholding Sustainable Value".

ESG Risk Management and Control

To further enhance the Group's risk resilience, we conduct regular ESG risk assessments. By referencing international and industry sustainability analysis reports and considering the characteristics of the pharmaceutical industry and the Group's actual operational conditions, we systematically identify, analyse and evaluate potential ESG risks. We also periodically review and track the effectiveness of risk management measures.

ESG Risk Assessment Process



During the Reporting Period, we reviewed a total of 17 potential risks across key areas including environment, operations and technology, with particular attention to emerging risks arising from changes in the market environment. Based on the assessment results, the Group confirmed 11 ESG risks of relative importance to operations and business, and has reviewed the internal management measures and their effectiveness for these risks.








Aspect	ESG Risk	Potential Impact	Corresponding Chapter
Environment	Pollution and emissions reduction policy pressure	Pollution and GHG reduction policy pressure due to increasingly stringent global policies aimed at reducing industrial emissions.	<ul style="list-style-type: none"> Addressing Climate Change Improving Environmental Governance
	Employment and employee rights	During business operations, including supply chain management and customer management, there may be instances of violations of employee rights, such as child labour, forced labour, workplace discrimination, and harassment. These issues could lead to a loss of trust between employers and employees, damaging the Group's reputation and public image. Additionally, if the company is unable to recruit sufficient talent, it may be unable to support normal business operations.	<ul style="list-style-type: none"> Employee Management
	Employee health and safety	Workers face health and safety risks including acute illness, chronic disease, disability and death.	<ul style="list-style-type: none"> Health and Safety
Social	Product and service quality	Substandard product design and production technology, coupled with lax control over the production process; service quality and after-sales management failing to meet customer needs, which leads to declining customer satisfaction, damages corporate reputation, and hinders business development.	<ul style="list-style-type: none"> Quality Management Protection of Rights and Interests R&D Innovation
	Responsible Marketing	Responsible marketing risk refers to the potential legal, reputational, and financial issues that may arise when an enterprise fails to fulfil its social responsibilities, adhere to ethical standards, or comply with relevant laws and regulations in the promotion of its products or services.	<ul style="list-style-type: none"> Protection of Rights and Interests
	Intellectual property management	The pharmaceutical industry places a strong emphasis on research and development. If an enterprise neglects intellectual property management and fails to systematically manage patents, trademarks, and proprietary products, technologies, inventions, and improvements, it may face significant risks. This includes closely monitoring patent protection periods, taking alternative measures to protect patents nearing expiration, renewing trademarks about to expire, and implementing confidentiality controls for R&D and production personnel with access to drug formulations. Neglect in these areas could result in the unauthorised use of others' intellectual property, leading to legal disputes, or imitation by competitors, ultimately causing a loss of core competitiveness.	<ul style="list-style-type: none"> Protection of Intellectual Property
	Inclusive Healthcare	As population ageing intensifies and the number of patients with chronic and rare diseases continues to rise, there is growing societal attention to the accessibility and affordability of healthcare services. Governments and regulatory authorities across countries are promoting the coverage of quality medical resources to broader populations through policies such as medical insurance cost control, centralised drug procurement, price negotiations, and the expansion of healthcare resources to grassroots levels. Inclusive healthcare is gradually becoming an important trend for the pharmaceutical industry in fulfilling social responsibilities and achieving long-term sustainable development.	<ul style="list-style-type: none"> Protection of Rights and Interests Community co-construction
Governance	Business ethics	Governments are increasingly strengthening regulations on illegal activities such as corruption and bribery. If an enterprise engages in such violations that harm public interests, it may face litigation and penalty risks, or be required to bear economic and/or legal liabilities, while its corporate image will also be damaged.	<ul style="list-style-type: none"> Anti-Corruption and Integrity
	Cybersecurity	Cybersecurity incidents such as cyberattacks, information fraud or theft, and information infrastructure failures.	<ul style="list-style-type: none"> Protection of Rights and Interests
	Digitalisation	The development of technologies such as artificial intelligence, blockchain, 5G networks, and cloud storage, while enhancing enterprise productivity, also introduces potential destabilising factors including financial crimes and electronic money transactions.	<ul style="list-style-type: none"> Strengthen quality management Protection of Rights and Interests
	Legal and Compliance	Environmental protection policies, regulatory requirements, and public disclosure regulations are becoming increasingly stringent.	<ul style="list-style-type: none"> ESG Governance

Stakeholder Engagement

The support and participation of stakeholders are crucial to the Group's sustainable development. We are committed to proactively listening to and responding to the views and suggestions of various stakeholders through diversified communication channels. By establishing long-term, institutionalised communication mechanisms, the Group is able to promptly understand the expectations of all parties and accordingly adjust and refine its sustainable development strategies, promoting long-term mutual benefits between the enterprise and its stakeholders.

Diversified Communication Platforms

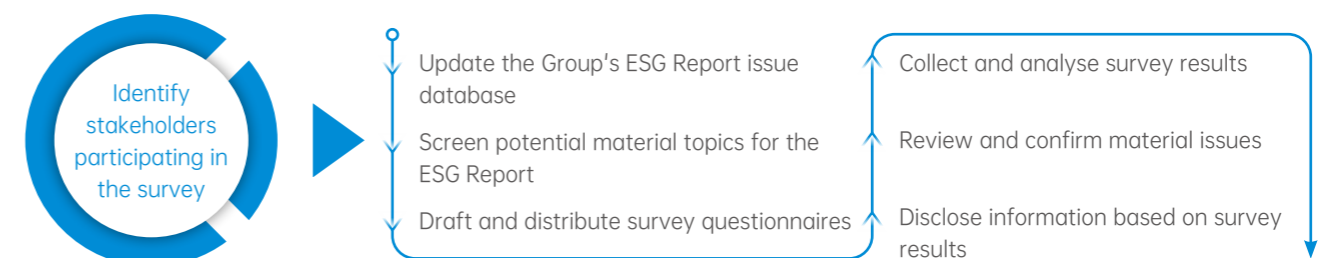
To enhance the breadth and effectiveness of communication, we have identified the principal stakeholders who have a significant influence on the Group's development and adopted diverse communication approaches for different groups.

Key Stakeholders	Communication Channels	Expectations of the Group	Frequency
 Government and Regulatory Authorities	<ul style="list-style-type: none"> Participation in government projects qualification reviews Submission of work reports 	<ul style="list-style-type: none"> Compliance with laws and regulations Strengthened pharmaceutical R&D 	<ul style="list-style-type: none"> Regular or ad-hoc
 Investors (Shareholders)	<ul style="list-style-type: none"> Annual general meetings Information disclosure Investor briefings Roadshows 	<ul style="list-style-type: none"> Sound corporate operations and reduced operational risk Favorable investment returns Transparent information disclosure 	<ul style="list-style-type: none"> Regular, ad-hoc or standing
 Customers	<ul style="list-style-type: none"> Customer satisfaction surveys Customer complaint management Day-to-day communication 	<ul style="list-style-type: none"> Safe and quality medicines Affordable medicines Diversified medicine categories Consumer rights protection 	<ul style="list-style-type: none"> Regular or standing
 Employees	<ul style="list-style-type: none"> Trade union Training and development platforms Group publications Employee activities Satisfaction survey 	<ul style="list-style-type: none"> Good working environment Good career prospects 	<ul style="list-style-type: none"> Regular, ad-hoc, annual or bi-monthly
 Suppliers	<ul style="list-style-type: none"> Supplier management systems Supplier audits 	<ul style="list-style-type: none"> Mutual benefit in cooperation 	<ul style="list-style-type: none"> Standing
 Industry Peers	<ul style="list-style-type: none"> Participation in or hosting industry forums Industry association involvement Mutual visits and exchanges 	<ul style="list-style-type: none"> Promotion of industry development 	<ul style="list-style-type: none"> Ad-hoc
 Communities and the Public	<ul style="list-style-type: none"> Information disclosure Participation in or hosting community events Social welfare activities and volunteer programmes 	<ul style="list-style-type: none"> Community service Public welfare activities 	<ul style="list-style-type: none"> Ad-hoc or standing

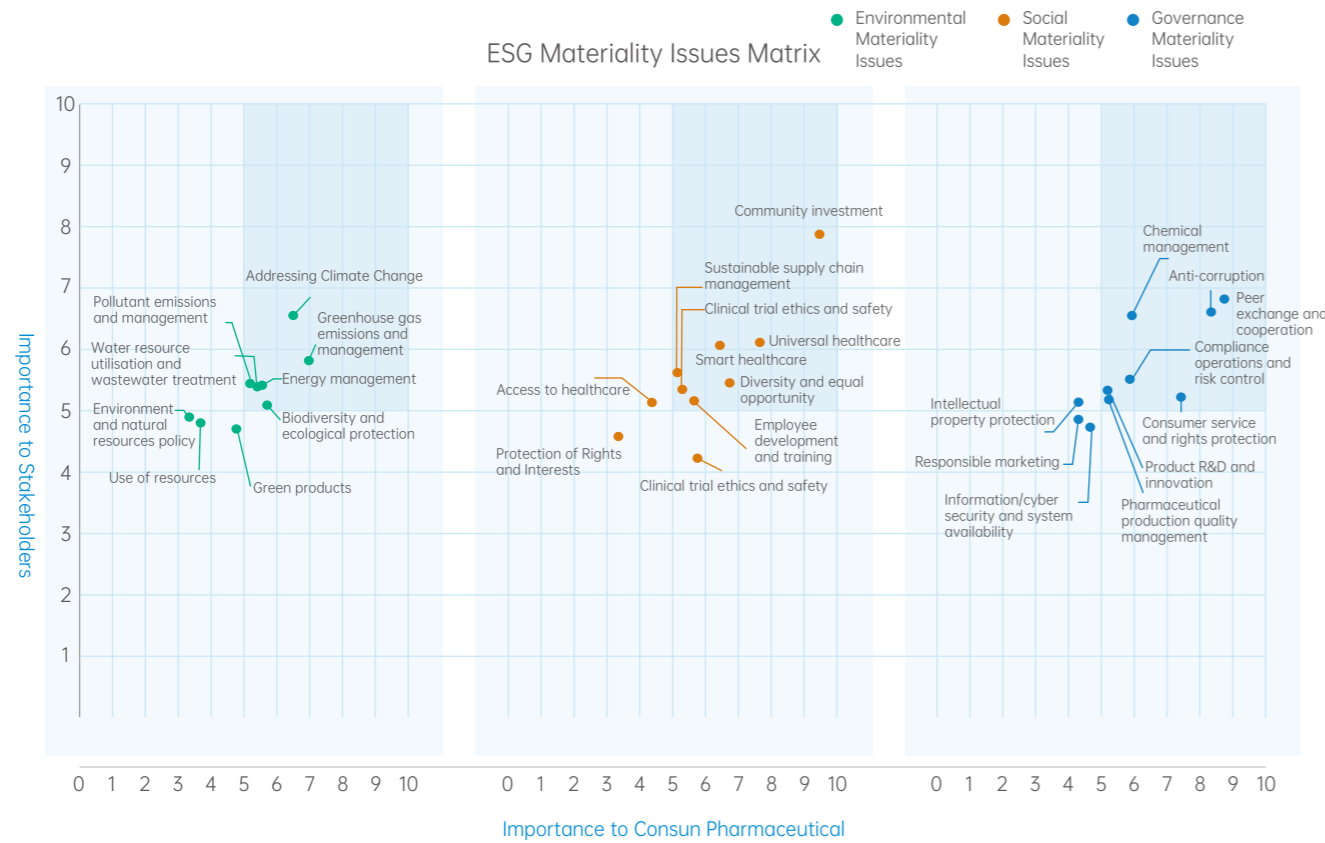


Materiality Assessment

The Group routinely conducts annual materiality assessments to identify key areas of focus for its sustainable development. During the Reporting Period, the Group referred to international frameworks and guidelines, the SEHK ESG Code, and combined the characteristics of the pharmaceutical industry with peer best practices to update and refine its materiality issues database. Through internal and external stakeholder surveys, the Group gained a deep understanding of the priorities and concerns of different parties and systematically analysed the results. To ensure accuracy, Board members participated in the research and review process.



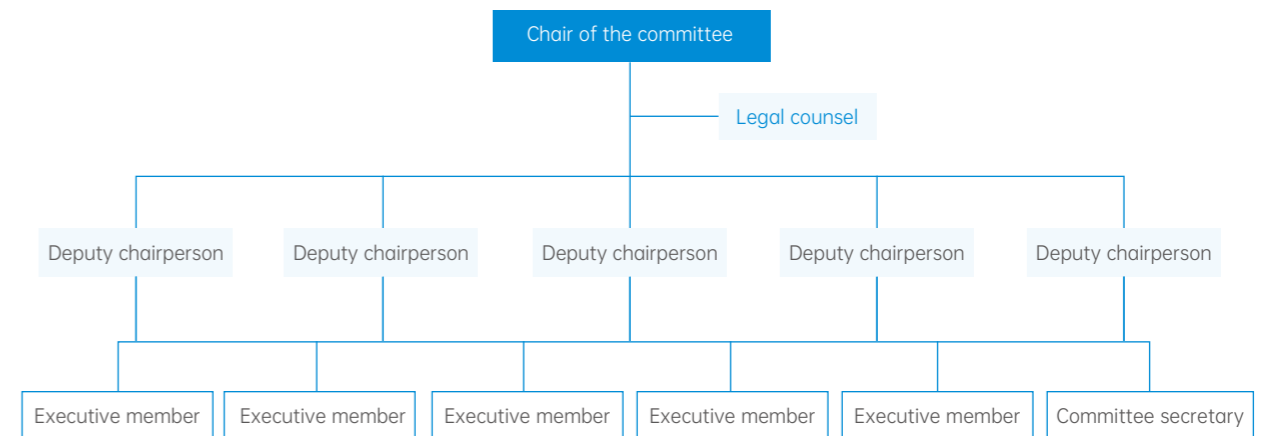
During the Reporting Period, we identified 29 ESG topics of material relevance to the Group. Based on the Board's review and assessment of the ESG topic inventory, we evaluated and confirmed the materiality level of each ESG topic. Among these, a total of 20 topics were determined to be of high importance.



Aspect	Highly Material Issues	Response Section
Environment	Addressing Climate Change	Addressing Climate Change
	Greenhouse gas emissions and management	Addressing Climate Change
	Biodiversity and ecological protection	Improving Environmental Governance
	Energy management	Improving Environmental Governance
	Water resource utilisation and wastewater treatment	Improving Environmental Governance
	Pollutant emissions and management	Improving Environmental Governance
Social	Community investment	Community Co-construction
	Universal healthcare	Quality Management Community Engagement
	Smart healthcare	Quality Management Community Engagement Employee Management
	Diversity and equal opportunity	Caring for Employees Talent Development
	Employee development and training	Talent Development
	Sustainable supply chain management	Enhancing Supply Chain Management
Governance	Clinical trial ethics and safety	Protection of Rights and Interests
	Peer exchange and cooperation	Industry Collaboration
	Anti-corruption	Anti-Corruption and Integrity
	Consumer service and rights protection	Protection of Rights and Interests
	Chemical management	Chemical Management
	Compliance operations and risk control	Quality Management
	Product R&D and innovation	R&D Innovation
	Pharmaceutical production quality management	Quality Management

Anti-Corruption and Integrity

Since 2023, regulatory oversight in the domestic pharmaceutical industry has become increasingly stringent, making compliance a critical issue. Guided by the Group's "Deepen Compliance" operational policy, the Group strictly complies with laws and regulations including but not limited to the *Criminal Law of the PRC*, the *Anti-Unfair Competition Law*, the *Pharmaceutical Administration Law*, and the *Anti-Money Laundering Regulations for Financial Institutions*. The Group has established the Board Audit and Supervision Department; the Compliance Management Centre and the Compliance Committee chaired by the President, which works closely with various business lines to advance compliance initiatives.

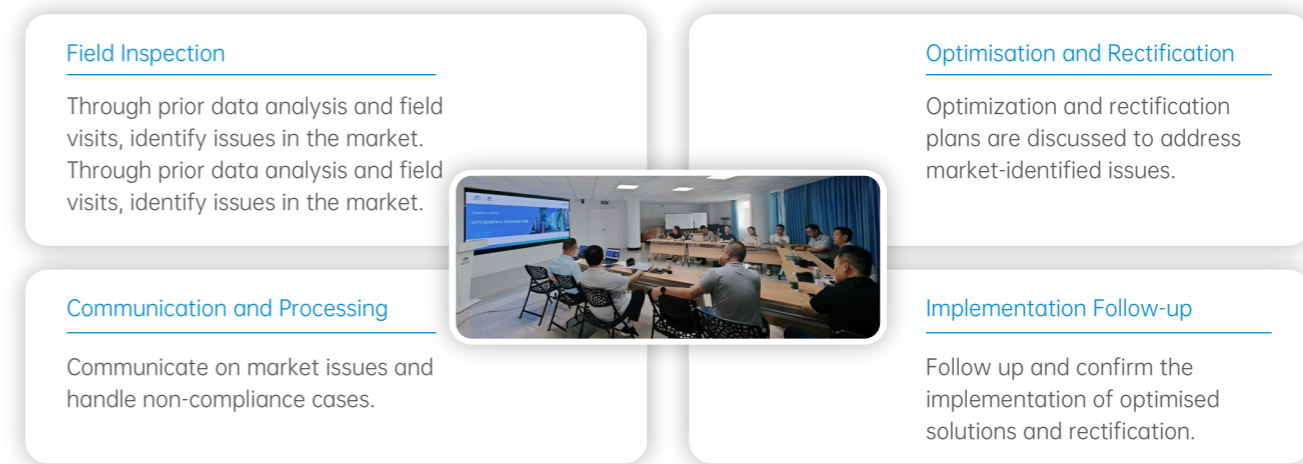


Compliance Committee Structure

Risk Prevention and Control Mechanism

The Group has established a "three lines of defence" risk management mechanism, effectively identifying, assessing, monitoring and responding to various risks through clear division of responsibilities and tiered collaboration.

During the Reporting Period, the Compliance Management Centre organised multiple professional training sessions and awareness campaigns and conducted internal audits and special inspections targeting issues identified during business operations.



Market Inspection Operational Mechanism

Anti-Corruption and Business Ethics Development

Under the safeguards of the internal control and supervision system, Consun Pharmaceutical has formulated and implemented a series of anti-corruption policies and guidelines, supplemented by monitoring, reporting and training mechanisms, to comprehensively prevent and combat illegal activities related to bribery, extortion, fraud and money laundering. During the Reporting Period, the Group did not receive any lawsuits or whistleblower cases involving employee corruption or violations of business ethics.

Policy Formulation	<ul style="list-style-type: none"> We have established a robust corporate governance structure, including the Audit Committee, Remuneration Committee, and Nomination Committee, to evaluate and provide recommendations on significant matters such as the remuneration and benefits of the Board and senior management. Additionally, the Group has developed a series of rules and regulations with the Board as the highest decision-making body, including <i>Internal Audit Charter</i>, <i>Marketing Audit Work Management Regulations</i>, <i>Employee Code of Conduct</i>, <i>Business Partner Code of Conduct</i>, <i>Compliance Management System</i>, <i>Promotional and Educational Materials Management Regulations</i>, <i>Compliance Guidelines for Preventing Commercial Bribery in Pharmaceutical Enterprises</i>, along with supporting typical case studies. All policies, guidelines, and codes of conduct related to employee behaviour are published on the OA platform to ensure that all employees are informed and strictly adhere to the updated regulations.
Supervision	<ul style="list-style-type: none"> A dedicated professional department has been established to conduct periodic inspections and supervision, and to investigate improper conduct. The Compliance Department has set up a closed-loop control mechanism of "pre-approval, in-process monitoring, and post-event spot checks," issues a monthly <i>Compliance Monitoring Report</i> and follows up on corrective actions. The results are also incorporated into compliance performance assessments to strengthen the implementation and enforcement of compliance policies. 20 Compliance Ambassadors recruited and trained, with business units as the primary responsible parties for compliance, extending compliance requirements to the front lines of the business. <div style="display: flex; justify-content: space-around;">   </div>
Whistleblowing	<ul style="list-style-type: none"> The Group has established an employee complaint and whistleblowing management system and provides multiple channels for whistleblowing, including telephone, email, letters, face-to-face meetings, fax, and the OA platform. Employees and stakeholders are encouraged to actively participate in supervision and are permitted to report any violations of compliance policies anonymously. We are committed to maintaining full confidentiality of all reported information and adopting a zero-tolerance approach towards retaliation, thereby fostering a fair, just, and transparent corporate culture. The Group has established a dedicated Audit and Supervision Department to handle complaints and reports. The anti-corruption reporting channels are as follows: Email: jubao@chinaconsun.com Whistleblowing Line: 020-82266115 Mailing Address: Audit and Supervision Department of the Board, Consun Pharmaceutical Group, No. 71, Dongpeng Avenue, Huangpu District, Guangzhou, Guangdong Province, PRC <div style="display: flex; justify-content: space-around;">   </div>
Training	<ul style="list-style-type: none"> To raise anti-corruption awareness and encourage all employees to adhere to the code of ethics, the Group provides anti-corruption awareness training provided to the Board and employees at all levels on an ad-hoc basis.

The Compliance Management Centre continued to promote employee compliance awareness, regularly organising compliance training activities in both online and offline formats.

During the Reporting Period, the Group's Compliance Management Centre delivered 39 compliance training sessions through both online and offline formats, with a 100% exam pass rate, covering obligation notifications, policy interpretation, awareness-building, compliance education, and other compliance-related matters. Additionally, the Compliance Department delivered "Compliance Policy and Case Interpretation" training to marketing personnel, with a cumulative total of 1,606 employees trained, focusing on expense compliance management and anti-commercial bribery advocacy. Meanwhile, during the mid-year meeting and annual meeting, external compliance experts were engaged to deliver training on regulatory developments and compliance trends in the industry, continuously strengthening employees' compliance awareness.



Cumulative employees trained in compliance

1,606



▲ Compliance Guidelines for Preventing Commercial Bribery Risks in Pharmaceutical Enterprises – Supporting Typical Case Studies



▲ Compliance Industry Exchange and Collaboration

In line with the latest regulatory requirements, specialized training is provided focusing on new regulation interpretation, R&D project contract management, promotional materials usage, and labor and employment management.



In 2025, the Group held

12 legal training sessions



with a cumulative coverage of

2,686 person-times



▲ Anti-Corruption Training



▲ Compliance Policy Awareness Training



Innovation at Consun

Leading the Future of R&D

As an innovative leader in the pharmaceutical industry, the Group upholds its mission of "inheriting traditions, innovating for the future, and providing effective medicines for the well-being of the people", continuously deepening R&D innovation and product quality enhancement, and striving to provide consumers with safe, outstanding and reliable pharmaceutical products and professional services. Consun Pharmaceutical Group harnesses global R&D resources and exceptional professional talent to drive synergistic innovation across research, manufacturing, and marketing, delivering sustained high-value outcomes for customers and China's medical and healthcare development.



R&D Innovation

Consun Pharmaceutical follows an R&D strategy that emphasises both independent research and open collaboration, with the clear strategic objective of "establishing unique proprietary technology platforms and developing new products with both clinical value and industry competitiveness". In 2025, we steadfastly advanced our "internal enrichment, external expansion" strategy, completing one technology introduction and three investments to consolidate our existing nephrology pipeline advantages.

To strengthen R&D coordination and decision-making support, the Group has established the Market Access and Government Affairs Centre, the Central Marketing Department, the Business Development Centre and the Product Management Committee to coordinate product strategy planning, market demand analysis and R&D direction guidance. The R&D team regularly monitors industry developments through mechanisms such as the *Weekly Industry Information Bulletin* and *Monthly Industry Information Report*. These channels enable timely feedback on policy and regulatory updates, market trends, and product developments, ensuring that product design and development remain aligned with customer and market needs.



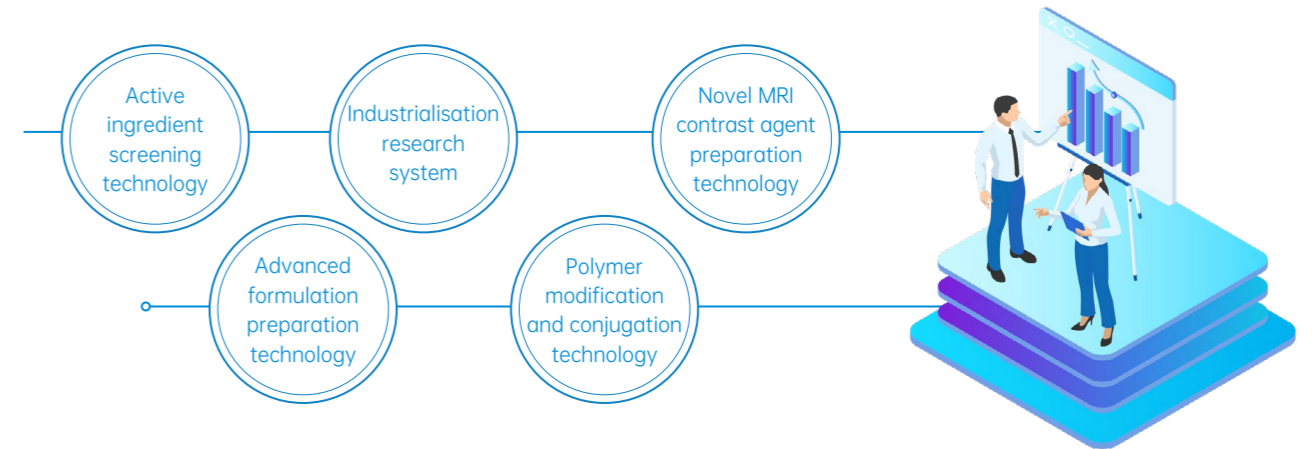
Innovative R&D Technology Platforms

To continuously enhance R&D efficiency and technological innovation capabilities, Consun Pharmaceutical has established a system of four major technology platforms systems, providing solid support for the Group's product development, quality upgrades, and industry-leading position.



Core Technical Capabilities

To strengthen independent innovation and research commercialization, Consun Pharmaceutical has built five core technology platforms covering drug screening, formulation development and industrialization, promoting the modernization of traditional Chinese medicine and advancing the Healthy China strategy.

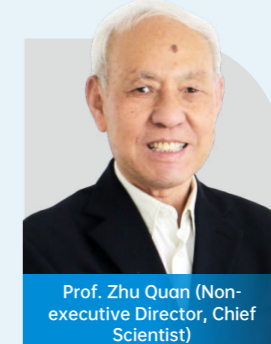


R&D Team and Collaborative Partnerships

Consun Pharmaceutical has 10 specialised R&D departments, covering the full R&D chain from drug design to clinical research and quality management. With nearly 100 research personnel, over 50% of whom hold master's or doctoral degrees, the team is led by Dr Du Ying and forms a multi-echelon, professionally oriented R&D team.



Dr Du Ying (Group Vice President, Senior Engineer)



Prof. Zhu Quan (Non-executive Director, Chief Scientist)



Dr Jonathan Barratt (Scientific Adviser)

To further promote technological innovation and the transformation of research achievements, the Group has established in-depth industry-university-research collaborations with renowned universities, scientific research institutions and industry associations, including the Foshan National Innovation Institute, China Pharmaceutical Innovation and Research Development Association, Tsinghua University, Hong Kong Baptist University, and South China University of Technology, facilitating the efficient transformation and commercialisation of scientific research achievements.



▲ R&D Team

Academic Papers

Over **70** SCI papers published in total

Science and Technology Projects

Undertaken over **40** national, provincial and municipal science and technology projects

R&D Platforms



▲ Postdoctoral Research Workstation



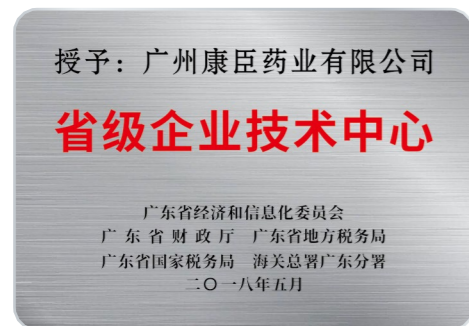
▲ Provincial Technology Innovation Centre



▲ Digital Intelligence Health Collaborative Innovation Laboratory



▲ Kidney Disease Drug Research Centre



▲ Enterprise Technology Centre



▲ Ultrasound Microbubble Diagnosis and Treatment Integrated Joint Laboratory



▲ Strategic cooperation framework agreement with TCMG Group of the United States



▲ Strategic cooperation framework agreement with DP Technology



▲ Joint Laboratory for Innovative Drug R&D in Integrative Nephrology Medicine, co-established with Guangdong Pharmaceutical University and Hong Kong Baptist University



▲ Joint Laboratory between Peking University Medicine and Consun Pharmaceutical established



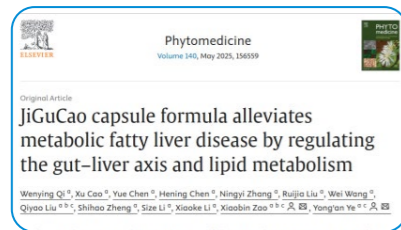
▲ The Group held a summary report meeting on the screening and product planning for obstetric and paediatric disease pipelines

Research Achievements

In 2025, Consun Pharmaceutical made significant progress in innovative drug R&D and the translation of Chinese medicine research findings.

March

Prof. Ye Yong'an's team at Beijing University of Chinese Medicine Dongzhimen Hospital published a paper in *Phytomedicine* (2024, IF6.7/Q1) on the efficacy and mechanism of Abrus Herb Capsules for metabolic fatty liver disease



March

Group's SK-08 Phase I clinical study completed first batch of dosing for subjects



March

Clinical study on "Effect and mechanism of Uremic Clearance Granule on residual renal function and skin pruritus in peritoneal dialysis patients with constipation" completed enrolment of all subjects



March

World Federation of Chinese Medicine Societies 2025 "Yishen Huashi Granule and Uremic Clearance Granule related research" project review meeting held at the Federation headquarters



April

Class 1 new drug TRPC5 inhibitor SK-09 received clinical trial approval in China



September

Consun Pharmaceutical obtained the registration certificate for Empagliflozin Tablets (Chemical Drug Category 4) approved by the NMPA (National Drug Approval No. H20255356)



September

Consun Pharmaceutical's Class 1 new drug SK-08 IND application approved by the US FDA



August

The "Clinical Research Fund Project for Prevention and Treatment of Iron Deficiency Anaemia", organised by the China Pharmaceutical Education Association and co-organised by Consun Pharmaceutical, successfully held in Chengdu, Sichuan



June

Clinical Application Guidelines for Uremic Clearance Granule in the Treatment of Chronic Kidney Disease officially published



October

4 research papers on Uremic Clearance Granule and Yishen Huashi Granule selected for presentation at CCSN2025 (28th Annual Academic Conference of the Chinese Society of Nephrology)



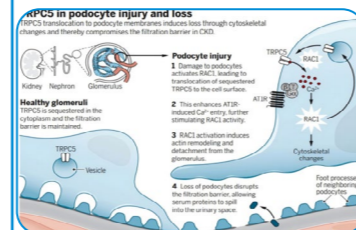
October

Consun Pharmaceutical delivered an academic report titled "Classical Prescription: Inheritance and Development of Yishen Huashi Granule in the Treatment of Chronic Kidney Disease" at the 22nd World Congress of Chinese Medicine



November

Consun Pharmaceutical's Class 1 new drug SK-09 received US FDA IND (Investigational New Drug) approval



November

Consun Pharmaceutical and the First Affiliated Hospital of Sun Yat-sen University held a signing ceremony for the transformation of the hospital preparation "Baihua Zilian Granule"



December

Consun Pharmaceutical's Class 1 new drug SK-09 clinical study successfully completed first batch of dosing in Australia at Nucleus Network



December

The research project *Basic and Translational Research on Integrated Traditional Chinese and Western Medicine in the Prevention and Treatment of Chronic Kidney Disease*, completed by Consun Pharmaceutical in collaboration with Guangdong Pharmaceutical University and other institutions, was awarded the Second Prize of the 2025 Ministry of Education Scientific Research Achievement Award (National Level)



Product Innovation (Healthcare)

Focused on original innovation, advancing breakthroughs in global first-in-class drug development




The Group continues to drive the upgrading of its scientific research system through innovation, focusing on globally unmet clinical needs and disease mechanism innovation. The Group continuously strengthens differentiated target research and increases the proportion of drugs with novel mechanisms of action in its pipeline.

As at the end of 2025, the Company's drug pipeline comprised a total of 25 projects, of which approximately 12% are internationally recognized First-in-class innovative drugs (i.e., possessing novel mechanisms of action and at Phase III clinical trial or registration review stage). These projects are concentrated in key areas such as cardio-renal-metabolic diseases and chronic disease management, reflecting the Group's sustained breakthroughs in original innovation and the enhancement of its internationalized R&D capabilities.

Clinical R&D

The Group's R&D efforts are guided by the strategic objective of "establishing proprietary specialised technology platforms and developing new products that combine clinical value with industry competitiveness." We continue to optimise the full-chain layout from preclinical research to clinical development. By focusing on core disease areas and scientifically planning resource allocation and phase transitions, the Group continuously enhances R&D efficiency and project success rates, building a product pipeline with sustained innovation vitality.

In 2025, the Group's R&D pipeline comprised a total of 25 projects, spanning multiple stages from drug discovery to clinical research and market launch. Among these:

R&D Stage	Number of Projects	Proportion (%)	R&D Investment Proportion (%)	Remarks
 Pre-clinical	20	80%	63%	Focused on novel targets, mechanisms and innovative formulation development
I Phase I	2	8%	23%	Focused on safety and tolerability verification
II Phase II	0	0%	0%	No projects currently at this stage
III Phase III	0	0%	0%	No projects currently at this stage
 Launch	3	12%	14%	Pipeline products transitioning to market
 Total	25	100%	100%	

Research Accessibility and Transparency

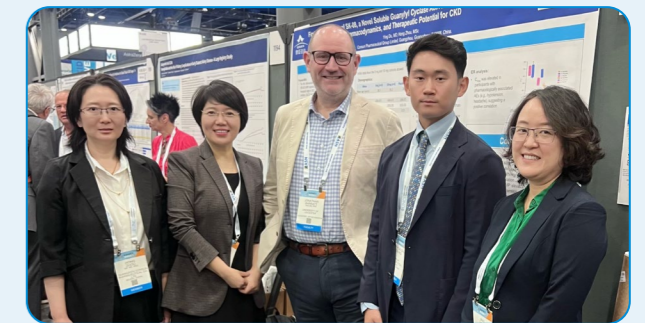
The Group remains committed to its R&D strategic objectives and actively promotes the external publication and academic sharing of scientific research achievements. In 2025, the Group made significant strides in research accessibility and transparency, with core innovative drug research findings successively presented at leading international academic platforms, contributing to the enhancement of academic exchange and public awareness.



Research Accessibility and Transparency

① Class 1 New Drug SK-08 Clinical Research Data Presented at the American Society of Nephrology (ASN) Annual Meeting

In November, the clinical research results of Consun Pharmaceutical's Class 1 innovative drug SK-08 were presented at the 2025 American Society of Nephrology (ASN) Annual Meeting — the premier global academic conference in the field of nephrology — in the form of a Late-Breaking Study poster. The study disclosed population pharmacokinetic/pharmacodynamic data, safety assessments, and key mechanism validation results, confirming SK-08's favorable tolerability in patients with chronic kidney disease (CKD) and its potential dual cardio-renal protective value.



② Uremic Clearance Granule Mechanism Research Published in an Internationally Authoritative Journal and Presented at ASN

In November, the latest mechanism exploration study on the Company's classic product, Uremic Clearance Granule, was accepted by the internationally authoritative journal *Journal of the American Society of Nephrology* and presented as a poster at ASN Kidney Week 2025 (Abstract No. SA-PO0256). The study systematically revealed the potential mechanisms by which Uremic Clearance Granule regulates inflammation and cellular signalling pathways in the progression of renal fibrosis, providing evidence-based support for the scientific study of traditional Chinese medicine in the field of modern nephrology treatment.

Furthermore, Uremic Clearance Granule entered the Indonesian market and was showcased at local academic events. Social media platforms in Indonesia and Malaysia, along with a bilingual official website, were simultaneously established. The product has been listed in well-known retail channels including Watsons in Malaysia and HK JEBN Limited, with initial results achieved in the integrated layout of online, offline, and overseas channels.



Protection of Intellectual Property

The Group regards intellectual property (IP) as the cornerstone of scientific and technological innovation and the maintenance of market competitiveness, and strictly complies with the *Trademark Law*, the *Patent Law*, and the *Anti-Unfair Competition Law of the PRC*, as well as other laws and regulations that have a significant impact on business operations. We also implement relevant provisions such as the *Implementing Regulations of the Patent Law* and the *Implementing Regulations of the Trademark Law*. To further standardize IP management, the Group has formulated and implemented internal policies including the *Intellectual Property Management Measures* and *Trademark Registration Guidelines*, which clarify the principles of IP ownership, usage standards, and management responsibilities.



Attaching great importance to patent protection and the commercialization of innovative achievements, and in accordance with relevant laws and regulations, we have established a full-lifecycle patent management mechanism covering patent application strategy formulation, approval monitoring, maintenance and ongoing surveillance, in order to promote technological innovation, build independent intellectual property rights, and ultimately drive our technological progress and economic growth.

The Group adheres to the principles of "timeliness, confidentiality, unified management, and collaborative division of labor", implementing comprehensive and multi-pronged management and protection for trademarks, copyrights, patents, and trade secrets:

- Established an automated trademark management platform, continuously expanding trademark protection categories and coverage through AI tools.
- Through market dynamics monitoring mechanisms, actively assisted in anti-counterfeiting and rights protection efforts.
- Regularly conducted employee training and awareness campaigns to foster a corporate culture of respecting innovation and lawful rights protection.



Patent Status

Total valid patents: over **50**
International patents: **13**

Value at Consun

Crafting Excellence in Quality

Consun Pharmaceutical has always regarded pharmaceutical quality as its foremost responsibility in business operations. Adhering to patient health and medication safety as its core principles, the Company embeds rigorous quality management concepts throughout the entire product lifecycle — from R&D design and raw material selection to manufacturing and distribution management — with each stage strictly controlled by internal standards that exceed regulatory requirements. Through the continuous introduction of advanced equipment and lean management systems, Consun constantly refines its quality risk management and continuous improvement mechanisms, ensuring that every product is safe, reliable, and traceable. This provides patients and customers with a quality commitment worthy of long-term trust, putting into practice the product philosophy of "High technology, High efficiency, and High quality".



Quality Management

Quality Management System

Consun Pharmaceutical ensures the stability and reliability of product quality through a well-established pharmaceutical quality management system. The Group strictly complies with the *Drug Administration Law* and the *Good Manufacturing Practices for Drugs* and has built a systematic and rigorous pharmaceutical quality management framework.

Building on this foundation, the Group has formulated and continuously implements a number of core management systems, including the *Group Quality Supervision Management Procedures*, *Drug Quality Management System Management Procedures*, and *Drug Release Management Procedures*, ensuring pharmaceutical quality and compliance across the entire process from R&D and production to release. In 2025, the Company officially launched the Quality DMS system, which comprehensively enhanced the digitalization and traceability of quality management. Adhering to the concept of continuous improvement, the Company sets annual quality management objectives to implement key work priorities and drive ongoing optimization of the management system.



▲ 2025 Chinese Pharmacopoeia Implementation Training



▲ 2025 Pharmacopoeia-Compliant Drug Analysis and Quality Control Technology Training



▲ Traditional Chinese Medicine Decoction Pieces Quality Management Training



▲ QA On-site Monitoring Training



▲ Production Environment and Water Monitoring Training



▲ Chinese Medicinal Materials and Decoction Pieces Quality Control and Special Management Training




▲ Warehouse Safety Operations Training





▲ PDCA and 5W1H Training

The senior management of the Group assumes ultimate responsibility for pharmaceutical production quality management and fosters an environment of full participation to ensure the effective operation of the quality management system. This ensures the establishment and implementation of an effective pharmaceutical quality management system capable of achieving quality objectives. The management is responsible for participating in the design, implementation, monitoring, and maintenance of the management system, allocating resources, establishing authorities, creating effective communication processes, and reviewing management performance. These efforts establish a top-down strict monitoring model for the Group's pharmaceutical quality management system. At the same time, the Group has established a quality issue tracking system, conducting focused monitoring of high-frequency problem product varieties and suppliers, issuing quality communication letters requiring rectification with closed-loop follow-up. In 2025, the Group carried out focused audits on 3 suppliers with frequent substandard incoming materials, instructing them on how to perfect their quality management systems. At the same time, we established procedures including the *Ginger Receipt and Storage Management Standard* to enhance incoming material quality control.

Furthermore, the Group continuously improves and deepens quality management throughout the entire pharmaceutical lifecycle. Through measures such as regular audits and assessments, risk identification and control, and continuous quality improvements, we ensure the stable and efficient operation of the quality management system, comprehensively safeguarding pharmaceutical quality and medication safety.

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All production lines have obtained Good Manufacturing Practice (GMP) certification
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In 2025, the production bases cumulatively underwent 19 external supervisory inspections and internal audit flight inspections, all successfully passed, with a 100% external inspection pass and compliance rate
- 
>

69 batches of drugs were sampled and evaluated by the national drug authority, all meeting regulatory requirements



▲ Inner Mongolia Consun conducted systematic training sessions on GMP regulations, production safety, pharmacovigilance, and microbiology knowledge



▲ Yulin Pharmaceutical conducted GMP special inspections, covering all workshop departments across the production system



▲ The United States Food and Drug Administration (FDA) conducted an on-site inspection at Yulin Pharmaceutical



In the *Management Procedures for the Pharmaceutical Production Quality Management System*, the Group has clearly defined the construction of the pharmaceutical quality management system, product technology transfer, production management, and product discontinuation as key stages, providing an institutional basis for full-process quality control. Throughout the product lifecycle, the Group adopts a combined proactive and retrospective approach to systematically identify, assess, control, communicate, and review quality risks. At the same time, the Group has established clear quality objectives for each stage of the lifecycle and continuously monitors their implementation, ensuring the effective execution of quality management measures and safeguarding product quality stability and compliance.

Drug Development

Ensure that the design of products and production processes meets the needs of patients and customers.



Commercial Production

Achieve product realisation, establish and maintain a controlled state, and continually improve.

Technology Transfer

Complete the transfer of product and process knowledge from the research and development stage to the production stage, as well as transfers within internal production areas, to enable product manufacturing.

Product Discontinuation

Effectively manage the final stage of the product lifecycle through pre-defined methods.

7th "Quality Month" Activity

The Group and its production bases simultaneously conducted the "Quality Month" series of activities. Through knowledge competitions, role swaps, and specialized training, we continuously promote the "pursuing excellent quality" culture to take root, safeguarding drug safety with higher standards and providing superior products and services.



▲ Knowledge Education and Skill Enhancement Activity



▲ Sales-Production-Logistics Role Exchange Day Activity



▲ GMP Knowledge Written Examination and Quiz Competition



▲ Quality Knowledge Summit Competition

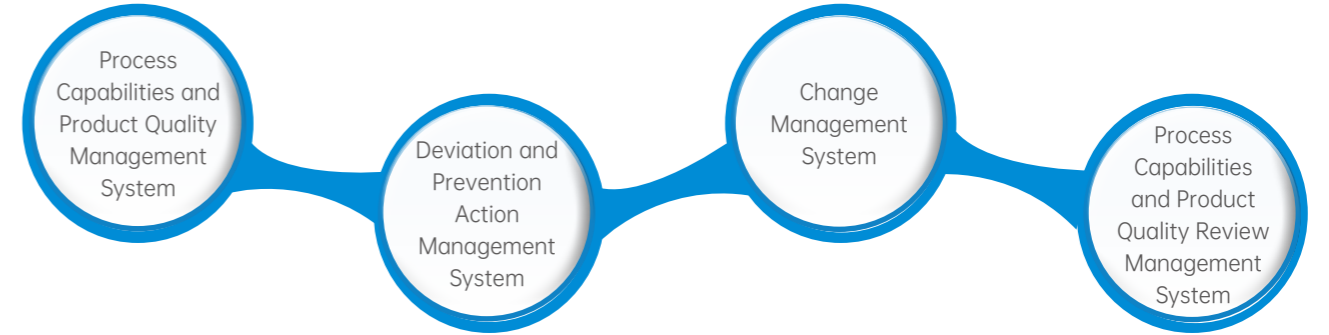


▲ Engineering Equipment Department Professional Skill Enhancement Initiative



▲ "My Contribution to Lean Production" Suggestion Activity

To ensure that drug quality meets the predetermined standards under the pharmaceutical quality management system, the Group has established and operates four pharmaceutical quality management subsystems. These systems further strengthen the control of the internal pharmaceutical quality management framework, promote continuous improvement of the internal quality management system, and ensure that drug quality requirements and controls stay up to date.



During the Reporting Period, Consun Pharmaceutical actively carried out employee training and skill enhancement activities under the theme of "Upholding Tradition and Innovation through Action, Achieving Quality Breakthroughs through Perseverance," effectively promoting the implementation of quality management culture across all operational aspects of the Group.

Strengthening Regulatory Compliance and Quality Management System Development

The Group has always regarded compliant production and the continuous improvement of its quality management system as the cornerstone of high-quality development. The Group actively cooperates with inspections by domestic and international regulatory authorities, adopting an open, transparent, and professional approach to align its production systems with international standards, ensuring product safety, reliability, and compliance.

Regulatory Compliance Overview 2022–2025



Over the past four financial years, the Company has successively undergone on-site inspections by multiple international drug regulatory agencies, including the Australian TGA and the U.S. FDA. These inspections covered all stages of the entire process, including manufacturing facilities, production control, quality validation, and data management. In the face of continuously upgrading international regulatory standards, the Company has consistently adhered to a quality-centric approach, proactively driving the development of its compliance system and the comprehensive enhancement of its quality management level.



Over the past four fiscal years, the Company underwent 19 on-site inspections by domestic regulatory authorities, covering traditional Chinese medicine production, commissioned production extended inspections, pharmaceutical GMP, pharmacovigilance and essential medicine supervision.

From 2022 to 2025, all domestic inspection results were 'Passed', fully demonstrating the operational stability of the Company's quality system and its continuous compliance capabilities.



Protection of Rights and Interests

High-Quality Services and Consumer Rights Protection

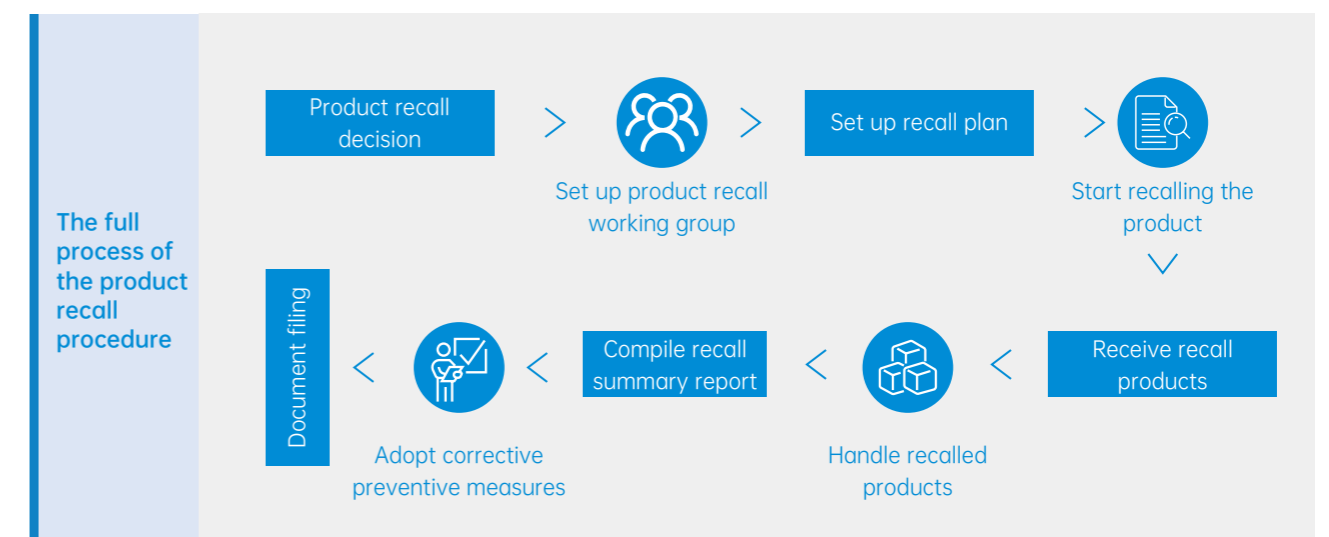
The Group continues to deepen its domestic and international market presence through refined marketing strategies and efficient market operations. Adopting a marketing model of "deep distribution, market segmentation, and classified management", the Group has established a professional in-house academic promotion team of over 1,500 members. With a sales network spanning the entire country, the Group leverages academic engagement as a bridge to communicate the scientific value of its pharmaceutical products.

Concurrently, the Group is actively expanding into overseas markets, with products now sold in over 30 countries and regions, establishing a stable brand presence and competitive edge in the international arena. This well-developed market network has effectively enhanced the Group's responsiveness to market demand, while providing consumers with more accessible, professional, and attentive services.

Product Recall Management

To effectively identify and assess risks during drug use, ensure the safety, efficacy, and rational use of medications, and safeguard public health, the Group has established a dedicated pharmacovigilance department. This department is responsible for risk monitoring and prevention throughout the entire drug lifecycle, from research and development to market launch and withdrawal, ensuring drug safety at all stages.

In terms of policy development, the Group has established and continuously implements management systems such as the *Product Recall Management Procedures* and the *Product Reprocessing Management Procedures*, ensuring the rapid and effective recall of any products with potential safety hazards when necessary. The Group also strictly carries out related work in accordance with the established *Drug Recall Standard Operating Procedures*, forming a recall management system led by the heads of each base, with collaboration among the Quality Authorised Person and multiple departments, ensuring the efficient and orderly execution of product recall and proactive product return operations.



Over the past four financial years (2022–2025), including the Reporting Period, the Group did not have any product recalls due to product safety or health-related issues.

Listening to Consumer Feedback

Consun Pharmaceutical is committed to a consumer- and patient-oriented approach, continuously strengthening its customer service system and maintaining stable and effective communication with patients through multiple channels, including hotline services, social media, and chronic disease management platforms. The Group provides real-time consultation and support to patients through the chronic disease management 400 hotline and patient WeChat groups. At the same time, through the "Shen An Xing" chronic disease management platform and related public accounts, we continuously collect patient feedback and monitor their health management progress.

During the Reporting Period, the Group continued to implement the *Hotline Call Management Regulations*, standardising service processes and response standards to ensure that patient concerns are followed up in a timely manner and properly addressed. Relevant personnel are required to provide services in accordance with the call handling guidelines and promptly report matters requiring follow-up to the relevant departments, thereby enhancing issue resolution efficiency and enabling patients to experience both professional support and a sense of care and trust.

Smart Healthcare Service Platform

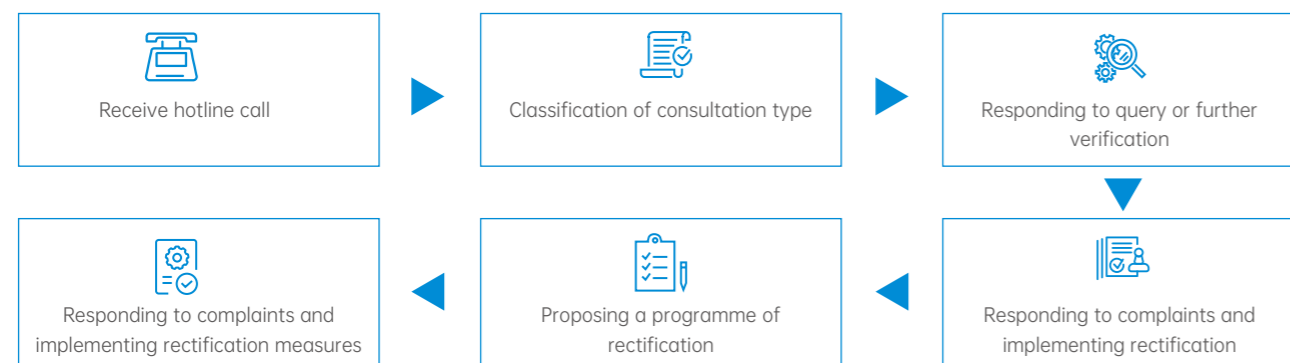
"Shen An Xing" is the Group's smart healthcare service platform that integrates multiple functions, such as electronic health management and medication and follow-up appointment reminders, to assist users in digitizing and tracking their health data on an ongoing basis. The platform also features an intelligent inquiry system and online consultations with professional physicians, providing users with timely and convenient health management and medical guidance.

Meanwhile, the platform service account regularly delivers health education, disease prevention information, and dietary/lifestyle recommendations to help users build health management awareness.



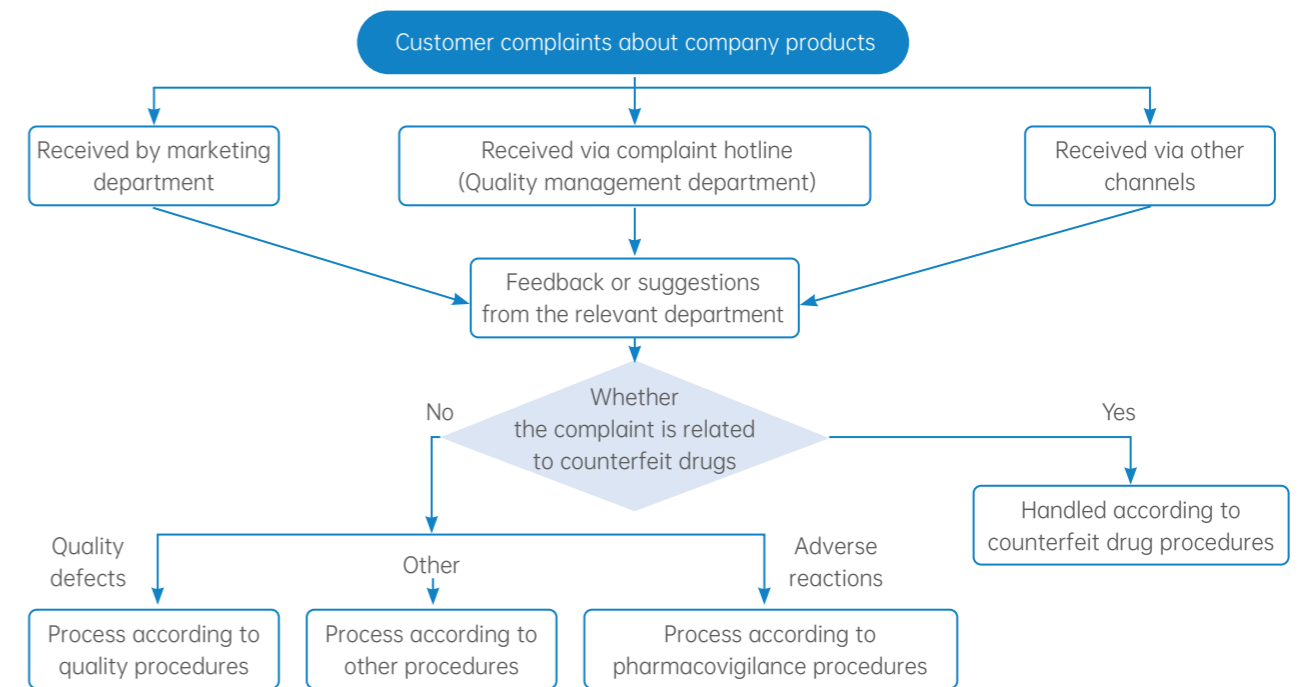
▲ "Shen An Xing" Service Account

Hotline Call Management Process



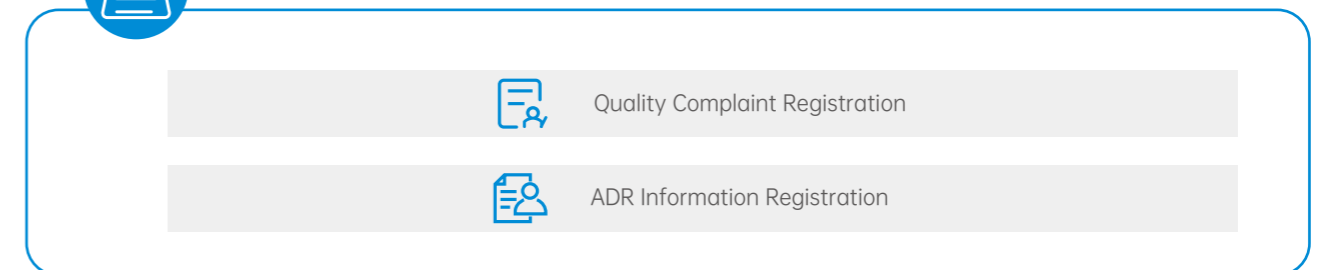
Patient Response Mechanism

The Group places great importance on addressing patient feedback and complaints regarding product quality. To standardise the acceptance, investigation, and handling process for product quality complaints, and to ensure that related matters are properly followed up and responded to in a timely manner, the Group has formulated and continuously implements the *Customer Complaint Handling Management Regulations* in accordance with the *Consumer Protection Law of the People's Republic of China* and related regulatory requirements.



At the same time, to enhance the efficiency of customer complaint handling and standardise the relevant feedback processes, the Group has established a unified "Customer Complaint Management Platform" to consolidate feedback channels, optimise process controls, and improve the responsiveness and handling standards of frontline personnel.

Customer Complaint Management



At the end of the Reporting Period, the Group received a total of 41 product complaints. All cases were followed up in a timely manner in accordance with established procedures and were properly resolved through proactive engagement and effective communication, with all related consumer complaint matters successfully concluded.

Information Security

The Group strictly regulates the protection of customers' and patients' personal privacy. Based on the *Civil Code of the People's Republic of China* and other privacy-related laws and regulations, the Group has established a comprehensive information security and privacy protection management mechanism. We have formulated the *Patient Information Management Process*, and through policies such as the *Group Employee Conduct Management System*, the *Notice on Regulating the Use of the Group's Office Systems*, and the *Guide to Understanding Data Security Technical Requirements for Processing Sensitive Personal Information*, we enforce employees' confidentiality obligations and data security requirements, thereby reducing the risk of information leakage.

At the technical level, the Group has deployed encryption software on computers handling sensitive information and implemented multi-layered encryption and backup management for critical data to enhance information security protection capabilities. Moreover, we conducted compliance assessments on information security for suppliers and deployed high-defence services for cloud computing models (IaaS/PaaS/SaaS). Through measures such as signing confidentiality agreements, we continue to strengthen the protection of data privacy.

Meanwhile, the Group has established a professional information security team under the direct supervision of the President. Through systems such as the *Data Centre Management Measures*, *Data Backup Management Measures*, and *Information Security Emergency Response Management Measures*, we have developed a systematic network security risk management framework that effectively improves the ability to identify and respond to potential security incidents. Given the rapid development of artificial intelligence in the healthcare sector and its associated privacy challenges, the Group will continue to monitor relevant regulatory developments and the latest legal requirements, maintain ongoing surveillance of information security threats, and promptly adjust our internal strategies and processes to ensure that technological applications and privacy protection advance in parallel, in compliance with regulatory requirements and industry standards.



During the Reporting Period, the Group did **not** identify any violations related to customer privacy or data protection.

Safety and Participant Protection in Clinical Trials

Clinical trials are a crucial step in the pharmaceutical research and development process. The Group places great importance on the safety, compliance, and ethical requirements of clinical trials, and prioritises the protection of participants' rights and safety. Throughout the design, implementation, and management of clinical trials, the Group strictly complies with the *Drug Administration Law of the People's Republic of China*, the *Administrative Measures for Drug Registration*, and the *Good Clinical Practice for Drugs*, among other relevant laws and regulations, ensuring that trials are conducted in compliance with regulations, with scientific rigour, and to high quality standards.

Meanwhile, the Group requires all clinical trial projects to undergo ethics committee review in accordance with the law, ensuring that participants take part in trials based on full informed consent and voluntariness, with their privacy rights and personal information security protected in accordance with the law. Throughout the trial process, the Group continuously monitors trial safety and adverse events, promptly adopting appropriate risk control and corrective measures to ensure the effective protection of participants' health and safety.

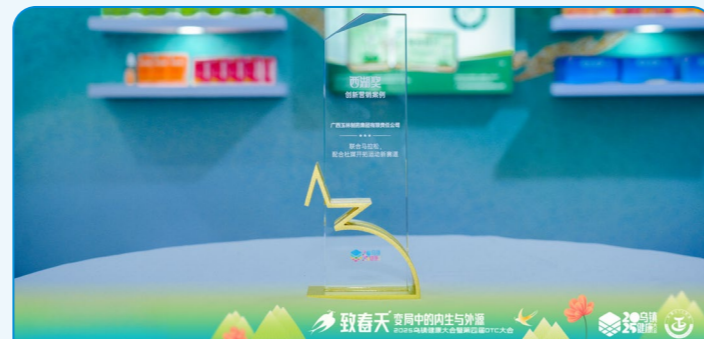
Furthermore, the Group continues to strengthen compliance training and management for personnel involved in clinical trials, enhancing their awareness of clinical trial ethics, quality, and risk management requirements, thereby further consolidating the safety and compliance foundation of the Group's pharmaceutical research and development activities.

Advertising and Product Labelling

The Group is committed to providing consumers and the public with truthful, accurate, and responsible product information, and regards safeguarding consumers' right to information and legitimate interests as the core principle of its advertising and product labelling management. When producing product promotions and advertisements, the Group strictly adheres to the *Drug Administration Law of the People's Republic of China*, the *Advertising Law of the People's Republic of China*, and the *Measures for the Examination of Drug Advertisements*, among other relevant laws and regulations. All drug-related advertisements are submitted to provincial drug regulatory authorities for approval to ensure legal compliance.

Yulin Pharmaceutical has established the *Advertising Placement Management Regulations* to implement full-process management of advertising content, covering planning, review, placement, and subsequent oversight, ensuring that all published advertisements meet regulatory requirements in terms of authenticity, completeness, and effectiveness. In terms of product labelling and package insert management, the Group strictly follows the *Drug Administration Law of the People's Republic of China*, the *Measures for the Administration of Drug Registration*, and the *Provisions for Drug Instructions and Labels* when designing and producing labels, preventing the inclusion of vague, misleading, or inaccurate information. At the same time, the Group has formulated the *Packaging Material Management Procedures* to implement stringent controls over packaging text, labels, and package inserts, ensuring that all printed information on drug packaging is accurate, clear, and traceable.

The Company strictly complies with relevant laws and regulations governing advertising and promotions, and consistently follows the guidance of regulatory authorities. No material administrative penalties were imposed on the Company in 2025.



▲ "Xihu Award: Innovative Marketing Case"



▲ "Video Integrated Marketing White Paper"



▲ "2025 Innovative Scenario Marketing Gold Case"

Enhancing Supply Chain Management

Supply chain management is critical to the Group's production efficiency and the stability and reliability of product quality. Through a comprehensive and sustainable supply chain management system, the Group drives supply chain partners to implement refined management and full-process optimisation. The Group implements stringent supplier selection, evaluation, and ongoing assessment mechanisms, and has developed comprehensive strategies to address potential supply risks, ensuring that every stage from raw material procurement and production to product delivery meets established quality and compliance standards. At the same time, the Group actively focuses on the sustainable development of the supply chain, integrating ESG principles into supplier management and cooperation mechanisms, and encouraging supply chain partners to jointly fulfil their social responsibilities.

Procurement Process and Risk Management

A stable and high-quality supply of raw materials is an essential prerequisite for the sustainability of the Group's business operations and the assurance of product quality. To standardise material procurement processes and enhance procurement management standards, the Group has formulated and implemented management policies including the *Strategic Reserve Management Measures*, the *Group Supplier Management System*, *Procurement Quality Control Management Measures*, the *Group Logistics and Transportation Management System*, and the *Warehousing Management System*, ensuring that procurement activities are conducted in an orderly and compliant manner, with effective quality control over procured materials.

Additionally, the Group's *Procurement Risk Management System* systematically strengthens risk identification and control in raw material procurement. For the six identified procurement risk categories, the Group conducts risk level analyses and develops and implements corresponding risk response measures to mitigate risks of supply disruption, quality fluctuation, and non-compliance.



Six Major Supply Chain Management Domains

Based on internal regulations, the Group fully implements the requirements and processes for supplier selection and evaluation, managing suppliers in a systematic manner to ensure they consistently provide the Group with materials and services that meet quality requirements. The Group prioritises suppliers who have established quality management systems in accordance with national or international standards and have obtained relevant certifications, as well as suppliers with stronger ESG performance. For key materials and equipment, the Group focuses on assessing suppliers' production capabilities and quality assurance systems.

At the same time, the Group places great emphasis on suppliers' performance in environmental protection and safety management, conducting comprehensive assessments of whether their facilities, product safety, and quality comply with relevant laws, regulations, and standards. Materials related to GMP are strictly managed in accordance with quality management system regulatory requirements. The Procurement and Logistics Management Centre, in collaboration with the Quality Management Department, conducts regular and ad-hoc audits of suppliers, comprehensively evaluating their compliance and sustainability, and carrying out timely optimisation or replacement to ensure the overall quality and stability of the supply chain.



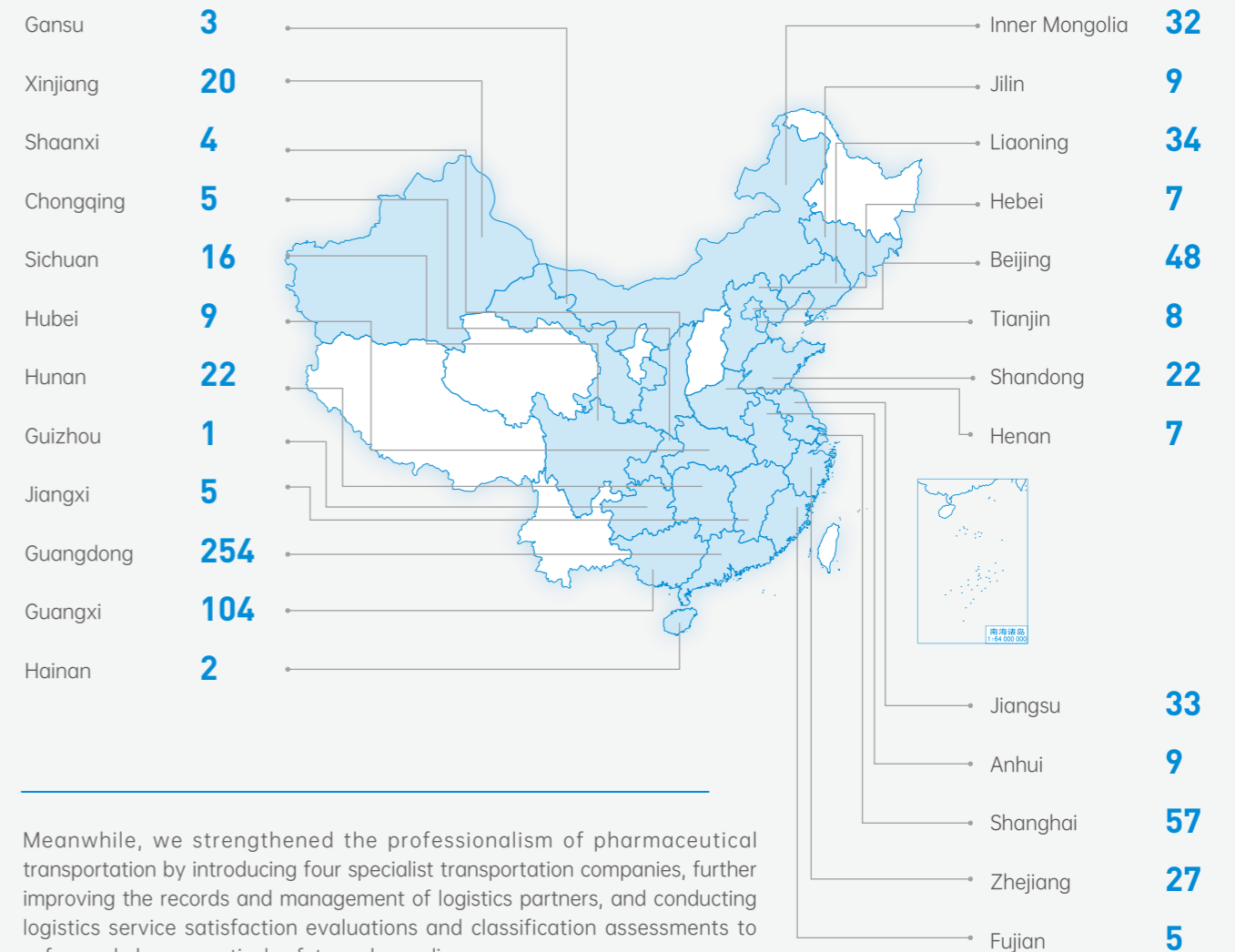
2025 total number of suppliers

743 entities

Suppliers following the above selection and evaluation practices

743 entities

Number of suppliers (by supplier registration location)



Meanwhile, we strengthened the professionalism of pharmaceutical transportation by introducing four specialist transportation companies, further improving the records and management of logistics partners, and conducting logistics service satisfaction evaluations and classification assessments to safeguard pharmaceutical safety and compliance.

Supplier Full Lifecycle Management

To ensure the quality stability and compliant operation of the supply chain, the Group has established a supplier full lifecycle management system covering "admission evaluation — sample verification — tiered audit — dynamic assessment — ongoing supervision", achieving closed-loop management and dynamic optimisation.



Supplier Access and Initial Assessment

The Group strictly screens suppliers based on material characteristics and procurement standards, prioritising those with strong environmental, social, and governance performance and well-established quality management systems that have obtained national or international certifications. Where necessary, on-site inspections and sample evaluations are conducted to ensure that procured materials and key equipment comply with relevant laws, regulations, and safety requirements.

During the admission stage, the Group focuses on reviewing:

- Enterprise qualifications and scope of business
- Business scale and industry reputation
- Credit standing and compliance records
- Quality management system documentation
- Proof that key equipment complies with regulatory and safety requirements

Suppliers are required to sign the *Sunshine Cooperation Commitment* and the *Supplier Admission Commitment*, and to strictly comply with the *Supplier Management System*, to ensure adherence to the following ESG-related principles:

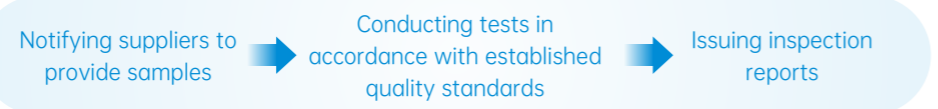
- Firm opposition to corrupt practices
- Prohibition of forced labour and child labour, and zero tolerance for any form of discrimination or harassment
- Provision of reasonable and fair working conditions
- Safeguarding employees' occupational health and safety
- Commitment to environmental protection
- Support for and protection of biodiversity

We have comprehensively organized the files of suppliers we have cooperated with over the years, established a supplier archive database, and continuously optimized the structure and stability of the supply chain, with a total of **1,131** suppliers under compliant management.



Sample Inspection and Quality Verification

For production materials (such as raw materials, excipients, and packaging materials), sample verification procedures are strictly carried out in accordance with GMP management requirements:



Only materials that pass inspection may proceed to the subsequent evaluation process, ensuring quality control at the source.



Continuous Monitoring and Risk Surveillance

To enhance supply chain resilience, the Group has established an ongoing supervision mechanism, including:

- Qualification monitoring
- Delivery schedule monitoring
- Quality monitoring
- Information monitoring

Procurement personnel check supplier credit and compliance information quarterly via the National Enterprise Credit Information Publicity System and relevant platforms of the National Medical Products Administration. If adverse records are identified, evaluation and audit procedures are initiated immediately.

Incoming material quality is incorporated into supplier performance assessments, enabling proactive risk identification and dynamic optimisation management.

Qualified Supplier Confirmation and Dynamic Assessment

After passing on-site reviews, quality assurance agreements are signed with suppliers, and they are included in the *Approved Supplier List* under a registry-based management system. The Group develops annual audit and assessment plans, conducting comprehensive evaluations across the following dimensions:

- Product quality
- Delivery capability and schedule stability
- Service standards
- Price reasonableness
- Compliance and risk profile

Suppliers identified with issues are required to implement corrective actions within a specified timeframe. The Supplier Evaluation Team confirms the submitted corrective measures. Suppliers with serious issues or ineffective rectification are removed from the Approved Supplier List in accordance with relevant regulations.

Suppliers audited in 2025	Suppliers that completed rectification in 2025	Suppliers terminated in 2025
42	40	2
New suppliers that passed the assessment in 2025	Of which, traditional Chinese medicine material suppliers	Excipient suppliers
17	5	6
	Packaging material suppliers	6

Supplier Tiered Management and On-site Audit

Based on the degree of impact of procured materials on product quality, suppliers are classified into five tiers — A, B, C, D, and Z — with corresponding differentiated management measures applied. During the Reporting Period, the grades of the suppliers are as follows:

A 0 Grade A	B 108 Grade B	C 613 Grade C	D 22 Grade D
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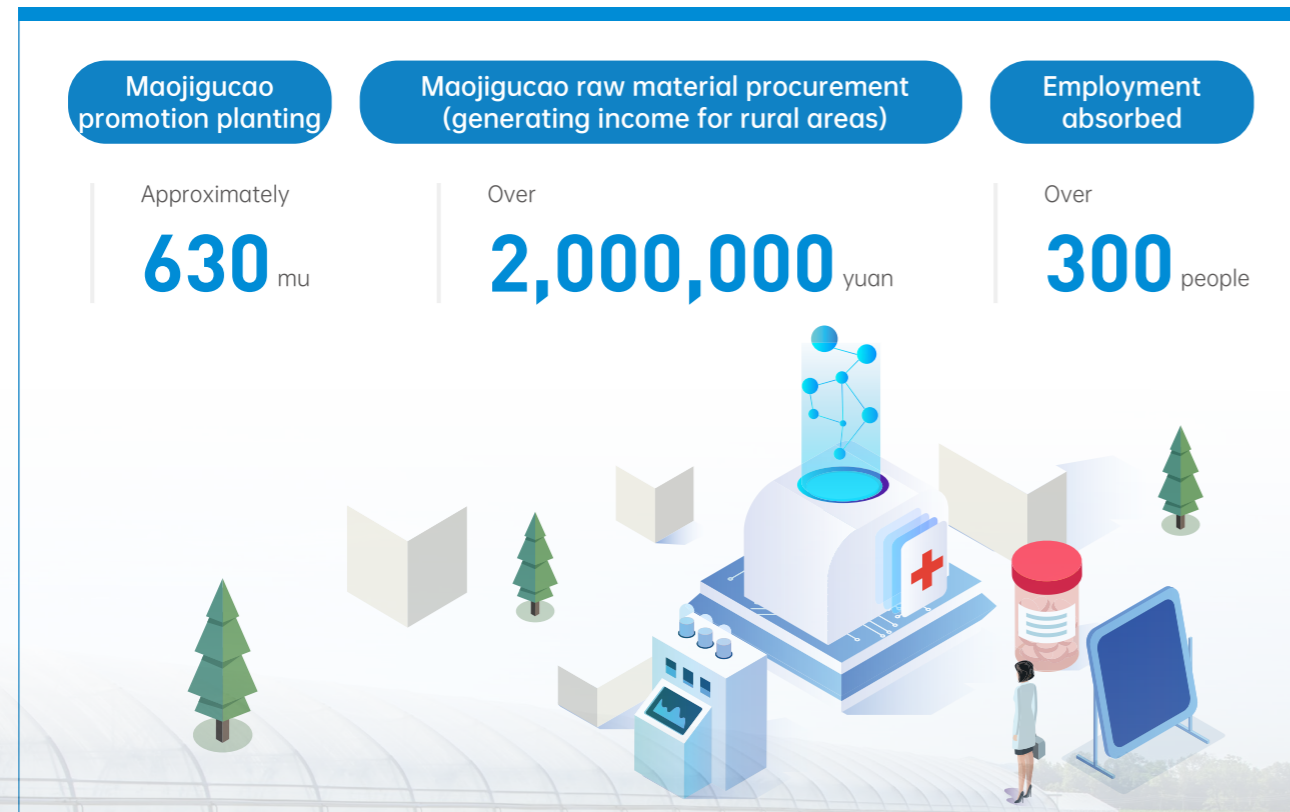
For suppliers providing critical and major materials, on-site audits are conducted with a focus on evaluating:

- Production capacity and process control standards
- Quality assurance system operation
- Environmental and safety management practices
- Regulatory compliance

Upon completion of audits, a *Supplier Audit Report* is prepared and serves as an important basis for subsequent cooperation.

We firmly believe that the sustainable development of an enterprise is inseparable from the shared growth of upstream partners across the industrial chain. The Company actively promotes the "Enterprise + Base + Farmer" model of linking with and leading farmers, establishing close and stable benefit-linking mechanisms through "order-based cultivation" to strengthen industrial chain resilience from the source.

By providing farmers with superior varieties, technical guidance, and guaranteed minimum purchase prices, we integrate small-scale farming into the modern industrial system. This approach stabilises farmer income and contributes to rural revitalisation, while safeguarding the quality and continuous supply of Chinese medicinal herb raw materials, achieving mutual benefits across rural development, farmer income growth, high-quality enterprise development, and supply chain security.



Furthermore, we continue to advance mother seed preparation and seedling propagation research for 11 varieties of rare and less common medicinal herbs, achieving a 100% introduction success rate, with 7 varieties planted in the mother seed garden, safeguarding the sustainable utilisation of Chinese medicinal herb resources.



we continue to advance mother seed preparation and seedling propagation research for

11 varieties of rare and less common medicinal herbs

achieving a

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with

7 varieties planted in the mother seed garden



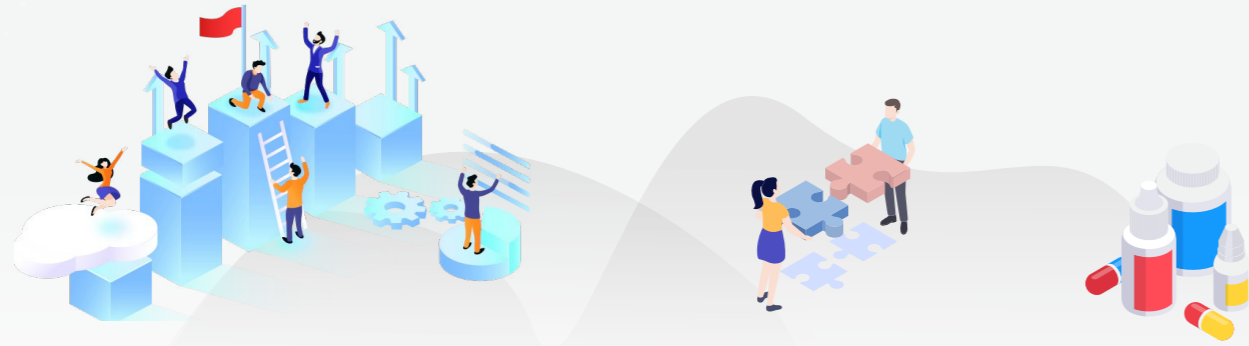
▲ Standardised greenhouse for rare and less common medicinal herbs

Green Procurement

The Group incorporates green and sustainable development principles into its procurement management processes, taking environmental factors into consideration during supplier selection and product choices to promote the development of a green supply chain.

In terms of supplier management, the Group has integrated environmental and social risk criteria into admission assessments, prohibiting cooperation with suppliers that have significant negative environmental or social impacts (as detailed above under Procurement Process and Risk Management), with the aim of mitigating supply chain-related risks from the source. At the same time, in accordance with the *Good Agricultural Practice for Chinese Medicinal Materials* (GAP), we give priority to new suppliers meeting compliant cultivation requirements, safeguarding the standardization and sustainability of Chinese medicinal material cultivation at the source.. We also require suppliers to have fresh processing capabilities, reducing losses and pollution in intermediate stages, thereby improving medicinal herb quality while lowering the environmental impact of processing. For new suppliers, we require the provision of dedicated quality traceability documentation and supporting certificates, enabling full-process traceability from cultivation to procurement and enhancing supply chain transparency.

At the product procurement level, the Group prioritises products with low energy consumption, low emissions, and compliance with environmental labelling requirements. For consumable lighting products, energy-saving alternatives such as LED are selected wherever possible, and the replacement of plastic packaging with paper-based materials is supported. Among comparable products, environmental performance, quality, brand reputation, and price are comprehensively considered to preferentially select product specifications with environmental advantages.



Industry Collaboration

To promote the high-quality development of the healthcare industry, Consun Pharmaceutical actively integrates into the industry's academic system and professional platform development. Through in-depth participation in authoritative domestic and international academic conferences and strengthened exchanges and collaboration with clinical experts and industry organisations, the Company promotes the academic dissemination and clinical translation of pharmaceutical innovation achievements, contributing to the enhancement of industry expertise and standardised development. Meanwhile, Consun Pharmaceutical is actively advancing an integrated industry-academia-research-medical collaboration mechanism, connecting resources from research institutions, clinical organizations, and industry partners. This deepens collaborative innovation in key areas such as integrated Chinese and Western medicine, nephrology diagnosis and treatment, and imaging medicine, driving coordinated upgrading and sustainable development across the pharmaceutical industry chain.

During the Reporting Period, Consun Pharmaceutical actively participated in industry academic exchanges and professional seminars, driving cross-disciplinary collaboration and knowledge sharing. The Company's subsidiaries were invited to attend multiple authoritative domestic and international conferences, including the Academic Annual Conference of the Liver Disease Branch of the World Federation of Chinese Medicine Societies and the 32nd National Conference on Radiology of the Chinese Medical Association (CCR2025) and actively participated in the healthcare industry hospital management conference, promoting collaborative development of the healthcare industry. In addition, we actively participate in industry policy discussions and the development of standards, strengthen exchanges and cooperation in overseas markets, and continuously enhance the brand's international influence and industry leadership.



Highlight Case

In December, the national finals of the "Caring for Life's First 1,000 Days · Obstetrics Classic Case Competition", exclusively supported by Consun Pharmaceutical, were successfully held in Chongqing. In 2025, a total of 51 sessions of this event were held, bringing together top obstetrics professionals from across the country. Through case sharing and academic exchanges, participants discussed complex clinical challenges and innovations in diagnosis and treatment, thereby contributing to the high-quality development of obstetric medicine in China.



▲ Academic Annual Conference of the Liver Disease Branch of the World Federation of Chinese Medicine Societies – Yulin Pharmaceutical's Jigucao Capsules invited to participate



▲ The 32nd National Conference on Radiology of the Chinese Medical Association



▲ 2025 Academic Conference of the Orthopaedics and Traumatology Branch of the Chinese Association of Chinese Medicine



▲ Bone-Setting Liquid featured at the Annual Academic Conference on Rheumatology of the Chinese Association of Ethnic Medicine



▲ Core Distributor Exchange Meeting across Heilongjiang, Jilin, Inner Mongolia, and Liaoning



▲ Participation in the 9th China Chengdu International Intangible Cultural Heritage Festival



▲ Overseas Agent Foreign Trade Business Seminar



▲ Co-organised the 4th Pan-Yangtze River Delta Nephrology Diagnosis and Treatment Academic Seminar



▲ Hosted the Hunan Provincial Medical Imaging Development Seminar



▲ Participation in the 15th Yulin Traditional Chinese Medicine Expo and the 1st Yulin Traditional Chinese Medicine Cultural Tourism Festival



▲ Participation in the 17th Small and Medium Enterprise Business Opportunities Expo (China · Yulin)



▲ Hosted a visit by senior executives from Leyao Group



Environmental Stewardship at Consun

Upholding Sustainable Value

The Group deeply understands that green production and operations are not only a reflection of corporate social responsibility but also an inevitable choice for achieving long-term sustainable development. Guided by Consun Pharmaceutical's environmental governance system, we take practical actions as our orientation, actively introducing innovative technologies and refined management measures to comprehensively advance the implementation of energy conservation and emission reduction, pollution prevention and control, and resource recycling. We attach great importance to climate change and ecological environmental protection, continuously strengthening operational resilience, improving green management mechanisms, and advancing climate transition actions.



Addressing Climate Change

In active response to the national "dual carbon" strategic goals, Consun Pharmaceutical deeply recognises the significant impact of climate change on the long-term sustainable development of the pharmaceutical industry, and regards climate action as an important component of corporate social responsibility and environmental governance. Since 2022, the Group has incorporated climate-related governance into its existing ESG governance framework and management procedures, and developed a *Climate Change Governance Handbook*, clearly defining internal division of responsibilities and management requirements to ensure the orderly advancement of related work. The Group references the disclosure recommendations of the *Task Force on Climate-related Financial Disclosures (TCFD)* and the *International Sustainability Standards Board (ISSB)*, systematically assessing and disclosing climate risks and opportunities relevant to the Group across the four pillars of "Governance", "Strategy", "Risk Management", and "Metrics and Targets", and formulating corresponding management measures and long-term plans.



Governance

Consun Pharmaceutical has incorporated climate-related issues into the Company's overall ESG management framework, and through the implementation of internal institutional standards and the *Climate Change Governance Handbook*, has clearly defined the division of responsibilities and supervisory duties at each level. For detailed information, please refer to the ESG Governance section of this Report.

Strategy

At the strategic level, Consun Pharmaceutical has systematically integrated climate change-related risks and opportunities into the enterprise's overall development strategy and business decision-making. Combining the national "dual carbon" goals and the green transformation trends in the pharmaceutical industry, the Group incorporates climate issues into all aspects of business operations and accordingly optimises resource allocation and long-term planning. We also assess the potential impacts of climate change based on different climate scenarios and conduct potential financial impact assessments, further enhancing the enterprise's resilience and response capabilities in the context of climate change.

Identification, Assessment, and Management of Climate Risks and Opportunities

The Group conducts quantitative and qualitative assessments of climate-related risks and opportunities across two dimensions — "risk/opportunity impact" and "risk/opportunity likelihood" — to evaluate the potential effects of various climate factors on business operations, cost structures, and supply chain stability. On this basis, Consun Pharmaceutical has established a mechanism for the identification, review, and updating of climate risks and opportunities, regularly assessing the comprehensive impacts of policy changes, technological advances, energy use, and extreme weather events on business operations.

In 2025, the Group will conduct a comprehensive review and update of the identified climate risks and opportunities and concurrently review and optimise related management measures and response action plans, ensuring that climate issue management remains aligned with the Company's overall strategy.

Risk/ Opportunity Category	Potential Climate Risk/ Opportunity	Time Frame	Risk/ Opportunity Level	Risk/Opportunity Description	Risk/Opportunity Management Measures
Acute Physical Risk	Adverse impacts from frequent extreme weather events	Medium-term	Low	Extreme weather events (such as hurricanes, floods, high temperatures, etc.) may affect the Company's production, supply chain, and employee safety, and increase repair and restoration costs. Ice and snowy weather may also pose risks to pharmaceutical storage and transportation.	The Company strengthens climate risk response and energy management; improves weather monitoring and emergency response plans; enhances facility disaster resistance and recovery capabilities; promotes diversified production base layouts and supply chain contingency strategies to ensure production stability; continues to optimise energy-saving renovations and water safety management; strengthens employee heat prevention and health care; conducts emergency response and rescue training; issues disaster prevention supplies for safety assurance; arranges peak-shifting electricity usage in advance; and takes out property insurance to reduce losses from extreme weather and force majeure events.
Chronic Physical Risk	Adverse impacts from long-term changes in global climate patterns	Long-term	Low	Abnormal climate patterns may lead to reduced production or quality degradation of medicinal herbs, resulting in raw material shortages and price increases. High temperatures and humidity may affect the storage conditions and quality of medicinal herbs, and increase cooling energy consumption and employee health risks.	The Company promotes diversified procurement and "self-cultivation + purchase" strategies; strengthens supplier management and storage environments controls; practises green operations; promotes paperless offices; improves high-temperature response and emergency training; issues disaster prevention supplies for safety assurance; and arranges peak-shifting electricity usage in advance.
	Changes in disease patterns	Long-term	Low	Climate change may alter disease prevalence trends, increasing R&D and production demands.	The Company diversifies its R&D focus; deepens domestic and international industry-university-research collaboration; and shares resources to advance joint R&D and production.
Policy and Legal Risk	Changes in regulations on greenhouse gas emissions	Medium-term	Medium	Global climate policies are becoming increasingly stringent, such as carbon taxes and emission pricing, potentially raising pharmaceutical emission and compliance costs. As "dual carbon" goals advance, Mainland China and Hong Kong have increasing disclosure requirements for Scope 1 to Scope 3 emissions, adding to corporate compliance pressure.	The Company progressively formulates carbon reduction targets; strengthens management of waste gas, wastewater, and solid waste; conducts energy audits and energy-saving plans; optimises energy mix and promotes clean energy; improves yield and reduces energy consumption through technological and equipment upgrades; promotes sewage and heat recovery; strengthens employee training and energy conservation awareness; and improves resource recovery and utilisation.
Technology Risk	Low-carbon technology transition expenses	Medium-term	Medium	Companies need to transition to low-carbon operation models, researching new technologies and adopting new energy and energy-efficient equipment to replace high-energy-consuming, outdated equipment, requiring substantial long-term financial investment.	The Company improves yield and reduces energy consumption through technological upgrades; promotes sewage stations and heat recovery to enhance energy efficiency; and concurrently installs photovoltaic power generation, adopts energy-saving equipment, and plans peak-shifting electricity usage and energy consumption monitoring.
Market Risk	Changes in market demand	Long-term	Low	With increased climate awareness, medical institutions and consumers may prefer pharmaceuticals with lower environmental impacts. The industry increasingly values sustainable business models; companies that fail to keep pace may see reduced competitiveness.	The Company flexibly adjusts market and product strategies; increases environmental investment and communication; monitors green consumption trends and focuses on green low-carbon product development; promotes innovative collaboration and medicinal herb base development; and establishes Chinese medicinal herb price monitoring mechanisms.
Climate Opportunity	Improve production efficiency	Medium-term	Medium	Investment in energy-saving technologies will increase costs initially, while green pharmaceutical production becomes the mainstream. Companies that fail to transition in time may lose competitive advantages.	The Company optimises processes and equipment; promotes energy and heat recovery; introduces automated packaging to improve efficiency; conducts energy audits and promotes clean energy applications; strengthens supply chain management to shorten cycles and reduce inventory; improves container loading rates; and adopts electric forklifts to enhance resource utilisation.
	Product and service innovation	Medium-term	Medium	Environmental technology innovation will drive new cooperation models between pharmaceutical and environmental technology companies to develop green processes. Developing low-carbon product lines can meet growing green consumption demand and establish an environmentally friendly brand image.	The Company explores green processing methods for medicinal herb residues and bark waste; promotes biomass fuel as a substitute for traditional energy sources; conducts energy audits and clean production certification; monitors green consumption trends; and promotes low-carbon product development and green manufacturing system development.

Climate Scenario Analysis

To assess the potential impacts of climate change on the Group's business and operations under different future pathways, Consun Pharmaceutical references the scenario analysis methodologies recommended by ISSB S2 and TCFD, adopting internationally recognised climate scenario models and key parameters to conduct forward-looking analysis of climate-related risks and opportunities.

Scope of Analysis	Assets within the listing scope of Consun Pharmaceutical
Time Horizon	Combining the timeline of China's "dual carbon" goals, the Science Based Targets initiative (SBTi) time horizons, and the Group's own business circumstances, the analysis defines short-term (2025 to 2030), medium-term (2031 to 2045), and long-term (2046 to 2060).
Scenario Assumptions	<ul style="list-style-type: none"> The analysis uses 2025 as the base year and assumes that the Group's asset locations remain unchanged during the analysis period; Relevant information disclosure is conducted in accordance with Hong Kong's climate-related policies and the climate-related disclosure requirements of The Stock Exchange of Hong Kong Limited; It is assumed that currently implemented climate change mitigation policies and management measures will remain unchanged in the future, i.e. no new or enhanced mitigation measures are introduced during the scenario analysis; It is assumed that Mainland China's carbon neutrality policy goals remain unchanged, i.e. carbon neutrality is achieved before 2060.
Scenario Selection	<p>To ensure the analysis results are forward-looking and comparable, the Group considers alignment with international mainstream climate analysis frameworks (such as IPCC and NGFS) when selecting scenarios, and references industry practices. The selected scenarios reflect the key uncertainties under different climate and policy development pathways, assisting the Group in identifying potential climate risks and opportunities from multiple perspectives and supporting the formulation of medium- and long-term sustainable development strategies.</p> <p>For physical risks, the Group references the Shared Socioeconomic Pathways (SSP) in the IPCC Sixth Assessment Report (AR6), selecting SSP1-2.6 and SSP5-8.5 scenarios to analyse the extreme weather events and related physical risks that may result from climate change under different warming scenarios, thereby assessing the Group's business resilience under different climate conditions.</p> <p>For transition risks, the Group references the central bank and regulatory institution Network for Greening the Financial System (NGFS) framework, selecting the "Below 2°C by 2050" and "Current Policies" scenarios for analysis.</p>

We reference and benchmark against the latest research findings and scenario assumptions published by internationally authoritative institutions such as the IPCC, the International Energy Agency (IEA), and NGFS, constructing climate scenario analysis data models and calculating and analysing the impact levels of identified transition risks, physical risks, and potential opportunities under different scenarios. The table below summarises the main results of the scenario analysis.

Risk/Opportunity Category	Potential Climate Risk/Opportunity	Impact Level	Low Emission Scenario			High Emission Scenario		
			2025	Short-term	Medium-term	Long-term	Short-term	Medium-term
Acute Physical Risk	Adverse impacts from frequent extreme weather events	Low	Medium	Medium	Medium	Medium	Medium	Medium
Chronic Physical Risk	Adverse impacts from long-term changes in global climate patterns	Low	Low	Medium	Medium	Low	Medium	Medium
	Changes in disease patterns	Low	Low	Medium	Medium	Low	Medium	Medium
Policy and Legal Risk	Changes in regulations on greenhouse gas emissions	Medium	Medium	High	Very High	Medium	Medium	Medium
Technology Risk	Low-carbon technology transition expenses	Medium	Medium	High	Very High	Medium	Medium	Medium
Market Risk	Changes in market demand	Low	Low	Medium	Medium	Low	Medium	Medium
Climate Opportunity	Improve production efficiency	Medium	Medium	High	Very High	Medium	Medium	Medium
	Product and service innovation	Medium	Medium	High	Very High	Medium	Medium	Medium

Financial Impact Analysis

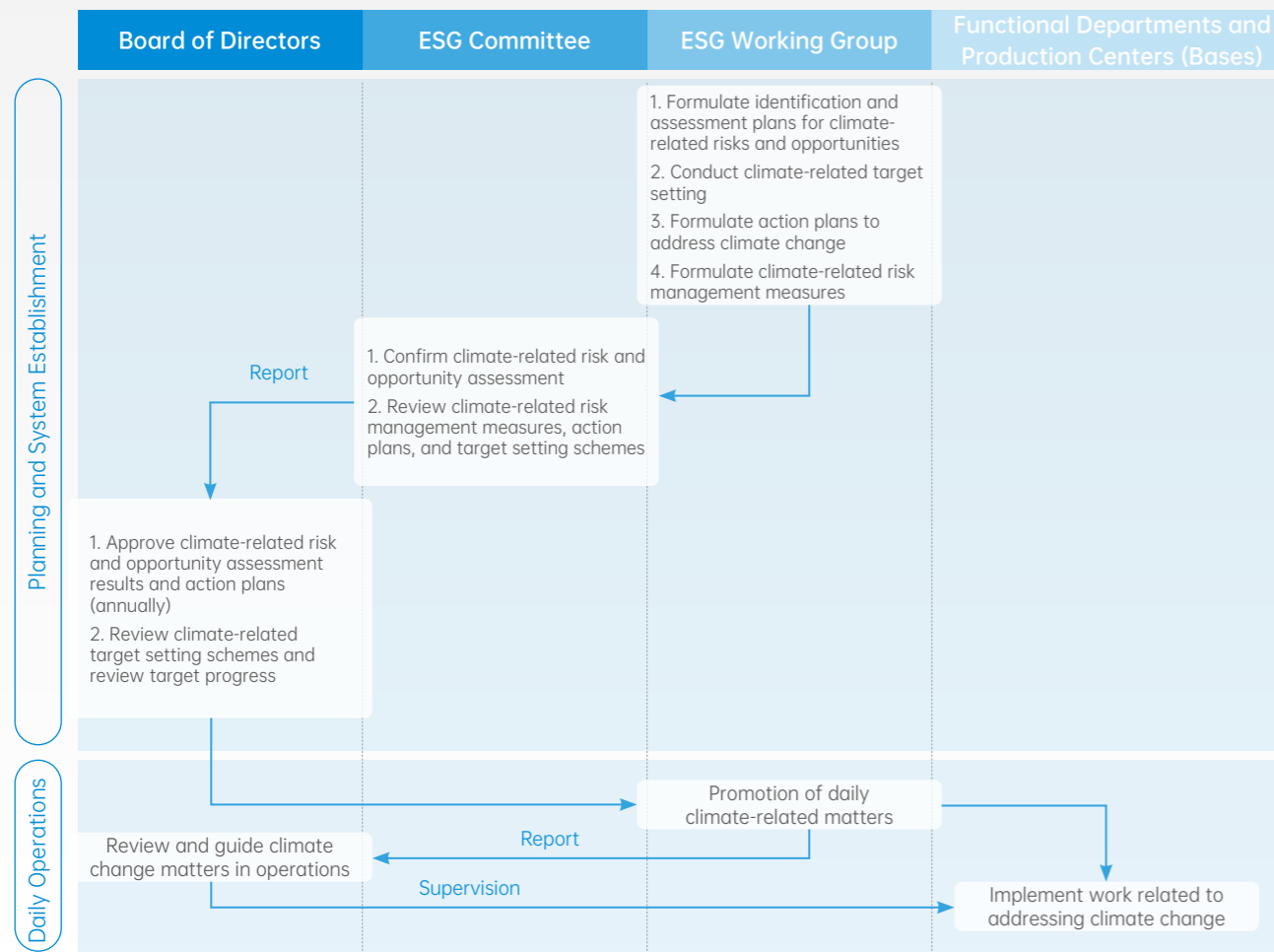
Building upon the climate scenario analysis, the Group has further conducted climate-related financial impact analysis to assess the potential effects of identified climate risks and opportunities on the Group's financial performance under different climate scenarios, providing reference for management to understand the relevant impacts and make prudent decisions.

Risk/Opportunity Category	Potential Climate Risk/Opportunity	Current and anticipated potential financial impact
Acute Physical Risk	Adverse impacts from frequent extreme weather events	[Revenue Decrease] [Fixed Asset Impairment Losses Increase] [Asset Useful Life Decrease] [Operating Costs Increase] [Operating Expenses Increase] [Downtime Fixed Costs Increase] [Working Capital Increase] [Selling Expenses Increase]
Chronic Physical Risk	Adverse impacts from long-term changes in global climate patterns	[Operating Expenses Increase] [Asset Turnover Ratio Decrease] [Asset Useful Life Decrease] [Cash Flow Decrease] [Employee Welfare Expenditure Increase] [Production Efficiency Decrease] [Raw Material Price Fluctuation Hedging Costs Increase] [R&D Investment Increase]
	Changes in disease patterns	[R&D Expenditure Increase] [Revenue Decrease] [Inventory Turnover Ratio Decrease]
Policy and Legal Risk	Changes in regulations on greenhouse gas emissions	[Capital Expenditure Increase] [Net Profit After Tax Decrease] [Debt Ratio Increase] [Carbon Emission Costs Increase] [Other Income/Income Tax Decrease/Increase]
Technology Risk	Low-carbon technology transition expenses	[R&D Expenditure Increase] [Unit Production Costs Increase] [Return on Capital Decrease] [Asset Impairment Provisions Increase] [Replacement Capital Expenditure Increase] [Enterprise Valuation Decrease]
Market Risk	Changes in market demand	[Revenue From Principal Business Decrease] [Gross Profit Margin Decrease] [Inventory Turnover Ratio Decrease]
Climate Opportunity	Improve production efficiency	[Operating Costs Decrease] [Operating Profit Margin Increase] [Return on Assets Increase] [Asset Impairment Losses Decrease]
	Product and service innovation	[Revenue Increase] [R&D Expenditure Increase] [Enterprise Valuation Increase] [Intangible Asset Valuation Increase]

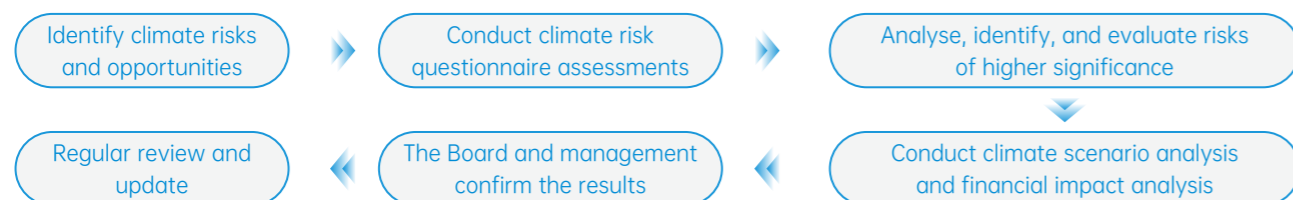
Risk Management

The Group has comprehensively incorporated climate-related issues into its operational risk assessment and management system and has established a robust climate risk and opportunity management mechanism, enabling the continuous identification, assessment, and control of such risks.

Consun Pharmaceutical Climate Change Governance System Workflow Diagram



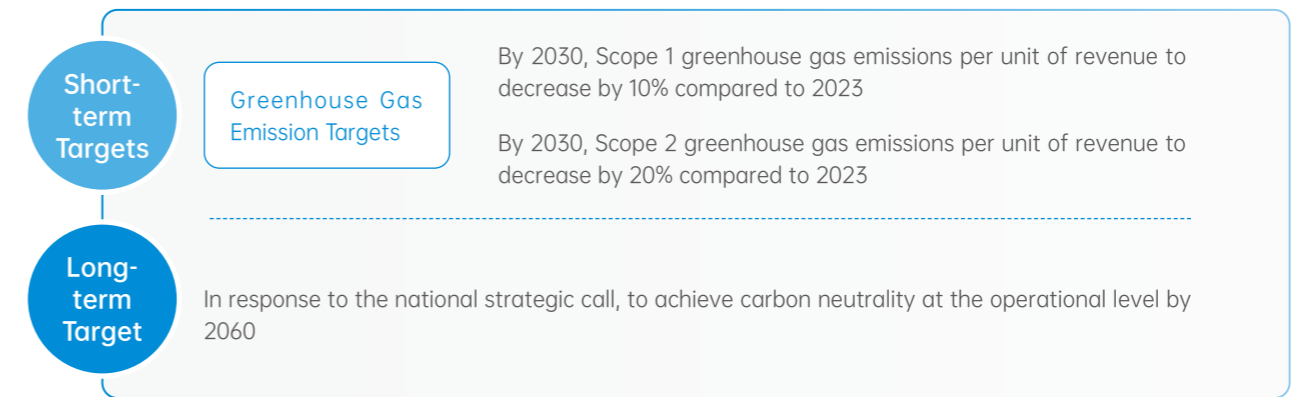
During the Reporting Period, we systematically conducted the identification and assessment of climate-related risks and opportunities, and further analysed their potential financial impacts. At the same time, based on different climate transition and physical risk scenario assumptions, we carried out scenario analyses to evaluate the Group's risk resilience under different climate pathways.



Metrics and Targets

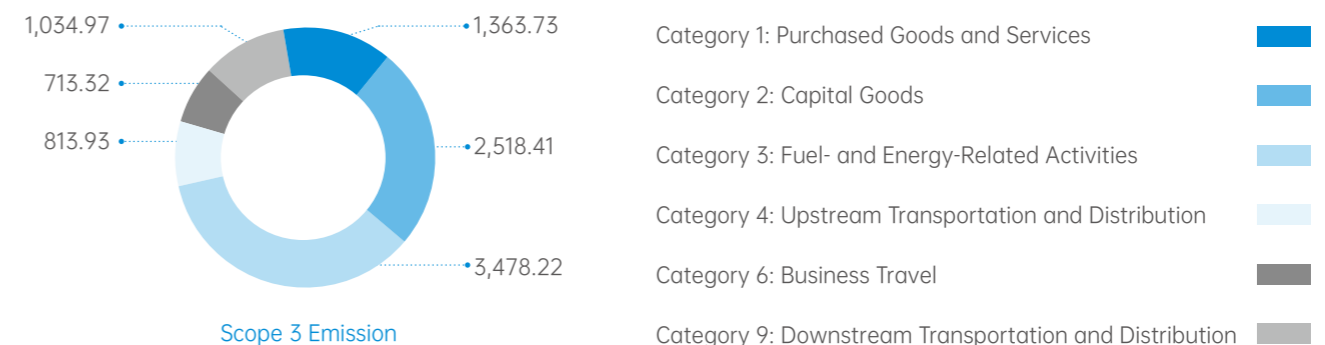
In accordance with our formulated action plan, we are gradually implementing key measures to reduce greenhouse gas emissions, improve resource utilisation efficiency, and advance the use of clean energy. Various functional departments and production bases closely integrate specific circumstances in their daily operations to carry out energy conservation and emission reduction work and regularly provide feedback on progress to the ESG Working Group and Committee.

In 2025, in response to the national "carbon peaking and carbon neutrality" strategy, the Company established greenhouse gas emission targets and energy use efficiency targets using 2023 as the base year, setting out a clear decarbonisation pathway:



Furthermore, we have formulated clear emission reduction targets and energy-saving plans, actively promoting the green transformation of production operations and accelerating the achievement of greenhouse gas emission targets. Specific measures include optimising energy structure, promoting clean energy applications, improving production technology and equipment to enhance energy efficiency, strengthening the management of waste gas, wastewater, and solid waste, and developing a green manufacturing system that aligns with future development trends.

GHG Emission	2025	2024	2023
Scope 1 Emission	7,132.86	12,602.63	15,681.85
Scope 2 Emission	23,990.59	19,948.67	24,914.76
Total greenhouse gas emissions (Scope 1 and 2)	31,123.46	32,551.30	40,596.61
Intensity of greenhouse gas emissions (Scope 1 and 2)	0.09	0.11	0.16
Scope 3 Total greenhouse gas emissions	9,922.57	/	/



Improving Environmental Governance

The Group and its production bases have established comprehensive environmental management policy systems, including *Environmental Protection Management Procedures*, covering major environmental aspects such as pollution discharge, energy, waste, and sanitation management, clearly defining the overall planning and daily supervision of environmental protection-related work. EHS specialists and safety and environmental specialists have been appointed to fulfil day-to-day management and supervisory duties. Based on local government environmental regulations and the Group's internal management requirements, all production bases have commissioned professional third parties to conduct monthly/quarterly testing of environmental impact factors such as waste gas, wastewater, and noise, ensuring that all emissions meet China's emission standards, pollution discharge permit management, and other requirements. To effectively manage sudden environmental incidents, we have formulated detailed emergency response plans to ensure sufficient response capabilities.

During the Reporting Period, the Group has strictly complied with the following environmental laws and regulations related to waste gas and greenhouse gas emissions, discharges to water and land, and generation of hazardous and non-hazardous waste that have a significant impact on the Group (including but not limited to):

- ◆ *Environmental Protection Law of the People's Republic of China*
- ◆ *Water Pollution Prevention and Control Law of the People's Republic of China*
- ◆ *Air Pollution Prevention and Control Law of the People's Republic of China*
- ◆ *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*
- ◆ *Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution*
- ◆ *Energy Conservation Law of the People's Republic of China*


Yulin Pharmaceutical cleaner production audit



Solid waste management training

Environmental Governance Measures


To ensure the stable and efficient operation of environmental protection facilities, the Group has implemented dedicated operation and management regulations to standardise their day-to-day operation, maintenance, and supervision. At the same time, the Group has established a special fund for clean production, creating an incentive mechanism to encourage production bases to submit improvement proposals and implement green process transformations, with outstanding proposals being rewarded. We also actively promote corporate environmental culture through diverse training activities.



Environmental technology improvement projects completed in 2025

13

projects



Cost-saving benefits

RMB 3,011,200

Each of the Group's production bases regularly conducts environmental risk identification and assessment work, focusing on comprehensive analysis of significant environmental risk sources, identifying gaps in prevention and control measures, and developing short-, medium-, and long-term rectification plans. Through ongoing publicity and education, we ensure that employees master the necessary clean production skills.



▲ "Planting Greenery Together, Building Enterprise Spirit" themed tree planting activity



Emission Management

The Group's waste gas emissions during operations mainly originate from coal-fired boiler flue gas and process waste gas. We have formulated and implemented policies such as the *Environmental Protection Management Procedures*, which standardise the relevant responsibilities of various departments and operational guidelines to effectively and systematically carry out work on pollution prevention, pollution control, and reduction of pollutant emissions.

During the Reporting Period, the Group did not identify any major non-compliance related to emissions that would have a significant impact on the Group¹.

Atmospheric Pollution Management Measures



- Boiler flue gas undergoes dust removal, desulphurisation, and denitrification treatment, with low-nitrogen combustion retrofitting continuously advanced to reduce emissions.
- Waste gas is regularly tested by qualified institutions to ensure compliance with emission standards.
- Waste gas absorption and dust removal systems are ensured to operate safely and efficiently.
- Process waste gases are recovered, reused, or properly disposed of, with direct discharge strictly prohibited.
- Unorganised emissions are strictly controlled, with storage containers sealed intact.
- Additional fume hoods and high-efficiency pulverisers have been installed to reduce dust generation.
- Dust removal equipment and sealed roller shutter doors have been installed to prevent dust from escaping.
- Installation of elevated particulate matter emission stacks has been completed, strengthening particulate matter emission controls.
- Inner Mongolia Consun's boiler area continues to reduce nitrogen oxide, sulphur dioxide, and particulate matter emissions.



Environmental Objective	Indicator	Action Summary	Completion Timeline ²	Completion Status
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Reduce exhaust emissions	Production laboratory renovation	Guangzhou Consun: Installed 4 additional fume hoods, all operating normally.	Short-term	Completed
	Reduce dust	Guangzhou Consun: Replaced with high-efficiency pulverisers, reducing dust.	Short-term	Completed
	Optimise dust removal equipment	Yulin Pharmaceutical: Installed additional dust removal equipment and sealed roller shutter doors to prevent dust from escaping.	Short-term	Completed
	Promote and optimise boiler equipment to reduce emissions	Inner Mongolia Consun: Boiler pollutant emissions in the eastern zone for the full year of 2025 decreased comprehensively compared to 2024 pollutant emission levels.	Medium-term	Completed
	Renovate exhaust emission stacks	Horgos Consun: Completed installation of elevated particulate matter emission stacks at the Phase 2 granulation station and sewage treatment station.	Medium-term	In progress




¹ The definition of major non-compliance shall refer to the National Enterprise Credit Information Publicity System.

² Completion timeframe: Short-term: 1-2 years; Medium-term: 3-5 years; Long-term: 6-10 years

Waste Management


The Group implements strict classification management for waste. Hazardous waste mainly includes waste liquids from pharmaceutical research centres, waste liquids from production and testing processes, as well as waste fluorescent tubes, ink cartridges, and other items generated from office activities. Non-hazardous waste mainly includes drug residues, boiler slag, and kitchen waste. To ensure compliant disposal, each production base commissions qualified third-party service providers responsible for the cleaning, transfer, and final disposal of waste.

During the Reporting Period, the Group did not identify any major non-compliance related to waste that would have a significant impact on the Group³.



Collection and Processing

- Hazardous and non-hazardous waste are collected separately and stored in designated locations, with hazardous waste storage locations requiring proper identification.
- Hazardous waste, such as waste liquids generated by R&D centres, is properly handled by certified recycling agencies.
- Regular cleaning and disinfection of non-hazardous waste.
- Hazardous waste storage rooms are separately designed and constructed, with trays installed and ground anti-seepage and anti-leakage measures implemented.




Waste Reduction

- Recyclable waste is classified and recycled to reduce the environmental impact of waste.
- Office paper is recycled and reused, and fully used paper, waste newspapers, and waste books are collected to reduce paper waste.
- The repair and reuse of office supplies and equipment is being promoted to reduce office waste.
- Packaging straps, waste plastic films, and cardboard packaging materials are sent to waste recycling stations by production bases for recycling and reuse.
- Signs and notices are posted in office areas to constantly remind employees to conserve resources.

Drug residue is the main type of waste generated by the Group. Through the *Drug Residue Processing Management System*, we clearly stipulate that drug residue processing methods must not cause environmental pollution and strictly prohibit processed residues from flowing back into the market as medicinal materials or decoction pieces for sale or production use. Under regulatory compliance, we prioritise environmentally friendly reuse solutions.

We continue to drive waste reduction and resource efficiency improvements across multiple areas, including improving packaging materials, optimising outer bag and strapping methods, and refining employee operation procedures. Among these efforts, Inner Mongolia Consun has continued to advance the upgrade from coal-fired boilers to gas-fired boilers, achieving improved environmental benefits.

³ The definition of major non-compliance shall refer to the National Enterprise Credit Information Publicity System.

Environmental Objective	Indicator	Action Summary	Completion Timeline ¹	Completion Status
Reduce waste output	Improve packaging material utilisation, reduce waste output of product packaging materials	<p>Guangzhou Consun: Strictly controlled packaging material usage; aluminium film wastage for Yishen products reduced by 0.18 kg/batch compared to 2024, with a full-year reduction of 36.05 kg.</p> <p>Guangzhou Consun: Completed the Yishen Huashi granule strip packaging production line renovation project in 2025, improving efficiency and reducing wastage.</p>	Medium-term	Continuous management and improvement
	Promote waste recycling	<p>Yulin Pharmaceutical: Collected 0.37 tonnes of waste liquid and 0.052 tonnes of expired reagents from the hazardous waste storage room laboratory and commissioned third-party recycling and disposal.</p>	Short-term	Completed
Reduce waste output	Extend electronic equipment service life, reduce premature disposal due to malfunctions	<p>Inner Mongolia Consun: Established an equipment management mechanism: designated persons in the Administration Department and each department; daily cleaning, weekly inspections; quarterly maintenance and ledger updates; faults reported within 24 hours and resolved within 48 hours.</p>	Short-term	In progress
	Disposable items waste volume control	<p>Inner Mongolia Consun: Reduced disposable items by 50%; promoted refillable pens and personal water bottles; established collection points with regular compliance checks.</p>	Short-term	In progress
	Improve packaging material utilisation, reduce waste output of product packaging materials	<p>Horgos Consun: Improved performance assessment and training; strengthened waste management controls; optimised PE film sealing methods and trained operators; aluminium film wastage rate reduced from 6.98% in 2024 to 6.95%.</p> 	Medium-term	In progress
	Reduce the use of product ink cartridge consumables	<p>Horgos Consun: Conducted resource conservation campaigns and strengthened quantitative statistical management of office consumables and waste volumes. In 2025, despite an increase in employee numbers, paper consumption decreased by 24.9% year-on-year, and waste output decreased by 50% year-on-year.</p>	Short-term	In progress

Water Resource Management

The wastewater generated during the Group's production process mainly consists of industrial wastewater and domestic sewage, with major pollutants including chemical oxygen demand, suspended solids, ammonia nitrogen, and phosphorus. We implement multiple water resource management policies to standardise measures for sewage treatment and discharge, effectively protecting water resources.

The water resources involved in the Group's operations are mainly obtained from municipal water supply, groundwater, and reclaimed water reuse. During the Reporting Period, there were no difficulties in water access or insufficient supply. To further improve water resource utilisation efficiency, the Group continues to **promote efficient and sustainable water usage strategies**, including optimising water usage processes in production and operations, and increasing reclaimed water reuse facilities.



▲ Online wastewater monitoring equipment



▲ Water conservation reminder slogans

During the Reporting Period, the Group did not identify any major non-compliance related to water resources that would have a significant impact on the Group⁴.

⁴ The definition of major non-compliance shall refer to the National Enterprise Credit Information Publicity System.

Environmental Objective	Indicator	Action Summary	Completion Timeline ¹	Completion Status
Increase investment in water-saving equipment	Adopt water-saving engineering measures	Inner Mongolia Consun: Invested in water-saving equipment; water consumption per RMB 10 million of output value in 2025 decreased from 11.82 to 10.37 tonnes of standard coal.	Long-term	Completed
		Horgos Consun: Installed online cleaning systems at granulation stations to reduce water and energy wastage.	Long-term	In progress
Water conservation by modifying water treatment equipment and control methods	Annual water savings of 500 tons	Inner Mongolia Consun: Upgrade water production equipment to reduce water energy consumption per one million yuan of output from 11.82 to 10.37 tonnes of standard coal by 2025.	Short-term	Completed
		Guangzhou Consun: Completed improvements in 2025, achieving a full-year reduction of 4,291.4 tonnes of water and 258 tonnes of steam.	Short-term	Completed
Reduce water consumption	Water-saving administrative measures	Yulin Pharmaceutical: Completed pipeline network inspections, identified 5 major leakage points, and carried out comprehensive repairs to the machine repair workshop floor and roof.	Short-term	Completed
		Guangzhou Consun: Completed fire water pipeline inspections and repairs.	Short-term	Completed

Energy Conservation and Consumption Reduction

The Group actively implements various energy-saving and consumption-reducing measures, striving to reduce greenhouse gas emissions during operations and promote a green, low-carbon business model. The Group's energy consumption mainly comes from production base operations, office electricity usage, and vehicle use. We have formulated and implemented internal policies such as the *Energy Efficiency Monitoring and Measurement Management Procedures*, *Energy Efficiency Assessment Management Procedures*, and *Energy Conservation Target Management Procedures* to actively implement energy-saving measures.

In 2025, Yulin Pharmaceutical steadily advanced the construction of its photovoltaic power generation project and brought the PV power station online in phases. Total green electricity generated for the year reached 591,480 kWh, supporting the Company's energy conservation, emissions reduction, and green development.

Environmental Objective	Indicator	Action Summary	Completion Timeline ¹	Completion Status
Reduce steam energy consumption	Reduce the steam consumption of Yishen Huashi product in the extraction phase	Guangzhou Consun: Replaced traditional equipment with a 2000L pure electric double-effect concentrator. The average steam consumption per batch of Yishen Huashi product in the extraction step decreased by 51.13%.	Short-term	Completed
Reduce energy consumption per unit product	Reduce energy consumption from gadopentetate dimeglumine injection production preparation	Guangzhou Consun: Enhanced gadopentetate dimeglumine raw material supply and centralised production; optimised the pure steam system. Water consumption per batch decreased from 119.89 to 78.60 tonnes, electricity from 9,571.86 to 6,722.38 kWh, and steam from 9.34 to 6.92 tonnes.	Short-term	Completed
	Increase small-volume injection workshop batch output, reduce water, electricity, and steam energy consumption per unit time	Guangzhou Consun: Reduced residual medicinal liquid in piping during the compounding process; improved compounding transfer rates and increased batch output. Yield rate improved from 96.28% in 2024 to 98.22%, finished product rate increased by 1.94%, and energy consumption per unit product decreased by 1.94% accordingly.	Short-term	Completed
	Improve energy efficiency and reduce energy consumption	Guangzhou Consun: Replaced 2 magnetic levitation chillers and high-efficiency energy-saving water pumps, improving energy efficiency and reducing energy consumption.	Short-term	Completed
Improve energy efficiency	Improve production environment, reduce temperature flow rate	Guangzhou Consun: Added insulation to extraction workshop medicinal liquid tanks and extraction tanks, reducing ambient temperature by 5°C. Yishen products save 3.1 tonnes of steam per batch, and Uremic products save 1.3 tonnes of steam per batch, with an overall reduction in energy consumption.	Short-term	Completed
	Clean production	Implement clean production and apply for clean production enterprise project audit	Yulin Pharmaceutical: Completed clean production enterprise project audit.	Short-term
Reduce enterprise energy consumption	Adopt energy-saving equipment and facilities, promote renewable energy projects	Inner Mongolia Consun: Gradually replacing fluorescent tubes with LED lighting fixtures, reducing fluorescent tube usage by 273 units compared to the same period in 2025.	Medium-term	In progress
Reduce coal consumption	Boiler and cooling tower circulation system post-upgrade ongoing management	Inner Mongolia Consun: Continuing to monitor renovation effectiveness; comprehensive energy consumption in 2025 decreased from 3.54 to 2.74 tonnes of standard coal.	Medium-term	Completed

Environmental Objective	Indicator	Action Summary	Completion Timeline ¹	Completion Status
Reduce business travel carbon emissions	Actively promote online meetings, reduce business travel	Inner Mongolia Consun: Conducted online meetings, saving 12 routine business flights.	Short-term	Continuous management and improvement
		Horgos Consun: Held a cumulative total of over 60 online meetings, reducing business trips by approximately 10.		
		Yulin Pharmaceutical: Yulin Pharmaceutical held a cumulative total of over 40 online meetings, covering over 1,000 participants, reducing over 100 trips.		
Low-carbon environmental protection	Promote paperless offices	Inner Mongolia Consun: Promoting paperless offices, advocating electronic documents and double-sided printing to improve paper utilisation rates.	Short-term	In progress
	Conduct low-carbon office awareness campaigns	Inner Mongolia Consun: Promoting low-carbon concepts through noticeboards, WeChat groups, and activities, fostering a company-wide energy-saving atmosphere with full employee participation.	Short-term	In progress

Chemical Management

The Group places high importance on the use, handling, and storage of chemicals during research and development and production processes, properly managing chemicals from both safety and environmental protection perspectives. It prevents improper handling or leakage of chemicals with toxicological, combustion, and explosive properties, thereby safeguarding employee health and safety and protecting the natural environment. We have formulated and implemented policies such as the *Reagent, Standard Samples, Biological Materials and Test Sample Management System* and the *Yulin Pharmaceutical Chemical Leakage Prevention Measures*, which standardise chemical acquisition, storage, post-use disposal, leakage prevention measures, and relevant emergency measures. The workplace clearly displays notices and slogans regarding chemical management, constantly reminding employees to pay attention to standardised handling and avoid polluting the surrounding environment.



Chemicals Management Measures

- Must obtain chemicals through proper channels and store them according to specified storage conditions
- Record chemical storage information to ensure proper storage and transfer of chemicals
- Chemicals must be handled by properly trained employees
- Strict chemical warehouse management
- Implement leakage prevention measures for oil drums and chemical containers
- Implement leakage prevention measures for chemicals stored outdoors

Caring for People at Consun

Building a Happy Society

Talent is the foundation of Consun Pharmaceutical's sustained competitiveness and the driving force behind the Group's continuous innovation and progress. The Group has always valued the growth and contributions of every member of the Consun team, continuously improving its talent development system and providing diverse learning and career development opportunities to stimulate team potential and creativity. The Company upholds equal respect and care, fostering a fair, open, and inclusive work environment where employees and the enterprise grow and create value together.



Employee Management

Consun Pharmaceutical strictly complies with the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, and other laws and regulations related to compensation and dismissal, recruitment and promotion, working hours, leave management, equal opportunities, diversity, anti-discrimination, employee benefits, and prevention of child labour and forced labour. The Group has established a comprehensive employee management system, formulating internal policies such as the *Recruitment Management System*, the *Employee Handbook*, the *Labour Contract Management Measures*, and the *Attendance Management System* to standardise human resource management and safeguard employees' legitimate rights and interests.

During the Reporting Period, the Group continued to optimise human resource management processes, revising and improving key policies, including simplifying attendance approval procedures, optimising overtime management mechanisms, introducing diverse leave categories, and adjusting allowance standards, further enhancing the scientific rigour and humanistic approach of management. During the Reporting Period, the Group did not identify any violations related to labour laws and regulations that would have a significant impact on the Group.

Recruitment

- The Group has established and continuously improves a standardised *recruitment management system* in accordance with the Recruitment Management System and related policies, ensuring that the recruitment process is regulated, transparent, and compliant.
- We have scientifically designed and strictly implemented the recruitment process, balancing professionalism and humanisation, and are committed to enhancing candidate experience and strengthening the Group's employer brand.
- The Group conducts talent selection through diversified recruitment channels, including online recruitment platforms, campus recruitment, and social recruitment, to attract outstanding talent of all types. In 2025, 20 pharmacy graduate trainees were recruited and cultivated.
- For hired employees, the Group signs labour contracts in accordance with the law, clearly defining the rights and obligations of both parties to protect the legitimate interests of the Company and its employees.

Labour Standards

- The Group strictly complies with labour standards and laws and regulations such as the *Labour Law of the People's Republic of China* and the *Provisions on Prohibiting the Use of Child Labour*, firmly prohibiting the employment of child labour and any form of forced labour. During the recruitment process, the identity information of applicants is rigorously verified, such as checking identification documents, to prevent the risk of inadvertently hiring child labour.
- In accordance with the *Employee Labour Contract Management Measures*, the *New Employee Onboarding Management Regulations*, and other policies, all employees sign labour contracts based on equality and voluntariness, eliminating any form of forced labour.
- Should any violations of labour regulations or internal policies be identified, the Group takes appropriate measures depending on the severity, including suspension pending investigation or termination of the labour contract.
- As at the end of the Reporting Period, the Group had not experienced any incidents of child labour or forced labour.

Dismissal

- The Group clearly regulates the conditions, procedures, and approval requirements for terminating labour contracts in accordance with the *Employee Labour Contract Management System*, ensuring that dismissal actions are lawful, compliant, and fair.
- The Human Resources Centre exercises review and oversight over dismissal procedures and has the authority to veto dismissal decisions that do not meet requirements, safeguarding employees' legitimate rights and ensuring fairness and transparency in personnel management.

Compensation

- The Group has established and continuously improves human resource policies such as the *Compensation and Benefits Management System*, forming a market-competitive compensation structure that ensures employees receive reasonable remuneration commensurate with their contributions. In 2025, the Group completed the development of a position grading framework and compensation structure plan, driving improvements in compensation competitiveness.
- The Group closely links compensation with work performance, establishing monthly, quarterly, semi-annual, and annual performance bonuses to incentivise employees to deliver outstanding performance, attract and retain excellent talent, and support the enterprise's long-term development.

Working Hours and Leave

- The Group has clearly defined working hours and leave arrangements in accordance with the *Employee Handbook*, the *Attendance Management System*, and the *Group Welfare Allowance Management System*, safeguarding employees' legitimate rights and physical and mental well-being.
- Working hours: a five-day, eight-hour system, with some positions adopting flexible work arrangements based on their nature.
- Leave: includes weekly rest days, statutory holidays, annual leave, marriage and funeral leave, maternity leave, paternity leave, work injury leave, medical leave, sick leave, personal leave, and special leave, balancing humanisation and flexibility.

Promotion Path

- The Group has established an open and fair promotion evaluation mechanism centred on employee capabilities and work performance, ensuring the promotion process is standardised and transparent.
- We have developed a competency model and formulated related management policies including the *Mentor Management Measures*, *Management Regulations on Further Education for Middle and Senior Management*, and the *Work Report Management Regulations*. Through Personal Performance Contract (PPC) assessments, employees with outstanding performance are included in the reserve cadre development programme, providing diverse development and promotion opportunities.

Equal Opportunity and Anti-discrimination

- The Group advocates a corporate culture of diversity and inclusion, providing all employees with equal employment and development opportunities, and strictly prohibiting any form of discrimination based on race, ethnicity, nationality, religious belief, gender, or other factors.
- The Group strictly complies with relevant national and local regulations, effectively implementing labour protection and health safeguards for female employees, and fostering a safe, respectful, and inclusive work environment.

Employee Overview

As at the end of the Reporting Period,



the Group had a total of **3,115** employees

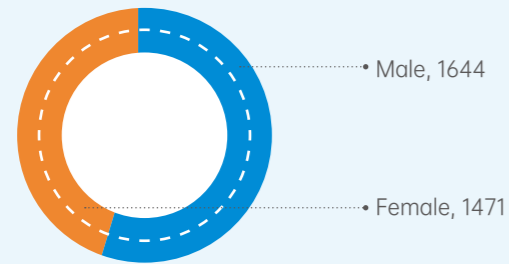
16 key talents

62 highly educated talents recruited

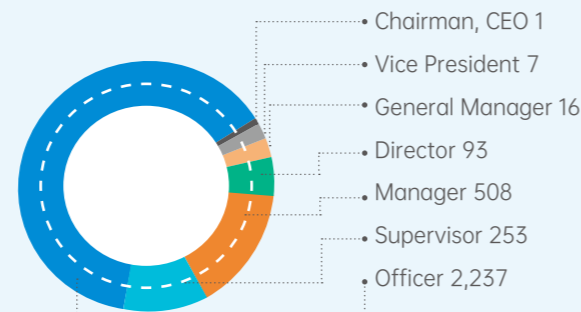
The following shows statistics of employee numbers and employee turnover categorised by different types:

Number of employees

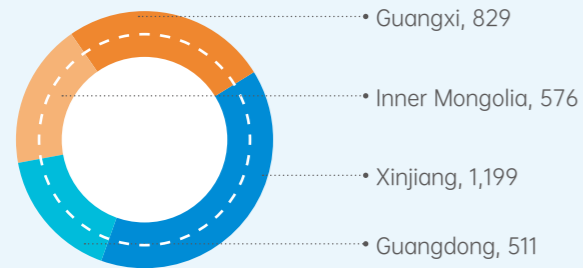
By gender (person)



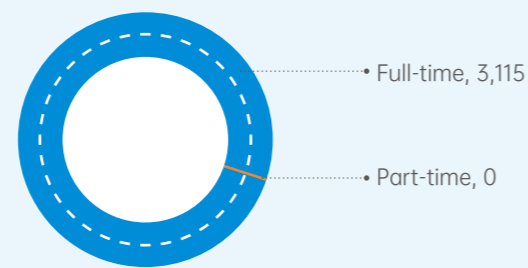
By employee type (person)



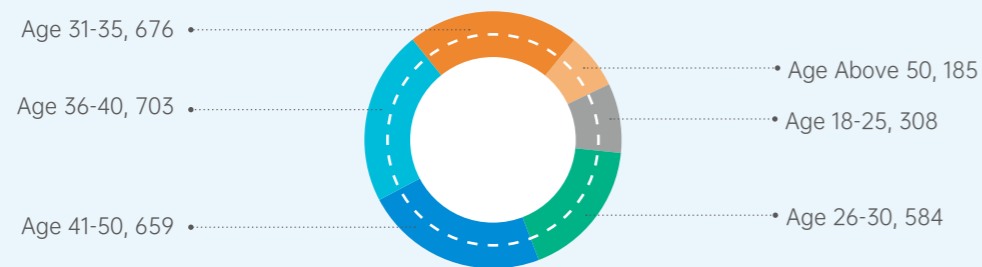
Divided by region (person)



By employment type (person)

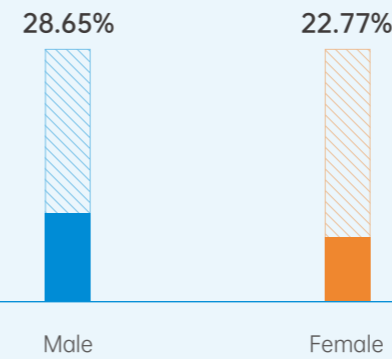


By age group (person)

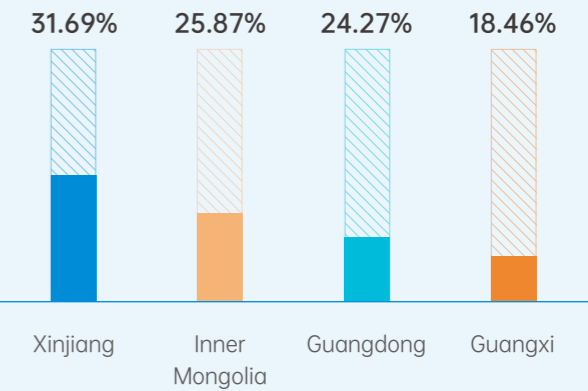


Employee Turnover Rate⁵

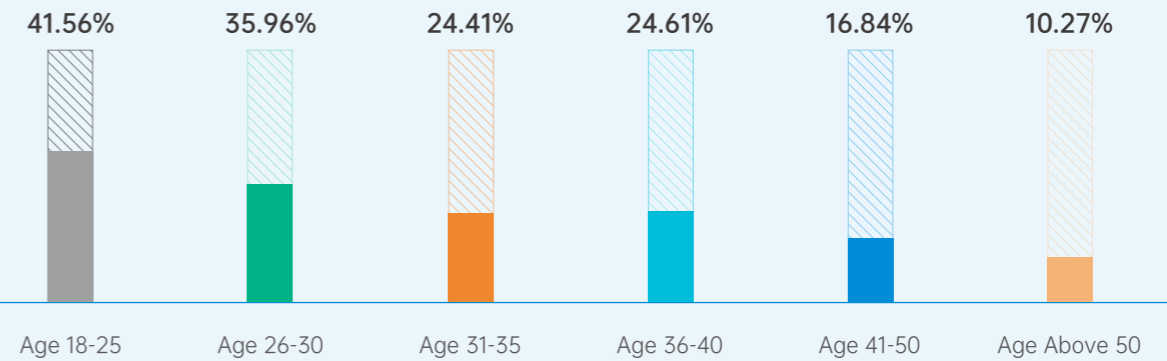
By gender (percentage)



By region (percentage)



By age (percentage)



⁵ The turnover rate is calculated as follows: (Number of employees leaving the category / Total number of employees in the category) * 100%.

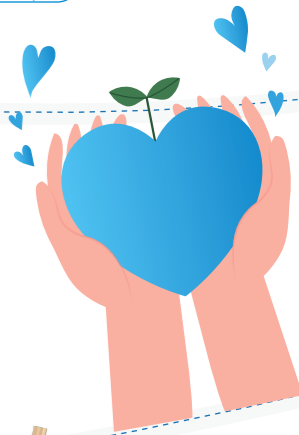
Caring for Employees

Consun Pharmaceutical has always adhered to the team philosophy of "same heart, same virtue, symbiosis and co-creation," continuously improving employee care mechanisms and committed to fostering a corporate culture with a strong sense of belonging and cohesion. To standardise and strengthen the Group's welfare system, we have established various employee welfare measures through the *Welfare Allowance Management System*, including daily meal subsidies, transportation and commuting allowances, annual health examinations, mutual medical insurance, commercial accident insurance, and holiday bonuses. In December 2025, the Group arranged unified commercial insurance coverage for all permanent employees, covering accidental death and disability, public transport travel, driving or riding in private vehicles (including company shuttle buses), and outpatient/inpatient treatment for accidents. Through these practical actions, we demonstrate care for employees' lives, promoting shared growth and mutual achievement between employees and the enterprise. The Group's labour union also actively organises diverse cultural, recreational, and care activities, reaching into employees' lives and effectively safeguarding their legitimate rights and interests. Meanwhile, the Company has established a share option plan and share award plan to reward outstanding employees, enabling them to share in the fruits of enterprise development while enhancing their sense of belonging and long-term commitment.

The Group values two-way communication with employees and upholds the philosophy of "communication creates value," continuously expanding diverse forms of exchange to provide employees with broad opportunities for expression and participation. Through the OA system, we regularly conduct various surveys including satisfaction surveys, department service evaluations, and corporate image design questionnaires. Combined with enterprise WeChat and face-to-face meetings, we gather employees' opinions and suggestions on corporate culture, welfare policies, and career development.

Furthermore, the Group has established dedicated reporting and grievance channels, encouraging employees to report workplace misconduct including bullying, abuse of power, discrimination, and unfair treatment, safeguarding a fair and respectful workplace environment. The Group also regularly publishes internal magazines such as *Consun People* and *Consun Management Monthly Journal*, inviting various centres and departments to share work experiences and insights, promoting knowledge exchange and cultural co-building, and fostering an open, trusting, and positive work atmosphere that fully embodies the core values of "People-oriented, Integrity, Responsibility, Sharing".

During the Reporting Period, the Group and its various bases carried out diverse employee activities, enriching employees' leisure and cultural lives and enhancing the cohesion and sense of happiness among all employees.



▲ 2025 National Model Worker Wang Yanhong Advanced Deeds Report Meeting



▲ Health consultation and free clinic



▲ Red Cross first aid training



▲ Dragon Boat Festival consolation



▲ Yulin Pharmaceutical and Inner Mongolia Consun supporting Horgos Consun



▲ Team-building activities



▲ Participation in the 2025 Guangzhou Development District Science City General Trade Union Badminton Competition



▲ Mid-Autumn Festival benefits



▲ Employee birthday party



▲ International Women's Day series of activities



▲ Labour skills competition



▲ Ethnic culture and arts festival



▲ May Fourth Youth Day themed activities



▲ Employee sports meet



▲ Fun sports themed team-building activities



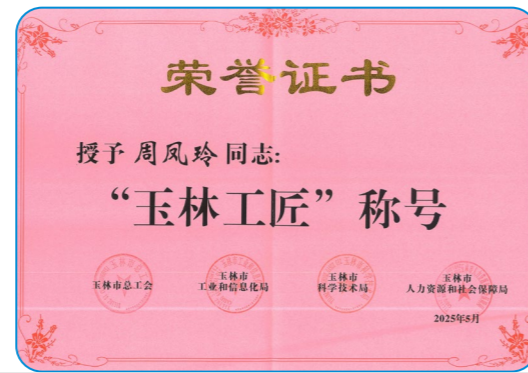
▲ Teachers' Day appreciation activities

Talent Development

Consun Pharmaceutical is committed to building a professional, career-oriented team of high-quality talent. Through a systematic talent development strategy, we continuously strengthen our team's comprehensive capabilities, providing solid talent support for the enterprise's long-term development. The Group continuously improves talent selection, cultivation, and appointment mechanisms, and has established and optimised its performance evaluation system and career development pathways, ensuring that talent development advances in coordination with organisational strategy.



▲ Yulin Pharmaceutical's Wang Yanhong awarded the title of "2025 National Model Worker"



▲ Yulin Pharmaceutical's Zhou Fengling awarded the title of "Yulin Craftsman"

In talent cultivation, the Group adopts a tiered, classified, and multi-level training model. Through the closed-loop management mechanism of "selection, utilisation, cultivation, assessment, retention, and exit," we systematically drive talent pipeline development and organisational capability enhancement. At the same time, the Group has formulated comprehensive human resource development management methods, position qualification, and promotion management systems, providing clear growth pathways and promotion directions for employees at various positions and levels.

Employee Qualification Certificate Management and Reward Provisions for Obtaining Professional Titles and Occupational Qualifications

A system that standardises the management of qualifications required for each position, ensuring that all company employees, especially those in specialised positions, hold the corresponding professional certificates and professional qualifications. For employees obtaining professional titles and occupational qualifications, we also have relevant reward provisions to stimulate employees' learning enthusiasm.

New Employee Training Management Measures and Probation Period Management Regulations

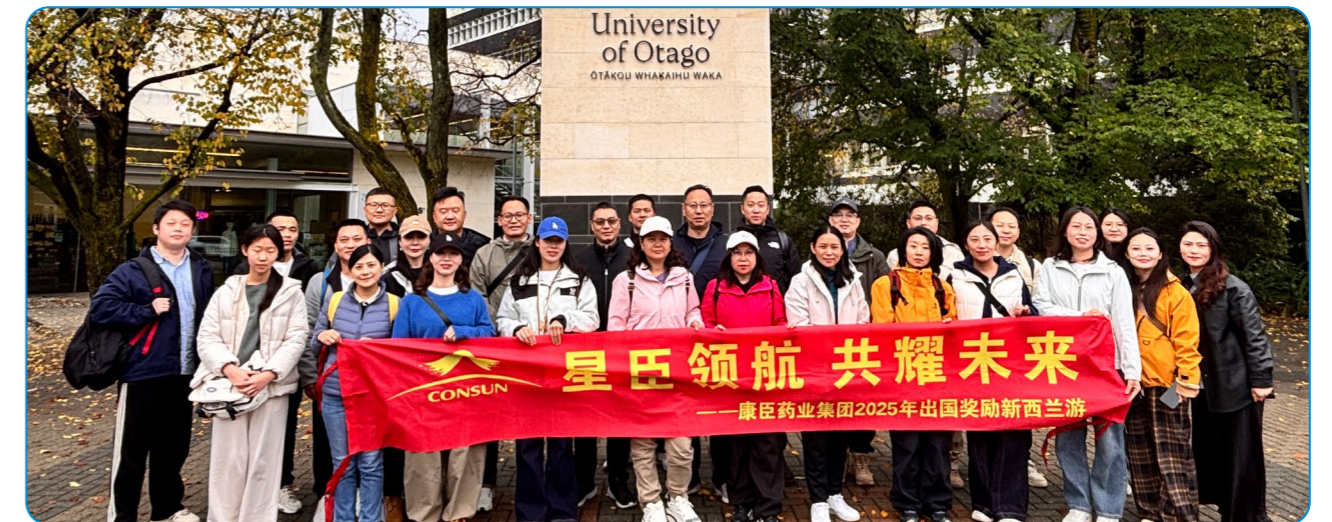
The new employee onboarding training model includes four stages: introduction training, online learning and company + online training, departmental mentor training + Group new employee centralised training, and probation assessment. Content covers corporate culture, rules and regulations, professional job requirements, and other aspects, ensuring new employees thoroughly master the knowledge and skills required for their positions through different training methods.

Mentor Management Measures and Internal Trainer Management Measures

Clarifies the selection, management, cultivation, and assessment of internal and external training talent to ensure the professionalism, teaching quality, and enthusiasm of the training team, continuously improving training quality.

Management Regulations on Further Education for Middle and Senior Management

Uses incentive methods to encourage management personnel to effectively improve their comprehensive capabilities and educational levels through academic education and non-academic education, cultivating talent for key positions.



▲ 2025 overseas reward trip to New Zealand



▲ Dr Zhang Xianlong postdoctoral exit report meeting

The Group has built a systematic talent development framework, establishing the "Qilin Academy" and implementing programmes including the Mini-MBA for middle and senior management, the "Puyu Class" graduate trainee programme, and marketing talent assessment and empowerment initiatives, developing a composite talent pipeline.



During the Reporting Period, we provided employees with various training activities, covering topics involved in business operations such as advanced training for middle and senior management, production management, strategic thinking, interpretation of laws and regulations, and pharmaceutical research and development. Through diverse learning formats, we comprehensively enhanced employees' professional competence.



▲ Professional promotion practical training



▲ Production manager comprehensive management capability enhancement



▲ Deep distribution and chain cooperation and sales activation training in the hyper-competitive era



▲ Training on Practical AI Skills to Drive Enterprise Digital Transformation



▲ Comprehensive administrative training



▲ Five-star team building launch



Total training hours

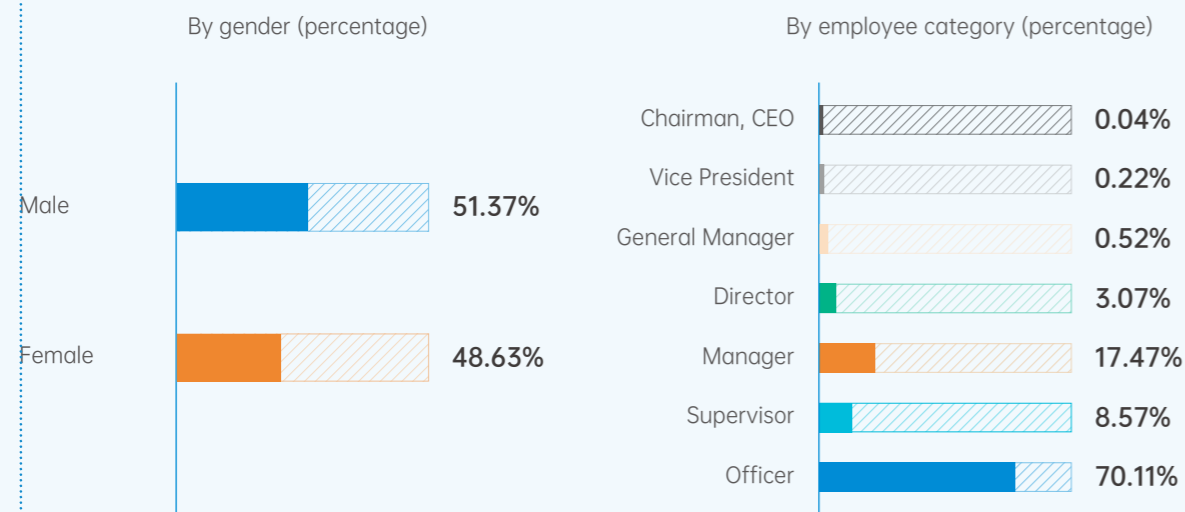
127,515.28 hours



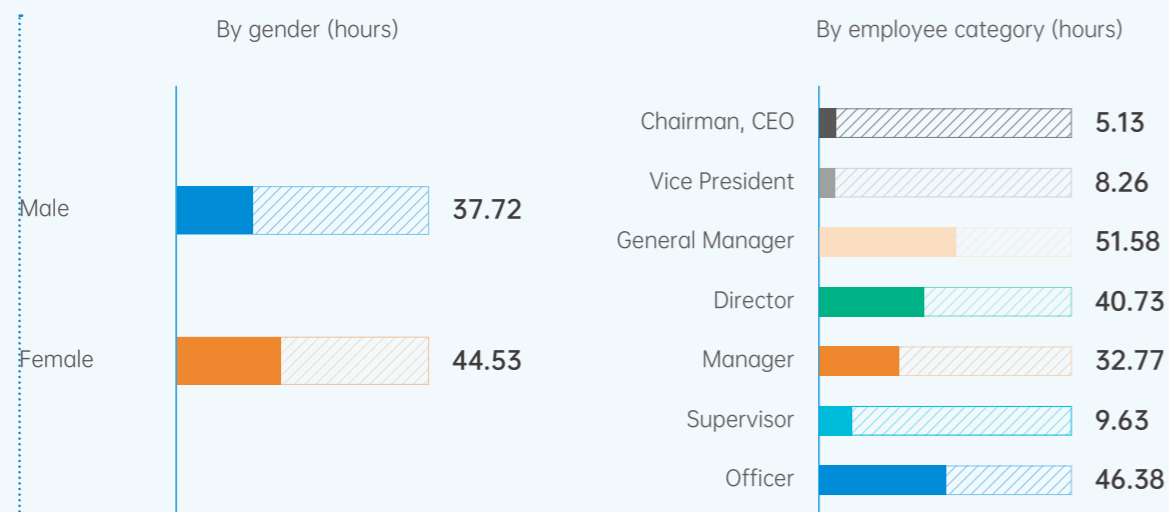
Average training hours per person

41 hours

Percentage of Employees Trained⁶



Average Training Hours of Employees⁷



⁶ The calculation method for percentage of trained employees: employees in the relevant category / total trained employees × 100%

⁷ The calculation method for average training hours of employees in relevant categories: total training hours of employees in a specific category / number of employees in that specific category.

Health and Safety

The Group places high importance on occupational health and safety management, committed to providing employees with a safe and healthy working environment. The Group strictly complies with laws and regulations such as the *Production Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and the *Provisions on the Supervision and Administration of Occupational Health in the Workplace*, and conscientiously implements safety protection measures in production operations and daily activities to safeguard employees' lives and occupational health. During the Reporting Period, the Group experienced 6 work-related safety accidents, with a total of 304 working days lost due to work injury. Following the incident, the Group promptly activated its emergency response procedures, carried out timely medical treatment for the injured, conducted an incident investigation and root-cause analysis, and formulated targeted corrective measures to address the issues identified. The Group also strengthened on-site risk controls and reinforced safety alerts for employees. As of the end of the Reporting Period, all work-related injury incidents had been properly handled, and the related corrective actions had been fully implemented.

Given that the Group's operations encompass diverse settings including production workshops, laboratories, and office areas, we have developed and implemented a series of occupational health and safety management documents tailored to the characteristics and risks of different working environments, strengthening the identification and prevention of various potential hazards. The Group has established and implemented policy documents including the *Occupational Disease Management Regulations*, *Compilation of Safety Production Management Systems*, and *Employee Health Management Procedures*, clearly defining safety management responsibilities, operational standards, and protective requirements to ensure that all production activities are conducted safely and in an orderly manner.



▲ "Safety Production Month" activities

To further implement safety responsibilities, the Group has established a safety production leadership team to coordinate and advance occupational health and safety management. The team is responsible for organising safety education and training for production management departments and employees, formulating detailed rules for safety production implementation and operating procedures, conducting safety inspections and hidden danger investigations, and supervising the implementation of the Group's safety policies and directives. The following are some of the Group's key safety production management systems:

Safety Inspection and Hidden Danger Investigation and Management System

- Each department organises regular or irregular safety inspections and daily safety patrols
- Safety inspections focus on key areas, strengthening checks on production systems, areas, installations, equipment, and dangerous operations that have higher risk, are prone to accidents, or could cause major accident hazards
- Immediate rectification, acceptance inspection, and reporting upon discovery of safety hazards

Safety Education and Training System

- New employees must receive three-level safety production training (factory, workshop, post) before taking up their posts
- Transferred personnel should receive workshops and team-level safety training again before taking up their posts
- Special operations personnel undergo specialised safety training, must pass assessments and obtain corresponding qualifications before taking up their posts, and need to undergo regular reviews

Production Equipment and Facilities Safety Management System

- The Engineering Equipment Department supervises and inspects each department's implementation of safety management during installation, acceptance, operation, maintenance, repair, and dismantling of production equipment and facilities
- Equipment users must strictly follow safety operation procedures according to equipment manual requirements, avoiding operation at excessive temperature, pressure, or load
- Production equipment and facilities are managed and maintained by designated personnel, with customised periodic maintenance methods and inspection standards for each piece of production equipment and facility

Occupational Health Management System

- Priority is given to adopting new technologies, processes, and materials that help prevent occupational diseases and protect employees' health and safety; occupational disease hazard control effectiveness evaluations are conducted before completion acceptance of construction projects; monitoring points for occupational hazard factors are established; and notification boards and warning signs are set up
- For personnel engaged in operations with occupational hazards, pre-employment, on-the-job, and post-employment occupational health examinations are organised
- Regular occupational health examinations are organised



Emergency Management System

- The company establishes an emergency command department and an emergency command office responsible for daily emergency rescue management
- The department where an accident occurs is responsible for activating the corresponding emergency rescue plan, organising on-site rescue and accident handling, reporting accident situations, and cooperating with accident investigation and handling
- The company's Safety Committee is responsible for supervising the accident management process, reviewing handling opinions, assisting the government and higher authorities in investigations, and tracking subsequent accident handling and implementation of rectification measures

In addition, the Group has established a systematic and comprehensive emergency management mechanism for occupational health and safety-related emergencies, formulating and continuously updating multiple emergency plans, including the *Overall Emergency Plan for Sudden Incidents*, *Laboratory Safety Accident Emergency Plan*, and the *Occupational Disease Hazard Accident Emergency Rescue Plan*. During the Reporting Period, the Group revised and improved the content of relevant plans to ensure their operability and timeliness. At the same time, the Group regularly organises emergency drills and safety training to enhance employees' ability to respond to sudden accidents and their safety awareness, thereby effectively preventing and reducing the occurrence and impact of safety incidents.

To further protect employees' occupational health, the Group actively carries out occupational disease prevention and control work in accordance with policies including the *Occupational Disease Hazard Prevention Responsibility System* and the *Occupational Disease Hazard Detection and Evaluation Management System*, preventing and controlling potential occupational hazards. Each production base commissions qualified third-party institutions to conduct regular testing of occupational disease hazard factors to ensure that environmental indicators meet relevant national standards and promptly rectifies any identified risk points. In addition, the Group provides employees with annual health examinations and occupational disease screenings to effectively safeguard employees' physical and mental health and well-being.

No fatal accidents due to work have occurred in the past three years. During the Reporting Period, the Group did not identify any violations related to occupational health and safety that would have a significant impact on the Group's operations.

During the Reporting Period, we conducted various occupational health and safety-related training activities for employees, including lectures on occupational disease prevention and control, as well as emergency drills for sudden incidents such as alcohol storage accidents and personnel poisoning, improving employees' safety awareness and response capabilities. Meanwhile, we posted warning signs in workshops and laboratories to remind employees to follow operational standards and prevent potential risks.



Number of occupational health and safety training participants in 2025

945 people

Occupational health and safety practices



▲ Fire safety training



▲ Fire safety drills



▲ Alcohol storage emergency training and drills



▲ Defensive driving safety training



▲ Safety refined management training



▲ Hazardous operations safety training



▲ Team safety emergency rescue training and drills



Occupational health and safety practices



▲ Safety knowledge training



▲ Occupational disease prevention training



▲ High-temperature "melon-sharing" cooling activity



▲ High-temperature consolation



▲ On-site safety training



▲ Lift evacuation drills



▲ Occupational disease hazard emergency rescue drills

Community Co-construction

Consun Pharmaceutical upholds the philosophy of "do my utmost, and help others succeed." In addition to actively supporting charitable projects in the pharmaceutical industry, we also attach importance to issues of public health and healthcare accessibility, and is committed to enabling more patients to access safe and affordable treatment options through product R&D and supply security. The Group also participates extensively in community services, volunteer activities, poverty alleviation, disability assistance, and educational support, embodying its responsibility and care for society through practical actions.



As of December 31, 2025, the Group's charitable and other donations totaled approximately RMB

6,018,000

Consun Pharmaceutical takes a multi-pronged approach to improve medicine accessibility. Most core products are covered by medical insurance and the National Essential Medicines List. The Company actively participates in national centralized drug procurement. It achieves full urban and rural coverage through prescription drugs and OTC dual channels, as well as offline, online, investment and overseas layout, targeting children, pregnant women, lying-in women and chronic kidney disease patients. It also expands into Southeast Asia and other overseas markets to promote the internationalization of traditional Chinese medicine, and carries out academic and education activities to support standardized primary care medication use, fully ensuring medicines are available, affordable and properly used.

As a backbone force in the industry, Consun Pharmaceutical is deeply aware that its growth is inseparable from the shared prosperity and progress of society. During the Reporting Period, the Group organised and carried out multiple charitable activities in areas including health education, poverty alleviation, and community care, proactively responding to social needs and continuously contributing to public well-being. From medical science livestreams to traditional Chinese medicine fair charitable activities, we benefit communities with professional knowledge. From nationwide disability assistance services to "City Beauticians" care campaigns, we co-build communities through compassionate action, conveying corporate care and responsibility.

Local Capacity Building

Highlight Case: Enhancing local healthcare service capacity through online medical science livestreams

Project Background

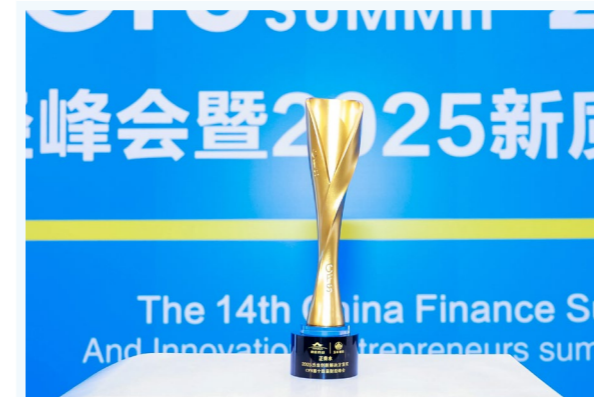
To further enhance public health awareness, improve patient access to medical knowledge, and support knowledge dissemination between primary care physicians and hospitals, a series of online medical science livestream activities were conducted in 2025.

The project aimed to leverage digital communication tools to bridge the medical information gap caused by uneven geographical and resource distribution, helping more patients and the public conveniently access authoritative medical knowledge.

Project Overview

Project format	Online medical science livestream series	Duration	2025
Participating doctors	8 doctors were invited in total, comprising 4 chief physicians and 4 associate chief physicians		
Partner hospitals	Covering 7 key hospitals	Scale	A total of 11 livestream sessions held throughout the year
Audience reaches	Cumulative viewership of 7,425 individuals and 19,569 total views		

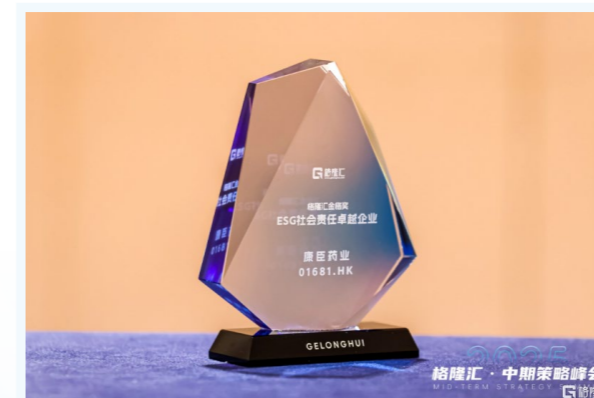
Charity Honours



"2025 Outstanding Brand Influence Listed Company"



"2025 Sustainable Development Leadership Enterprise Award"



"ESG Social Responsibility Outstanding Enterprise"



"Disability Assistance Caring Organisation"

Charity Action Milestones

Caring for Health, Benefiting the Community



▲ Guangzhou Huangpu District 7th Traditional Chinese Medicine Fair charitable activity



▲ The 35th National Disability Assistance Day activities



▲ "Walking Together for Good" Public Welfare Campaign



▲ "Community Care: Charity Outreach" Activity



Community Co-building for Harmony



▲ New volunteer charitable activities



▲ The 6th "City Beauticians" care and consolation activity



▲ Students from Yuzhou District No. 8 Middle School study tour



▲ "Building Children's Dreams Together, Moving Toward the Future with 'Yi'" themed charitable activity



▲ "Sharing Sunshine, Spreading Care" themed disability assistance and caring activity



▲ Supporting education in Renhou Town

Appendix I Environmental Performance Tables

	2025	2024	2023	Unit
Air Pollutant Emissions⁸				
NO _x Emissions	2,628.80	4,375.91	5,500.71	kg
SO ₂ Emissions	341.02	1,029.12	1,442.53	kg
CO Emissions	844.92	939.09	1,579.44	kg
Particulate Matter (PM) Emissions	467.47	926.21	1,312.41	kg
Resource Consumption				
Total energy consumption ⁹	77,770.40	84,257.96	100,081.00	MWh
Energy consumption intensity ¹⁰	0.23	0.28	0.39	MWh/RMB 10,000 of revenue
Direct Energy Consumption¹¹				
Direct energy consumption	23,474.48	38,711.42	44,571.72	MWh
Direct energy consumption intensity	0.07	0.13	0.17	MWh/RMB 10,000 of revenue
Natural gas consumption	1,552,295.87	644,266	5,508	m ³
Coal consumption	1,667.44	4,753.24	6,665.47	Tonnes
Gasoline consumption (vehicle)	83,752.83	79,718.83	124,778.87	Litres
Diesel consumption (vehicle)	34,373.00	35,821.27	38,095.86	Litres
Indirect Energy Consumption				
Indirect energy consumption	54,295.92	45,546.54	55,509.27	MWh
Indirect energy consumption intensity	0.16	0.15	0.21	MWh/RMB 10,000 of revenue
Purchased electricity consumption	18,495.71	13,652.89	16,811.16	MWh
Purchased steam consumption	48,042.36	42,775.94	51,902.13	tonnes
Other Resource Consumption				
Total water consumption	394,946.50	424,369.89	475,979.00	tonnes
Total water consumption intensity	1.16	1.43	1.84	tonnes/RMB 10,000 revenue
Packaging box consumption	1,387.58	1,189.20	1,186.36	tonnes
Instruction manual consumption	117.29	98.99	99.57	tonnes
Paper box consumption	704.19	570.09	629.21	tonnes
Total packaging material consumption	2,209.06	1,858.28	1,915.14	tonnes
Total packaging material intensity	0.0065	0.0063	0.0074	tonnes/RMB 10,000 revenue
Greenhouse Gas Emissions (Scope 1 and Scope 2)¹²				
Total greenhouse gas emissions (Scope 1 and 2)	31,123.46	32,551.30	40,596.61	Tonnes CO ₂ equivalent
Intensity of greenhouse gas emissions (Scope 1 and 2)	0.09	0.11	0.16	Tonnes CO ₂ equivalent/RMB 10,000 of revenue
Greenhouse gas emissions (Scope 1)	7,132.86	12,602.63	15,681.85	Tonnes CO ₂ equivalent
Greenhouse gas emissions (Scope 2)	23,990.59	19,948.67	24,914.76	Tonnes CO ₂ equivalent
Greenhouse Gas Emissions (Scope 3)¹⁵				
Total greenhouse gas emissions (Scope 3)	9,922.57	/	/	Tonnes CO ₂ equivalent

⁸ The Group's air pollutant emissions originate from boiler combustion, vehicle exhaust, and gas-fueled cooking in staff canteens. The calculation methods are formulated with reference to the Handbook of Accounting Methods and Coefficients for Industrial Pollution Generation and Discharge, Technical Guidelines for the Preparation of Air Pollutant Emission Inventories from Road Motor Vehicles (for Trial Implementation), and Handbook of Accounting Methods and Coefficients for Domestic Pollution Generation and Discharge, all issued by the Ministry of Ecology and Environment of the People's Republic of China. Since 2024, the Group has continuously advanced the "coal-to-gas" initiative. By replacing coal-fired boilers with natural gas-fired boilers, atmospheric pollutant emissions have been significantly reduced. In 2025, we optimized the data calculation methodology to more accurately reflect the Group's air pollutant emissions.

	2025	2024	2023	Unit
Category 1: Purchased Goods and Services	1,363.73	/	/	Tonnes CO ₂ equivalent
Category 2: Capital Goods	2,518.41	/	/	Tonnes CO ₂ equivalent
Category 3: Fuel- and Energy-Related Activities	3,478.22	/	/	Tonnes CO ₂ equivalent
Category 4: Upstream Transportation and Distribution	813.93	/	/	Tonnes CO ₂ equivalent
Category 6: Business Travel	713.32	/	/	Tonnes CO ₂ equivalent
Category 9: Downstream Transportation and Distribution	1,034.97	/	/	Tonnes CO ₂ equivalent
Production Wastewater Discharge				
Production wastewater treatment volume	224,898.11	211,753.42	231,302.54	tonnes
Intensity of production wastewater treatment	0.66	0.71	0.89	tonnes/RMB 10,000 revenue
COD discharge	38.30	37.76	45.53	tonnes
Intensity of COD discharge	0.00011	0.00013	0.00018	tonnes/RMB 10,000 revenue
Generation of Non-Hazardous Waste				
Total amount of non-hazardous waste generation	18,479.06	15,954.75	16,829.35	tonnes
Recycling of non-hazardous waste	18,471.33	15,942.23	16,826.31	tonnes
Intensity of non-hazardous waste generation	0.05	0.05	0.06	tonnes/RMB 10,000 revenue
Generation of medicine dreg	17,900.10	15,125.22	15,730.81	tonnes
Generation of boilers' residue	345.16	636.71	874.58	tonnes
Waste packaging materials	210.68	168.89	208.18	tonnes
Kitchen waste	23.12	11.41	12.74	tonnes
Generation of Hazardous Waste				
Total amount of hazardous waste generation	7.87	7.53	7.72	tonnes
Recycling of hazardous waste	7.55	/	/	tonnes
Intensity of hazardous waste generation	0.00002	0.00003	0.00003	tonnes/RMB 10,000 revenue
Generation of waste laboratory liquid	7.23	7.05	7.14	tonnes
Generation of waste ink cartridge	49.30	40.88	23.44	kg
Generation of waste toner	121.08	75.29	80.06	kg
Generation of waste LED lighting	191.54	74.91	203.74	kg
Generation of waste batteries	73.74	68.96	67.37	kg
Generation of waste imaging drum	100.81	71.10	78.94	kg
Generation of waste fluorescent tubes	107.24	146.86	122.82	kg

⁹ Total energy consumption includes natural gas, coal, gasoline, diesel, purchased electricity and purchased steam. The calculation methods are formulated with reference to the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions from Enterprises in Other Industrial Sectors (for Trial Implementation), Guidelines for Accounting and Reporting of Greenhouse Gas Emissions from Land Transportation Enterprises (for Trial Implementation), Guidelines for Accounting and Reporting of Greenhouse Gas Emissions from Public Building Operation Enterprises (for Trial Implementation), GB 19147-2016 Automotive Diesel Fuels and GB 17930-2016 Automotive Gasoline. In 2025, we adopted a more precise calculation method for energy consumption, and recalculated and reviewed the energy consumption data for 2024 and 2023 to ensure data authenticity and comparability.

¹⁰ The intensity calculation method uses annual total revenue. The total revenue for 2025 is RMB 3,417.35 million.

¹¹ Starting from the 2024 fiscal year, the Company has gradually implemented the "coal-to-gas" initiative to reduce energy consumption and greenhouse gas emissions. Accordingly, the total consumption of coal and natural gas has undergone corresponding changes. As of the 2025 fiscal year, the Company has completely ceased the use of coal.

¹² Greenhouse gas emissions (Scope 1) include emissions from boiler combustion, vehicles, refrigerant use, and canteen cooking. The calculation method refers to the Greenhouse Gas Emission Accounting Methods and Reporting Guidelines for Industrial Other Industry Enterprises (Trial), the Greenhouse Gas Verification Methods and Reporting Guidelines for Land Transportation Enterprises (Trial), Guidelines for Accounting and Reporting of Greenhouse Gas Emissions from Public Building Operation Enterprises (for Trial Implementation), the Sixth Assessment Report published by the United Nations Intergovernmental Panel on Climate Change in 2022, and the Domestic Pollution Source Production and Emission Coefficient Manual. Greenhouse gas emissions (Scope 2) include purchased electricity and purchased steam. The calculation method refers to the Notice on the 2023 National Average Carbon Dioxide Emission Factor for Electricity and the Greenhouse Gas Emission Accounting Methods and Reporting Guidelines for Industrial Other Industry Enterprises (Trial).

¹⁵ The Company collected and disclosed Scope 3 GHG emissions data for the first time in 2025. The calculation methodology references the U.S. EPA Supply Chain GHG Emission Factors (2022), UK DEFRA GHG Emission Factors (2025), China Typical Travel and Accommodation Emission Factors (2024) by the Zero Carbon Lab, and China Provincial Road Transport CO₂ Emission Factors by the Chinese Society for Environmental Sciences.

ESG Code Content Index

Mandatory Disclosure Requirements	Content	Reference Section
Governance Structure	A statement from the Board containing the following elements: (i) a disclosure of the Board's oversight of ESG issues; (ii) the Board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Stability at Consun — Upholding Our Responsibility
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report.	About the Report
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About the Report

A. Environmental			
Subject	Description	Reference Section	
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Improving Environmental Governance	
KPI	A1.1	The types of emissions and respective emissions data.	Appendix I Environmental Performance Tables
	A1.2	[Repealed 1 January 2025]	Not Applicable
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I Environmental Performance Tables
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Appendix I Environmental Performance Tables
	A1.5	Description of measures to reduce emissions and results achieved.	Emission Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and description of waste reduction targets and steps taken to achieve them.	Waste Management Appendix I Environmental Performance Tables
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Water Resources Management	

A. Environmental			
Subject	Description	Reference Section	
KPI	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Appendix I Environmental Performance Tables
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix I Environmental Performance Tables
	A2.3	Description of energy use efficiency initiatives and results achieved.	Energy Conservation and Consumption Reduction
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water use efficiency initiatives and results achieved.	Water Resources Management
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Appendix I Environmental Performance Tables
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Energy Conservation and Consumption Reduction	
KPI	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Energy Conservation and Consumption Reduction

B. Social			
Subject	Description	Reference Section	
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employee Management	
KPI	B1.1	Total number of employees by gender, employment type, age group and geographical region.	Employee Management
	B1.2	Employee turnover rate by gender, age group and geographical region.	Employee Management
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety	
KPI	B2.1	Number of work-related fatalities and rate in each of the past three years (including the Reporting Period).	Health and Safety
	B2.2	Lost days due to work injury.	Health and Safety
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety

B. Social			
Subject	Description		Reference Section
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Talent Development
KPI	B3.1	The percentage of employees trained by gender and employment category (e.g. senior management, middle management).	Talent Development
	B3.2	The average training hours completed per employee by gender and employment category.	Talent Development
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		Employee Management
KPI	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee Management
	B4.2	Description of steps taken to eliminate such practices when discovered.	No incidents of child or forced labour occurred within the Group during the Reporting Period.
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.		Enhancing Supply Chain Management
KPI	B5.1	Number of suppliers by geographical region.	Enhancing Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Enhancing Supply Chain Management
	B5.3	Description of practices relating to identifying environmental and social risks at each stage of the supply chain, and how they are implemented and monitored.	Enhancing Supply Chain Management
	B5.4	Description of practices that promote the use of environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Enhancing Supply Chain Management
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Quality Management
KPI	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Protection of Rights and Interests
	B6.2	Number of products and service-related complaints received and how they are dealt with.	Protection of Rights and Interests
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protection of Intellectual Property
	B6.4	Description of quality assurance process and recall procedures.	Quality Management

B. Social			
Subject	Description		Reference Section
KPI	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protection of Rights and Interests
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		Anti-Corruption and Integrity
KPI	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Anti-Corruption and Integrity
	B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	Anti-Corruption and Integrity
	B7.3	Description of anti-corruption training provided to directors and employees.	Anti-Corruption and Integrity
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Community Co-construction
KPI	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Co-construction
	B8.2	Resources contributed to the focus area (e.g. money or time).	Community Co-construction

**Part D: "Comply or explain" Provisions
Climate-related Disclosures**

(I). Governance		
	19 (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities:	ESG Governance
i)	how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	ESG Governance
ii)	how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	ESG Governance
iii)	how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	ESG Governance
iv)	how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35);	ESG Governance

Part D: "Comply or explain" Provisions Climate-related Disclosures		
19 (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities:		ESG Governance
i)	whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	ESG Governance
ii)	whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	ESG Governance
(II). Strategy		
Climate-related risks and opportunities		
20 (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;		Strategy
20 (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;		
20 (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur;		
20 (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.		
Business model and value chain		
21 (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain;		Strategy
21 (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated.		
Strategy and decision-making		
22 (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation:		Strategy
i)	current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	
ii)	current and anticipated adaptation and mitigation efforts (whether direct or indirect);	
iii)	any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan;	
iv)	how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	
22 (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22 (a).		
23. disclose information about the progress of plans disclosed in previous reporting periods in accordance with 22 (a).		

Part D: "Comply or explain" Provisions Climate-related Disclosures		
Financial position, financial performance and cash flows		
Current financial effect		
24 (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;		Strategy; We have conducted qualitative analyses of the current and expected financial impacts of climate-related risks and opportunities. We will further carry out comprehensive quantitative analyses of climate-related financial impacts to more accurately assess the quantified effects of various climate risks and opportunities on the Group's expected financial performance, thereby providing a robust basis for risk and opportunity management and decision-making.
24 (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.		
Anticipated financial effect		
25 (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:		Strategy; We have conducted qualitative analyses of the current and expected financial impacts of climate-related risks and opportunities. We will further carry out comprehensive quantitative analyses of climate-related financial impacts to more accurately assess the quantified effects of various climate risks and opportunities on the Group's expected financial performance, thereby providing a robust basis for risk and opportunity management and decision-making.
i)	its investment and disposal plans;	
ii)	its planned sources of funding to implement its strategy;	
25 (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.		

Part D: "Comply or explain" Provisions Climate-related Disclosures		
Climate resilience		
26 (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:		
i)	the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	
ii)	the significant areas of uncertainty considered in the issuer's assessment of its climate resilience;	
iii)	the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	
26 (b) how and when the climate-related scenario analysis was carried out, including:		
	information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	Strategy
i)	(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	
ii)	the key assumptions the issuer made in the analysis;	
iii)	the reporting period in which the climate-related scenario analysis was carried out.	
(III). Risk Management		
27 (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:		
i)	the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	Risk Management
ii)	whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risk;	
iii)	how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	Strategy; Risk Management
iv)	whether and how the issuer prioritises climate-related risks relative to other types of risks;	
v)	how the issuer monitors climate-related risks;	
vi)	whether and how the issuer has changed the processes it uses compared with the previous reporting period;	
27 (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities);		
27 (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.		

Part D: "Comply or explain" Provisions Climate-related Disclosures		
(IV). Metrics and Targets		
Greenhouse gas (GHG) emissions		
28. disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ equivalent, classified as: (a) scope 1 emissions; (b) scope 2 emissions; (c) scope 3 emissions.		
		Metrics and Targets
29 (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;		
		Metrics and Targets
29 (b) disclose the approach it uses to measure its greenhouse gas emissions including:		
i)	the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	
ii)	the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions;	
iii)	any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	Metrics and Targets; Appendix I Environmental Performance Tables
29 (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and		
29 (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).		
Climate-related risks, opportunities and carbon price		
30. disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.		
		The Group has identified the potential scope of impacts of climate-related risks and opportunities on key financial indicators, but has not yet quantified specific amounts or percentages.
31. disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.		
		The Group will proceed with relevant data collection and economic impact assessments to progressively enhance quantitative disclosures.
32. disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.		
33. disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.		

Part D: "Comply or explain" Provisions Climate-related Disclosures	
34 (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis);	The Group has not yet adopted an internal carbon pricing mechanism, primarily because the coverage of the domestic carbon market and industry-specific applicability rules are still being developed. The Group continues to monitor policy developments and industry practices, and is assessing the feasibility of introducing a carbon pricing mechanism.
34 (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions.	
Remuneration	
35. disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	The Group is reviewing specific plans for its remuneration policy and will make further disclosures in the future.
Industry-based metrics	
36. encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry.	Appendix I Environmental Performance Tables
Climate-related targets	
37. disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target:	Metrics and Targets
(a) the metric used to set the target;	Metrics and Targets
(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	Metrics and Targets
(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	
(d) the period over which the target applies;	
(e) the base period from which progress is measured;	
(f) milestones or interim targets (if any);	
(g) if the target is quantitative, whether the target is an absolute target or an intensity target;	
(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	

Part D: "Comply or explain" Provisions Climate-related Disclosures	
38. disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	Metrics and Targets
(a) whether the target and the methodology for setting the target has been validated by a third party;	
(b) the issuer's processes for reviewing the target;	
(c) the metrics used to monitor progress towards reaching the target;	
(d) any revisions to the target and an explanation for those revisions.	
39. disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Metrics and Targets
40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	Metrics and Targets
(a) which greenhouse gases are covered by the target;	
(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	
(d) whether the target was derived using a sectoral decarbonisation approach;	
(e) planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	The Group has not yet purchased or utilised any carbon credits to achieve greenhouse gas emission reduction or net-zero targets.
(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	
(ii) which third-party scheme(s) will verify or certify the carbon credits;	
(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
Applicability of cross-industry metrics and industry-based metrics	
41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and industry-based metrics (see paragraph 36).	Not Applicable



Independent Limited Assurance Report

To the Board of Directors of CONSUN PHARMACEUTICAL GROUP LIMITED

1. Limited Assurance Conclusion

Hong Kong Quality Assurance Agency ("HKQAA", "we", "our", "us") conducted an independent limited assurance engagement on the sustainability disclosures ("Sustainability Disclosures") presented by CONSUN PHARMACEUTICAL GROUP LIMITED ("the Company") in its 2025 Environmental, Social and Governance (ESG) Report ("the Report") for the reporting period from 1 January 2025 to 31 December 2025 ("Reporting Period") and issued this Independent Assurance Report ("Assurance Report").

Based on the procedures performed, evidence obtained, and subject to the stated assumptions, dependencies, boundaries, limitations, and exclusions set out in Appendix A, nothing has come to our attention that causes us to believe that the Sustainability Disclosures are not presented, in all material respects, in accordance with the requirements of the ESG Reporting Code.

2. Engagement Overview

The objective of this sustainability assurance service is to provide an independent conclusion, with a limited level of assurance, on whether the Sustainability Disclosures have been prepared in accordance with the following reporting criteria:

The Environmental, Social and Governance Reporting Code ("ESG Reporting Code") set out in Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited.

For the avoidance of doubt, the Appendices listed at the end of this Assurance Report form an integral part of it, though certain Appendices are intended for the Company's internal use only. For reference, a generic version of Appendix A (which sets out the assumptions, dependencies, boundaries, limitations, exclusions, roles and responsibilities, and independence applicable to this engagement) is publicly available on the HKQAA website (www.hkqaa.org) under the navigation path: News & Resources > Guides & Forms > Guidelines > Sustainability Assurance.

3. Basis for Conclusion

HKQAA's assurance procedure was conducted in accordance with the International Standard on Sustainability Assurance 5000, General Requirements for Sustainability Assurance Engagements ("ISSA 5000"), issued by the International Auditing and Assurance Standards Board ("IAASB").

A limited assurance engagement involves performing procedures that vary in nature and extent from those performed for a reasonable assurance engagement. Accordingly, the level of assurance obtained is substantially lower than that obtained in a reasonable assurance engagement.

In conducting this engagement, we confirm our independence from the Company. The engagement team performed the engagement in accordance with the HKQAA Code of Conduct. Based on the procedures performed and the evidence obtained, we consider the evidence sufficient and appropriate to form a basis for our conclusion.

4. Responsibilities for the Sustainability Disclosures

The Company's management is responsible for the preparation of the Sustainability Disclosures in accordance with the applicable reporting criteria, and for designing, implementing and maintaining such internal controls as it determines necessary to enable the preparation of Sustainability Disclosures that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Company's sustainability reporting process.

5. Responsibilities of the Engagement Team

Our responsibility is to plan and perform this engagement to obtain limited assurance about whether the Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue this Assurance Report that includes our conclusion.

Misstatements can arise from fraud or error and are considered material if they could reasonably be expected to influence the decisions of users taken on the basis of the Sustainability Disclosures.

As part of this engagement, we exercise professional judgment and maintain professional skepticism, perform risk assessment procedures including obtaining an understanding of relevant internal controls (but not for the purpose of providing a conclusion on their effectiveness), and design and perform procedures responsive to assessed risks. As fraud is inherently more difficult to detect than unintentional error, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.

6. Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgment, including the assessed risks of material misstatement, whether due to fraud or error.

Our assurance procedures included, but were not limited to:

- reviewing relevant policies, procedures, relevant documentation and records provided by the Company, including those related to sustainability related information such as governance, risk identification, and performance metrics;
- interviewing key management and responsible personnel of the Company for reporting and sustainability related governance;
- conducting analytical reviews of disclosures for plausibility and consistency with relevant external frameworks and internal supporting data;
- selecting representative samples of disclosures, with a focus on materiality and risk, and assessing the underlying evidence for each sample using judgmental sampling;
- evaluating the transparency of disclosed assumptions, dependencies, and boundaries; and
- assessing the completeness of coverage with respect to the requirements of the reporting criteria, including reviewing methodologies used for estimations, sensitivity analyses, and disclosures of uncertainties.

This Assurance Report is made solely for the use of CONSUN PHARMACEUTICAL GROUP LIMITED and the users of its 2025 Environmental, Social and Governance (ESG) Report, and for use in accordance with the reporting criteria stated in Section 2 of this Assurance Report. We do not accept or assume responsibility for any other purpose or to any other person to whom this Assurance Report is shown or in whose hands it may come.

The engagement leader on the assurance engagement resulting in this Assurance Report is KT Ting.

Signed on behalf of Hong Kong Quality Assurance Agency

Hong Kong, PRC

27 April 2026

Ref: 14998617



2025

Environmental, Social and Governance Report



Official WeChat account of Consun Pharmaceutical Group