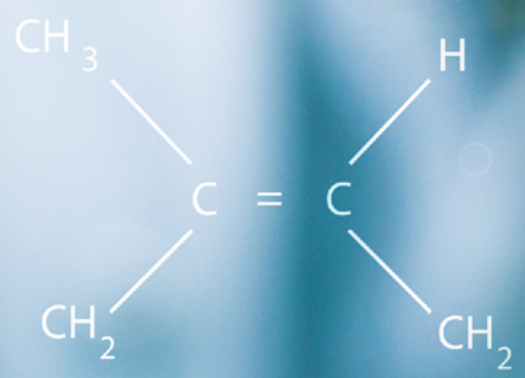


# 2025

## Environmental, Social, and Corporate Governance (ESG) Report



# APELOA



# About This Report

## Reporting Scope

The time frame of this report is from January 1, 2025 to December 31, 2025, with some content falling beyond the aforementioned scope.

## Reporting Cycle

The report is released annually.

## Reporting Coverage

The scope of this report aligns with the company's operational coverage, including the ESG principles, strategies, and practices of Apeloa and its subsidiaries as well as the operations of the Company during the reporting period.

## Data Sources

The data cited in this report is the final statistical data as of December 31, 2025. Practices of Apeloa and its subsidiaries as well as the operations of the Company during the reporting period.

## Preparation Basis

The report is prepared in accordance with the *Self-regulatory Guideline No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation)* and the *Shenzhen Stock Exchange Self-Regulatory Guide No. 3 - Preparation of Sustainable Development Reports (Revised in 2026)*. It also refers to the GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Standards Board (GSSB), the Guidelines No. 1 for Self-Regulation of Listed Companies— Standardized Operation of Listed Companies released by the Shenzhen Stock Exchange, Code of Corporate Governance for Listed Companies in China and the 2030 Agenda for Sustainable Development issued by the UN. Accordingly, the report integrated the above key guidelines and standard requirements in response to the expectations and demands of stakeholders, and highlight the industry and company characteristics.

## Abbreviations

For better expression, Apeloa Pharmaceutical Co., Ltd. in this report is also referred to as "Apeloa", "the Company" or "We/our". Zhejiang Apeloa Tospo Pharmaceutical Co., Ltd is also referred to as "Tospo Pharmaceutical". Zhejiang Apeloa Jiayuan Pharmaceutical Co., Ltd is also referred to as "Jiayuan Pharmaceutical". Zhejiang Apeloa Kangyu Pharmaceutical Co., Ltd is also referred to as "Kangyu Pharmaceutical". Zhejiang Apeloa Biotechnology Co., Ltd is also referred to as "Zhejiang Biotechnology". Zhejiang Apeloa JuTai Pharmaceutical Co., Ltd is also referred to as "JuTai Pharmaceutical". Shandong Apeloa Hanxing Medical Co., Ltd is also referred to as "Shandong Hanxing". Shandong Apeloa Tospo Pharmaceutical Co., Ltd is also referred to as "Shandong Tospo". Anhui Apeloa Biotechnology Co., Ltd is also referred to as "Anhui Biotechnology".

## Report Access

This report is available in both print and electronic versions, and the latter can be accessed on our official website ( <http://www.apeloa.com/cn/index.html>) for online viewing or download. If you have any questions or suggestions regarding this report, please feel free to contact us by phone or letter.

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# Message from the Chairman

## Governance as the Foundation: Building Long-Term Trust through Transparency and Standards

Excellent governance serves as the cornerstone of a company's steady and long-term development. In 2025, the company further refined its governance framework, strengthening compliance operations and enhancing transparent communication. For the fifth consecutive year, the company has earned highest "A" rating for information disclosure from the Shenzhen Stock Exchange, along with the "Shanghai Stock Exchange Eagle · Gold Quality" Corporate Governance Award. These accolades serve not only as authoritative recognition from the capital market for the company's governance standards and operational transparency but also as a continued motivation to further strengthen this core capability. At Apeloa, responsibility is held in the highest regard. That is why ESG management has been deeply embedded into both corporate strategy and daily operations. With the establishment of a Strategy and ESG Committee, the company has laid out a six-year roadmap for green development, ensuring that the principles of sustainability are consistently put into action.

## Green Operations: Safeguarding Clear Waters and Lush Mountains Through Low-Carbon Practices

Apeloa has fully embedded low-carbon transformation into its corporate operations by issuing the "ESG Strategy for Energy Conservation, Carbon Reduction, and Emission Reduction", driving a series of concrete actions. The company continues to advance photovoltaic projects and increase the use of clean energy, with self-generated solar power expected to reach approximately 1.74 million kWh by 2025. It also continuously optimizes production processes, improves resource recycling efficiency, and promotes the circular economy. Additionally, it strengthens emission management, adopts clean production practices, and works to reduce its environmental footprint. These green practices, woven into every stage of production, reflect the company's firm commitment to the belief that "lucid waters and lush mountains are invaluable assets", making green development a defining feature of Apeloa.

## Technological Innovation: Driving Development with a Systematic Innovation System

In 2025, Apeloa further advanced its trinity technological innovation system, which integrates internal R&D teams, collaborations with research institutions, and efficient industry-academia interactions. For two consecutive years, the company was listed among the "Top 500 Chinese Private Enterprises in R&D Investment", with a focus on building a core technology matrix in cutting-edge fields such as flow chemistry, synthetic biology, peptides, and ADC. The establishment of "Zhejiang Provincial Key Enterprise Research Institute for Non-Natural Amino Acid Chiral Technology" marked the formal recognition of the company's technological strength in related areas. Digital transformation progressed steadily, marked by the launch and operation of the AIGC platform, the widespread application of AI vision technology in production scenarios, and the deployment of an industrial data analysis platform enabling process optimization and predictive maintenance, bringing "smart manufacturing" to reality. The global R&D footprint expanded steadily, with the Boston CDMO R&D Center operating efficiently and partnerships established with top-tier international institutions such as the Scripps Research Institute. Continuous innovation yielded notable achievements, earning the company the title of "National Intellectual Property Demonstration Enterprise". To date, it holds 155 authorized and valid patents, and products including Ademetionine Disulfate Enteric-Coated Tablets have been successfully approved for market launch, demonstrating robust capabilities across the entire R&D-to-commercialization chain and laying a solid foundation for long-term development.

## People-Oriented: Creating a Better Society Through Responsibility and Commitment

Employees are the most valuable asset of the enterprise, and the community serves as the foundation on which Apeloa thrives. In 2025, the company once again launched the "Morning Star Program" for new graduates, systematically empowering young talent and providing a platform for them to pursue their career aspirations. We remain committed to supporting our employees, enhancing career development pathways, and fostering an inclusive, diverse, and safe work environment, dedicated to ensuring that every member of Apeloa grows alongside the company. In active engagement with the community, we organized 270 volunteers, 35 traffic safety personnel, and over ten first-aid runners to help ensure safety during the Hengdian Marathon. This effort reflects our corporate culture of "happy learning, happy exercise, and happy work", while also serving as a tangible expression of our commitment to community responsibilities.

Looking ahead, the global pharmaceutical and healthcare industry is undergoing profound transformations, with sustainable development emerging as an irreversible trend of our time. Apeloa remains committed to fully implementing the new development philosophy by embedding ESG principles into its 2030 strategy—centered on refining APIs, strengthening CDMO, excelling in pharmaceuticals, and expanding into medical aesthetics. Guided by technological innovation, driven by green manufacturing, empowered through open collaboration, and rooted in talent development, the company strives to become a globally leading technology-driven pharmaceutical manufacturing and service provider—one that delivers commercial value while embracing environmental responsibility, contributing to society, and earning respect across all sectors.

“

2025 marks the first year of Apeloa's "2030 Development Strategy" and is a pivotal year for advancing innovation and sustainable development practices in a complex market environment. Apeloa recognizes that the long-term enterprise value lies not only in outstanding operational performance, but also in a solid commitment to environmental, social, and governance responsibilities.

”

Chairman of Apeloa Co., Ltd.

Fangmeng Zhu

# About ApeloA

## Company Profile

ApeloA Pharmaceutical Co., Ltd., founded in 1989, is a pharmaceutical industry platform under the Hengdian Group and a publicly traded company on the Shenzhen Stock Exchange(SZSE). Headquartered in Hengdian, Zhejiang, ApeloA has a registered capital of 1.158 billion yuan. The Company is Vice President of the China Chamber of Commerce for Import & Export of Medicines & Health Products (CCCMHPIE), Executive Council Member of the Zhejiang Pharmaceutical Industry Association (ZIPA), Council Member of the Zhejiang Pharmaceutical Association (ZIPA), and Council Unit of Shanghai Yangtze River Delta Institute of Business Innovation. ApeloA is among China's top 2 exporters of APIs and top 5 CDMO companies. It ranks 36th among China's top 100 pharmaceutical companies recently selected by the Ministry of Industry and Information Technology. The Company has also been recognized as one of the China Top 100 High Growth Enterprises, the leading bio-pharmaceutical enterprise in Zhejiang, and one of the "Eagle Enterprises" dedicated to local technological advancement in Zhejiang.

ApeloA's core businesses include Active Pharmaceutical Ingredients (APIs), Contract Development & Manufacturing Organization (CDMO), Finished Dosage Form(FDF), and Aesthetic & Care Ingredients(ACIs), with seven API manufacturing sites (five for chemical synthesis and two for biofermentation) and two drug product sites. Our products cover cardiovascular, anti-infection, psychotropic, and anti-cancer treatments, with manufacturing bases in Dongyang City (Zhejiang Province), Weifang City (Shandong Province), Dongzhi County (Anhui Province), and Quzhou City (Zhejiang Province). Since 2007, our main API manufacturing sites have passed audits by NMPA, US FDA, EMEA, and PMDA, establishing us as a leading API enterprise. These manufacturing sites have remained committed to making pharmaceutical manufacturing more consistent, automatic, digitalized and intelligent. Leveraging our edges of R&D and efficient manufacturing, our CDMO business maintains strategic partnerships with the world's top pharmaceutical companies, offering comprehensive services and sustaining high growth. ApeloA's brands,

"Baishixin" and "Tianliwei", have been widely recognized at home and abroad, and our first extended-release product has successfully entered the U.S. market and achieved rapid growth.

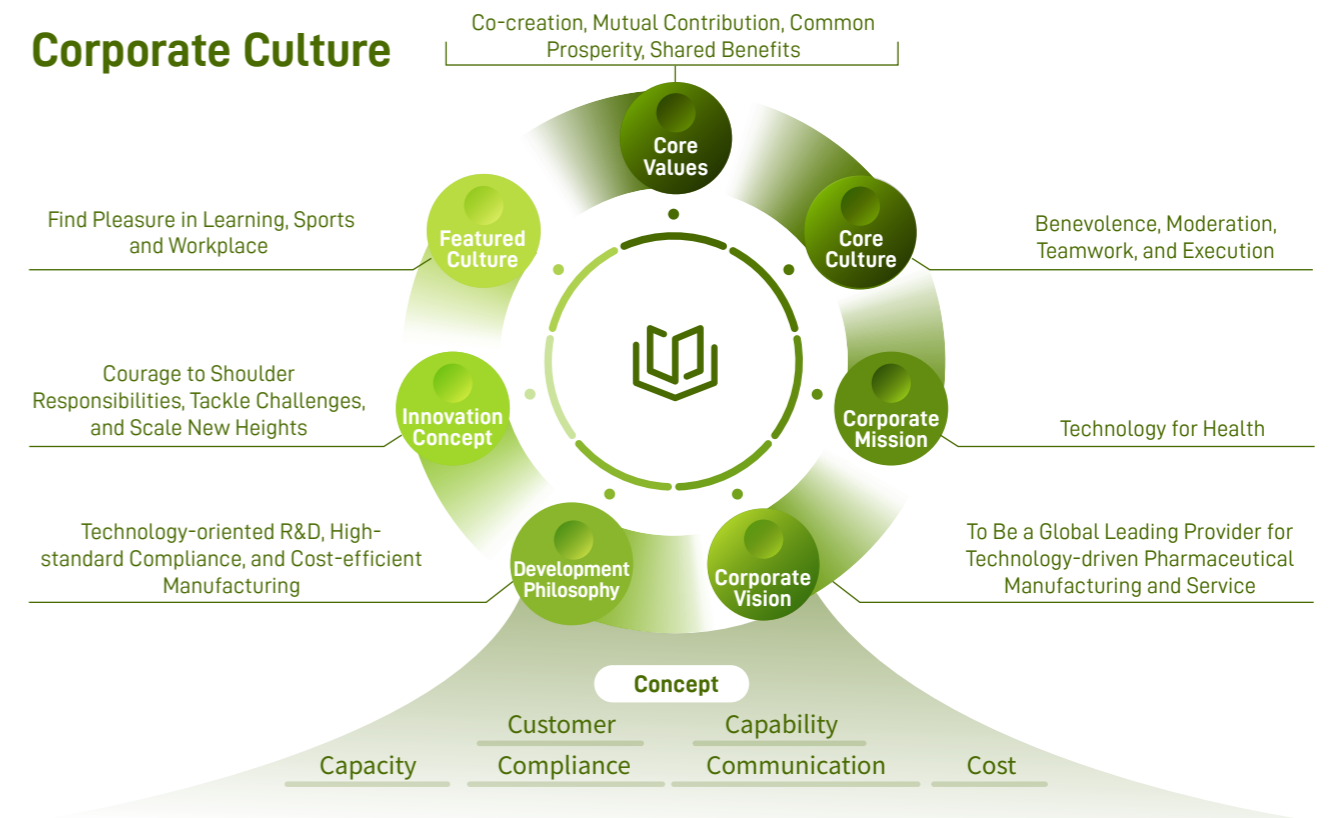
ApeloA implements the development strategy of "Global API Leader, CDMO Excellence, High-quality & Affordable Medicine, Expanding Aesthetic & Care Ingredients", with annual R&D expenses exceeding 5% of revenue. We have established several Chinese and even world leading technology platforms, with over 1,300 chemists and the ApeloA Scientific Advisory Board (ASAB). We also collaborate with Shanghai Jiao Tong University, Shanghai Institute of Technology, and Zhejiang University of Technology to establish biology, chemistry and engineering technology platforms, empowering technological innovation and intelligent manufacturing. The company adheres to the development philosophy of "strong technological R&D, high-standard compliance, and low-cost manufacturing," and is committed to being a global leading provider for technology-driven pharmaceutical manufacturing and service.

 <b>Ranking 36th place among China's top 100 pharmaceutical companies</b> <span style="font-size: 2em; font-weight: bold;">36</span>	 <b>Ranking 2nd place among China's top exporters of APIs</b> <span style="font-size: 2em; font-weight: bold;">2</span>	 <b>Ranking among China's top 5 Small Molecule CDMO companies</b> <span style="font-size: 2em; font-weight: bold;">5</span>
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## ApeloA's 2030 Development Strategy

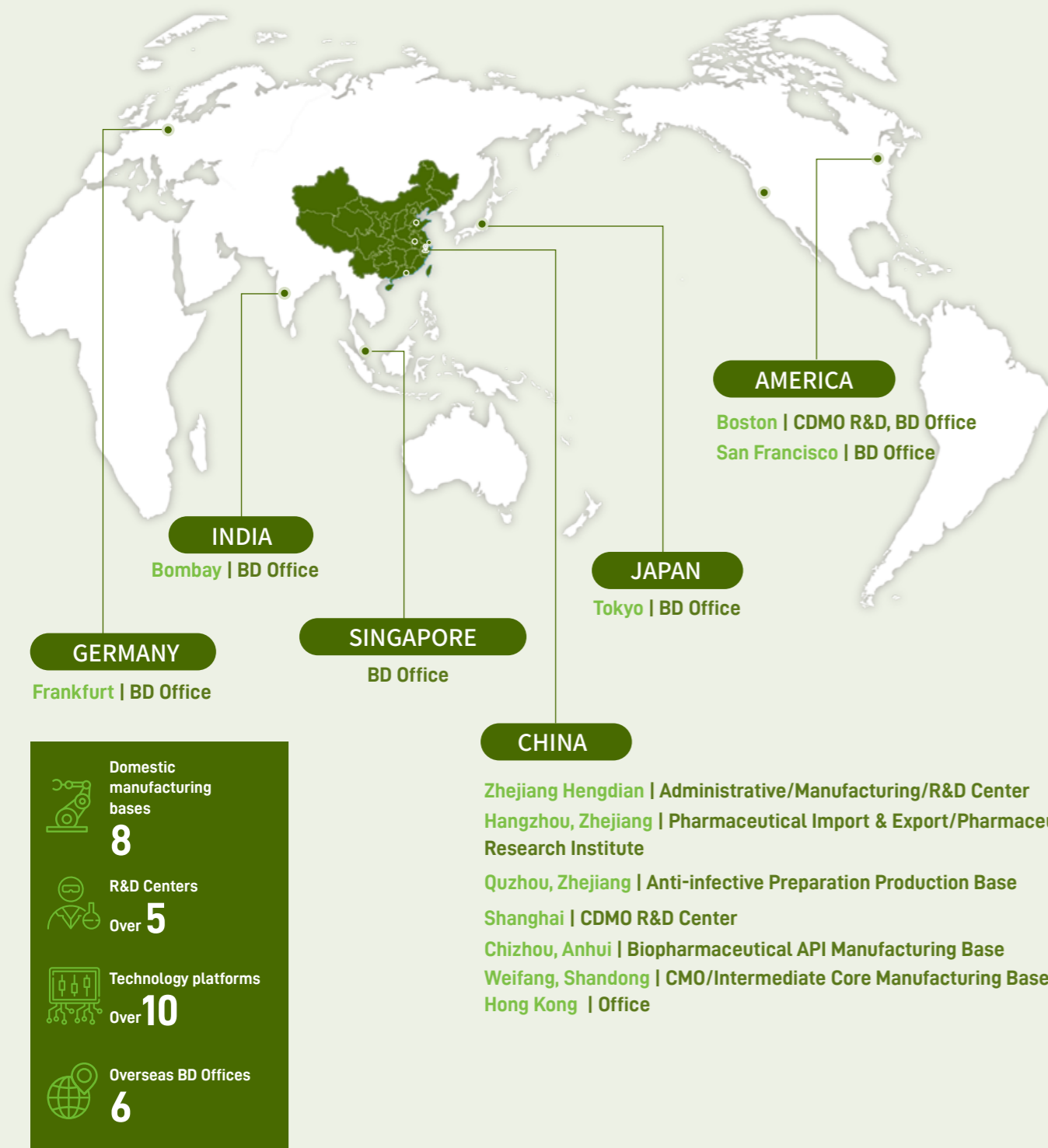
 <b>Global API Leader</b> High quality and competitive APIs for global pharmaceutical industry Human APIs Animal APIs Intermediates	 <b>CDMO Excellence</b> Enabling global clients in expediting the delivery of affordable medications Focus on Human APIs A Leader in Animal Health APIs New Molecular Drugs	 <b>High-quality &amp; Affordable Medicine</b> Reliable brand for affordable and quality medicine Generic Drugs Modified New APIs FDF CDMO Traditional Chinese Medicine (TCM)	 <b>Expanding Aesthetic &amp; Care Ingredients</b> Better ingredients, beautiful life Cosmetics CDMO Care Ingredients Aesthetic Injection
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## Corporate Culture



## Global Strategic Layout

Apeloa has strategically established production bases, R&D centers, technology platforms, and BD offices across multiple key regions worldwide, with its business footprint spanning Asia, Europe, North America, and beyond.



## ESG Principles and Policy

### ESG Principles

**Technological Innovation**  
Enhance product and service efficiency through scientific and technological advancements

**Global Service**  
Serve global customers and patients with excellence

**Green Development**  
Uphold environmental health and sustainability

### ESG Policy

#### Environmental

- Continuously monitor carbon emissions across R&D, manufacturing, logistics and waste management processes; collaborate closely with clients, employees, suppliers, local communities and other stakeholders to build a sustainable supply chain.
- Actively explore and increase the use of renewable energies, and continuously improve energy efficiency to mitigate the impact of our operations on climate change.
- Invest in green technologies to enhance the utilization of water resources, raw materials and packing materials, reducing the generation of exhaust gases, wastewater and hazardous waste during operations.
- Strengthen employee training, cultivate emergency response teams, and improve risk management to reduce the impact of environmental risks such as abnormal operation of environmental facilities and extreme weather on business operations.

#### Social

- Care employees by creating a safe, eco-friendly, and healthy workplace for employees and contractors, and foster a culture of mutual contribution, construction and sharing.
- Maintain a culture of openness, communication and collaboration, actively listen to internal and external suggestions, provide grievance channels for employees and contractors, and protect their privacy.
- Adhere to responsible marketing practices during business operations, comply with applicable laws, regulations, industry standards, and guidelines in operating regions, engage in fair competition, accurately disclose business-related information, and avoid falsifying performance and product/service prices.
- Contribute to society through the Company's development, including increasing social donations, organizing charitable activities, and visiting vulnerable groups such as the elderly and children.

#### Governance

- Establish and improve Apeloa's ESG governance system and formulate rules of procedure.
- Enhance compliance and transparency in business operations through tighter training and daily supervision, make the management lead by example, ensure all employees adhere to the code of business ethics, advocate for integrity, and oppose any form of corruption or bribery.
- Regularly audit suppliers and communicate requirements regarding business ethics, occupational health, environmental protection and product quality to help suppliers operate more compliantly.
- Implement strict confidentiality measures for the Company and customer information, including signing confidentiality agreements, taking appropriate preventive measures against leakage channels, and using data encryption systems.

# Focus 2025

## Footprints of Responsibility

### January

The Research Institute for Non-Natural Amino Acid Chiral Technology, established by Jiayuan Pharmaceutical, was officially recognized as a "Zhejiang Provincial Key Enterprise Research Institute".

### March



Release of the first ESG report

### May



The first domestically produced gas-based active pharmaceutical ingredient successfully passed the on-site registration inspection and GMP compliance review, ushering in a new era of continuous production.

### July



Apeloa was elected as a vice president unit of the 8th Council of the China Chamber of Commerce for Import and Export of Medicines and Health Products.

### September

Once again selected for the "Top 500 Chinese Private Enterprises in R&D Investment" list.

### November



Apeloa Import and Export passed the AEO Advanced Certification by Customs, becoming the first trade enterprise in Jinhua City to receive this accreditation.

### December



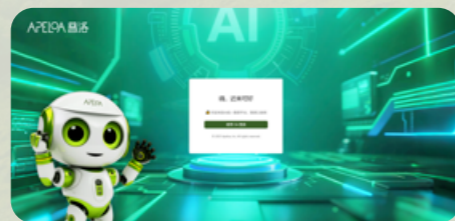
Apeloa contestants helped the Jinhua City team win the first place team award at the 2025 Zhejiang Provincial Pharmaceutical Industry Production Quality Management Vocational Skills Competition.

### February



Received the 2024 Jinhua Municipal People's Government Quality Award.

### April



Apeloa officially launched its AIGC Work Service Platform.

### June



Apeloa ranked 44th in the 2025 China Pharmaceutical R&D Top 100 list in terms of chemical drug R&D capability, while its CDMO business remained in a firm position in the top five.

### August



Apeloa officially launched the packaging renewal initiative for its formulation products.

### October



Focusing on innovation-driven development, Apeloa established its second Scientific Advisory Committee; the CDMO workshop construction standard, which Apeloa participated in drafting, was officially implemented.

## Key Performance

### Governance


 <b>Operating revenue</b> <b>9.783</b> billion yuan	 <b>Company market capitalization</b> <b>18.848</b> billion yuan	 <b>Total cumulative dividends</b> <b>3.225</b> billion yuan	 <b>Proportion of female directors</b> <b>11.11</b> %
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### Innovation

 <b>R&amp;D investment</b> <b>659</b> million yuan	 <b>Valid authorized patent</b> <b>155</b> pieces	 <b>Proportion of R&amp;D personnel</b> <b>19.54</b> %	 <b>Valid overseas patents</b> <b>46</b> pieces
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 <b>Internal and external quality management system audits conducted</b> <b>295</b> times	 <b>Pass rate of official and customer audits</b> <b>100</b> %	 <b>Factories that have passed drug GMP compliance inspections</b> <b>7</b> companies
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### Environment

 <b>Factories certified under ISO 14001:2015 Environmental Management System</b> <b>8</b> companies	 <b>Coverage rate of environmental protection training for employees in the manufacturing subsidiaries</b> <b>100</b> %	 <b>Self-owned photovoltaic power generation</b> <b>1.74</b> million kilowatt-hours
 <b>Total greenhouse gas emissions (Scope 1 and Scope 2)</b> <b>564,411.04</b> tons of carbon dioxide equivalent	 <b>Greenhouse gas emission reduction (Scope 1 and Scope 2)</b> <b>51,204.81</b> tons of carbon dioxide equivalent	

### Society

 <b>Proportion of women in management</b> <b>26</b> %	 <b>Total employee training hours</b> <b>696,126</b> hours	 <b>Average training hours per employee</b> <b>103</b> hours	 <b>Safety Training</b> <b>2,665</b> times
 <b>Domestic suppliers that have signed contract terms including social and environmental requirements</b> <b>99.70</b> %	 <b>Key suppliers that have signed the Integrity Cooperation Agreements</b> <b>100</b> %	 <b>Total Apeloa scholarships awarded Over</b> <b>700,000</b> yuan	

## Honors and Recognition



 2024 Jinhua Municipal People's Government Quality Award	 Selected as one of the 2024 Yangtze River Delta Top 50 Innovative Case Enterprises
 Zhejiang Provincial Key Enterprise Research Institute	 Ranked 82nd in the 2025 China Pharmaceutical Comprehensive R&D Strength TOP100 (Yaozhi.com)
 Ranked 4th in the 2025 China CDMO Enterprises TOP 20 (YaoZhi.com)	 Ranked 44th in the 2025 China Chemical Drug R&D Strength TOP 50 (Yaozhi.com)
 Apeloa Import and Export received AEO Advanced Certification for Trade Enterprises from Customs	 Selected for the "Top 500 Chinese Private Enterprises in R&D Investment" list
 CPHI2025 "CPHI China Pharmaceutical Internationalization Leading Enterprise Award"	 Ranked 36th place among China's Top 100 Pharmaceutical Enterprises by Main Business Revenue in 2024
 2025 "SSE Eagle · Golden Quality" Corporate Governance Award	 Recognized as one of Jinhua City's Top 10 Manufacturing Taxpayers in 2025
 Recognized as a "Taxpayer Exceeding 100 Million Yuan" Enterprise by Dongyang City in 2024	 Recognized as a "Taxpayer Exceeding 100 Million Yuan" Enterprise by Dongyang City in 2025

# 1

## Forge Ahead with Innovation, Share a Healthy Future through Creativity

Apeloa firmly believes that innovation serves as the core engine for high-quality corporate development, while product quality and customer service are the key pillars that translate value into reality. Guided by its "2030 Development Strategy," the company has built an integrated system centered on innovation, quality, and service. By empowering all operations with digital and smart technologies, strengthening its scientific research foundation, enhancing quality control across the entire product lifecycle, and remaining steadfast in its customer-centric approach, Apeloa is committed to creating commercial value while providing high-quality pharmaceutical products and services to patients worldwide. Together with stakeholders, the company strives to build a healthy, sustainable, and promising future.



Contribute to SDGs



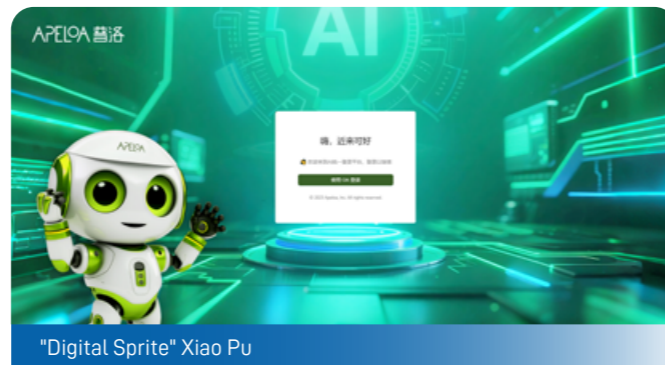
# Special Topic

## Empowering All Businesses with AI, Driving High Efficiency through Innovation

Apeloa focuses on technology implementation and value creation, having independently built an AIGC work service platform that spans all business scenarios, including R&D, production, and management. Through practices such as intelligent agent customization, visual AI deployment, and data analytics empowerment, the company has achieved greater efficiency, optimized costs, and enhanced compliance, injecting robust digital intelligence momentum into its "2030 Development Strategy."

### Core Platform Construction - AIGC Work Service Platform Fully Implemented

The company independently built an AIGC work service platform based on the secondary development of the MAXKB open-source project. Leveraging its self-built computing center and locally deployed large AI models, the platform optimizes resource allocation across all business scenarios, enhances R&D efficiency, and upgrades production management through automated processes and intelligent decision-making. As an innovative addition, the AIGC platform introduces "Digital Sprite" Xiao Pu as an interactive interface, providing employees with functional guidance and efficient services in a lively and engaging manner that enlivens the work environment.



"Digital Sprite" Xiao Pu

The V1 version of the AIGC platform was launched in April 2025, achieving text processing efficiency optimization and data security system development. The V2 version underwent iterative upgrades in November of the same year, further enhancing the customization capabilities of intelligent agents. In the future, the platform will be progressively rolled out to core areas such as R&D, production, and supply chain.

The development of the AIGC platform builds on the company's years of accumulated experience in intelligent transformation. Since 2019, when the company began advancing its "four modernizations"—continuity, automation, digitization, and intelligence—it has successfully implemented a number of innovative achievements, including an AI-based visual fermentation tank monitoring system, an automated industrial operating system, and a continuous production platform. Through collaborations with internationally renowned consulting firms and the execution of key initiatives such as the 1% Project, Tank No. 1 Project, and smart energy management, the company has completed the critical identification and accumulation of key data, laying a solid foundation for the application of large-scale AI models.

#### As of December 2025

AIGC platform-based agents	Knowledge bases	Total token usage	Company users	Coverage rate
<b>317</b>	<b>413</b>	<b>180 million</b>	<b>Over 2,400</b>	<b>36.30%</b>

### Multi-Scenario Intelligent Agent Applications

The AIGC platform supports the development of diverse intelligent agents across the entire business chain, spanning administration, quality control, R&D, production, and sales. It also flexibly adapts to other business areas, optimizing workflows through intelligent tools and significantly enhancing the company's operational efficiency.

#### Professional Translation Agent

Handles document translation tasks with high efficiency, greatly improving cross-language collaboration.

#### Document Generation and Review Agent

Automates document creation and validation, minimizing manual effort while enhancing accuracy.



#### Knowledge Sharing Agent

Facilitates the rapid sharing and reuse of internal knowledge, supporting employee skill development.

#### Data Analysis Agent

Conducts in-depth mining and analysis of business data, generates decision-making recommendations, and empowers business personnel to make informed and efficient decisions.

#### Case Multi-scenario agent practice of JuTai Pharmaceutical

In July 2025, JuTai Pharmaceutical promoted the implementation of intelligent agents across multiple business scenarios by hosting an experience-sharing and demonstration event focused on agent development. The company established a departmental knowledge base agent to support employees with self-service information retrieval and knowledge sharing. It also configured agents and imported report review templates, initially automating the daily report review process. In addition, agents were used to intelligently generate differentiated test papers based on new employee assessment content, enabling more accurate evaluation of training outcomes.



### AI Technology Deep Implementation Scenarios

Apeloa has deeply integrated AI technology across both platform and business scenario levels, with a focus on key areas such as R&D, manufacturing, and management. Through the multi-dimensional application of technologies including visual AI, data analytics AI, and AI-powered productivity tools, the company has developed a series of benchmark projects that are practical, replicable, and scalable—positioning AI as a core engine driving high-quality business development.

#### Case Comprehensive intelligent upgrade of visual AI across all scenarios

Apeloa continues to advance the development of visual learning technology and has successfully implemented two practical projects. Among them, the Shandong Tospo Material Transfer Visual Inspection Project involved the development of a dedicated desktop application App that uses a camera to capture real-time images during the material transfer. By applying professional image processing algorithms, the system accurately detects the state of liquid raw materials at the bottom of the reactor, and synchronizes the results into the DCS control system, achieving automatic closed-loop control of the transfer process. Similarly, the Kangyu Pharmaceutical Supervisor Inspection Project also resulted in a desktop App that leverages visual AI models trained and predicted on image datasets. It is capable of real-time detection of the number of individuals present in a single frame, and based on preset parameters, it promptly triggers alerts and provides alarm information—offering efficient technical support for the supervision of special drugs.



Shandong Tospo Material Transfer Visual Inspection Project

Kangyu Pharmaceutical Regulatory Personnel Inspection Project

# Innovation-driven

Apeloa has anchored its 2030 development strategy on "refining raw materials, strengthening CDMO, excelling in pharmaceuticals, and expanding into medical aesthetics." By building technological advantages across its business areas through continuous innovation, steadily increasing R&D investment, and accelerating global expansion, the company is also making its foray into the medical aesthetics sector. With innovation as its strategic anchor, Apeloa is unlocking new growth opportunities for the future and steadily advancing toward its vision of "being a global leading provider for technology-driven pharmaceutical manufacturing and service."

## Strengthen the Foundation of Scientific Research

Apeloa closely aligns with the defining characteristics of the pharmaceutical industry—being technology-intensive and fast-evolving—by building competitiveness through scientific and innovative excellence. The company is fully committed to advancing the continuous optimization and upgrading of its global innovative drug R&D and manufacturing service platform, as well as its cutting-edge technology platform. In December 2022, Apeloa established its Academic and Scientific Advisory Board (ASAB), bringing together several globally renowned experts in biomedicine, with expertise spanning organic chemical synthesis, synthetic biology, and pharmaceutical manufacturing engineering. The board provides professional counsel on strategic development, major project initiation, and technology introduction, thereby enhancing the scientific rigor and forward-looking approach of the company's innovation strategy. In 2025, Apeloa established its second Academic and Scientific Advisory Board, with Academician Ma Shengming serving as the chairman. The new board will continue to provide high-level strategic guidance on R&D breakthroughs, technological advancement, and industrial ecosystem development, helping Apeloa sharpen its competitive edge in the global pharmaceutical landscape.

**Scientific Advisory Board**  
Established in December 2022

Apeloa Scientific Advisory Board (abbreviated as "ASAB") is dedicated to providing strategic direction and planning advice for the company, participating in the initiation and evaluation of major projects, and the recruitment and development of key talents. It offers recommendations on the adoption and application of advanced technologies, enhancing the professionalism and scientific rigor of Apeloa's strategic decision-making. This will propel Apeloa to the forefront of biomedical manufacturing technology both domestically and internationally, helping it to be a global leading technology-driven pharmaceutical manufacturer solutions provider.

The 2nd ASAB is composed of six renowned experts in the field of biomedicine, specializing in areas such as organic chemical synthesis, synthetic biology, biomanufacturing engineering technology, chemical engineering and microfluidic technology, pharmaceutical engineering and processes, and drug molecular design and process development.

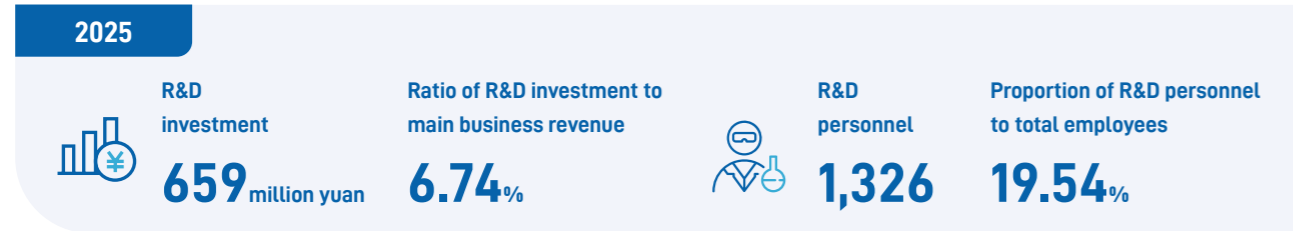
					
Prof. Shengming Ma Member, Chinese Academy of Science (CAS); Member, The World Academy of Science (TWAS); Department of Chemistry Fudan University	Prof. Yuguo Zheng Member, Chinese Academy of Engineering (CAE); College of Biotech. & Bioeng, Zhejiang University of Technology	Prof. Philippe S. Baran Member, The U.S. National Academy of Science (NAS); Member, American Academy of Arts and Sciences (AAAS); Department of Chemistry The Scripps Research Institute	Prof. Ang Li Shanghai Institute of Organic Chemistry Chinese Academy of Sciences	Prof. Jianhong Xu Department of Chemical Engineering, Tsinghua University	Prof. Xiaoguang Lei Boya Distinguished Professor, College of Chem. & Mol. Eng, Peking University; Senior Investigator, PKU-Tsinghua Center for Life Sciences

**Global Innovative Drug R&D and Manufacturing Service Platform**


A comprehensive service system has been established, covering the entire process from drug discovery and preclinical research to clinical trials and commercial production. By integrating global resources, the system is able to respond swiftly to the R&D needs across different regional markets, providing efficient and compliant industrial support to innovative pharmaceutical companies worldwide.

**Frontier Technology Platform**

Focusing on key areas such as flow chemistry, peptides, synthetic biology, and enzyme catalysis, we have introduced globally advanced technological equipment and established several industry-leading technical modules, laying a solid hardware foundation for research and innovation.



## Honors

-  Selected for the 2025 "Top 500 Chinese Private Enterprises in R&D Investment" list
-  Kangyu Pharmaceutical and Tospo Pharmaceutical were selected for the 2025 "Top 500 Zhejiang High-Tech Enterprises by Innovation Capability" list
-  Jiayuan Pharmaceutical's "Zhejiang Provincial Key Enterprise Research Institute for Non-natural Amino Acid Chiral Technology" was recognized as a "Zhejiang Provincial Key Enterprise Research Institute"
-  Ranked in the 2025 China Pharmaceutical R&D Strength Ranking Series:
  - "2025 China Top 100 Pharmaceutical Companies by Comprehensive R&D Strength"
  - "2025 China Top 20 Pharmaceutical CDMO Enterprises"
  - "2025 China Top 50 Chemical Drug R&D Enterprises"



## Case: Apeloa was elected as vice president Unit of the Eighth Council of the China Chamber of Commerce for Import and Export of Medicines and Health Products

In July 2025, the 8th General Assembly of the China Chamber of Commerce for Import and Export of Medicines and Health Products was held in Huzhou, Zhejiang. Apeloa was elected as a vice president unit of the 8th Council. During the "Seminar on the International Development of the Pharmaceutical and Health Industry" held alongside the congress, Apeloa delivered a keynote speech titled "Chinese Pharmaceutical Manufacturing Empowering Global Pharmaceutical Innovation". Drawing on its own global practices and industry insights, the speech explored pathways for the transformation and breakthroughs for Chinese pharmaceutical companies amid global technological trends, highlighting the core value that Chinese pharmaceutical companies can contribute to the global pharmaceutical ecosystem through technological strength and international vision.

## Case: Apeloa establishes Medical Aesthetics and Cosmetic Raw Materials Division

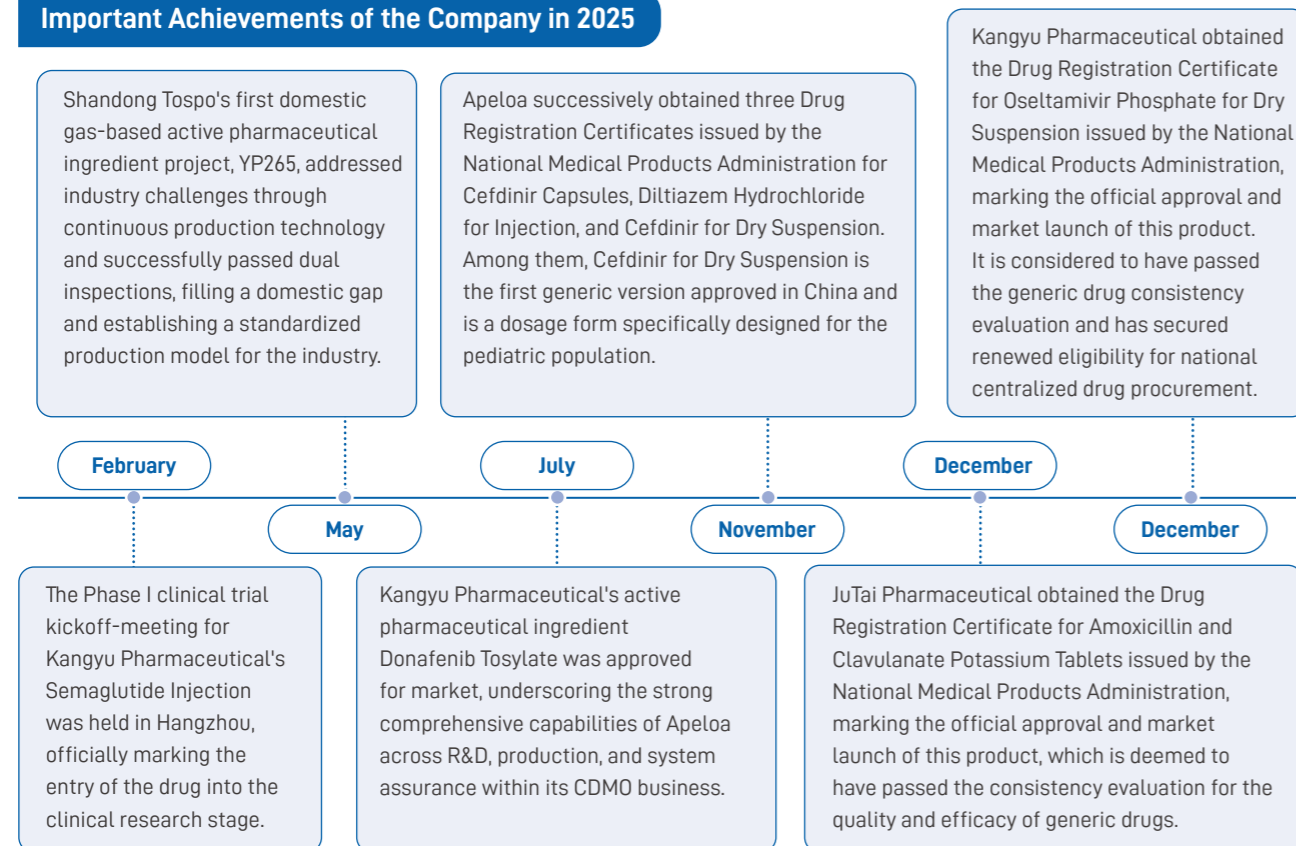
To advance its "2030 Development Strategy," Apeloa has established the Aesthetic and Cosmetic Ingredients Division (ACI), marking its entry into the upstream raw material market for medical aesthetics and cosmetics. Leveraging its core strengths in technological innovation, high-end manufacturing capacity, and a robust quality control systems, along with expertise in platforms such as chemical synthesis and peptides, ACI focuses on ingredients for whitening, moisturizing, and sun protection. The division collaborates with leading international suppliers through a CDMO model and partners with industry players to co-develop high-value-added active ingredients for medical aesthetics using biosynthesis technologies. In the near term, ACI will focus on cosmetic raw materials and collagen, with plans to expand into high-value-added products such as botulinum toxin in the future. Guided by its mission to "Enhance a Better Life," ACI aims to create new growth drivers for the company while injecting new vitality into the industry.



## Promote the Transformation of Achievements

Apeloa adheres to the development philosophy centered on strengthening scientific research and innovation. Guided by clinical needs and supported by robust technological platforms, the company efficiently translates innovative achievements into high-quality products that are clinically applicable and market-recognized. By enhancing cross-departmental collaboration and strengthening end-to-end quality control, Apeloa accelerates the clinical development of innovative drugs, drives breakthroughs in high-end active pharmaceutical ingredient (API) processes, and advances generic drug consistency evaluation. This approach enables dual improvements in both the volume and quality of outcome transformation, further reinforcing the advantages of synergistic development across its APIs, CDMO, and pharmaceutical businesses.

### Important Achievements of the Company in 2025



### Apeloa's first domestic gas-based active pharmaceutical ingredient passes inspection, achieving continuous production

In May 2025, Shandong Tospo's YP265 project, China's first gas-based active pharmaceutical ingredient (API) utilizing advanced continuous production technology, successfully completed and passed the on-site drug registration production inspection and pre-market GMP compliance review. In response to industry-wide challenges in production quality management, cleaning validation, and other critical areas for such products, Shandong Tospo established a comprehensive quality assurance system through cross-departmental collaboration, overcame key technical barriers, and took the lead in achieving the industrialization of continuous production for gas-based APIs. This breakthrough fills a technological gap in the domestic market, embodying the development philosophy of "strong R&D, high-standard compliance, and cost-efficient manufacturing" while showcasing the company's core competitiveness. It also marks the beginning of a new era for continuous production of gas-based APIs in China, providing the industry with a standardized and efficient production model and laying a solid foundation for the company to expand into the global API market and supply high-quality, compliant products to pharmaceutical companies worldwide.



Gas-based Active Pharmaceutical Ingredient YP265 Project

## Protect Intellectual Property Rights

Apeloa places great emphasis on intellectual property protection and has established an intellectual property management system that spans the entire innovation process, facilitating the deep integration of innovation, IP strategy, and business objectives. In key technical areas such as chiral synthesis, specialized continuous reactions, biocatalysis, and micropellet sustained-release and controlled-release technologies—core areas related to its APIs, pharmaceuticals, CDMO, and medical aesthetics businesses—the company actively pursues patent applications, fostering a virtuous cycle of "patent protection, technology application, and achievement recognition." The company has established a dedicated Intellectual Property Department to strengthen its IP framework from multiple dimensions. During the product initiation phase, intellectual property risk assessments are conducted and serve as one of the key criteria for project approval. Additionally, the company has established the *Apeloa Trade Secret Management System*, which governs the entire employee lifecycle—covering onboarding, employment, and departure—to prevent trade secret leakage or infringement.

Furthermore, the company has established and refined its intellectual property management system in line with the *Enterprise Intellectual Property Compliance Management System—Requirements* (GB/T 29490-2023). Top management assumes full responsibility for IP management, ensuring compliance with all relevant obligations. All personnel involved in IP-related activities across business functions and processes are required to meet these compliance obligations. IP management is embedded throughout the entire product lifecycle, with compliance obligations fulfilled at each stage to effectively mitigate IP risks and maximize the value of intellectual property.

In 2025, Jiayuan Pharmaceutical passed the evaluation under the international standard *Innovation Management—Guidance for Intellectual Property Management* (ISO 56005:2020) and was awarded the *Appraisal Certificate for Innovation & Intellectual Property Management Capability* (Level 4). In the same year, five subsidiaries—Zhejiang Biology, Tospo Pharmaceutical, Jiayuan Pharmaceutical, Kangyu Pharmaceutical, and JuTai Pharmaceutical—successively passed the third-party intellectual property audit conducted under GB/T 29490-2023 standard. Through these certifications, they systematically enhanced their intellectual property management capabilities, strengthened market competitiveness, and reduced associated IP risks.



Jiayuan Pharmaceutical is the first enterprise in Jinhua City to obtain the *Appraisal Certificate for Innovation and Intellectual Property Management Capability* (Level 4).

### As of December 2025

- 155 valid authorized patents, including 144 invention patents, and 11 utility model patents, 46 valid overseas patents
- The 13104 series products have been granted 17 invention patents
- 8 subsidiaries have passed the "Intellectual Property Management System Certification"

### 2025



Invention patent applications submitted

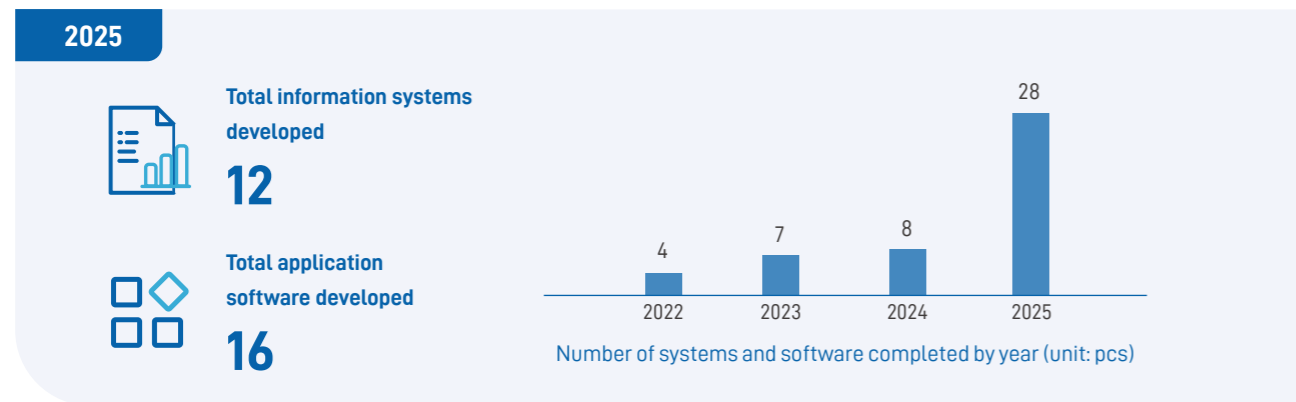
21

Granted invention patents

11

## Digital Intelligence Empowers the Future

Digital and smart empowerment serves as the core support for Apeloa Pharmaceuticals to advance its "Four Modernizations" initiative, strengthening the development foundation through the dual drivers of informatization and intelligentization. Informatization focuses on key business processes by establishing digital management systems and enabling seamless data connectivity. Intelligentization, centered on industrial operating systems, integrates digital and smart technologies throughout the entire value chain to enhance efficiency and mitigate risks.



## Informatization Construction

The company actively responds to the policy direction of digital and intelligent transformation in the pharmaceutical industry, comprehensively advancing the development of its information system with a focus on key business areas such as document management, training management, warehouse operations, and supplier collaboration. By establishing specialized digital management systems and enabling cross-departmental data connectivity, the company has built an end-to-end digital closed loop across the entire process, delivering multiple values including improved operational efficiency, reduced compliance risks, and data-driven decision-making—thereby laying a solid digital foundation for the high-quality development across its business value chain. In 2025, Apeloa incorporated information system development into its strategic planning as a crucial part, conducting comprehensive evaluations covering business status, IT infrastructure, and application systems, and formulated a three-year plan spanning 2025 to 2027. This initiative aims to help streamline the supply chain and business closed loop, improve R&D and production efficiency, and strengthen compliance governance.

### Case DMS + TMS digital transformation, addressing pain points in traditional document and training management

In response to regulatory compliance requirements in the pharmaceutical industry and to address challenges in traditional document and training management, Apeloa advanced the digital construction projects of DMS (Document Management System) and TMS (Training Management System) at Kangyu Pharmaceutical and Jiayuan Pharmaceutical. The DMS covers the entire lifecycle of documents, including creation, drafting, review, approval, issuance, modification, and archiving. With access control and audit trail mechanisms, it ensures compliance and enables full traceability of document workflows. The TMS encompasses the entire training process, including training plan development, course management, training implementation, effectiveness evaluation, and training summary. Deeply integrated with the DMS, it ensures precise alignment between training content and compliance documents, and enables automatic triggering of training tasks upon document updates. The project completed its initiation, bidding, and partial implementation in 2025, and is scheduled to go live in March 2026. Upon launch, it is expected to reduce document retrieval time by 70% and improve the efficiency of training record archiving by 50%, fully achieving standardized, digital, and compliant management of documents and training, thereby laying a solid foundation for the company's high-quality operations.

After launch, the document retrieval time is expected to be reduced by

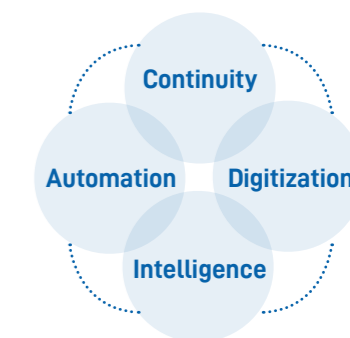
**70%** ↓

Training record archiving efficiency increased by

**50%** ↑

## Intelligent Construction

Guided by the core principle of "digital-driven, intelligent-led development," Apeloa has deepened the implementation of its "Four Modernizations" framework—continuity, automation, digitization, and intelligence—by fully integrating digital and smart technologies across the entire value chain, encompassing R&D, production, management, and services. Through the upgrading of technological foundations, deep integration within application scenarios, and the establishment of collaborative ecosystems, the company has built a secure, highly efficient, and innovation-driven digital and intelligent system. This system not only provides strong momentum for the company's high-quality development but also serves as a practical benchmark for digital transformation in the pharmaceutical industry.



Four Modernizations Construction Layout

### Case Deepening iteration of industrial data analysis and management platform

With the supOS industrial operating system as its core foundation, Apeloa continues to advance the iterative upgrade of its industrial data analysis and management platform. The platform integrates multi-dimensional information such as production process data and equipment operation data. Since its launch in 2023, it has deployed self-developed information systems including "Network Construction and Data Connectivity," "Tank No. 1 Project," and "Equipment Predictive Maintenance Platform." These initiatives precisely address challenges across areas such as data flow, production optimization, and equipment maintenance, effectively resolving pain points like isolated industrial data and wasted production resources, thereby comprehensively enhancing the efficiency and benefits of production operations.



#### Network Construction and Data Connectivity

Industrial data network interconnection has been completed for six out of eight subsidiaries, successfully integrating eight key projects and laying a solid data foundation for in-depth data mining, intelligent decision-making, and business collaboration optimization across the company.



#### Tank No. 1 Project

The Tank No. 1 Project has been completed, with five production optimization projects successfully implemented, achieving cumulative direct savings of 1.24 million yuan.



#### Equipment Predictive Maintenance Platform

Leveraging health status algorithms to proactively predict equipment conditions, effectively enhancing Overall Equipment Effectiveness (OEE).



#### Big Data Analysis Platform

Uses big data algorithms to optimize production process parameter control schemes, increasing batch yield and reducing impurities.

# Quality Products

Guided by its quality policy of "Quality First, Customer Foremost, Innovation-Driven, Compliant and Efficient," Apeloa has established a quality management system that covers the entire product lifecycle. By upholding strict standards, the company reinforces the foundation of compliance and quality, supporting the implementation of its "2030 Development Strategy."

## Governance

Apeloa has established a "pyramid-style" quality responsibility system, clearly defining the CEO as the primary person responsible for quality and safety. Quality and safety responsibilities are embedded in the company's core policies, and the "one-vote veto system for quality and safety" ensures the highest priority for quality-related decisions. Organizationally, the company has established a Chief Quality Officer at the corporate level, while each subsidiary has its own quality head and authorized person, forming a dual-layer management structure between headquarters and subsidiaries. Senior leadership takes the lead in developing key documents such as the Quality Manual and Quality Risk Management Procedures, driving the formulation of quality strategies. Quality and safety objectives are integrated into departmental performance evaluations, creating a well-defined, efficiently functioning responsibility network for quality and safety.

The company has established a quality management system with well-defined levels and clear defined quality management system with distinct levels of authority and responsibility. At the corporate level, the Quality Supervision Department serves as the core oversight body, providing strategic quality supervision and guidance to subsidiaries to ensure alignment and execution of the overall quality strategy. Each subsidiary maintains its own independent and professional quality management department, responsible for day-to-day quality operations on the ground, enabling effective coordination between strategic oversight and operational execution.

The company strictly adheres to the requirements of laws and regulations such as the *Medicinal Product Administration Law of the People's Republic of China* and the *Good Supply Practice*, while also aligning with GMP standards. A series of management systems have been developed, including the *Quality Manual*, *Annual Quality Review Management Procedure*, *Risk Management Procedure*, and *Procedure for Quality Standards and Testing Methods Management*. With regulatory compliance and risk management at its core, the company has established a quality management system that covers the entire process from R&D, procurement, and production to testing, product release, storage, and transportation.

Building on this foundation, the company leverages its quality management departments to drive continuous improvement in product quality stability and consistency through mechanisms such as deviation management, change control, CAPA, and quality risk assessment. Regular product quality reviews and management evaluations are conducted to achieve closed-loop optimization of the quality management system. The company not only maintains GMP certification but also aligns with international standards such as those of the FDA, EDQM, PMDA, and WHO, and operates management systems including ISO 9001. It regularly undergoes audits by regulatory authorities, customers, and third parties to ensure that product quality is safe, effective, and fully compliant.

### Honor

2024 Jinhua Municipal People's Government Quality Award

Apeloa contestants helped the Jinhua City team win the first-place team award at the 2025 Zhejiang Provincial Pharmaceutical Industry Production Quality Management Vocational Skills Competition



## Strategy

Apeloa regards quality as the core cornerstone of its strategic implementation. From its past business strategies to the 2030 plan of "refining raw materials, strengthening CDMO, excelling in pharmaceuticals, and expanding into medical aesthetics," the company's quality strategy has been continuously upgraded in response to evolving internal and external environments. The company has established a core quality strategy guided by the vision of becoming a "Global Quality Benchmark". Leveraging three key pathways—technological breakthroughs, system upgrades, and digital empowerment—it is building a full-chain pharmaceutical-grade quality ecosystem. This supports the implementation of its 2030 business strategy and drives the company's strategic shift from "compliance" to "quality leadership," positioning itself as a benchmark in the global pharmaceutical and healthcare industry.

## Risk Identification and Response

Apeloa systematically identifies major quality-related risks and formulates targeted response measures, ensuring that risks are effectively controlled and prevented.

### Identify Significant Quality-related Risks and Response Strategies

Risk Category	Potential Impact	Response Strategy
<p><b>Policy Change Risk</b></p>	As the coverage of centralized drug procurement expands and the state exercises increasingly stringent oversight over pharmaceutical production and sales, higher standards are demanded of drug manufacturers in areas such as R&D processes and quality control.	Closely monitor changes in pharmaceutical industry policies, stay market-oriented, intensify innovation efforts, drive product transformation and upgrading, enhance core competitiveness, and achieve steady development.
<p><b>Regulatory Compliance Risk</b></p>	The continuous evolution of domestic and international regulatory policies, coupled with increasingly stringent international certification standards, has altered market access requirements, thereby affecting the speed of the company's product launches and the competitive landscape of the market.	Monitor domestic and international regulatory developments, strengthen compliance management and engagement in standard-setting, and optimize market access strategies while increasing investments in R&D and process improvements.
<p><b>Health and Safety Risks</b></p>	Adverse reactions occurring during product use, or improper handling of high-risk steps in the production process, can indirectly affect the stability of product quality.	Improve the pharmacovigilance and production safety management systems, promote intelligent production, and conduct quality risk assessment and process optimization.

## Opportunity Capture and Implementation

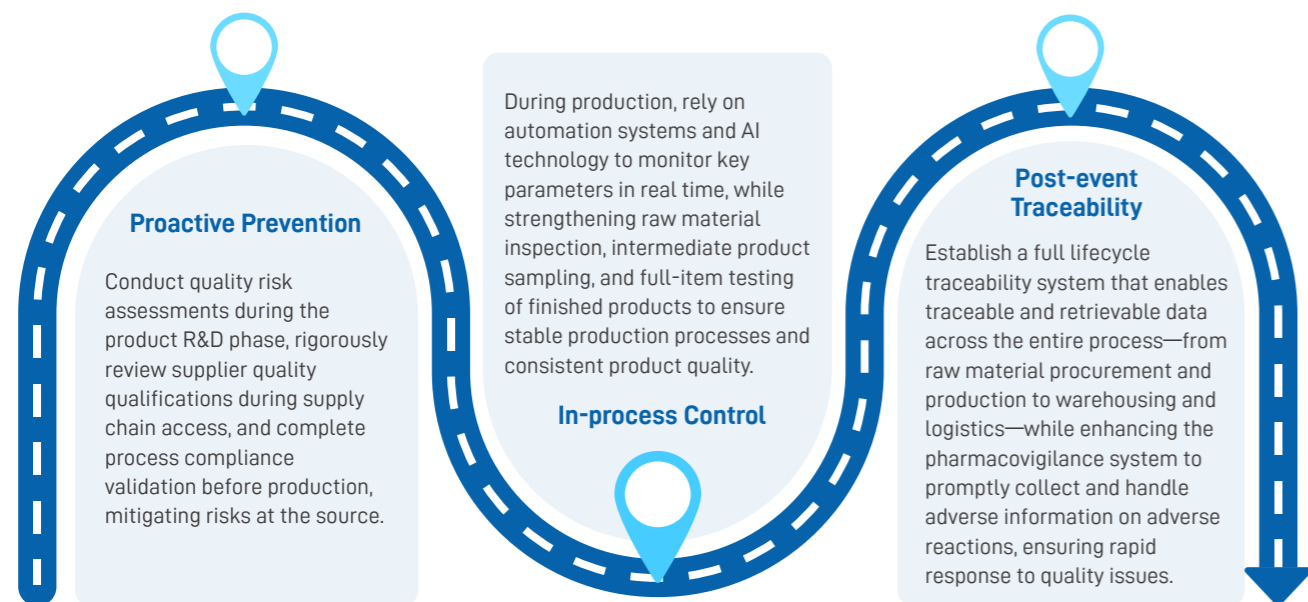
By closely following industry trends and evolving market demands, Apeloa proactively seizes quality-related opportunities, translating them into drivers of business growth.

### Identify Quality-related Opportunities and Response Strategies

Opportunity Category	Potential Impact	Response Strategy
<p><b>The Pharmaceutical Market Continues to Expand</b></p>	Driven by the "Healthy China" strategy, an aging population, the expanding pharmaceutical market fueled by growing public health awareness, innovations in AI-powered drug development, and the continued growth of the global CDMO sector, the pharmaceutical market is experiencing sustained expansion.	Expand international markets, stay ahead of innovation trends to drive R&D, and deepen strategic cooperation to achieve business growth.
<p><b>The Domestic Business Environment Has Been Further Optimized</b></p>	The government continues to increase its support and assistance to the pharmaceutical industry.	Actively respond to national policies, secure policy support and resource allocation, and ensure the company's continued growth.
<p><b>The Demand for Quality Medicines Continues to Rise</b></p>	The market demand for high-quality, safe, and effective medicines continues to grow.	Strengthen brand promotion, increase product visibility in the market, and bring more pharmaceutical products and services that meet consumers' health needs.

## Impact, Risk, and Opportunity Management

To ensure stable operations, Apeloa has established a comprehensive risk identification and assessment system, forming a closed-loop management mechanism of "identification—assessment—handling—improvement" to proactively prevent and address quality-related risks. On this basis, the company has developed and refined a risk monitoring and reporting mechanism, with a dedicated risk management department responsible for collecting, organizing, and analyzing risk information to promptly identify potential risks. In addition, a standardized risk reporting system has been implemented to regularly update the board of directors and management on risk developments, providing decision-makers with accurate and timely risk insights. The company also places strong emphasis on building emergency response capabilities, having developed a series of risk contingency plans and corresponding handling measures to ensure rapid response and effective management in the event of risk incidents.

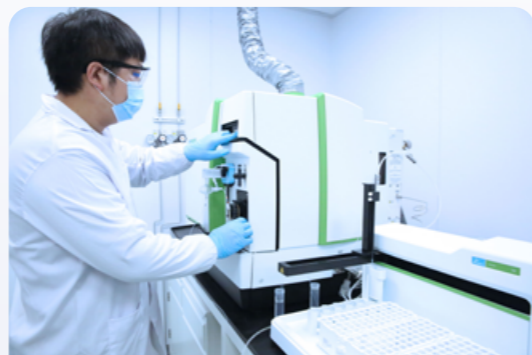


Whole-process Control Mechanism

### Case Jayuan Pharmaceutical and Tospo Pharmaceutical pass FDA on-site inspection with "zero observations"

In 2025, Jayuan Pharmaceutical and Tospo Pharmaceutical passed a five-day cGMP on-site inspection conducted by the U.S. Food and Drug Administration (FDA) with zero observations and were issued no FDA "Form 483" (Inspectional Observations). The inspection focused on products related to the U.S. market and covered the six core modules of cGMP. The companies' compliance management, process control, and data integrity were highly recognized by the FDA, fully validating their end-to-end quality control capabilities.

Achieving "zero observations" demonstrates that the company has met internationally advanced standards in every aspect of production quality management, with its products reaching world-class levels in safety, efficacy, and quality stability. While ensuring the delivery of products that comply with the highest global quality standards to customers, the company also enables efficient integration of R&D and commercial production, better supporting partners in accelerating the implementation of innovative therapies and bringing benefits to patients worldwide sooner.



### Case Apeloa leads drug safety communication across four cities

In July 2025, the "Vigilance Alliance, Building a Safe City" pharmacovigilance event series, hosted by the Jinhua Municipal Market Supervision Administration and co-organized by the Jinhua Adverse Drug Reaction Monitoring Center and Apeloa, was held at Apeloa. The event consisted of two main segments: a knowledge competition and a professional salon. Through multiple rounds of competition, the event fostered learning and comprehensively strengthened the industry's professional pharmacovigilance capabilities. During the salon session, Apeloa emphasized its unwavering commitment to upholding drug safety standards, continuously increasing investment in pharmacovigilance, and establishing a professional and standardized pharmacovigilance system to fully safeguard drug safety. This event effectively promoted high-level collaborative development of pharmacovigilance efforts across the four cities of Jinhua, Lishui, Quzhou, and Zhoushan, reinforced regional joint prevention and control mechanisms for drug safety risks, and contributed to enhancing the professionalization and standardization of pharmacovigilance within the pharmaceutical industry. Apeloa's leadership and sense of responsibility in the field of drug safety were well demonstrated throughout the event.



## Develop High-quality Products

Guided by market and clinical needs, Apeloa leverages its full-process R&D system and cutting-edge technology platforms to continuously advance innovation R&D as well as process optimization. Through the integrated development of APIs and formulations combined with end-to-end quality control, the company ensures that its products are safe, effective, and consistently high in quality. By driving innovation and rigorous quality control, Apeloa remains committed to its core mission of "serving health".

### Case Daganshu® Injection selected in the 11th National Centralized Drug Procurement

In October 2025, Daganshu® (Adenosylmethionine Butanedisulfonate for Injection), a product of Apeloa, was successfully selected in the 11th round of National Centralized Drug Procurement, thanks to its superior quality and outstanding comprehensive performance, offering a high-quality, low-cost treatment option for patients with liver diseases in China. As a core product in Apeloa's liver disease treatment portfolio, this drug is primarily indicated for intrahepatic cholestasis associated with pre-cirrhosis, cirrhosis, and intrahepatic cholestasis during pregnancy. Leveraging its integrated capabilities in API self-production and formulation manufacturing, Apeloa has established a stable supply chain and a high-standard quality management system, ensuring strict control throughout the product lifecycle. By delivering high-quality, cost-effective medicines, the company is committed to benefiting a broader patient population.



2025

Product first-pass yield

99.50%

Product inspection coverage rate

100%

Pass rate in drug sampling inspections

100%

## Enhance Quality Awareness

Quality is the lifeline of pharmaceutical enterprises. Apeloa integrates quality awareness cultivation into its corporate culture, building a quality culture system that involves all employees and spans the entire process. The company steadfastly upholds the development philosophy of "high-standard compliance" and advocates for quality management principles of "full participation" and "full lifecycle." Through a range of initiatives such as thematic quality campaign months, skills competitions, specialized training, and regular GMP knowledge sessions, Apeloa embeds the core principle that "compliance is non-negotiable and quality allows zero tolerance from management down to frontline positions. This approach helps employees gain a deeper understanding of quality concepts while strengthening the training of quality system managers and technical professionals. As a result, a strong culture has been fostered in which "everyone values quality, every task upholds quality, and every moment pursues quality" —making high-quality standards a conscious practice for every employee.

### Drive the Implementation of a Linked Assessment Mechanism

Incorporate quality objectives into departmental KPIs and establish a quality incentive system.

### Implement Quality Traceability and Accountability

Establish a closed-loop deviation handling system (e.g., OOS/OOT) to ensure traceability and accountability, requiring root cause analysis to be completed within 48 hours and CAPA to be initiated accordingly.

### Promote the Quality and Safety Culture Immersion Activities

Conduct activities such as "Selection of Quality Model Workers" and "Quarterly Quality Meetings" to strengthen the behavioral principle that "Quality is Life."



2025 "Make Standards a Habit" themed Quality Campaign Month



## Case Shandon Hanxing conducts special training on cleaning validation and human error prevention

In March 2025, to address quality management challenges identified during customer audits and daily production operations, and to strengthen the quality control capabilities of all employees, Shandon Hanxing conducted specialized training on "Cleaning Validation Guidelines" and "Human Error Prevention." The training covered APIC and FDA cleaning validation guidelines as well as common deficiencies, using real production line cases to analyze operational challenges such as solution design and the implementation of acceptance criteria. Post-training on-site assessments were used to reinforce learning outcomes. Regarding human error prevention, the training delved into the root causes of issues, emphasizing the importance of optimizing processes and establishing preventive mechanisms from a system design perspective, moving beyond the mindset of "solely attributing errors to operational mistakes." This specialized training not only strengthened employees' practical skills in adhering to cleaning validation standards but also helped establish a scientific framework for preventing human error. It further strengthened the company's quality foundation, providing robust support for enhancing product market competitiveness and contributing to the development of a high-quality industrial ecosystem at Apeloa.

## Case Apeloa achieves excellent results in the pharmaceutical industry production quality management vocational skills competition

In December 2025, at the Pharmaceutical Industry Production Quality Management Vocational Skills Competition jointly organized by the Zhejiang Provincial Drug Administration and the Provincial Federation of Trade Unions, participating employees from Apeloa secured multiple honors through their strong professional expertise and seamless teamwork. The competition focused on key areas such as pharmaceutical production quality management and pharmacovigilance practices, with assessment components including theoretical written exams and on-site quizzes. Winning awards in this competition reflects Apeloa's long-term commitment to the principle of "high-standard compliance." By establishing a comprehensive training and incentive system, the company has continuously strengthened employees' professional capabilities and quality awareness. Moving forward, Apeloa will use this competition as an opportunity to deepen its quality culture, cultivate high-caliber skilled talent, and lay a solid quality foundation for the high-quality development of the pharmaceutical industry.



## Indicators and Objectives

### Progress towards 2025 Goals

Product Quality	The pass rate of products has reached 100%, and the total impurities in key products such as bupropion hydrochloride, cefixime, and cefdinir remain well below international standards.
Compliance and Audit	Document version control and data consistency review pass rate 100%; Registration document compliance review pass rate 100%; 7 factories passed the drug GMP compliance inspection; 7 factories certified with ISO 9001:2015 quality management system; Conducted 295 internal and external quality management system audits; Official and customer audit pass rate 100%.
Traceability and Risk	Release data is 100% traceable, with 100% compliance in data integrity; no serious quality incidents or product recall events occurred throughout the year; zero administrative penalty incidents due to products or services; three product recall drills conducted.
Full Participation	100% coverage of quality training for all employees; 100% coverage of innovation-related training for core positions; participation rate in quality activities reaches 90%; 18,034 quality training sessions conducted, training 392,428 participants.

# Customer Service

Apeloa adheres to its core service philosophy of "customer-centricity," deeply engaging with customers' key needs and using high-quality services as a bridge to enhance customer rights and safeguards. The company upholds the principles of responsible marketing, strictly protects customer information and privacy, and consistently delivers diverse value to customers through compliant operations, laying a solid foundation for long-term, mutually beneficial cooperation.

## Customer Relationship Management

Apeloa integrates customer rights protection and usage safety throughout the entire service lifecycle, supported by a customer relationship management system built on the pillars of "communication and collaboration, privacy protection, security assurance, and after-sales responsiveness." Through a multi-dimensional stakeholder communication mechanism, strict enforcement of customer information security and privacy protection standards, strengthened product safety measures, and optimized rapid-response after-sales support processes, the company comprehensively safeguards the legitimate rights and interests of customers. This approach deepens trust-based relationships with customers and generates sustainable value through responsible service practices. In 2025, the customer complaint resolution rate reached 100%, with customer satisfaction at 99.50%.



The PRD2 project team at Apeloa's CDMO Shanghai R&D Center received customer commendation for their professional expertise and exceptional service

Recognized as an Outstanding Cooperative Supplier by Hinova Pharma for three consecutive years

Customer Health and Safety Assurance	Risk Warning and Label Management	Customer Complaint Handling
Make customer health and safety as the primary goal of product and service management, conduct health and safety impact assessments throughout the entire lifecycle of all products and services—covering R&D, manufacturing, storage and transportation, use, and post-market phases. Reduce adverse impacts through quality risk management, end-to-end process control, adverse event monitoring, and continuous improvement mechanisms to ensure compliance and full controllability.	<ul style="list-style-type: none"> <li>Establish mechanisms to identify potential risks and communicate with customers, identify risks through multiple channels, disclose risks and preventive measures to customers, and take corrective actions or product recalls when necessary to protect customers' right to know and ensure usage safety.</li> <li>Additionally, formulate the <i>Label Receipt and Affixing Management Procedure</i> to standardize the entire process of label issuance, receipt, and affixing.</li> </ul>	<ul style="list-style-type: none"> <li>Establish the "User Complaint Handling Procedure" to define acceptance channels and clearly allocate responsibilities. Strictly implement processes including registration, tiered assessment, root cause analysis, corrective and preventive actions, result verification, and closure to ensure issues are fundamentally resolved;</li> <li>Set response time limits, conduct tracking management throughout the complaint handling process, perform satisfaction surveys and trend analysis afterward, and use the results and data as key inputs for continuous improvement.</li> </ul>

## Responsible Marketing

Adhering to the principle of responsible marketing, Apeloa strictly complies with a range of laws and regulations, including the *Criminal Law of the People's Republic of China*, the *Law of the People's Republic of China Against Unfair Competition*, the *Advertising Law of the People's Republic of China*, the *Interim Measures for the Administration of Advertising Review for Drugs, Medical Devices, Health Foods, and Foods for Special Medical Purposes*, the *Administrative Measures for Medical Advertising*, the *Measures for the Review of Drug Advertising*, and the *Notice on the Standardized Use of Drug Names in Drug Advertising*. The company continuously improves its responsible marketing management system, expressly prohibiting exaggerated, fraudulent, or false promotional practices in marketing, advertising, and sales activities, thereby effectively safeguarding the legitimate rights and interests of consumers. At the same time, Apeloa provides compliance guidelines for marketing personnel to ensure that they deliver accurate, rigorous, and responsible information when communicating with stakeholders such as customers and healthcare professionals.

# Information Security and Privacy Protection

Apeloa strictly complies with the requirements of the *Cybersecurity Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and other applicable laws and regulations, embedding information security and privacy protection throughout all business processes to establish a compliant, controllable, and sustainable security management system. Through systematic network optimization and security equipment deployment, the company has built a security protection framework integrating "prevention, detection, and response," comprehensively enhancing network security situational awareness and risk handling capabilities, thereby achieving fundamental improvements in overall security levels. Furthermore, Apeloa has continuously introduced the Green Shield series of systems to create a multi-faceted protection matrix covering endpoint security, data leakage prevention, and behavior auditing.

Meanwhile, Apeloa has established the *Cybersecurity Management System*, set up a comprehensive cybersecurity management organizational structure, and defined standards and responsibilities for cybersecurity and personal information management. The company places particular emphasis on strengthening the security protection and compliant storage of customer information throughout its full lifecycle, mitigating risks related to privacy breaches and regulatory non-compliance at the institutional level. In 2025, the company experienced no incidents of customer information or privacy leakage.

### A Multi-faceted Protection Matrix Integrating Endpoint Security, Data Security, and Behavioral Auditing:



### Case Conducting special cybersecurity empowerment to strengthen data security barriers

Apeloa places great importance on information security and has proactively advanced targeted cybersecurity projects. Centered on the core priorities of "network assessment and security isolation reinforcement," the company adopted a phased implementation strategy to ensure business continuity, establishing a network architecture that covers branch access, servers, MES servers, office access, security management, industrial control and other zones. By deploying core security equipment such as perimeter firewalls, WAFs, and load balancers, along with management tools like log auditing, situational awareness, and an EDR antivirus platform, the company achieved secure isolation and comprehensive protection across all areas. Following the implementation of this project, the company's cybersecurity posture has significantly improved, with the number of vulnerabilities identified by the cybersecurity authority's scans dropping from 8 in 2024 to 2 in the first half of 2025, and further to 0 in the second half. This has established a solid barrier ensuring the stable operation of the company's business systems and data security.

## 2

## Governance for Prosperity, Building a Stable Future with Integrity

Robust corporate governance is the foundation for a company's sustained, long-term development, and a key pillar for building trust with capital markets and stakeholders. Apelo continues to refine its corporate governance structure and institutional frameworks, strengthen risk identification and control capabilities, uphold business ethics and integrity, and fully embedded ESG principles into its strategy and operations. This has established a new governance paradigm that drives development through compliance and fosters trust through transparency.



Contribute to SDGs



## Special Topic

# Putting Investors First: Apeloa's Approach to Shareholder Rights Protection

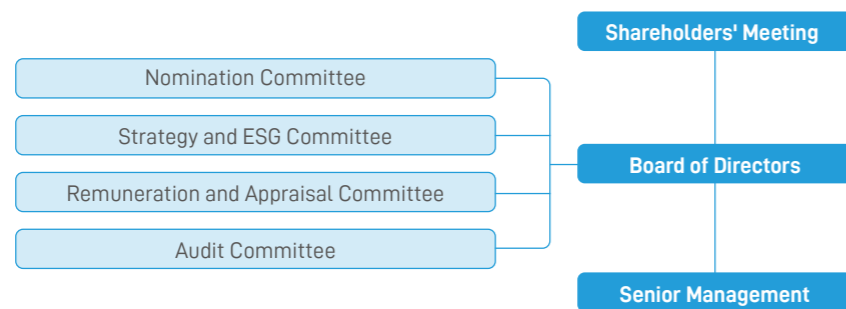
"Putting investors first" is a core principle in the development of China's capital market, emphasizing the protection of investor rights and the enhancement of market transparency to promote healthy and stable market growth. Since its listing, Apeloa has remained true to its original aspirations, leveraging a robust corporate governance structure and sound deliberative procedures to safeguard shareholders' lawful exercise of voting rights, the right to know, and the right to supervision, thereby building a strong bond for long-term partnership between shareholders and the company.

### Refining Governance Strategies

Apeloa remains committed to its corporate mission of "Innovating for a Healthier World" and pursues the development strategy of "refining APIs, strengthening CDMO, enhancing pharmaceutical products, and expanding into medical aesthetics." Guided by the principles of "strong R&D and innovation, high-standard compliance, and low-cost manufacturing," the company leverages cost efficiency and operational effectiveness as key drivers to deepen its presence in core business areas, harnesses R&D and innovation to cultivate new quality productive forces, and upholds compliance governance as a beacon to illuminate the path to shareholder returns. By "deepening core businesses, breaking new ground through innovation, advancing compliance governance, and sharing value," Apeloa has built a multi-dimensional formula for delivering shareholder returns. The company integrates ESG principles into its business philosophy and corporate culture, places great importance on the suggestions and needs of stakeholders including shareholders, customers, employees, and suppliers, shares the fruits of development, and actively gives back to society.

### Improving Governance Structure

In accordance with the requirements of the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and other applicable laws and regulations, the company has established a comprehensive corporate governance framework and procedural rules. It has set up a shareholders' meeting, a board of directors, and an audit committee, and senior management, forming a scientifically defined division of responsibilities and an effective checks-and-balances mechanism. To ensure the compliance and effectiveness of the company's "Three Meetings" (shareholders' meeting, the board of directors, and the audit committee), the company strictly follows the relevant regulatory systems and requirements in preparing all meeting materials, including proposals and announcements, and carefully organizes each meeting. All procedures are carried out in accordance with laws and regulations to safeguard the rights of shareholders, directors, and senior management. In 2025, in response to the new Company Law, the company initiated adjustments to its governance structure by abolishing the board of supervisors and transferring its supervisory functions to the audit committee of the board of directors. A total of 25 internal policies, including the Articles of Association, were revised to further enhance governance efficiency.



Governance Structure

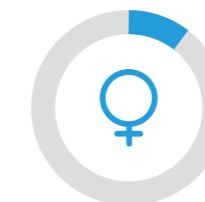
The board of directors has established four specialized committees—the Strategy and ESG Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee—to ensure the professionalism and independence of major decision-making. Diversity (including but not limited to factors such as gender, age, and ethnicity) is factored into appointment considerations, alongside a comprehensive assessment of candidates' educational background, industry experience, professional expertise, and skills. Members of the board of directors bring extensive experience in fields such as pharmaceutical chemistry, accounting, economics, and management, ensuring comprehensive and forward-looking perspectives in decision-making.

<b>Strategy and ESG Committee</b>	Responsible for studying and providing recommendations on the company's long-term development strategy, major investment and financing decisions, and ESG development planning.
<b>Audit Committee</b>	Responsible for reviewing the company's financial information and its disclosures, and for supervising and evaluating internal and external audit activities as well as internal controls.
<b>Nomination Committee</b>	Responsible for establishing the selection criteria and procedures for the company's directors and senior management, as well as for selecting and reviewing candidates and their qualifications.
<b>Compensation and Performance Evaluation Committee</b>	Responsible for formulating the evaluation standards for the company's directors and senior management and conducting evaluations, as well as for formulating and reviewing the compensation policies and plans for the company's directors and senior management.

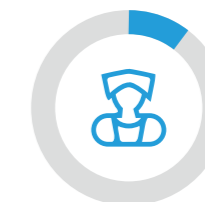
The board currently consists of 9 directors, including 3 independent directors (accounting for 33.33%). Among all directors, there is 1 female director (11.11%) and one director from an ethnic minority (Tujia, 11.11%). In 2025, the company added an employee director, further optimizing the board structure and ensuring that employee rights and concerns are effectively represented at the decision-making level.



The proportion of independent directors accounts for 33.33%.



The proportion of female directors accounts for 11.11%.



The proportion of ethnic minority directors accounts for 11.11%.

### 2025

- The company held **2** shareholders' meetings, with **23** proposals deliberated
- The board of directors held **8** meetings, with **57** proposals deliberated
- Issued **4** periodic reports, published **74** announcements online, released **48** ad-hoc announcements, and submitted **154** filing documents

Honor

Awarded the 2025 "SSE Eagle · Gold Quality" Corporate Governance Award



Improve the Management System

In 2025, Apeloa formulated and issued the *Rules of Procedure for Shareholders' Meetings*, establishing a dedicated system to standardize the full-process operation of shareholders' meetings, ensuring that every shareholder can exercise their voting rights, the right to know, and the right to supervision in accordance with the law, thereby laying a solid foundation for the protection of shareholder rights and interests. Regarding the convening process, the rules define tiered triggering mechanisms and clear responsibilities for convening both annual and extraordinary shareholders' meetings, ensuring that meetings are convened as required. In terms of proposal procedures, the scope of proposal initiators has been expanded, and procedures for interim proposals have been standardized. For notification procedures, clear stipulations are set regarding the timeline, content, and methods of meeting notifications, ensuring shareholders have sufficient time to prepare for participation. Regarding voting procedures, a tiered resolution mechanism and special voting rules have been designed to ensure voting effectiveness and protect minority shareholders.

Unblock Information Communication

In order to standardize investor relations management, enhance effective communication between the company and its investors, promote sound corporate governance, improve the quality of the company, and effectively protect the legitimate rights and interests of investors, especially small and medium-sized investors, the company has formulated the *Investor Relations Management System* in accordance with relevant provisions of the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Guidelines for Investor Relations Management of Listed Companies*, the *Shenzhen Stock Exchange Stock Listing Rules*, and other applicable laws and regulations, while also taking into account the company's actual circumstances. Apeloa is committed to fostering a warm and responsive approach to investor relations, establishing an all-channel communication network that covers both online and offline scenarios. At the same time, by maintaining good communication with various types of investors, the company aims to convey its value, safeguard its valuation, establish strong connections with numerous securities firms and investment institutions, and increase its visibility in the capital market.

2025

- Conducted **95** communication sessions, including on-site visits, performance briefings, and online and offline exchanges
- Received **775** visits from institutional investors, industry analysts, and others
- Responded to **80** inquiries from investors via the "Ease Interaction" platform of the Shenzhen Stock Exchange
- Handled **200** investor hotline calls
- Added **2** newly covered securities firms
- Securities firms issued a total of **42** research reports

All-scenario Investor Communication Network



Enhancing Shareholder Returns

The core of shareholder rights is the right to returns. Apeloa translates development outcomes into tangible benefits for shareholders through sustained and stable high-ratio dividend payouts and share repurchases. Enhancing investor returns and sharing the company's growth results have been Apeloa's unwavering commitment since its listing. From 2018 to 2023, Apeloa distributed 35% of its annual net profit attributable to shareholders of the listed company as cash dividends. In 2024, the cash dividend ratio was increased to 40% and when combined with share repurchases and cancellations, the total payout ratio reached 59.41%, effectively safeguarding shareholders' right to returns. In 2025, the company completed its first share repurchase of the year, buying back a total of 10,442,300 shares, representing 0.90% of the company's total share capital, with a total repurchase amount of 149,997,560.64 yuan. The company also implemented its first interim profit distribution, distributing a total of 400,049,869.20 yuan (including tax) in cash dividends. In November 2025, the company launched its second share repurchase plan of the year, with a planned total repurchase amount ranging from 180 million to 360 million yuan.

By the end of 2025

The cumulative total dividends amounted to **3.225** billion yuan

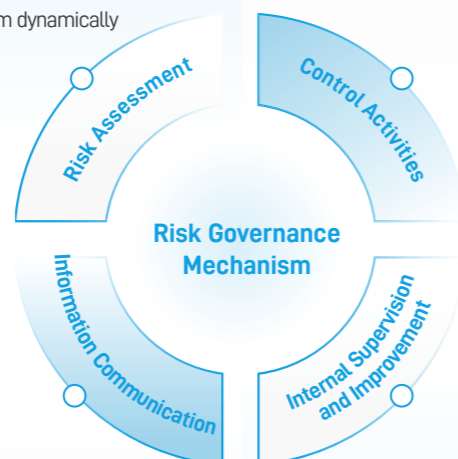
Honors

- Recognized with the highest rating of A for information disclosure by the Shenzhen Stock Exchange for five consecutive years
- Selected as an Outstanding Practice Case in Investor Returns for Zhejiang Region in 2024
- Selected as the 2025 Top 100 Listed Companies by Dividend Payout Ratio

# Risk Management and Control

Apeloa has established a comprehensive risk management system covering strategy, operations, compliance, security, environment, and other areas, ensuring that all types of risks are identifiable, manageable, and controllable. The company has set up a Risk Management Committee, with the chairman serving as the committee director and cross-departmental senior executives serving as members. The committee is responsible for reviewing and approving risk management systems and procedures across business units, identifying and analyzing risks, coordinating risk assessment and decision-making for major projects, reviewing risk training programs, and overseeing their implementation, thereby effectively resolving differences in risk assessment and execution for major projects. At the same time, the company has formulated the "Internal Control System" to establish a systematic risk governance mechanism. It engages in in-depth communication with business departments regarding issues identified in audits, provides modification suggestions and risk alerts, and urges business departments to conduct self-inspections and corrections to strengthen internal management.

- Continuously and systematically collect internal and external information to promptly identify risks related to internal control objectives.
- Establish a risk analysis working group that uses a combination of qualitative and quantitative methods to analyze risks based on their likelihood and impact, ensuring accurate results.
- Based on risk tolerance and appetite, develop response strategies such as risk avoidance, reduction, sharing, or acceptance, and adjust them dynamically as the context evolves.
- Based on risk assessment results, measures such as segregation of incompatible duties, authorization and approval procedures, asset protection, accounting systems, budgetary controls, operational analysis, and performance evaluation are implemented to maintain risks within acceptable limits.
- Establish a major risk warning and emergency response mechanism, with clearly defined warning standards, emergency plans, and responsible parties.



- Establish a major internal information transmission and reporting system to ensure effective communication of information across internal levels, departments, business segments, as well as with external stakeholders such as investors, creditors, customers, suppliers, and regulatory agencies.
- Establish an information technology and information disclosure management system to ensure timely, accurate, complete, and fair disclosure of information.
- The Audit Committee oversees the supervision, inspection, and evaluation of internal control effectiveness. The internal audit department conducts routine and special audits, tracks rectifications, ensuring a closed-loop management system.
- An annual *Internal Control Self-Assessment Report* is prepared, reviewed by the Audit Committee, deliberated by the Board of Directors, and disclosed through the designated channels of the Shenzhen Stock Exchange.

# Business Ethics

Apeloa is committed to compliant and integrity-driven business operations, making business ethics as a key component of its corporate governance. The company has established and continuously improves its management systems and enforcement mechanisms in areas such as integrity, anti-corruption, anti-monopoly, and fair competition, ensuring that its business activities comply with laws, regulations, industry standards, and societal ethical requirements.

## Integrity and Honesty

The company has formulated and implemented policies such as the *Regulations on Legal and Disciplinary Management* and the *Measures for Legal Affairs Management*, which explicitly prohibit employees from using their positions to solicit or accept improper benefits including property, rebates, commissions, gifts, or marketable securities from business-related entities or individuals. The company also promotes the signing of the *Letter of Responsibility for Clear Government Construction* and the *Commitment Letter for Integrity and Self-Discipline*.

**2025**  
**100%** of senior and middle managers and employees in key positions received anti-corruption training

### Promoting Measures Related to Integrity Management

<p><b>Conduct Integrity Self-inspection and Self-correction</b></p> <p>Identify integrity risk points in key departments across all functional departments and subsidiaries, formulate risk prevention measures, and implement integrity management regulations.</p>	<p><b>Promoting the Culture of Integrity</b></p> <p>Organize legal and disciplinary training to enhance employees' awareness of integrity regulations and legal risks.</p>	<p><b>Strengthen integrity management of suppliers</b></p> <p>Issue the Sustainable Procurement Management Regulations, extending integrity cooperation requirements to all suppliers, and incorporating them into supplier performance evaluations and auditing, with 100% of key suppliers signing integrity agreements.</p>	<p><b>Enhance the reporting and complaint mechanism</b></p> <p>Establish a dedicated reporting email, hotline, and official website appeal channel. Strictly protect the confidentiality of whistleblowers' information and take serious action against any form of retaliation.</p>
<p>☎ 0579-86558134</p>		<p>✉ sjjcb@apeloa.com</p>	
<p>🌐 <a href="https://www.apeloa.com/cn/about.html">https://www.apeloa.com/cn/about.html</a></p>			

## Fair Competition

Apeloa adheres to the principle of fair competition and is committed to fostering a healthy and orderly business environment, ensuring sustainable development for the company and its stakeholders through mutual benefit and win-win cooperation. The company has established an Anti-Monopoly Compliance Committee, responsible for approving fundamental policies, building the organizational framework, supervising and evaluating compliance work, studying major risks, and strengthening the culture of fair competition. It further strengthens anti-monopoly compliance management responsibilities and extends compliance controls, encouraging subsidiaries to establish leadership groups for preventing monopolistic practices and improving their anti-monopoly compliance documentation, thereby comprehensively enhancing the capability to prevent fair competition risks and raising the overall level of compliance management.

# ESG Management

Apeloa has deeply embedded ESG concepts throughout its strategy and operations. Adhering to the philosophy of "technological innovation, global service, and green development," it refines its ESG governance structure, coordinates the advancement of ESG goal setting, risk identification, and performance enhancement, and collaborates with shareholders, customers, employees, communities, and partners to co-create sustainable value.

## Improving ESG Governance

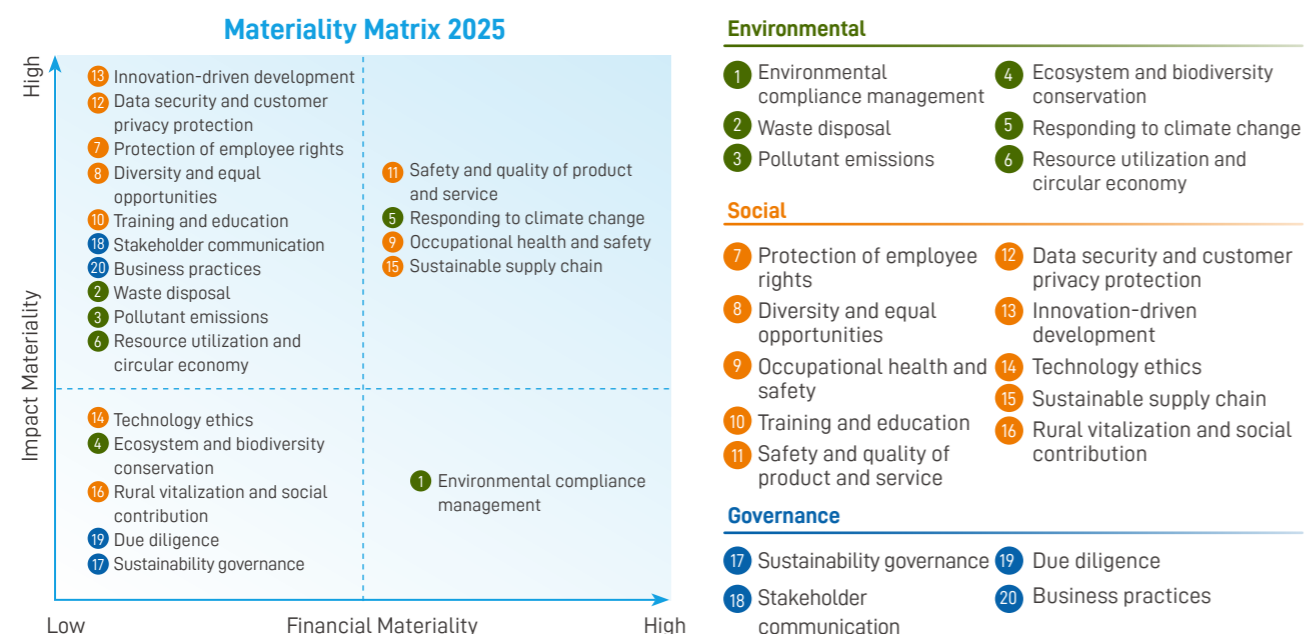
In 2025, Apeloa further improved its ESG governance mechanism by establishing a Strategy and ESG Committee, forming a four-in-one management structure consisting of the Board of Directors, the Strategy and ESG Committee, the ESG Office, and the executive working groups. This structure is organized across three levels: strategic, tactical, and operational to ensure clear vertical guidance of objectives and close horizontal collaboration among departments, thereby comprehensively advancing the formulation and implementation of the company's ESG strategy. The company formulated and issued the *Working Rules of the Board Strategy and ESG Committee*. The Strategy and ESG Committee is composed of five directors (including at least one independent director) and is responsible for studying and formulating the company's development plans and business strategies, as well as researching matters such as the company's long-term development planning, business strategies, and ESG development plans, and making recommendations to the Board of Directors.



Apeloa ESG Governance Structure

## Identification of Substantive Issues

In accordance with the *Sustainability Reporting Standards* (GRI Standards 2021) issued by the Global Sustainability Standards Board (GSSB), the regulatory requirements of the *Self-Regulatory Guideline No. 17 for Listed Companies on the Shenzhen Stock Exchange—Sustainability Reporting (Trial)*, and topics of concern in both domestic and international policies and among peer enterprises, Apeloa systematically identified a list of ESG-related topics. It then screened out 4 governance issues, 6 environmental issues, and 10 social issues that have significant impacts on the company's strategy, operations, and stakeholders. Referencing the principle of double materiality, through research interviews, the company conducted an assessment, ranking, and screening of topic importance from the two dimensions of importance to the company's finances and importance to economic, social, and environmental impacts, forming a materiality matrix. A total of 5 financially material issues were identified: environmental compliance management, climate change response, product service safety and quality, occupational health and safety, and sustainable supply chain.



# Stakeholder Communication

Apeloa continuously expands its communication channels, maintains close engagement with stakeholders by regularly conducting internal interviews and stakeholder needs surveys, collect their feedback on the company's ESG performance, and uses this as a key reference for improving its operational strategies and ESG strategies.

Stakeholders	Contents	Main Communication Methods
<p>Customers and Consumers</p>	<ul style="list-style-type: none"> <li>Compliant operations</li> <li>Product service quality</li> <li>Safety Product technology innovation</li> </ul>	<ul style="list-style-type: none"> <li>Customer survey</li> <li>Technical cooperation</li> <li>Customer satisfaction</li> </ul>
<p>Shareholders and Investors</p>	<ul style="list-style-type: none"> <li>Company performance and operating conditions</li> <li>Industry, market status and trends</li> <li>Industry, market status and trends Investor Q&amp;A</li> </ul>	<ul style="list-style-type: none"> <li>Performance briefing and investor telephone communication</li> <li>Brokerage strategy meetings, roadshows and reverse roadshows</li> <li>SZSE "Easy IR" Platform and investor hotline</li> <li>Investor reception day and company tour</li> <li>Regular information disclosure</li> </ul>
<p>Employees</p>	<ul style="list-style-type: none"> <li>Employee development</li> <li>Protection of rights and interests</li> <li>Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Employee training</li> <li>Recreational and sports activities</li> <li>Rules release</li> <li>Staff Representative Conference</li> <li>Safety and Environmental Protection Committee</li> </ul>
<p>Communities</p>	<ul style="list-style-type: none"> <li>Pollution prevention and control</li> <li>Community co-construction</li> </ul>	<ul style="list-style-type: none"> <li>Information disclosure</li> <li>Public welfare projects</li> </ul>
<p>Suppliers and Industry Partners</p>	<ul style="list-style-type: none"> <li>Technology exchange and collaborative innovation</li> <li>Industry development</li> <li>Open, fair and transparent procurement</li> </ul>	<ul style="list-style-type: none"> <li>Industry conferences, seminars, and other exchange activities</li> <li>Collaborative project cooperation</li> <li>Bidding and Procurement</li> <li>Supplier Audit</li> <li>Unscheduled visits</li> </ul>
<p>Government</p>	<ul style="list-style-type: none"> <li>Corporate governance and compliance operations</li> <li>Regional economic development</li> <li>Environmental protection</li> <li>job creations</li> </ul>	<ul style="list-style-type: none"> <li>Seminar, symposium</li> <li>Information disclosure</li> <li>Inspection and Self-Check</li> <li>Localized recruitment</li> <li>Information disclosure</li> </ul>
<p>Media</p>	<ul style="list-style-type: none"> <li>Company operations and development</li> <li>ESG information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Media communication activities such as interviews and meetings</li> <li>Regular reports and ESG reports</li> </ul>

# 3

## Act for Green, Pursue Low-Carbon Solutions Together for a Clean Future

Apeloa firmly believes that caring for the environment is the foundation of the sustainable development of an enterprise. Guided by the philosophy of "green, coordinated, and sustainable," the company fully implements the basic national policy of environmental protection and adheres to the environmental principles of "protection first, prevention-oriented, integrated treatment, public participation, and accountability for damages." By systematically promoting cleaner production and exploring the synergistic potential for pollution reduction and carbon mitigation, Apeloa supports the green and low-carbon transformation of the entire value chain. It is committed to fulfilling its responsibility for a better future where humanity and nature coexist in harmony, while creating value in the pharmaceutical industry.

Contribute to SDGs



**Special Topic**

# Environmental Compliance Management Building the Cornerstone for Green Transformation and High-Quality Development

Robust environmental compliance management serves as the cornerstone of corporate sustainable development. Apeloa has always placed environmental protection at a strategic level, strictly complying with national laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*. The company implements environmental standards in all operational locations while actively benchmarking against international standards. By establishing and continuously improving its environmental management system, the company ensures controllable environmental risks and ongoing enhancement of environmental performance through continuous risk identification, process control, performance evaluation, and goal-oriented leadership. This solidifies the foundation for the company's green transformation and high-quality development.

## Governance

Apeloa has established an environmental governance system with clearly defined responsibilities and accountability at every level. The General Manager serves as the primary person responsible for environmental protection, bearing overall leadership responsibility for environmental work. The Operations and EHS Supervision Department, as the dedicated management body, is staffed with a professional team responsible for the establishment, maintenance, supervision, and evaluation of the environmental management system. The heads of each subsidiary and business unit are the primary responsible persons for environmental management within their respective entities, ensuring that environmental management requirements are effectively implemented.

The company follows the ISO 14001:2015 Environmental Management System standard and has established and continuously improves its environmental management system documentation, with the *Environmental Protection Management System* as the core document. This document defines management requirements, including the identification of environmental risk factors, operational controls, emergency response, performance evaluation, and continuous improvement. Each subsidiary further develops its own *Environmental and Occupational Health and Safety Management Manual* based on its specific circumstances. The company implements an environmental protection target responsibility system and an assessment mechanism. By signing annual environmental protection target responsibility agreements and in accordance with annual evaluation results, annual assessment plans, and the stipulations of the target responsibility agreements, the company provides incentives to units and individuals that have achieved significant results in environmental protection work, waste management, technological innovation, emergency rescue, and other related areas.

The company places great importance on enhancing environmental awareness and capabilities, and provides regular training for full-time environmental management personnel. In 2025, Shandong Tospo invited external experts to conduct specialized training sessions on topics such as "Performance Grading for Heavy Pollution Weather in the Pharmaceutical Industry, Identification of Inefficient and Failed Facilities, and Analysis of Common Issues in Volatile Organic Compounds (VOCs) Treatment Facilities" and "Prevention and Control of Soil and Groundwater Pollution." These initiatives aim to strengthen the company's ability to respond to heavy pollution weather, refine VOCs management, and address soil and groundwater pollution.

## Strategy

The company actively identifies the multiple environmental risks encountered in its production and operations, discerns the development opportunities embedded within them, integrates the response to these risks and opportunities into its long-term development strategy, and formulates corresponding management strategies.

Risk/Opportunity Category	Risk/Opportunity Description	Potential Financial Impact	Response Strategies
 <p><b>Policy and Legal Risk</b></p>	<ul style="list-style-type: none"> <li>Increasingly stringent environmental regulations both domestically and internationally may lead to higher compliance costs, fines, or litigation if a robust environmental compliance management system is not established.</li> </ul>	<ul style="list-style-type: none"> <li>May increase operating costs and capital expenditures;</li> <li>May face direct losses such as fines, production suspensions, or mandatory rectification.</li> </ul>	<ul style="list-style-type: none"> <li>Dynamically track regulatory changes to ensure ongoing operational compliance;</li> <li>Continuously invest in advanced treatment of exhaust gas and wastewater, as well as technological upgrades for energy conservation and carbon reduction.</li> </ul>
 <p><b>Market and Reputation Risk</b></p>	<ul style="list-style-type: none"> <li>Customer and consumer preferences are shifting toward green and low-carbon products. If a product's carbon footprint is too high, it may lead to loss of orders and damage to brand value.</li> </ul>	<ul style="list-style-type: none"> <li>Sales revenue declined;</li> <li>Financing costs may rise;</li> <li>ESG rating affected.</li> </ul>	<ul style="list-style-type: none"> <li>Develop green processes to reduce product carbon footprint;</li> <li>Proactively disclose environmental performance through ESG reports and other means.</li> </ul>
 <p><b>Technical Risk</b></p>	<ul style="list-style-type: none"> <li>Failure to keep pace with advanced technologies such as clean production and the circular economy in a timely manner results in low production efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>Loss of technological competitiveness;</li> <li>Long-term operating costs remain high.</li> </ul>	<ul style="list-style-type: none"> <li>Apply key technologies such as green, clean, and circular approaches to enhance environmental governance.</li> </ul>
 <p><b>Operational Efficiency Opportunities</b></p>	<ul style="list-style-type: none"> <li>Through energy conservation, emission reduction, and resource recycling projects, enhance the capability to utilize energy and resources as well as to treat pollutants and waste.</li> </ul>	<ul style="list-style-type: none"> <li>Reduce corporate operating costs and improve profitability.</li> </ul>	<ul style="list-style-type: none"> <li>Advance projects such as sludge and bacterial residue reduction, solvent recovery, and waste heat utilization to strengthen the pollutants and waste management.</li> </ul>

## Impact, Risk, and Opportunity Management

Apeloa has established institutionalized and normalized environmental management measures focusing on three key areas: environmental risk identification, environmental monitoring, and emergency management. These measures ensure that, based on identifying potential impacts, the company can conduct timely monitoring, respond effectively, prevent environmental emergencies, and seize development opportunities arising from the green transformation.

### Environmental Risk Identification and Management Measures

#### Environmental Risk Identification

- Regularly organize the identification of environmental aspects throughout production equipment, facilities, and the entire process of production activities; conduct environmental impact assessments and identify environmental risks; and establish a tiered control list of environmental risks.
- Each subsidiary, based on its own circumstances, establishes a system of procedures such as the *Environmental Risk Classification and Hazard Identification Management Procedure* and the *Environmental Aspect Identification and Assessment Management Procedure*, systematically implementing environmental risk identification and response measures.

#### Environmental Indicator Monitoring

- Establish a system that combines environmental self-monitoring with external monitoring; each subsidiary shall formulate an annual self-monitoring plan based on its own circumstances, covering multi-dimensional environmental indicators such as wastewater, exhaust gas, factory boundary noise, and ambient air quality.
- Each year, a third-party organization with CMA accreditation is commissioned to conduct comprehensive monitoring, and cooperation is provided for the "double random" supervisory monitoring carried out by the ecological and environmental department.
- Strengthen the management of third-party environmental protection business units, conduct regular third-party EHS audits, and issue audit reports.

#### Environmental Emergency Management

- In accordance with requirements such as the *Guidelines for Risk Assessment of Enterprise Environmental Emergencies* and the *Guidelines for the Preparation of Emergency Response Plans for Environmental Emergencies*, conduct risk assessments for environmental accidents, prepare corporate emergency response plans for environmental accidents, and report them to the superior environmental protection authority for filing.
- Strictly implement emergency response organizations and personnel according to the plan, and equip emergency rescue equipment and materials.
- Conduct specialized drills annually for different types of environmental emergencies (e.g. hazardous waste leakage, wastewater treatment plant failures, and exhaust gas explosions).

#### Case

### Zhejiang Biotechnology conducted an emergency drill for the leakage and combustion of hazardous chemical storage tanks

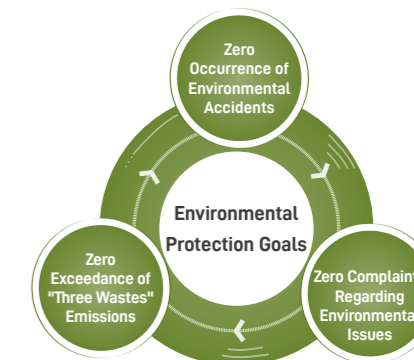
In July 2025, to enhance emergency response capability for hazardous chemical accidents, Zhejiang Biotechnology conducted a comprehensive emergency drill simulating the leakage and combustion of a methanol storage tank. The drill recreated a typical accident scenario where a methanol storage tank experienced a major leak due to a combination of high temperature and static electricity, with the leaked vapor being ignited and catching fire. The exercise fully covered the entire process, from initial accident reporting, emergency response activation, establishment and command of the on-site headquarters, to the coordinated execution of tasks by various emergency teams. Through this emergency drill, relevant personnel were able to respond quickly, coordinate smoothly, and use emergency equipment proficiently. The evacuation and self-rescue capabilities of employees, as well as the organizational and coordination skills of managers, were improved, achieving the intended goals of testing the emergency plan and strengthening emergency response capabilities.



Emergency drill site for leakage and combustion of hazardous chemical storage tanks

## Indicators and Objectives

Apeloa has set a long-term environmental protection goal of "zero environmental accidents, zero complaints about environmental issues, and zero exceedance in the discharge of the 'three wastes' (wastewater, exhaust gas, and solid waste)." For each specific environmental issue, the company establishes a quantifiable and assessable target system, and ensures the achievement of these goals through measures such as environmental risk monitoring, enhanced compliance management, and personnel capacity building.



#### By the end of 2025

**8** subsidiary companies have passed the ISO 14001:2015 Environmental Management System certification

Jiayuan Pharmaceutical was awarded the national title "Green Factory"

Zhejiang Biotechnology received the Jinhua City "Green Factory" title

#### 2025

- Total environmental protection investment reached **66.4449** million yuan
- **134** environmental protection training sessions were conducted with employee participation reaching **5,841** person-times. Environmental protection training coverage for employees of the manufacturing branch was **100%**
- **0** environmental violations caused by improper environmental operations

# Climate Action

Against the backdrop of an escalating global climate crisis and the ongoing implementation of the *Paris Agreement*, climate change represents not only a systemic risk but also a profound opportunity for industrial transformation. Apeloa has embedded climate action into its long-term development strategy, systematically advancing the management of climate-related risks and opportunities. Committed to advancing cleaner production and improving energy efficiency, the company is taking proactive steps toward achieving carbon neutrality in its own operations. In doing so, it aims to contribute to the global temperature control goals and demonstrate the climate action and responsibility of Chinese pharmaceutical enterprises.


## Governance


Apeloa has established a systematic governance structure and management system to ensure the effective formulation and implementation of climate strategies. Within the company's ESG governance framework, the Strategy and ESG Committee is responsible for reviewing and supervising major ESG strategies, targets, and performance, including those related to climate change. The ESG Office serves as the executive body, responsible for assessing the progress of energy-saving and emission-reduction strategies. Each manufacturing subsidiary has set up an ESG Energy-Saving, Carbon-Reduction, and Emission-Reduction Team, which is responsible for driving and implementing specific energy-saving and emission-reduction plans and projects within their respective units.




## Strategy

The company identifies and assesses the impact of climate-related risks and opportunities on its operations, dynamically updating the categories and effects of risks from both physical and financial perspectives. By comprehensively evaluating the company's climate resilience, it develops energy-saving, carbon-reduction, and emission-reduction plans, and adjusts its climate change strategy and response measures in a timely manner to strengthen its adaptive capacity.

### Analysis and Response Measures for Climate-Related Risks and Opportunities

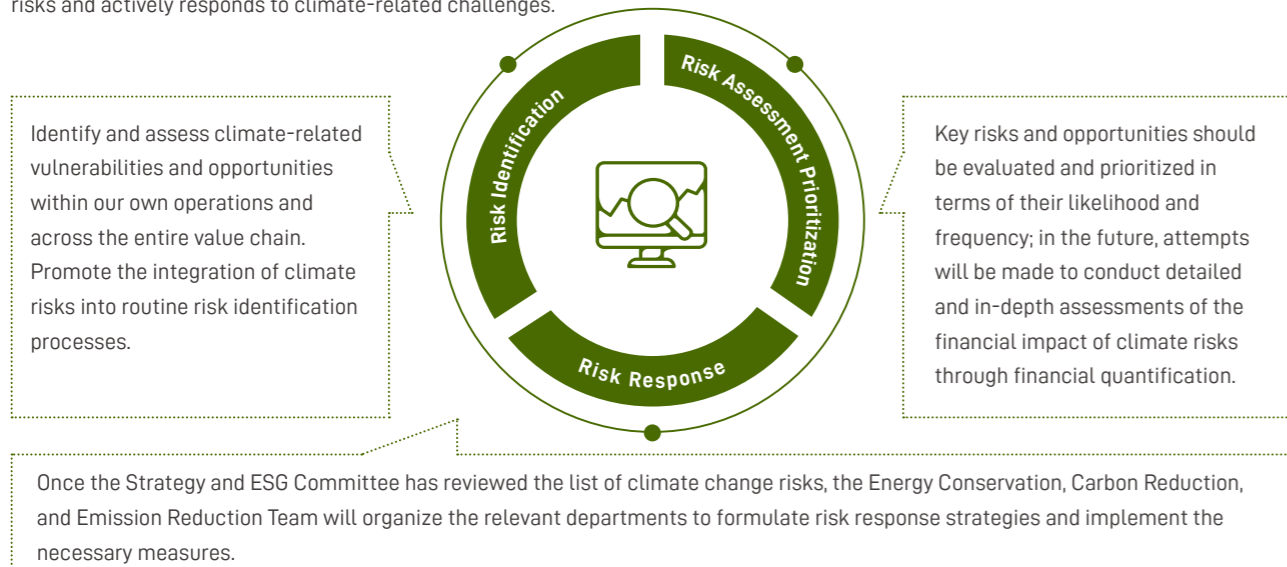
Risk Category	Risk Factor	Impact on Apeloa	Response Measures
 <b>Physical Risk</b>	Natural disasters	<ul style="list-style-type: none"> <li>Extreme natural disasters can easily disrupt shipments and raw material supply.</li> </ul>	<ul style="list-style-type: none"> <li>Optimize product packaging and select appropriate transportation methods to minimize impacts on global logistics.</li> <li>Establish an emergency management organization, develop emergency plans for natural disasters, conduct regular emergency drills, and provide timely warnings and risk responses.</li> </ul>
	Climate change	<ul style="list-style-type: none"> <li>Water shortages, rising sea levels, and the increasing frequency of extreme weather events may affect the company's production.</li> <li>High temperatures may lead to increased use of refrigerants, resulting in higher emissions and increased operating costs.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen water resource risk management and take water conservation actions.</li> <li>Consider long-term trends in local climate change and develop emergency plans for extreme weather events.</li> <li>Adopt environmentally friendly cooling methods for heat prevention and temperature control during high temperatures to reduce emissions.</li> </ul>

Risk Category	Risk Factor	Impact on Apeloa	Response Measures
 <b>Transition Risk</b>	Compliant operations	<ul style="list-style-type: none"> <li>Increasing restrictions from environmental regulations heighten the risk of litigation from non-compliance or penalties for failing to meet requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Strictly comply with the relevant laws and regulations in both the country of operation and the country of product sales to ensure all business activities are legal and compliant.</li> </ul>
	Emerging regulations	<ul style="list-style-type: none"> <li>The implementation of new domestic and international standards or requirements, such as carbon pricing, carbon assessment, and carbon neutrality, may generate or increase compliance costs for greenhouse gas emissions, thereby raising operating costs.</li> </ul>	<ul style="list-style-type: none"> <li>Continuously monitor emerging international and domestic carbon-related regulatory requirements to ensure compliance with the latest applicable rules.</li> <li>Regularly measure and monitor carbon emissions, and strengthen control over greenhouse gas emissions.</li> <li>For qualified production plants, rooftop photovoltaic power generation projects and implement energy-saving technological transformation projects to reduce emissions.</li> </ul>
	Market changes	<ul style="list-style-type: none"> <li>Customer and consumer behavior is shifting toward preferring environmentally friendly, low-carbon products. Failure to meet these requirements may increase the risk of losing orders.</li> </ul>	<ul style="list-style-type: none"> <li>Through measures such as energy-saving equipment upgrades, we continuously increase the proportion of renewable energy usage.</li> <li>Gradually increase the share of recycled raw materials in procurement to enhance the environmental and low-carbon attributes.</li> <li>Adopt circular packaging where appropriate to improve resource utilization;</li> <li>Guide and promote upstream suppliers to advance their carbon peak and carbon neutrality efforts, jointly building a green supply chain.</li> </ul>
	Technological change	<ul style="list-style-type: none"> <li>Technological changes related to energy and resource usage as well as pollutant treatment may lead to the replacement of equipment and methods. If the company fails to keep pace, its production and operations may be disrupted.</li> </ul>	<ul style="list-style-type: none"> <li>Closely monitor the development status of key technologies in the industry, and promptly replace outdated technologies and equipment to avoid the risk of technological obsolescence.</li> </ul>
	Corporate reputation	<ul style="list-style-type: none"> <li>Increased negative feedback from stakeholders may lead to lower customer satisfaction, damaged brand image, and reduced access to financing.</li> </ul>	<ul style="list-style-type: none"> <li>Actively respond to market and customer expectations for low-carbon development, improve organizational governance, enhance management mechanisms, and elevate the company's low-carbon performance.</li> <li>Provide transparent disclosure through ESG reports and promptly address stakeholders' concerns and expectations regarding the company's climate performance and achievements.</li> </ul>

Based on Category	Impact on Apeloa	Response Measures
 <p>Shift in Customer Preferences</p>	<ul style="list-style-type: none"> <li>As the impacts of climate change deepen, domestic and international customers are placing greater emphasis on the environmental friendliness of products, with a stronger willingness to purchase low-carbon products, creating more room for business growth.</li> </ul>	<ul style="list-style-type: none"> <li>Actively respond to the "dual carbon" goals by formulating the <i>Carbon Peak and Carbon Neutrality Declaration</i>, defining clear carbon reduction targets and pathway planning, and adopting measures such as using clean energy and reducing energy consumption to lower product carbon footprint, enhance product environmental friendliness, and meet customers' environmental preferences.</li> </ul>
 <p>Entering New Markets</p>	<ul style="list-style-type: none"> <li>The implementation of carbon market policies and regulations, such as the EU Carbon Border Adjustment Mechanism, offers certain advantages for low-carbon products entering the European market, providing opportunities to expand business with European customers.</li> </ul>	<ul style="list-style-type: none"> <li>Proactively study the latest policy requirements of the carbon market, continuously implement carbon reduction targets and related measures, reduce organizational and product carbon emissions, comply with policy requirements, and support business expansion in relevant markets.</li> </ul>
 <p>Supply Chain Decarbonization Action</p>	<ul style="list-style-type: none"> <li>Influenced by downstream demand changes, upstream raw material suppliers in the supply chain have taken relevant actions in carbon reduction, focusing on improving the production processes and technologies for recycled raw materials, enhancing the environmental friendliness of raw materials, and thereby improving the environmental performance of mid- and downstream products, which helps boost product competitiveness.</li> </ul>	<ul style="list-style-type: none"> <li>Encourage supply chain enterprises to participate in carbon reduction initiatives, collaborate with upstream raw material suppliers on projects such as product carbon footprint verification at appropriate times, understand upstream carbon emissions and progress in carbon reduction, prioritize the procurement of green and low-carbon products, and jointly build a green and low-carbon supply chain.</li> </ul>

## Impact, Risk, and Opportunity Management

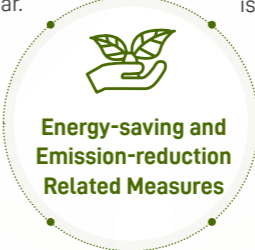
Apeloa has established processes for identifying, assessing, and managing climate-related risks and opportunities. Based on changes in the internal and external environment, as well as updates to its own business plans, the company adjusts its climate-related risks and opportunities accordingly, continuously improving its management of climate risks and opportunities. Based on the identification results and in alignment with the company's development strategy and business priorities, it formulates targeted measures to address climate risks and actively responds to climate-related challenges.



The company's greenhouse gas emissions originate primarily from direct production processes, energy consumption, waste treatment, and the operation of auxiliary facilities. In order to monitor and control greenhouse gas emissions precisely and actively advance the construction of an intelligent metering system, the company has installed energy metering instruments for water, electricity, steam, and other resources on major energy-consuming equipment and production lines. This enables real-time collection and networked uploading of energy consumption data. Using the industrial internet platform, the company can dynamically monitor and analyze energy usage data, accurately tracking key emission aspects such as steam consumption and electricity load. During production, the clean production evaluation system incorporates carbon emission intensity management, and the process safety laboratory assessment procedures. The implementation of clean and low-carbon processes is also promoted.

### Some Sources of Greenhouse Gas Emissions from Apeloa

Main Types of Greenhouse Gases	Primary Source
Carbon Dioxide (CO <sub>2</sub> )	Fossil fuel combustion, electricity, steam usage, chemical synthesis reactions, waste incineration
Methane (CH <sub>4</sub> )	Wastewater anaerobic treatment
Hydrofluorocarbons (HFCs)	Loss of refrigerant in the refrigeration system

**Energy-saving and Emission-reduction Related Measures**

Replacing the single-effect concentration process with efficient Mechanical Vapor Recompression (MVR) technology could save this workshop approximately 66,415 tons of steam per year. This would be equivalent to conserving 6,567.78 tons of standard coal in energy and reducing carbon emissions by 237 tons per year.

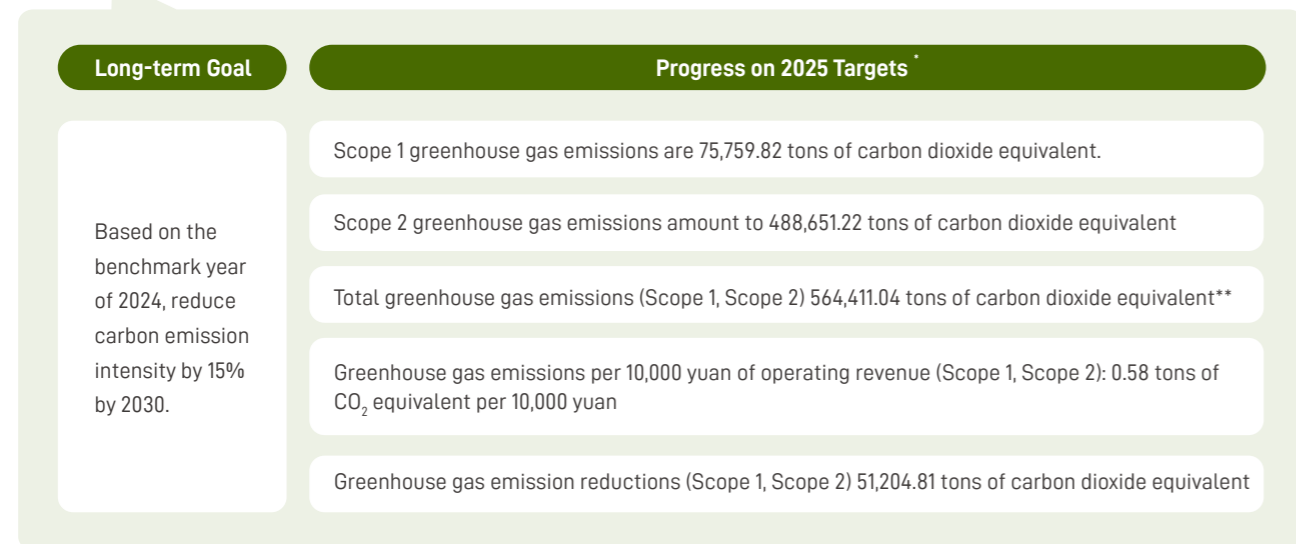
A workshop has installed a heat exchanger on the feeding pipeline to recover waste heat from discharged steam condensate and use it to preheat room-temperature glyoxylic acid raw material. This initiative saves approximately 1,200 tons of steam per year, which is equivalent to conserving 118.67 tons of standard coal and reducing carbon emissions by about 328.80 tons.

By classifying and treating low-concentration biochemical waste gases and treating them separately using resin adsorption, a workshop prevented these gases from entering the RTO system. This resulted in a reduction in natural gas usage of approximately 109,500 cubic meters per year, equivalent to saving 132.96 tons of standard coal, as well as a reduction in carbon emissions of around 21,186.39 tons per year.

A workshop optimized the condenser of the north-line distillation tower by modifying the methanol condensation process in the dehydration tower from parallel-flow to counter-flow condensation. This reduced the methyl ether content in the recovered methanol, decreased methyl ether generation during the synthesis stage and allowed it to enter the RTO system steadily. It also improved the self-sustaining combustion rate of the RTO system, and lowered its auxiliary natural gas consumption. The system's annual natural gas consumption decreased by approximately 67,000 standard cubic meters, equivalent to saving 81.35 tons of standard coal and achieving an annual reduction in carbon dioxide emissions of about 145 tons.

## Indicators and Objectives

Apeloa will respond to the national "dual carbon" goals, which will serve as an important long-term development guide for the enterprise. The company will actively align with the global temperature control targets established by the Paris Agreement, and contribute to the vision of limiting the global temperature rise to within 1.5°C above pre-industrial levels. The company has set itself the long-term goal of reducing carbon emission intensity by 15% by 2030 (with 2024 as the baseline year) and is systematically advancing the design and implementation of emission reduction pathways covering the entire value chain.



## Pollution Prevention and Control

Apeloa has made pollution prevention and control a central part of its environmental management strategy. The company has established a comprehensive, standardized control system covering wastewater, exhaust gases, and solid waste. It has formulated and implemented institutional documents such as the *Apeloa Environmental Protection Management System*, *Wastewater Management System*, *Exhaust Gas Management System*, and *Solid Waste Management System*, thereby ensuring compliance with requirements for pollutant discharge permits, self-monitoring, proper disposal, and risk prevention and control. The company has compiled an inventory of toxic and hazardous material consumption and established detailed records of all pollutants, including their types, quantities, components, characteristics, and discharge destinations. Apeloa has strengthened the construction and management of pollution prevention facilities, advanced cleaner production continuously, and ensured that emissions of wastewater, exhaust gases, and solid waste meet regulatory standards.

### 2025

- The wastewater and exhaust gas compliance discharge rate is **100%**
- The hazardous waste classification and compliant disposal rate is **100%**

\*Greenhouse gas emissions are accounted for in accordance with the ISO 14064-1:2018 standard, adhering to the principles of relevance, completeness, consistency, accuracy, and transparency. A unified accounting boundary and emission scope are applied, and calculations are performed using the methods of multiplying activity data by emission factor and global warming potential potentials (GWP, IPCC 100-year time horizon), and then converting the results into carbon dioxide equivalents (tCO<sub>2</sub>e).

\*\* During the reporting period, affected by macroeconomic fluctuations and cyclical adjustments in market demand, the Company's capacity utilization declined compared with the same period of the previous year. Given the rigid nature of essential energy consumption for sustained production line operation, the energy consumption intensity per unit of product experienced a temporary rise. Despite this, the Company achieved substantial reductions in annual total carbon emissions and overall energy consumption through refined energy management and improved operational efficiency of equipment.

## Waste Water Management

In order to standardize wastewater management, enhance treatment efficiency, and ensure consistent compliance with discharge standards, the company has established a control system incorporating "source reduction, process control, end-of-pipe treatment, and compliant discharge." Through categorized collection, tiered treatment, and standardized operations, the company continuously optimizes treatment processes to ensure the wastewater treatment system operates efficiently and stably.

### Strengthen Wastewater Treatment Measures

#### Classification Collection and Pretreatment

In line with the principles of separate clean and polluted water flow, as well as separate rainwater and sewage flow, independent pretreatment facilities are provided for wastewater with a high concentration of pollutants, high salinity, and high toxicity. Workshop wastewater is collected and pre-treated according to its quality and classification before entering the sewage treatment station to prevent any leaks or spills.

#### Resource Utilization and Reduction

Improve water recycling rates by implementing reclaimed water reuse and water balance management. Promote technologies such as mother liquor degradation pretreatment and MVR evaporation crystallization to reduce wastewater volume and hazardous waste generation. One project that adopted these measures achieved a 25% reduction in waste residue and a 42% decrease in wastewater volume.

#### Efficient Treatment Process

Use effective wastewater treatment processes, such as "oil separation + coagulation sedimentation + sludge-based anoxic process + membrane-based anoxic process + A/O biochemical treatment," or "physicochemical sedimentation + A/O," etc., supported by online monitoring and a multi-level prevention and control system to ensure stable and compliant wastewater discharge.

#### Monitoring and Compliance Emissions

Commission third-party testing regularly with CMA accreditation, upload execution reports as required by the pollutant discharge permit, and cooperate with "double random" inspections; ensure wastewater discharge complies with national, local, and industry three-level standards and that indicators such as COD and ammonia nitrogen are better than the limit values.



### Case Shandong Tospo MCHS pretreatment system helps "Three High" wastewater achieve standard discharge

The high-concentration wastewater produced during the manufacturing process at Shandong Tospo contains high levels of pollutants and toxic substances, as well as being highly saline. This makes it difficult to treat using conventional wastewater treatment processes. Microbial treatment systems are often inhibited, resulting in non-compliant effluent. To address this issue, Shandong Tospo has introduced an innovative "MCHS pretreatment" stage into its existing wastewater treatment process. This stage efficiently decomposes organic matter, degrades toxicity, and converts complex organic nitrogen into easily treatable ammonia nitrogen. This creates stable conditions for subsequent conventional biological treatment systems and effectively ensures effluent quality compliance. Since the system was commissioned at the end of February 2025, it has consistently treated 21,721 tons of wastewater, achieving an influent COD removal rate of 80%, ammonia nitrogen concentrations below 800 mg/L, and total nitrogen in the pretreated effluent below 1,800 mg/L.

## Exhaust Gas Management

In order to enhance the level of exhaust gas treatment systematically, Apeloa strictly adheres to national and industry standards and has formulated the *New Three-Year Action Plan for Deepening Exhaust Gas Treatment (2024-2027)*. This plan will comprehensively advance the standardized construction of exhaust gas collection and treatment facilities. The company focuses on developing green processes and using clean raw materials to actively reduce exhaust gas generation at the source. Through implementing refined management and technological upgrades, Apeloa continuously optimizes the efficiency of exhaust gas treatment throughout the entire process.

### Goal

By 2027, we will have achieved odor-free factory and workshop boundaries. With 2024 as the baseline, we will have reduced exhaust gas emissions by **15%**.

## Strengthen Exhaust Gas Treatment Measures

### Real-time Monitoring

Integrate the supervision of various exhaust gas elements into the environmental protection platform of the safety and environmental information system. This will ensure risk control and early warning, enhance emergency response and disposal capabilities, and improve operational and regulatory efficiency.



## Solid Waste Management

Apeloa complies with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*. In accordance with the *Standard for Pollution Control on Hazardous Waste Storage* (GB 18597-2023), the *Standard for Pollution Control on Hazardous Waste Incineration* (GB 18484-2020), and the *Identification Standards for Hazardous Waste—General Rules* (GB 5085.7-2019), the company has established a system of responsibility for preventing and controlling pollution, covering the entire process of generating, collecting, storing, utilizing and disposing of industrial solid waste. The company implements measures to prevent and control industrial solid waste pollution, ensuring the standardized management and compliant disposal of solid waste.

### Goal

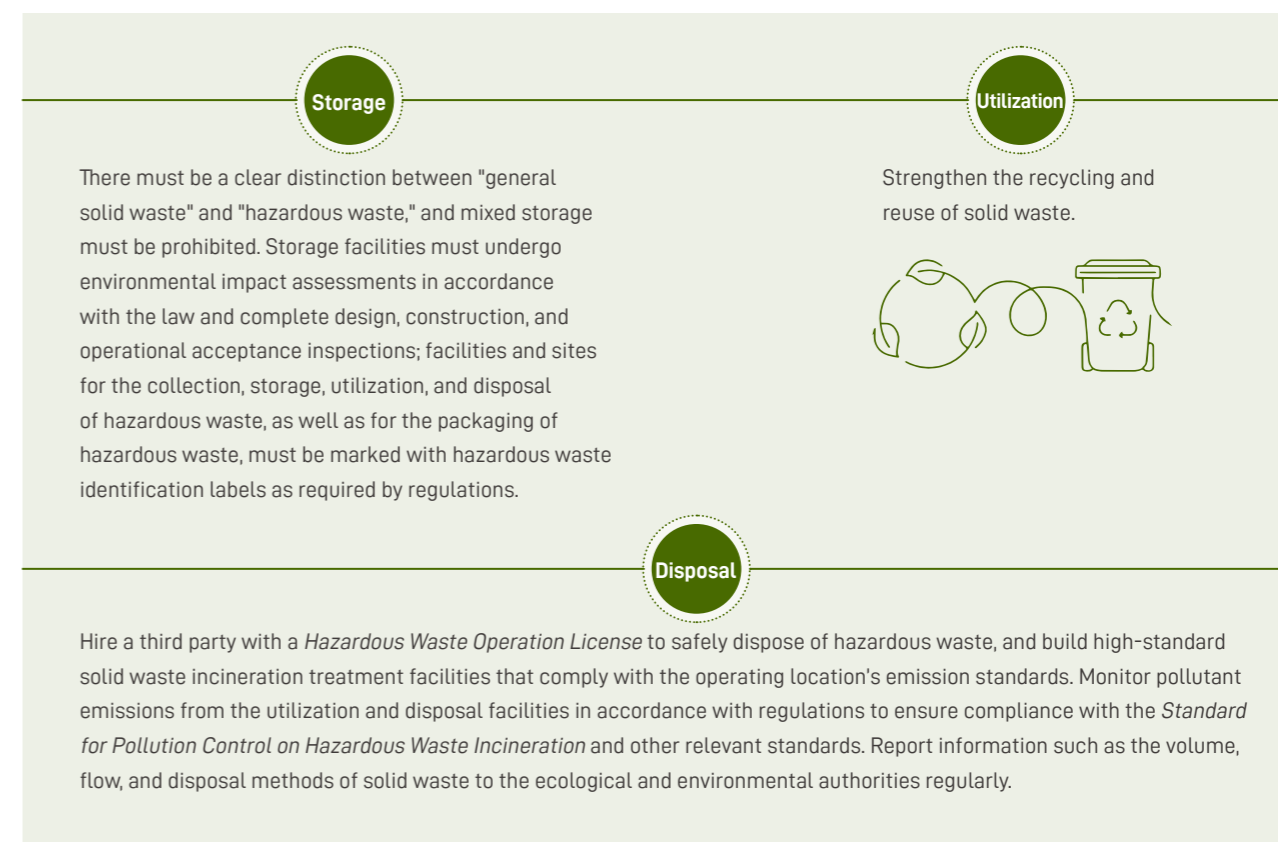
Achieve near "zero landfill" for productive hazardous waste and reduce hazardous waste generation intensity by **15%** by 2030.

### 2025

The hazardous waste generation intensity is **0.053** tons per 10,000 yuan of revenue



## Solid Waste Management Measures



### Case

#### Zhejiang Biotechnology's implementation of sludge and Amprol concentrate solid waste reduction and resource utilization

Zhejiang Biotechnology implemented a solid waste reduction retrofit project to address the issue of high moisture content in sludge and Amprol slurry. This issue directly affected boiler efficiency and damaged furnace walls during incineration. This involved adding new pipelines to pump the two types of material into a pre-treatment tank, adding coagulants to condition them, and processing them through a plate-and-frame filter press. This reduced the moisture content of the materials from over 90% to below 55% before incineration. This project has reduced slag generation by approximately 400 tons per month, while also enhancing the operational stability of the boiler incineration system.

# Efficient Utilization of Resources

Against the backdrop of the restructuring of the global supply chain, the deepening of China's "dual carbon" goals and the upgrading of resource security strategies, the efficient use of resources and their circular utilization have evolved from passive environmental compliance requirements into a key strategy for enterprises to build core competitiveness. In line with the 3R principles of "Reduce, Reuse, Recycle," Apeloa has improved the management of water resources, solvents, and other materials and energy usage, reduced resource and energy consumption, and adopted a circular economy model.

## Measures Related to Resource Conservation and Utilization



### Water Resource Management

Establish a water balance and water quota management system, implement a differentiated water supply and recycling system, as well as cascade utilization; promote the reuse of reclaimed water, wastewater recycling, concentrated water reuse, and water-saving technological transformation projects, in order to reduce the intake of freshwater; install online monitoring systems and connect them to government platforms, and regularly conduct water audits and performance evaluations. Kangyu Pharmaceutical renovated its cooling water circulation system, reducing water consumption by 300,000 tons annually. Jiayuan Pharmaceutical reuses concentrated water from the purified water system by categorizing it for different purposes: concentrated water from Phases I and III, and the 207 system is used for flushing toilets, mopping floors, replenishing fire water tanks, supplying water to exhaust gas absorption towers, and cooling tower makeup water. This achieves an annual total reclaimed water volume of 64,650 tons.



### Energy Resource Management

An energy management system should be established, along with energy audits, target decomposition, and performance evaluation; promote waste heat recovery, high-efficiency motors, and frequency conversion retrofits to reduce energy and resource consumption; advance photovoltaic project construction and implement clean energy substitution; achieve full coverage of energy metering and real-time data monitoring, and conduct operational optimization integrating energy-saving projects with lean production. By 2025, the photovoltaic projects of Tospo Pharmaceutical, Kangyu Pharmaceutical, and the second phase of JuTai Pharmaceutical had been connected to the grid for power generation, while the Zhejiang Biological Photovoltaic Project completed installation. By the end of 2025, Apeloa's subsidiaries had a total installed photovoltaic capacity of 2.369 MWP, with cumulative photovoltaic power generation amounting to approximately 1.74 million kWh.



### Solvent and Other Material Resource Management

Use technologies such as membrane separation, molecular distillation, and rectification recovery to recycle and reuse organic solvents and reduce single-use consumption; strengthen the entire process control throughout the material receiving, issuing, and storage processes to reduce the scrap rate and material loss, and promote by-product utilization. Zhejiang Bio constructed a facility to recover butyl acetate from heavy guitar liquid, increasing butyl acetate recovery by 9.52 tons; through a deep cooling facility for methanol exhaust gas, the methanol exhaust gas is cooled to -50°C before entering the incinerator. This process recovers the methanol solvent from the exhaust gas, with an estimated annual methanol recovery of 100 tons. In 2025, due to capacity issues, the actual methanol recovery exceeded 20 tons. Tospo Pharmaceutical improved the toluene recovery rate in the AP107 project from 60% to 80% by optimizing distillation processes and upgrading recovery equipment; through vacuum pipeline modifications and the addition of regulating valves, the chloroform recovery rate in the AP366 project increased from 65% to over 75%. During the 101 pretreatment process, Shandong Hanxing successfully reduced the residual n-butanol content in concentrated residues from 15-20% to 6-8% by adding supplemental water when the reactor temperature reached 118°C in order to recover residual n-butanol.



## 2025

- Total water consumption **4.1311** million tons
- Water resource consumption intensity **4.22** tons per 10,000 yuan of revenue
- Investment in energy-saving projects **16.393** million yuan
- Energy consumption intensity **0.1356** tons of standard coal per 10,000 yuan of revenue



### Water and energy saving renovation of the drying oven temperature control system at Kangyu Pharmaceutical

Kangyu Pharmaceutical upgraded the oven temperature control system by adding a cold water tank to the existing single hot water tank. This enables the heating and cooling processes to be operated independently. Following the upgrade, the heating phase uses the hot water tank in conjunction with steam, while the cooling phase uses cold water from the cold water tank. This replaces the previous method of directly injecting large amounts of tap water for cooling, which was then discharged into the wastewater system. The project fully utilizes existing equipment and pipelines, saving approximately 1,875 tons of tap water and about 150 tons of steam each year. This reduces energy and water consumption, and significantly alleviates the treatment burden on the environmental protection system.

# Biodiversity Conservation

Apeloa strictly adheres to national and local ecological and environmental protection laws, regulations, and policy requirements, and is committed to establishing an eco-friendly production system. Its office spaces, business premises, and industrial sites are not located within protected natural areas or biodiversity-rich areas outside protected zones. The company implements strict control measures for new pollutants generated during production and has established and enforces a comprehensive environmental risk prevention and control mechanism. It also regularly conducts groundwater and soil testing and remediation to prevent pollutants from infiltrating the soil and groundwater. This helps to avoid damage to local native vegetation and ecosystems caused by production operations. At the same time, the company actively encourages its employees to participate in biodiversity conservation practices and fulfills its environmental responsibilities as a corporate citizen through concrete actions. It also promotes the sustainable development of both the enterprise and nature.



### Green transformation of soil pollution source at sewage station, from "underground hidden danger" to "aboveground controllable"

Due to the specific nature of its industry, Shandong Tospo, as a key producer of cephalosporin drugs, has been listed as a key soil pollution supervision unit since 2019.. In order to control environmental risks at the source, Shandong Tospo is implementing a soil pollution source management and green transformation project from 2024 to 2025. This will involve dismantling the original wastewater station regulating tank and replacing it with two 750-cubic-meter above-ground storage tanks. Corrosion-resistant and anti-seepage containment dikes and collection tanks will also be constructed. After cleaning the facultative tank, MBR tank, sedimentation tank, and others, a 1,500-square-meter "five-oil-three-cloth" anti-seepage system will be installed. Combustible and toxic gas alarms will also be installed simultaneously, forming a dual defense system of "tank anti-seepage + storage tank isolation."

Thanks to the project renovation, Shandong Tospo has eliminated the risk of wastewater leakage at the source, achieving an impermeability coefficient of over 10<sup>-7</sup> cm/s. The area at risk of leakage has been reduced by 1,650 square meters and odors at the factory boundary have significantly diminished. Wastewater treatment efficiency has increased to 100%, which has effectively eliminated the health risks posed to employees by soil and groundwater pollution, while reducing operational costs. This outcome is a win-win for both "risk prevention and control" and "economic efficiency enhancement," providing a systematic, replicable solution for similar chemical enterprises to implement source control of soil pollution and pursue green upgrades.

# 4

## For the Good, Together We Shape a Happy Future

The long-term value of a company stems from its commitment to and practice of "goodness." Apelo is committed to advancing the resilience of its sustainable supply chain, cultivating fertile ground for talent development, and fostering warm community engagement. Through these efforts, Apelo paints a picture of a warm, responsible, and future-oriented company.



### Contribute to SDGs

<b>3</b> GOOD HEALTH AND WELL-BEING	<b>4</b> QUALITY EDUCATION	<b>5</b> GENDER EQUALITY	<b>8</b> DECENT WORK AND ECONOMIC GROWTH
<b>10</b> REDUCED INEQUALITIES	<b>11</b> SUSTAINABLE CITIES AND COMMUNITIES	<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION	<b>17</b> PARTNERSHIPS FOR THE GOALS

## Special Topic

# Building a Sustainable Supply Chain

Apeloa is committed to integrating the concept of sustainable development into its supply chain management system. The company promotes sustainable procurement practices and collaborates with suppliers to achieve environmental and social responsibility goals. This ensures the long-term stable supply of its products and services.

## Governance

In order to systematically advance the construction of a sustainable supply chain, Apeloa formulated and issued the *Sustainable Procurement Management Regulations* in 2025. These regulations apply to the company, all its subsidiaries and all its suppliers and partners. The Purchasing Department has been designated as the primary responsible unit and is fully accountable for promoting and implementing the policy. Meanwhile, multiple departments, including Operations & EHS Supervision, Human Resources, Quality & Regulatory Affairs, and Audit Inspection, collaborate to jointly review and continuously monitor suppliers' compliance with environmental regulations, human rights protection, business ethics, and quality and safety standards. This ensures that the entire supply chain meets the requirements for sustainable development.

## Strategy

In the context of global supply chain restructuring and the growing importance of sustainability as a core competitive advantage, building a resilient, secure and sustainable supply chain is a pivotal strategy for creating long-term value. Apeloa recognizes that supply chain sustainability concerns not only operational stability and efficiency, but also has a profound impact on environmental protection, social equity and industry ecology. Focusing on risk management, Apeloa has developed a three-tier risk assessment mechanism covering "region–raw material–transaction" to ensure the precise identification and dynamic management of high-risk supply chains. Through institutionalized management, process-based evaluation, and normalized monitoring, Apeloa guarantees the safety, compliance, and stability of its raw material sources, supporting long-term sustainable development.

### Apeloa Supply Chain Risk Assessment and Response Measures

#### Risk Assessment

Applying multi-dimensional evaluation methods to build a systematic, multi-dimensional dynamic control system.

#### Information Collection and Screening

Collecting lists of high-risk regions and suppliers for the purchasing department to screen and assess the associated risks based on the results.

#### Data Analysis and Early Warning

Gathering historical data related to raw materials from high-risk areas, including information on supply interruptions, price fluctuations and quality inspection results. Risk levels are assessed through data analysis.

#### Expert Consultation and Judgment

Inviting industry experts, international trade professionals and geopolitical analysts to evaluate the risks of raw materials from high-risk areas, using their expertise to judge the likelihood and impact of these risks.

#### Field Inspection and Verification

For key raw material suppliers or high-risk sources, specialists are arranged to conduct on-site visits in order to understand the suppliers' production operations, compliance status, and quality control processes. This enables intuitive risk assessments to be made.

#### Transaction Compliance Screening

Prior to any transaction involving raw materials from high-risk areas, re-screen trading parties (including suppliers and transporters) against sanction lists to ensure compliance throughout the transaction process.

#### Risk Response Strategies

##### Supply Diversification

- Seeking alternative raw material suppliers from non-high-risk regions around the world, evaluating their supply capacity, quality and price competitiveness;
- Reasonably adjust the proportions of procurement from different regions in order to reduce dependence on raw materials from high-risk areas.

##### Contractual Constraints

- Purchase contracts clearly require suppliers to ensure that their raw material sources and themselves do not involve sanctioned regions or listed entities;
- Suppliers are liable for breaches of contract, including compensation for economic loss and assistance with legal dispute resolution, if compliance issues arise due to reasons relating to them;
- In the event of unforeseeable regional risks, both parties may negotiate adjustments to the delivery time or price in order to share the risk.

## Impact, Risk, and Opportunity Management

Apeloa is committed to developing a comprehensive ESG risk management system that covers the entire supply chain lifecycle. Through responsible procurement and rigorous supplier management, environmental, social and governance requirements are deeply integrated into the entire procurement processes, from onboarding and assessment to ongoing collaboration, thus establishing a resilient supply chain.

### Practicing Responsible Procurement

The company has formulated multiple policies, such as the *Procurement Business Internal Control Implementation Rules and Strategic Procurement Management Regulations*, to continuously advance responsible procurement, deepen supply chain collaboration, promote green procurement concepts, help suppliers enhance their core market competitiveness and drive sustainable supply chain construction. To further improve sustainable procurement capabilities, the company is building professional systems, cultivating talent and optimizing processes. The procurement team undergoes systematic, ESG-specific training, covering green procurement practices, occupational safety standards, anti-corruption compliance, and supply chain responsibility, in order to raise awareness of sustainable procurement.

### Apeloa Responsible Procurement Principles



#### Prioritizing Procurement of Environmentally Friendly Products

- Reusable or recyclable;
- Sustainably or eco-certified;
- Minimizing negative environmental impact across the product or service lifecycle;
- Minimizing or avoiding packaging usage;
- Minimizing energy, water, and other resource consumption;
- Using recyclable materials.



#### Respecting Human Rights

- Suppliers must comply with all applicable labor and human rights laws and regulations, respect employees' rights, and ensure health and safety;
- Providing safe and healthy working environments, enforcing fair recruitment policies, and prohibiting child labor and forced labor;
- Providing necessary vocational training to ensure occupational health and safety.



#### Promoting Supplier Diversity

- Encouraging procurement from enterprises operated by women, persons with disabilities, ethnic minorities, and veterans. This provides business opportunities for vulnerable and minority groups, helping to build a more diverse and inclusive supply chain and practicing business fairness.

### Case Collaborating with supply chain partners to create a circular green procurement chain

In terms of production side, Apeloa promotes the innovative use of recycled energy in the production of premium DM, leveraging the linkage between waste tire pyrolysis and the refining of pharmaceutical intermediates M and DM. Waste tires are pyrolyzed using fully environmentally friendly equipment to generate combustible gas, meeting the needs of the internal pyrolysis project and supplying energy for pharmaceutical production. This replaces most natural gas consumption. This model realizes the recycling and regeneration of waste resources. Through shared responsibility and collaborative innovation with recyclers and equipment providers, integrates upstream and downstream supply chain partners into carbon reduction chains, thereby supporting national carbon reduction and carbon neutrality goals.

### Supplier Full Lifecycle Management

Apeloa regards its suppliers as strategic partners in building a sustainable value chain. The company is committed to driving sustainable development across the entire supply chain through systematic management, scientific evaluation, and collaborative empowerment. The company has established a full lifecycle management system for suppliers, using systematic mechanisms to ensure they align closely with company strategies relating to compliance, environmental friendliness, and social responsibility. Together, we are building a healthy, resilient, and transparent industry ecosystem.

### Apeloa Supplier Full Lifecycle Management Measures

#### Supplier Onboarding

- ESG-related clauses are incorporated into contract templates during supplier onboarding, based on multiple policies such as the *Raw Material and Supplier Classification Management Regulations* and the *Material Supplier Management System*. These clauses specify detailed requirements on human rights, environmental management, and business conduct.
- To ensure strict adherence to integrity and self-discipline principles during cooperation, all suppliers are required to sign the *Integrity Cooperation Agreement*, fostering an honest, transparent, and sustainable partnership environment.

### Indicators and Goals

In order to realize the vision of a sustainable supply chain, Apeloa has established a systematic set of quantitative indicators and goal management systems. Guided by a long-term strategy, clear, phased milestones are set and continuously tracked, evaluated and improved to ensure the effective implementation of sustainable procurement principles.

Long-term Goals	2025 Indicator Progress
<p><b>By 2030</b></p> <ul style="list-style-type: none"> <li>100% of suppliers will have signed contracts including social and environmental clauses</li> <li>100% of procurement personnel will have received sustainable procurement awareness training</li> <li>100% of key suppliers will have signed integrity cooperation agreements</li> <li>100% of target suppliers will have signed the <i>Supplier Code of Conduct</i> and completed social responsibility questionnaires.</li> </ul>	<ul style="list-style-type: none"> <li>99.70% of domestic suppliers sign contracts including social and environmental clauses</li> <li>100% procurement personnel receive sustainable procurement awareness training</li> <li>100% key suppliers sign integrity cooperation agreements</li> </ul>

In the qualified supplier directory	2025
<ul style="list-style-type: none"> <li>99.70% Domestic suppliers</li> <li>0.30% Foreign suppliers</li> </ul>	<ul style="list-style-type: none"> <li>228 Suppliers audited</li> </ul>

The company has formulated the *Supplier Code of Conduct*, which outlines requirements relating to social responsibility, labor and human rights, the environment, business ethics, and sustainable procurement. It has also established the *Supplier Corporate Social Responsibility (CSR) Self-Evaluation Form* and *Supplier CSR Management Procedure* to encourage suppliers to adhere to sustainable development principles in their daily operations.

Supplier Performance Assessment	Supplier Empowerment	Supplier Exit
<ul style="list-style-type: none"> <li>The company has established the <i>Supplier Performance Assessment Plan</i> to create a system for evaluating the performance of suppliers in a responsible manner. This system covers cost, delivery timeliness, quality, ESG, technology and innovation, service, and compliance;</li> <li>Regular audits of suppliers are conducted through qualification reviews, questionnaires, and on-site inspections. Key material suppliers are audited on-site every three years or as required. Written audit rectification notices are issued for identified deficiencies, requiring suppliers to respond within set deadlines.</li> </ul>	<ul style="list-style-type: none"> <li>Regularly organize supplier sustainability seminars to communicate the company's sustainable procurement standards and implementation guidelines, exchange industry best practices, and enhance suppliers' ESG management capabilities;</li> <li>Based on the supplier's performance evaluation results, we jointly develop improvement plans. By helping suppliers quickly meet compliance requirements, optimize management systems, and providing professional training, we enhance their ability to identify and respond to new requirements and risks, thereby improving their performance in environmental and social responsibility.</li> </ul>	<ul style="list-style-type: none"> <li>If suppliers violate the <i>Sustainable Procurement Management Regulations</i> or <i>Supplier Code of Conduct</i>, the company will take corrective measures based on the severity of the violation. These measures may include warnings, deadlines for rectification, reduced or suspended procurement, the initiation of third-party audits, or termination of cooperation.</li> </ul>

# Win-Win Cooperation

ApeloA firmly believes that if you want to go fast, go alone; if you want to go far, go together. Adhering to the concepts of openness, collaboration and win-win, in 2025 the company actively built a multi-level, multi-dimensional strategic ecosystem with professional academic institutions, industry-leading companies and key partners across the industrial chain. Through deepening industry-university-research integration, participating in the establishment of industry standards, strengthening industrial chain coordination and expanding international networks, ApeloA promoted technological progress, ecological prosperity and high-quality industry development.

## ApeloA Expands Strategic Cooperation Ecosystem

### Deepening Strategic Coordination, Advances Industrial Innovation

Establishing a strategic cooperation agreement with AnDicon Bio, leveraging the core capabilities of ApeloA's CDMO division in terms of rapid delivery, international quality systems and stable supply. This will help provide one-stop services for Anticor Bio's innovative pipelines in the anti-influenza and CNS fields, and will accelerate the launch of innovative medicines in China.



Strategic Cooperation with AnDicon Bio



Deepened Industrial Cooperation with China Resources Henan Pharmaceutical

This deepens the company's industrial cooperation with China Resources Henan Pharmaceutical, marking its progress from upstream manufacturing towards strategic coordination with major pharmaceutical commercial platforms. Together, they are exploring efficient collaboration models covering everything from R&D and production to commercial distribution.

Awarded Hinova Pharma Annual Outstanding Cooperation Supplier for three consecutive years. This recognition from the customer affirms the company's long-term service value and partnership, and acknowledges our technical expertise, project delivery quality, and customer-centric service philosophy.



Awarded Hinova Pharma Annual Excellent Cooperation Supplier for Three Consecutive Years

### Participating in Standard Development, Leading Industry Norms

Participating in drafting China's first CDMO workshop construction standard, which filled a domestic gap and provided key technical support for the standardized, and high-quality development of CDMO workshop.



Participating in Drafting China's First CDMO Workshop Construction Standard

### Linking Academic Institutions, Integrating Frontier Science and Industry

Engaging in dialogue with scholars from the Scripps Research Institute on frontier topics in organic chemistry, such as the total synthesis of natural products and C-H bond activation, and exploring the advantages of industrialization, paving the way for future collaboration in the synthesis of complex molecules and green chemistry.



Exchange Visit to Shenzhen Institute of Advanced Technology, Chinese Academy of Sciences

Visiting the Shenzhen Institute of Advanced Technology at the Chinese Academy of Sciences to exchange ideas and learn from each other, conducting pragmatic discussions on industrial application potential of synthetic biology in green drug manufacturing and biosynthesis of high-value compounds, exploring integration of research institutions' R&D advantages with company industrial capabilities to jointly promote industrialization of synthetic biology technologies.

### Contributing Chinese Manufacturing Wisdom at Industry Forums

Exhibiting at top domestic and international industry shows and participating in the following events: CPHI Frankfurt (Germany), CPHI China (Shanghai), API China & PHARMCHINA (Guangzhou), CMC-CHINA (Suzhou), DCAT WEEK (USA), Chemspec Europe (Germany), and the Medicine Innovation Circle Innovators Summit. The company is actively engaged with global pharmaceutical companies, traders, and peers to develop deeper connections and expand international cooperation opportunities. At CPHI China 2025, the company won the "Leading Enterprise in Pharmaceutical Internationalization" award.



ApeloA Attends Medicine Innovation Circle Innovators Summit



ApeloA Showcases at Guangzhou API China & PHARMCHINA 2025

# Talent Development

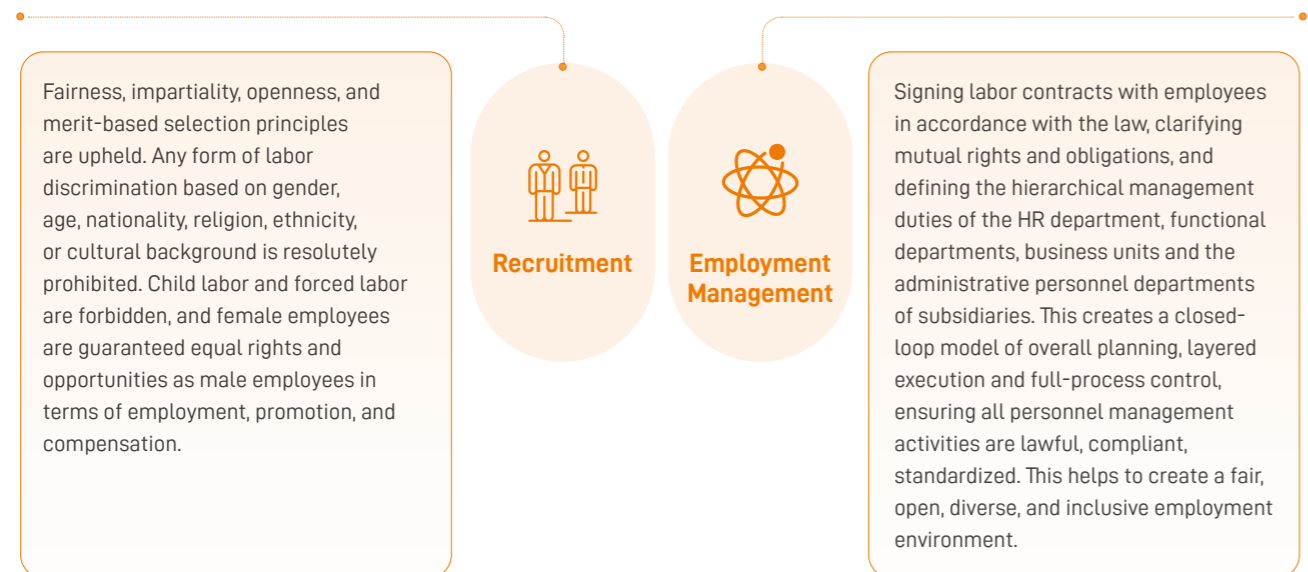
Apeloa upholds the core values of "co-creation, co-ownership, common prosperity and sharing," and is committed to the people-oriented philosophy of "serving organizations, talents, and employees." This approach transforms traditional administrative human resources management into a strategic, full lifecycle system, enabling the company and its employees to develop together.

## Safeguarding Employee Rights

Apeloa strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Rights and Interests of Women*, and other laws and regulations. The company is committed to equal employment opportunities, has refined its compensation and performance management system, and promotes democratic management. It also creates an equal, safe, and healthy working environment. By 2025, the company had no records of lawsuits or judicial labor disputes caused by labor conflicts.

### Equal Employment

The company adheres to the core principles of equal employment and compliance management. It follows the "Human Resources Internal Control Implementation Rules," and has built a standardized governance framework that covers recruitment, hiring, appointment, and exit throughout the entire employee career lifecycle.



2025

**6,787**

Total employees

**26%**

Female managers

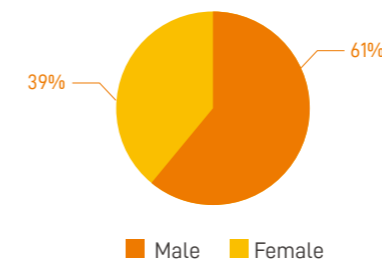
**0.80%**

Disabled employees

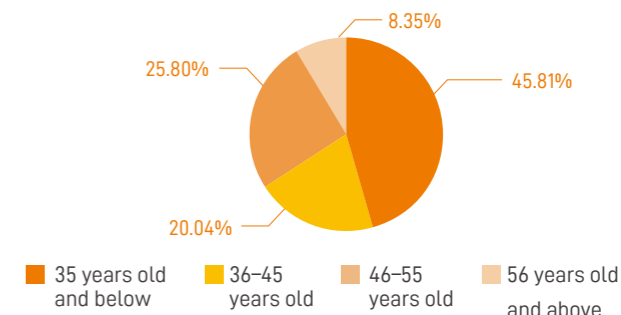
**85.04%**

Cadres with bachelor's degree or above

Employee Gender Composition



Employee Age Composition



### Compensation and Benefits

The company uses a market-based salary structure, setting salaries according to position and ability, and operates with confidentiality principles. There are six salary grades across the company. The salary structure comprises base salary, performance pay, and welfare subsidies. A performance-linked salary adjustment mechanism distinguishes between overall and individual adjustments, ensuring that compensation aligns with employee contribution and industry competitiveness.

The company lawfully contributes to the social insurance and housing provident funds of contracted employees. Contribution levels are tiered by job level and adjusted annually in accordance with local policies. Female employees enjoy maternity insurance during their leave; and male employees whose spouses are unemployed or uninsured may apply for reimbursement of maternity subsidies. The company also provides social insurance subsidies, covering 50% of the social insurance costs for employees with registered disabilities. The welfare subsidy system also covers holiday gifts, confidentiality allowances, nutrition allowances, high-temperature subsidies, transportation allowances, communication subsidies, accommodation subsidies, and free or subsidised meals, providing comprehensive support for employees' work and life needs.

2025

- **100%** of employees underwent regular performance and career development assessments
- Social insurance coverage rate was **100%**
- **8** employees took maternity leave during the year
- **100%** returned to work after maternity leave

### Democratic Management

The company is committed to democratic management, centered on the staff representative assembly. It periodically organizes meetings to establish a two-way communication channel between the enterprise and its employees. It actively encourages employees to participate in corporate decision-making and make suggestions, thereby improving management efficiency steadily.

To ensure an efficient response to employee appeals, the company has established multi-channel complaint mechanisms. Employees who encounter issues may report them to their direct supervisors, or submit appeals to the labor union committee, or contact the human resources department. Each appeal is assigned to a dedicated person who is responsible for providing updates on progress and final results to employees promptly.

2025

**99%**

The employee union membership rate

**1**

Staff representative conference

**405**

Suggestions for employee rationalization were adopted

**900**

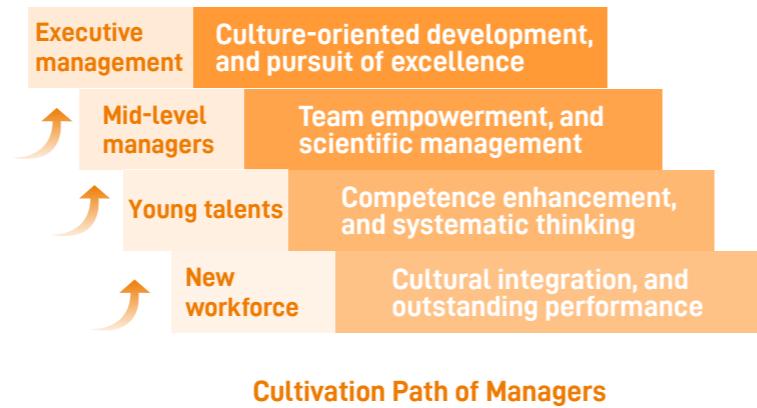
Employees participated in union activities

## Supporting Employee Growth

Apeloa regards employee growth as the driving force behind corporate development, focusing on building a clear and diversified career development system, as well as a comprehensive training and empowerment mechanism, to provide a solid platform for employees to expand their growth opportunities and realize their full potential.

### Employee Development

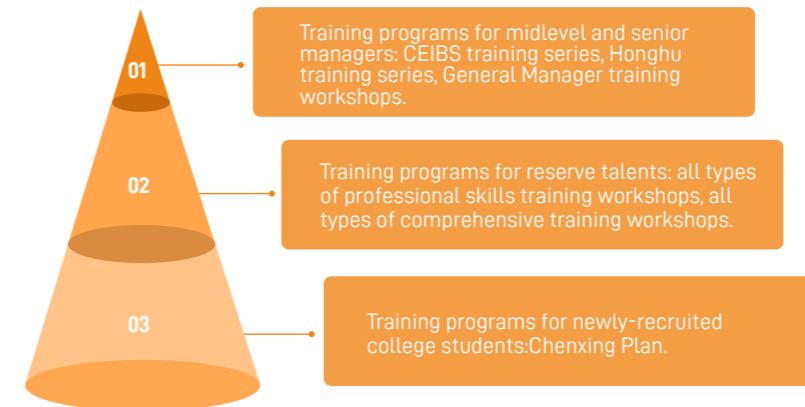
The company prioritises talent team building at a strategic level, managing the entire career development lifecycle. It designs tiered growth pathways with a focus on integration, learning, experience and retention for employees at all levels, helping them to achieve capability advancement and value enhancement at different stages; meanwhile, it focuses on building a talent pipeline through scientific job design, precise talent profiling, and standardized qualification management. This clearly guides employees' career development and opens multidimensional promotion channels in management, research, quality and technology, ensuring that employee growth resonates with corporate development.



Development Path of Skilled Talents	
Classification	Professional titles
M-management, level 17	Deputy director, deputy head of department, chairman
R-research, level 20	Researcher, chief researcher, chief scientist
Q-quality, level 20	Junior analyst, senior analyst, chief scientist
A-administration, level 16	Clerk, administrator, chief administrator
T-technician, level 16	Intermediate worker, technician, chief technician
ME-manufacturing engineer, level 16	Junior ME, intermediate ME, chief ME

### Employee Training

In order to empower employee growth and facilitate high-quality corporate development, the company has established Apeloa Academy, which provides a comprehensive training system covering all levels and tailored to multiple groups. Focusing on the career development needs of middle and senior managers, frontline managers, and new university hires, the academy adopts a systematic "three-step" process to plan course categories precisely, ensuring all employees receive professional training adapted to their needs. This training comprehensively enhances core professional competence and overall job performance. To strengthen skill development, the company regularly organizes targeted knowledge training and practical competition platforms, including technical contests, to promote learning through competition and improve skills, helping employees to hone their job abilities.



Training Programs for Apeloa Employees at Different Levels

2025

**696,126**  
Total employee training hours\*

**100%**  
Employee training coverage rate

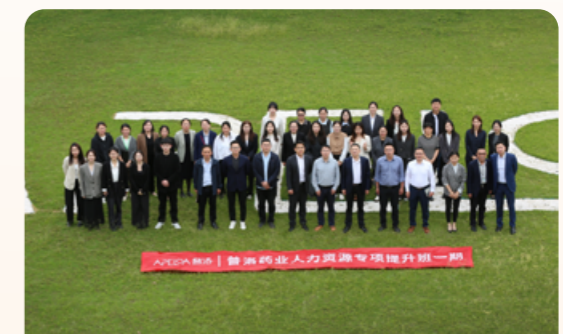
**103**  
Average training hours per employee

Over **17.1** million yuan  
Total investment in employee training



### Case Empowering human capital, building corporate culture

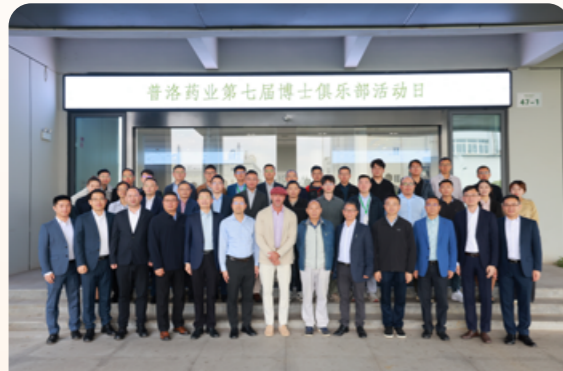
In 2025, Apeloa launched the first phase of a special HR enhancement program themed "Empowering Human Capital, Building Corporate Culture." The program offered courses such as "Improving Workforce Efficiency and Performance Management Practices" and "Cost Management in Financial Management," which addressed the need for organizational change and digital transformation. It helped HR professionals to develop their expertise and strategic thinking skills. During implementation, participants actively engaged in learning and practical application, maintaining high levels of satisfaction, pass rates, and graduation rates while gaining practical experience to improve HR efficiency.



\* Data coverage limited to domestic companies only.

**Case "Doctoral Club" activates development momentum**

In October 2025, Apeloa held the 7th "Doctoral Club" event in a hybrid online-offline format. Nearly 70 key staff from the company's doctoral program, as well as core executives and top domestic and international experts, gathered for academic discussions, industry exchanges, and management sharing. Since its founding in 2019, the "Doctoral Club" has become a significant platform for the exchange of high-level talent, promoting the integration of interdisciplinary knowledge internally and expanding the vision of innovation through top scholars, thereby accelerating the upgrade of innovation ecosystem and strengthening core competitiveness.



**Case Tospo Pharmaceutical initiates specialized training for automation technology talent**

In March 2025, Tospo Pharmaceutical launched its first specialized training program in automation technology, convening 23 frontline technical personnel from the fields of instrumentation, electrical engineering, DCS, and manufacturing engineering. The training program began with a module entitled "Principles and Applications of Automatic Control System Components," which used industrial scenarios to help trainees develop their knowledge. The two-year program combines theory and practice, covering advanced topics such as chemical automation safety standards, intelligent control system development, and AI industrial applications. The program focuses on system design and complex problem-solving skills in order to prepare trainees for intelligent manufacturing upgrades.



**Case 2025 "Morning Star Program" relaunch**

In July 2025, Apeloa held the launch ceremony for the 2025 "Morning Star Program", gathering 467 new graduates to begin their careers. The event featured multi-dimensional training with a focus on contemporary awareness and self-positioning, company development history and culture, and an in-depth explanation of the "Employee Code of Conduct." New employees visited the company exhibition hall and digital technology center to gain an understanding of the company's development context and global R&D and production dynamics. The rich training content and warm encouragement helped new employees to integrate quickly and contribute fresh energy to the implementation of the company's 2030 strategy.



**Focus on Health and Safety**

Apeloa prioritizes employee health and safety, continuously improving its safety management and occupational health systems. By strengthening proactive risk prevention, enhancing emergency response mechanisms and optimizing health protection measures, the company is building a comprehensive, multi-dimensional network for safety and health protection. This provides a safe and healthy work environment that complies with all relevant regulations, and, effectively safeguards the physical and mental health and occupational safety of each employee.

**Governance**

The company has established a comprehensive EHS responsibility system, characterized by "layered accountability and the principle that everyone is responsible and accountable for their duties." It has set up a Safety and Environmental Protection Committee to coordinate strategic planning and emergency response. This committee is responsible for deeply integrating health and safety throughout the R&D, production and storage processes. The result is a governance system that firmly anchors safe and stable operations throughout the entire chain.



According to the guidelines for process safety management, safety production standardization, environmental management systems, and occupational health and safety systems requirements, combined with the company's business characteristics, a four-level system has been compiled: the "Environmental Occupational Health and Safety Management Manual, EHS procedural documents, operating procedures, and record forms." Through safety standardization and certifications for related management systems, the company strengthens its institutional foundations for safe production.

The company has established a three-level safety responsibility assessment system that spans Apeloa, its subsidiaries and departments. This system implements monthly, quarterly, and annual responsibility letter assessments to ensure that safety responsibilities are fulfilled at all levels. The company performs multi-dimensional statistical analysis of the implementation of system elements across functional departments, based on process safety management requirements. This enables it to accurately identify shortcomings and formulate targeted improvement plans, promoting continuous advancement of management levels and closure of responsibilities.

## Strategy

The company proactively identifies multiple health and safety risks encountered during production and operation, and recognizes development opportunities such as compliance upgrades, intrinsic safety improvements, and sustainable operations. It integrates responses to risks and opportunities into long-term corporate strategy, formulating management strategies centered on systematic control, full-cycle prevention, and collaborative advancement.

### Identified Major Health and Safety-Related Risks and Response Strategies

Risk Category	Risk Description	Potential Financial Impact	Response Strategy
 <p><b>Risk of Stricter Policies and Regulations</b></p>	<ul style="list-style-type: none"> <li>Continuous improvement in safety, production and occupational health regulations, as well as an increase in regulatory intensity and enhanced integration of environmental protection and safety management requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Increased compliance costs, possible administrative penalties and production restrictions.</li> </ul>	<ul style="list-style-type: none"> <li>Establish a system for tracking regulations and updating the system, strengthen the construction of the compliance management system, and conduct company-wide compliance training.</li> </ul>
 <p><b>Process Safety Risk</b></p>	<ul style="list-style-type: none"> <li>The chemical synthesis of pharmaceuticals involves high risks such as high temperatures, high pressures toxic or hazardous media; uncontrolled reaction heat or equipment leakage may cause safety incidents.</li> </ul>	<ul style="list-style-type: none"> <li>It causes personnel injury and property loss, and affects production continuity.</li> </ul>	<ul style="list-style-type: none"> <li>Use scientific risk analysis tools to develop graded control systems and deploy automated monitoring and protection systems; strengthen research into process safety technology.</li> </ul>
 <p><b>Occupational Health Risk</b></p>	<ul style="list-style-type: none"> <li>There exist occupational hazards associated with dust, noise, and exposure to toxic or harmful substance during production.</li> </ul>	<ul style="list-style-type: none"> <li>Disputes over employee health impairment and occupational diseases are impacting workforce stability.</li> </ul>	<ul style="list-style-type: none"> <li>Regularly conduct occupational disease hazard identification and detection to improve labor protection and health monitoring systems, and optimize protective measures in the working environment.</li> </ul>
 <p><b>Emergency Management Risk</b></p>	<ul style="list-style-type: none"> <li>Sudden incidents such as hazardous chemical leaks and fires may trigger chain reactions, and an improper emergency response can increase losses.</li> </ul>	<ul style="list-style-type: none"> <li>The impact of an accident can cause secondary injuries or environmental pollution.</li> </ul>	<ul style="list-style-type: none"> <li>Improve the emergency planning system by implementing dynamic updates enhancing emergency supply reserves and team-building activities, and conduct regular emergency training sessions and drills.</li> </ul>

### Identified Health and Safety Related Opportunities and Response Strategies

Risk Category	Risk Description	Potential Financial Impact	Response Strategy
 <p><b>Policy Support Opportunities</b></p>	<ul style="list-style-type: none"> <li>The national promotion of "dual carbon" goals and ESG development provides policy support and resource preference for healthy and safe enterprises, as well as green production.</li> </ul>	<ul style="list-style-type: none"> <li>Gain policy benefits and lower transformation costs to improve compliance advantage.</li> </ul>	<ul style="list-style-type: none"> <li>Secure resource support by aligning with relevant policies to promote the coordinated advancement of health, safety, energy saving, and carbon reduction, and strengthen ESG-related information disclosure.</li> </ul>
 <p><b>Technology Upgrade Opportunities</b></p>	<ul style="list-style-type: none"> <li>The maturity of automation and digital technologies can improve the accuracy and efficiency of safety management, as well as reducing human risks.</li> </ul>	<ul style="list-style-type: none"> <li>Improve operational efficiency and achieve intrinsic safety.</li> </ul>	<ul style="list-style-type: none"> <li>Promote the application of automation and digital control technologies, build digital safety management and monitoring platforms, and advance safety technical reform projects.</li> </ul>
 <p><b>Market Recognition Opportunities</b></p>	<ul style="list-style-type: none"> <li>As partners and investors increasingly focus on corporate ESG performance; health and safety management is becoming a key consideration in business partnerships.</li> </ul>	<ul style="list-style-type: none"> <li>Boost customer trust, forge quality partnerships and increase brand value.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain the effective operation of compliance management systems, strengthen the disclosure of health and safety performance, build industry benchmark cases, and share experience.</li> </ul>
 <p><b>Industry Collaboration Opportunities</b></p>	<ul style="list-style-type: none"> <li>Improving government-enterprise cooperation and industry exchange platforms enables the sharing of safety management resources and technical expertise.</li> </ul>	<ul style="list-style-type: none"> <li>Enhance industry influence and reduce management costs.</li> </ul>	<ul style="list-style-type: none"> <li>Participate in industry health and safety exchanges and cooperation, build supply chain safety compliance collaboration mechanisms, and engage in discussions about and the promotion of industry standards.</li> </ul>

## Impact, Risk and Opportunity Management

ApeloA focuses on core health and safety issues by improving systems, empowering technology and encouraging cultural immersion. This approach helps to control risks, transform opportunities, and protect the health and safety of employees, while also strengthening the foundation for sustainable operations.

### Production Safety

The company is building a systematic safety production system centered on comprehensive prevention and a full-process closed-loop system. By implementing the "three simultaneities" system, improving risk and hazard governance mechanisms, perfecting emergency plans, and establishing dual-level assessments, it builds institutional foundations. Relying on intelligent monitoring and multi-level inspections, the company forms a full-coverage monitoring network. Together with source evaluations, emergency guarantees, and safety culture development, the company achieves full-chain control from system to execution, preventing production safety risks.



**Formulating Management Systems**

Strictly implement construction project requirements for safety, environmental protection and occupational health and safety facilities, and ensure the "three simultaneities" are met throughout the process by commissioning qualified institutions for equipment design, installation, operation, and monitoring.

Improve risk grading and control systems, as well as hazard investigation and remediation closed-loop mechanisms, standardize the full process of managing risk identification, assessment, control, hazard investigation, and rectification.

Improve comprehensive emergency plans for production safety accidents and special emergency plans for major hazard sources, provide on-site disposal plans that clarify emergency response procedures, responsibilities, and requirements, and complete filing.

Establish a dual-level safety responsibility assessment system between Apeloa and subsidiaries, propagating and rigidly enforcing safety responsibilities through monthly, quarterly, and annual responsibility letter assessments.



**Establish Monitoring Procedures**

Conduct periodical safety status evaluations, environmental monitoring, and occupational hazard factor monitoring during the operation of equipment to ensure the normal functioning of protective facilities.

Use DCS, SIS and GDS automation control systems and toxic and harmful gas leakage monitoring to perform continuous, real-time, and 24-hour monitoring of high-risk equipment and processes. This will allow us to promptly capture abnormal parameters and safety risks.

Conduct regular multi-level safety inspections at the holding company, subsidiaries, and higher authorities; track risk changes and hazard rectifications dynamically to build a comprehensive monitoring system with no blind spots.



**Take Management Measures**

Conduct comprehensive safety and environmental risk assessments, rely on CNAS-certified safety laboratories to strengthen key research areas such as chemical reaction heat risks and minimum ignition energy of dust, establish a technical expert team to oversee safety and environmental risks throughout the entire production process, and fully implement process safety assessment methods, such as HAZOP and LOPA to reduce risks at source.

Establish a safety and environmental protection committee and build EHS management organizations that cover subsidiaries, professional emergency teams, and standardized emergency material warehouses, equip emergency facilities such as mini fire stations, regularly organize fire and industrial injury rescue drills and skills competitions to improve the ability to respond to emergencies quickly and efficiently.

Hold regular annual themed activities such as the "First Lesson of Work Safety" and Safety Production Month, organize various safety training sessions to continuously strengthen employee safety awareness, promote deep-rooted safety concepts, and foster an atmosphere of safety management involving full participation and responsibility.



Apeloa 8th "Ankang Cup" emergency skills competition



Tospo Pharmaceutical emergency rescue team regular training



Tospo Pharmaceutical new employee fire equipment use and skills training



Apeloa Hanxing organizes integrated emergency drills for production safety accidents



Zhejiang Biotechnology emergency equipment practical operation and assessment

**Case Tospo Pharmaceutical conducts business continuity training**

Business continuity is the core capability for responding to emergencies and ensuring the continuity of critical business operations, covering business impact analysis, risk assessment, recovery planning, business continuity planning, and resource guarantees. In March 2025, Tospo Pharmaceutical invited experts to deliver specialized business continuity training. Personnel from manufacturing, engineering, quality, EHS departments and Apeloa EHS supervision and related representatives from sister companies attended.



**Case Shandong Tospo holds "First Lesson of Work Safety" training activity**

In 2025, Shandong Tospo organized a "First Lesson of Work Safety" training session for all employees, divided into departments and groups, laying a solid foundation for safety production in the new year. The training focused on providing systematic and professional safety education, promoting the company's safety culture and strengthening employees' awareness of safety boundaries and risk prevention. By combining ideological empowerment with theoretical and practical integration, the training effectively prevented safety incidents and ensured smooth production throughout the year.

**Occupational Health**

The company prioritises the occupational health of its employees by establishing a comprehensive management system that covers institutional norms, risk prevention and condition optimization. It has established a series of special systems and regularly conducts occupational disease hazard monitoring and employee health examinations. It has standardized the provision of personal protective equipment and reduced exposure risk through process optimization. The company has clarified that its core goals are to achieve zero occupational disease incidents and zero occupational health administrative penalties, thereby providing comprehensive protection for employees' physical and mental health.



Jiayuan Pharmaceutical "Occupational Health and Safety Management System Certification" certificate



Kangyu Pharmaceutical "Occupational Health and Safety Management System Certification" certificate

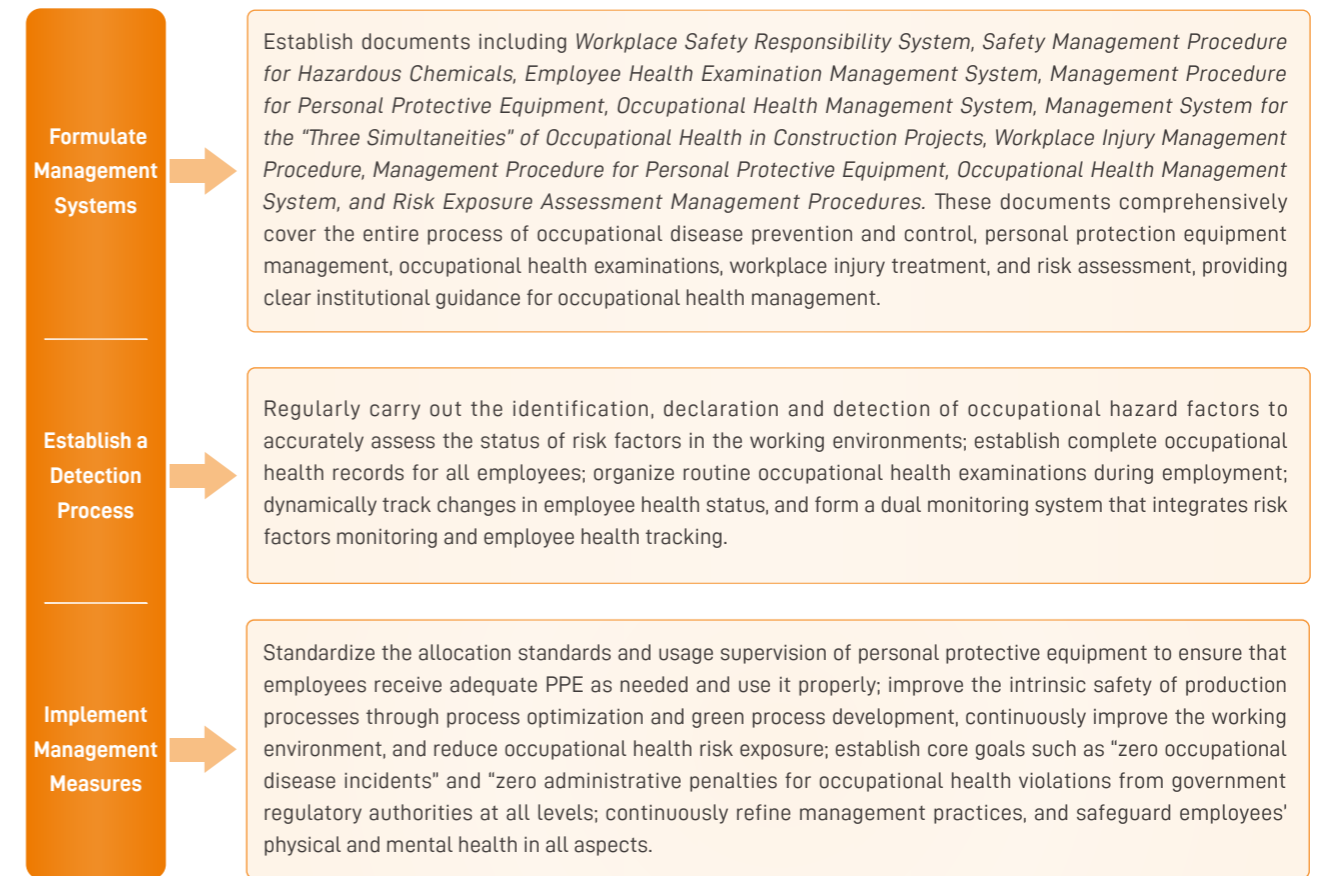


Zhejiang Biotechnology "Occupational Health Compliance Enterprise" certificate

**Case Tospo Pharmaceutical organizes first aid and occupational health knowledge lectures**

In 2025, Tospo Pharmaceutical focused on enhancing employees' physical and mental health and emergency response capabilities. The company invited experts from Hangzhou Ke'an Health Management Service Department to conduct targeted training. The program covered health topics such as chronic disease prevention and the alleviation of modern occupational diseases, while also addressing the critical need for emergency response during the 4-6 minute "golden rescue window" following accidental injuries. It provided systematic instruction on emergency rescue techniques for sudden incidents, reinforced through hands-on practice with simulation mannequins and live demonstrations. This training not only raised employees' health awareness and improved work efficiency through health knowledge dissemination, but also strengthened their emergency response skills, thereby reducing the risk of sudden accidents. At the same time, it fulfilled the corporate responsibility of "educating one person, influencing one family; training one unit, benefiting society." In doing so, it solidified the human health foundation for the company's steady development and offered a practical model for occupational health management within the industry.

**Occupational Health Protection Measures**



**Indicators and Targets**

Category	Progress Toward 2025 Goals
<b>Safety Production</b>	Zero fire and explosion accidents; zero fatal accidents; zero disability accidents of Level 5 or above; zero safety-related administrative penalties from government regulators.
<b>Occupational Health</b>	Zero occupational disease incidents; 100% coverage of occupational health examinations; 100% coverage of occupational injury insurance; 100% coverage of personal protective equipment; and a lost workday injury rate of 0.21% per 200,000 work hours.
<b>Training and Compliance</b>	2,665 safety training sessions; 100% safety training coverage rate; 100% of special operation personnel hold required certificates for their posts.
<b>Emergency Management</b>	365 safety emergency drills; 100% emergency plan filing rate.
<b>Systems and Technology</b>	The ISO 45001:2018 Occupational Health and Safety Management System is effectively implemented, and 6 subsidiaries have obtained certification.

## Caring for Employee Life

Apeloa diversifies its welfare benefits and organizes a variety of cultural and sports activities, continuously supporting the growth of employees and children in the community. Through comprehensive, warm, and people-oriented initiatives, it strengthens employees' sense of belonging and happiness, building a harmonious and inclusive corporate family.

### Employee Activities

The company embraces a distinctive culture of "Happy Learning, Happy Exercise, Happy Work," enriching employees' spiritual and cultural lives, strengthening team cohesion, and building a multi-dimensional employee event system that includes cultural and sports competitions, festival-specific activities, and skill contests. This enables employees to foster teamwork through competition and experience growth through participation, creating a positive and harmonious corporate atmosphere.



Participated in the 10th Hengdian Group Staff Sports Meeting, winning first place in team overall score and the Outstanding Organization Award



Tianliwei Running Team participated in the Hengdian Group 2025 Spring Healthy Run, again winning the men's and women's group championships



Defended the championship of the Jinhua City pharmaceutical industry basketball tournament



Held the annual staff tug-of-war competition in Hengdian Film Industry Experimental Zone

### Honor



Tianliwei Running Team awarded provincial-level Excellent Interest Group



### Case Tianliwei Running Team celebrates the 10th anniversary of Hengma Run

In November 2025, coinciding with the 10th anniversary of the Hengma Run, Apeloa's Tianliwei Running Team celebrated its 11th anniversary. Adhering to the philosophy of joyful exercise, the team grew from 34 members to about 1,500 members, spanning multiple provinces and cities across China, and established an overseas branch in Boston, forming the prototype of an international running team. The event showcased team cohesion and positive energy while promoting the national fitness concept. Apeloa simultaneously mobilized 270 volunteers, 35 traffic security personnel, and more than ten emergency runners to ensure race safety, embodying the corporate mission of "Happy Exercise, Serving Health," and highlighting corporate social responsibility and brand warmth.



Employees participated in the 2025 Hengdian Marathon

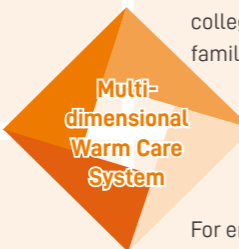
### Case Organized the 2025 staff sports series events

In May 2025, Apeloa held its staff sports competitions series, featuring badminton, basketball, swimming, volleyball, and table tennis. Functional departments, business units, and subsidiaries in Hengdian formed teams to compete, showcasing employees' vigorous spirit and teamwork. The series not only fostered a fitness-for-all atmosphere but also sharpened employees' resolve and consolidated team strength, transforming competitive spirit into momentum for work innovation and injecting vitality into sustained corporate development.



## Employee Care

Based on the *Apeloa Pharmaceutical Co., Ltd. Union Consolation System*, the *Charter of the Apeloa Pharmaceutical Co., Ltd. Love Fund*, and various competition reward standards, the company has built a multi-dimensional, warm employee care system that enhances employees' sense of belonging and happiness through comprehensive and wholehearted welfare guarantees.



**Multi-dimensional Warm Care System**

We provide appropriate support during key life events such as employee birthdays, marriages, and retirements, as well as in difficult circumstances including hospitalization of employees or their relatives, and bereavement.

For employees' children progressing to higher education, targeted rewards of 2,000 yuan and 1,500 yuan are provided for admission to top-tier prestigious universities and "Double First-Class" institutions, respectively. Corresponding incentives are also offered for admission to other undergraduate programs and relevant vocational colleges. Children from designated surrounding community families are also eligible for these reward policies.

Employees who win awards in internal or external cultural, sports, and skill competitions, as well as those who participate in amateur training or rehearsals, are eligible for corresponding bonuses or subsidies.

For employees experiencing financial difficulty, the Love Fund offers special hardship assistance of up to 50,000 yuan to cover major illnesses, natural disasters, accidents, and other hardships, in addition to helping them apply for higher-level subsidies.


**2025**

- Financial assistance was provided to **31** employees in difficulty, with a total of **225,000** yuan allocated
- 49** hospital visits to employees were made, amounting to **15,000** yuan
- 39** marriage congratulatory gifts were given, totaling **23,400** yuan

- 129** condolence payments were made for employee deaths, totaling **109,800** yuan
- 3,548** employees participated in the "Employee Mutual Aid Program"

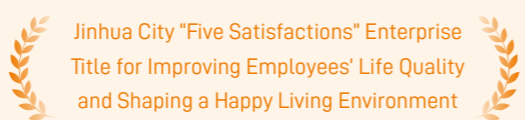
**By 2025**

- The Love Fund had disbursed **850,300** yuan benefiting **1,099** people



**Honor**

Jinhua City "Five Satisfactions" Enterprise Title for Improving Employees' Life Quality and Shaping a Happy Living Environment



## Community Involvement

Apeloa adheres to the philosophy of balancing development with dedication, actively fulfills its corporate social responsibilities, and builds a bridge for enterprises--community integration through diverse public welfare initiatives. The company regularly participates in the creation of civilized cities, organizes group voluntary blood donations, proactively makes drug donations during major public health events, and has established the "Apeloa Scholarship" for many years. Through these heartwarming measures, Apeloa gives back to society, demonstrating its corporate responsibility and warmth.

**Honor**



Honored to be listed on the 2024 Jinhua City Voluntary Blood Donation Honor Roll (group)

**By 2025**

- A total of **1,088** person-times have participated in blood donations, with a total donation volume of **368,500** milliliters
- The cumulative "Apeloa Scholarship" disbursement has exceeded **700,000** yuan benefiting more than **800** students

### Case Held the 2025 "Apeloa Scholarship" awarding ceremony

In August 2025, Apeloa held the "Apeloa Scholarship" award ceremony, where 62 employees' children and children from surrounding communities who had been admitted to universities, along with their parents, gathered to witness this moment of honor. Since its establishment in 2012, the scholarship has benefited more than 800 students, with cumulative disbursements exceeding 700,000 yuan. As a vivid manifestation of the company's "people-oriented" philosophy, the scholarship not only provides material support but also carries deep aspirations for the growth and success of the next generation. It gives back to employees and the community for their long-standing support and builds a bridge of enterprise-community integration through this heartfelt initiative.



# Looking Ahead



Stay confident and move forward with innovation. 2026 is a pivotal year for deepening the implementation of Apeloa's 2030 development strategy, and it will also serve as a test of the company's achievements over the past year in executing the strategy of "refining APIs, strengthening CDMO, producing high-quality pharmaceuticals, and expanding into medical aesthetics." The company will continue to deeply integrate ESG concepts throughout its entire business chain, adhere to the principle of green and low-carbon development, increase R&D investment and global innovation collaboration, optimize talent development ecology and occupational health protection, and further advance responsible supply chain construction and philanthropic practices. With more robust governance and more pragmatic actions, Apeloa will fulfill its mission of "Technology for Health" work with partners to create a sustainable future for the healthcare industry, steadily progress toward the goal of becoming a global leading technology-driven pharmaceutical manufacturing and service provider, and contribute even greater Apeloa strength to the cause of human health.



## Key Performance

### Environment

Topics	Indicators	Units	2025	2024
Resource Utilization and Circular Economy	Total energy consumption	Ten thousand tons of standard coal	13.27	14.45
	Revenue energy consumption intensity per 10,000 yuan	Tons of standard coal/10,000 yuan revenue	0.1356	0.1201
	Natural gas	Cubic meters	3,064,534	/
	Gasoline	Liters	84,532.35	/
	Diesel	Liters	240,092.18	/
	Purchased standard electricity (excluding purchased green power and photovoltaic)	Kilowatt-hours	392,982,192	/
	Purchased thermal energy	Tons	853,121.11	/
	Self-owned photovoltaic power generation	kWh	1,739,255	/
	Renewable energy consumption	Tons of standard coal	225.93	2,458
	Total water consumption	Ten thousand tons	413.11	440
	Water resource consumption intensity	Tons/ten thousand yuan revenue	4.22	3.78
Waste treatment	Industrial wastewater discharge	Ten thousand tons	292.71	307.70
	Industrial wastewater reduction	Ten thousand tons	14.98	/
	COD discharge in wastewater	Tons	709.32	830.46
	Ammonia nitrogen discharge in wastewater	Tons	17.14	24.82
	Concentration of pollutants in wastewater - COD	mg/L	242.33	269.89
	Concentration of pollutants in wastewater - ammonia nitrogen	mg/L	5.86	8.07
	Industrial exhaust gas emissions	Ten thousand cubic meters	153,079.03	158,960.57
	Nitrogen oxides (NOx) emissions	Tons	35.87	66.97
	Sulfur oxides (SOx) emissions	Tons	16.20	12.96
	Volatile organic compounds (VOCs) emissions	Tons	25.37	75.74
	Particulate matter/PM	Tons	1.73	3.17
Exhaust gas compliance emission rate	%	100	100	

Topics	Indicators	Units	2025	2024
Waste treatment	Hazardous waste generated	Ten thousand tons	5.23	6.49
	Hazardous waste generation intensity	Tons/ten thousand yuan revenue	0.053	0.054
	Hazardous waste classification and compliant disposal rate	%	100	100
	General Industrial solid waste generation	en thousand tons	2.21	2.07
	Classification and compliant disposal of general industrial solid waste	%	100	/
Response to Climate Change	Scope 1 greenhouse gas emissions	Tons of CO <sub>2</sub> equivalent	75,759.82	10,402.04
	Scope 2 greenhouse gas emissions	Tons of CO <sub>2</sub> equivalent	488,651.22	605,213.80
	Total greenhouse gas emissions (Scope 1 and Scope 2)	Tons of CO <sub>2</sub> equivalent	564,411.04	615,615.84
	Greenhouse gas emission intensity per ten thousand yuan revenue	Tons of CO <sub>2</sub> equivalent/ten thousand yuan revenue	0.58	0.51
	Greenhouse gas emission reduction (Scope 1 and Scope 2)	Tons of CO <sub>2</sub> equivalent	51,204.81	/
Environmental Compliance Management	Environmental training sessions	Times	134	154
	Environmental training participants	Participants	5,841	6,109
	Total environmental protection investment	Ten thousand yuan	6,644.49	/
	Energy-saving project investment	Ten thousand yuan	1,639.30	/

## Society

Indicator	Unit	2025	2024
R&D investment	Hundred	6.59	6.41
R&D investment as percentage of main business revenue	%	6.74	5.33
R&D personnel	Persons	1,326	1,156
Proportion of R&D personnel	%	19.54	16.85
Authorized invention patents	Items	11	7
Number of factories passing drug GMP compliance inspection	Units	7	7
Number of product recalls	Times	0	0
Total number of employees	Persons	6,787	7,060
Percentage of female management	%	26	24.90

Indicator	Unit	2025	2024
Percentage of employees with disabilities	%	0.80	0.45
Employee turnover rate	%	20.79	17.88
Formal employees' labor contract signing rate	%	100	100
Social insurance coverage rate	%	100	100
Average paid annual leave days	Days	7.27	7.33
Number of employee training sessions	Person-times	Over 400,000	Over 200,000
Employee training hours	Hours	696,126	587,841
Quality training sessions	Times	18,034	9,333
Number of participants in quality training	Person-times	392,428	193,554
Safety training sessions	Times	2,665	768
Number of participants in safety training	Person-times	94,608	42,102
Safety emergency drills	Times	365	323
Occupational injury insurance coverage rate for practitioners	%	100	100
Lost time injury rate per 200,000 work hours	%	0.21	0.18
Number of work-related fatalities	Persons	0	0
Work-related fatality rate	%	0	0
Cumulative blood donation volume	Ten thousand milliliters	36.85	36.22
Number of audited suppliers	Firms	228	260
Signing rate of <i>Integrity Cooperation Agreement</i> with key suppliers	%	100	100

## Governance

Indicator	Unit	2025	2024
Operating revenue	Hundred million yuan	97.83	120.22
Total assets	Hundred million yuan	123.18	127.29
Total tax paid	Hundred million yuan	6.68	6.36

Indicator	Unit	2025	2024
Company market value	Hundred million yuan	188.48	190.13
Number of board discussions on ESG matters	Times	1	/
Board meetings	Times	8	6
Board meeting agenda items	Items	57	/
Board meeting attendance rate	%	100	/
Shareholders' meetings	Times	2	1
Shareholders' meeting agenda items	Items	23	/
Special committee meetings	Times	10	9
Special committee agenda items	Items	12	9
Number of proposals and reports reviewed by the "Three Meetings (Shareholders' Meeting, Board of Directors, Audit Committee)"	Items	94	68
Number of female directors	Number of persons	1	/
Percentage of female directors	%	11.11	/
Independent directors	Number of persons	3	/
Percentage of independent directors	%	33.33	/
Average tenure of board members	Years	8	/
Reception of various investors and industry analysts	Person-times	775	1,090
Patiently answering questions through investor hotline	Times	200	160
Responding to investor questions via SZSE interactive platform	Items	80	46
Newly covered securities firms	Firms	2	4
Research reports published by securities analysts	Articles	42	43
Periodic reports published	Copies	4	6
Interim announcements	Copies	48	86
Filing documents	Copies	154	129
Cumulative cash dividends	Hundred million yuan	32.25	/

## Indicator Index

### Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)

Dimension	Topic	Clauses	Chapters
Environment	Climate response	Articles 21-28	Climate Action
	Pollutant discharge	Article 30	Pollution Prevention and Control
	Waste disposal	Article 31	Pollution Prevention and Control, Efficient Utilization of Resources
	Ecosystem and biodiversity protection	Article 32	Biodiversity Conservation
	Environmental compliance management	Article 33	Special Topic: Environmental Compliance Management: Building the Cornerstone for Green Transformation and High-Quality Development
	Energy utilization	Article 35	Efficient Utilization of Resources
	Water resources utilization	Article 36	Efficient Utilization of Resources
	Circular economy	Article 37	Efficient Utilization of Resources
	Rural revitalization	Article 39	Community Involvement
	Social contributions	Article 40	Community Involvement
Society	Innovation	Article 42	Special Topic: Empowering All Businesses with AI, Driving High Efficiency through Innovation
	Ethics of science and technology	Article 43	Innovation-driven
	Supply chain security	Article 45	Special Topic: Building a Sustainable Supply Chain
	Equal treatment of SMEs	Article 46	Special Topic: Building a Sustainable Supply Chain
	Product and service safety and quality	Article 47	Quality Products
	Data security and customer privacy	Article 48	Customer Service
	Employees	Article 50	Talent Development
	Due diligence	Article 52	Special Topic: Building a Sustainable Supply Chain
	Stakeholder engagement	Article 53	ESG Management
	Anti-commercial bribery and anti-corruption	Article 55	Business Ethics
Sustainability-related governance	Fair competition	Article 56	Business Ethics

## GRI Standards index

Statement of use	GRI 1 used
	GRI 1: Foundation 2021

GRI Standards	Disclosure	Reference Chapter
GRI 2: General Disclosures 2021	2-1 Organizational details	About This Report
	2-2 Entities included in the organization's sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	About This Report
	2-4 Restatement of Information	N/A
	2-5 External assurance	Assurance Report
	2-6 Activities, value chain and other business relationships	About Apeloa
	2-7 Employees	Talent Development
	2-8 Workers who are not employees	Talent Development, Community Involvement
	2-9 Governance structure and composition	Special Feature: Putting Investors First: Apeloa's Approach to Shareholder Rights Protection
	2-10 Nomination and selection of the highest governance body	Please refer to the "Company Charter" for details
	2-11 Chair of the highest governance body	Please see details on the company's official website
	2-12 Role of the highest governance body in overseeing the management of impacts	ESG Management
	2-13 Delegation of responsibility for managing impacts	ESG Management
	2-14 Role of the highest governance body in sustainability reporting	ESG Management
	2-15 Conflicts of Interest	Business Ethics
	2-16 Communication of critical concerns	ESG Management
	2-17 Collective knowledge of the highest governance body	Message from the Chairman
	2-18 Evaluation of the performance of the highest governance body	ESG Management
	2-19 Remuneration policies	Talent Development
	2-20 Process to determine remuneration	Talent Development

GRI Standards	Disclosure	Reference Chapter
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio	Not Disclosed
	2-22 Statement on sustainable development strategy	Message from the Chairman, ESG Principles and Policy
	2-23 Policy commitments	About Apeloa, Talent Development
	2-24 Embedding policy commitments	Business Ethics
	2-25 Processes to remediate negative impacts	Quality Products, Risk Management and Control
	2-26 Mechanisms for seeking advice and raising concerns	Business Ethics
	2-27 Compliance with laws and regulations	ESG Management
	2-28 Membership associations	About Apeloa
	2-29 Approach to stakeholder engagement	ESG Management
	2-30 Collective bargaining agreements	Not Disclosed
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESG Management
	3-2 List of material topics	ESG Management
	3-3 Management of material topics	ESG Management
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Please refer to the Company's 2025 Annual Report
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Action
	201-3 Defined benefit plan obligations and other retirement plans	Talent Development
	201-4 Financial assistance received from government	Please refer to the Company's 2025 Annual Report
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not Disclosed
	202-2 Proportion of senior management hired from the local community	Not Disclosed
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Please refer to the Company's 2025 Annual Report
	203-2 Significant indirect economic impacts	Please refer to the Company's 2025 Annual Report
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Not Disclosed
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Business Ethics

GRI Standards	Disclosure	Reference Chapter
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics
	205-3 Confirmed incidents of corruption and actions taken	Business Ethics
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics
GRI 207: Tax 2019	207-1 Approach to tax	Please refer to the Company's 2025 Annual Report
	207-2 Tax governance, control, and risk management	Please refer to the Company's 2025 Annual Report
	207-3 Stakeholder engagement and management of concerns related to tax	Please refer to the Company's 2025 Annual Report
	207-4 Country-by-country reporting	N/A
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Not Disclosed
	301-2 Recycled input materials used	Efficient Utilization of Resources
	301-3 Reclaimed products and their packaging materials	Not Disclosed
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Efficient Utilization of Resources
	302-2 Energy consumption outside of the organization	Not Disclosed
	302-3 Energy intensity	Efficient Utilization of Resources
	302-4 Reduction of energy consumption	Efficient Utilization of Resources
	302-5 Reductions in energy requirements of products and services	Efficient Utilization of Resources
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Efficient Utilization of Resources
	303-2 Management of water discharge-related impacts	Efficient Utilization of Resources
	303-3 Water withdrawal	Not disclosed
	303-4 Water discharge	Efficient Utilization of Resources
	303-5 Water consumption	Efficient Utilization of Resources
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	Not disclosed
	101-2 Management of biodiversity impacts	Biodiversity Conservation
	101-3 Access and benefit-sharing	Not disclosed
	101-4 Identification of biodiversity impacts	Biodiversity Conservation

GRI Standards	Disclosure	Reference Chapter
GRI 101: Biodiversity 2024	101-5 Locations with biodiversity impacts	Biodiversity Conservation
	101-6 Direct drivers of biodiversity loss	Not disclosed
	101-7 Changes to the state of biodiversity	Not disclosed
	101-8 Ecosystem services	Not disclosed
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate Action
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Action
	305-3 其他间接（范围3）温室气体排放	Not disclosed
	305-4 GHG emissions intensity	Climate Action
	305-5 Reduction of GHG emissions	Climate Action
	305-6 Emissions of ozone-depleting substances (ODS)	Not disclosed
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air	Key Performance
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Pollution Prevention and Control
	306-2 Management of significant waste-related impacts	Pollution Prevention and Control
	306-3 Waste generated	Pollution Prevention and Control
	306-3 Waste generated	Pollution Prevention and Control
	306-5 Waste directed to disposal	Pollution Prevention and Control
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Special Topic: Building a Sustainable Supply Chain
	308-2 Negative environmental impacts in the supply chain and actions taken	Special Topic: Building a Sustainable Supply Chain
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Key Performance
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Development
	401-3 Parental leave	Talent Development
GRI 402: Labor Management 2016	402-1 Minimum notice periods regarding operational changes	Talent Development
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Talent Development
	403-2 Hazard identification, risk assessment, and incident investigation	Talent Development
	403-3 Occupational health services	Talent Development

GRI Standards	Disclosure	Reference Chapter
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	Talent Development
	403-5 Worker training on occupational health and safety	Talent Development
	403-6 Promotion of worker health	Talent Development
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Talent Development
	403-8 Workers covered by an occupational health and safety management system	Talent Development
	403-9 Work-related injuries	Talent Development
	403-10 Work-related ill health	Talent Development
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Talent Development
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Development
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent Development
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Talent Development
	405-2 Ratio of basic salary and remuneration of women to men	N/A
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Talent Development
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Talent Development
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Talent Development
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Special Topic: Building a Sustainable Supply Chain
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Not disclosed
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	N/A

GRI Standards	Disclosure	Reference Chapter
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Involvement
	413-2 Operations with significant actual and potential negative impacts on local communities	Not disclosed
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Special Topic: Building a Sustainable Supply Chain
	414-2 Negative social impacts in the supply chain and actions taken	Special Topic: Building a Sustainable Supply Chain
GRI 415: Public Policy 2016	415-1 Political contributions	N/A
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Quality Products, Customer Service
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Quality Products, Customer Service
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Quality Products
	417-2 Incidents of non-compliance concerning product and service information and labeling	Quality Products
	417-3 Incidents of non-compliance concerning marketing communications	Customer Service
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Service

# Assurance Report

**TÜVNORD**

Assurance statement No.CN-202603-CSR-03

## Assurance Statement

TÜV NORD (Hangzhou) Co., Ltd. (hereinafter referred to as 'TNHZ') has been commissioned by the management of Apeloa Pharmaceutical Co., Ltd. (hereinafter referred to as 'Apeloa') to carry out an independent third-party assurance of Apeloa's the 2025 Environmental, Social, and Corporate Governance (ESG) Report (hereinafter referred to as 'Report').

Apeloa is responsible for the collection, analysis, aggregation and presentation of information within the Report. TNHZ carries out this work (assurance of the report) within the terms of reference agreed in the agreement with Apeloa. Apeloa is the designated user of this statement. This statement is based on the 2025 Environmental, Social, and Corporate Governance (ESG) Report prepared by Apeloa. Apeloa is responsible for the integrity and authenticity of the information and data in the Report.

### User of Assurance Statement

This assurance statement is provided to all stakeholders of Apeloa.

### Assurance Scope

- The Report discloses key ESG performance and related information that happened in 2025;
  - Assurance location: No. 399, Jiangnan Road, Hengdian Dongyang, Zhejiang 322118, China, which is the "Apeloa Pharmaceutical Co., Ltd.", and No. 333, Jiangnan 2nd Road, Hengdian Dongyang, Zhejiang 322118, China, which is the "sampling sub-sites: Zhejiang Apeloa Kangyu Pharmaceutical Co., Ltd.";
  - Evaluate the management processes such as the collection, analysis, and assurance of the data and information involved in the report.
- The on-site assurance was conducted from March 12<sup>th</sup> to March 13<sup>th</sup>, 2026.

### Assurance Limitations

- The financial data in this report is derived from the company's annual financial report, which have been independently audited by another third party. This assurance does not include re-verifying this data;
- This assurance only sampled part of the original data sources for performance data and did not conduct a comprehensive verification of all data sources;
- The location of this assurance was limited to the headquarters of Apeloa and the sampling sub-sites, and did not include on-site verification at all its subsidiaries and branches.

### Assurance Method

The assurance process includes the following activities:

- Review the document information which is provided by Apeloa;
- Interview with the person who collected the report information;
- View the related websites and media reports, verify the data and information through sampling methods.

### Assurance Guidelines

- The GRI Sustainability Reporting Standards (GRI Standards 2021) requirements for sustainability reports in terms of accuracy, balance, clarity, comparability, timeliness, and verifiability;
- Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation);
- TNHZ "Report Assurance Implementation Rules" SC-P-A015 Rev.00.

### Assurance Standard and Level

International Auditing and Assurance Standards Board (IAASB), International Sustainability Assurance Standard No. 5000 – General Requirements for Sustainability Assurance Engagements (ISSA 5000); Assurance Level: Limited Assurance.

### Assurance Conclusion

The 2025 Environmental, Social, and Corporate Governance (ESG) Report prepared by Apeloa objectively disclosed the company's work status and performance in the field of environmental, social, and governance in 2025. The data in the Report is reliable and objective, and TNHZ has not

**TÜVNORD**

Assurance statement No.CN-202603-CSR-03

found systematic or substantive errors.

- **Accuracy:** Sampling verify finds that cases and data disclosed in the Report are generally objective and accurate;
- **Balance:** The Report discloses data including total volatile organic compound (VOC) emissions and employee turnover rate, demonstrating a certain degree of balance;
- **Clarity:** The Report uses various formats such as pictures, charts, cases, etc., making the information in the Report comprehensible;
- **Comparability:** The Report discloses performance indicators in environmental, social and governance fields such as energy consumption intensity per ten thousand yuan of revenue, R&D investment, and work-related fatality rate and reports for 2024 and 2025 in the form of "Key Performance", which is comparable;
- **Timeliness:** The disclosure period of the Report is sustainable development performance in 2025, which has a certain degree of timeliness.
- **Verifiability:** The ESG Management Office of Apeloa is responsible for collecting, recording, arranging and analyzing the information and process used in the preparation of the Report. The relevant departments of the sampled data in the assurance process can provide traceability, which to a certain extent ensures the quality and substance of the information.

### Suggestions for Improvement

Through the assurance and evaluation activities, we have put forward relevant suggestions for improvement regarding Apeloa's practices and management in sustainable development, all of which have been stated in the "Assurance Report" and submitted to Apeloa's management for their reference in continuous improvement.

### Special Statement

Excluded in this assurance statement:

- Activities other than information disclosure.
- Statements regarding the standpoint, viewpoints, beliefs, goals, future development direction and commitment of Apeloa.

### Statement of Independence and Competence

TÜV NORD is a world-leading certification body with branches in more than 100 countries around the world. It provides inspection, testing and verification services, covers energy, management systems, industry, vehicle transportation, information security and other fields, including management system and product certification; audits and training in the aspects of quality, environment, occupational health and safety, and compliance; assurance of environmental, social responsibility and sustainability reports.

As TÜV NORD's independent member organization in China, TNHZ ensures that there is no conflict of interest with Apeloa, its branches, or its stakeholders in carrying out this assurance process for the sustainability report. The assurance team is composed of experts with extensive experience and professional technical competence, conducting the assurance activities in accordance with TNHZ's internal procedure documents and global compliance policy requirements. All information in this report was provided by Apeloa and TNHZ did not participate in the report preparation process.

Signature

On Behalf of TÜV NORD (Hangzhou) Co., Ltd.



Jack Yeh:

Sustainable Development Authorized Signatory/Executive Director and

CEO of TÜV NORD Greater China

Date: March 17<sup>th</sup>, 2026 Shanghai

Note: In case of conflict between the Chinese and English versions of this statement, please refer to the Chinese version.

# Feedback

Dear readers:

Thank you very much for reading this report. To help drive improvements in the company's environmental, social, and governance (ESG) performance, ApeloA sincerely invites you to provide us with your comments and suggestions on this report. Your views and insights are of great importance to ApeloA.

For ApeloA, what is your identity?

Consumers/Patients  Employees  Partners  Government  Media  Investors  Others (Please specify)

Are you satisfied with this annual report overall?

Yes  No  Fair

3. Is the information you care about reflected in this annual report?

Yes  No  Fair

4. Do you find the content organization and layout design of this report easy to read?

Reasonable  Relatively Reasonable  Fair  Unreasonable

5. What is your opinion on the structure and presentation of this report?

Excellent  Good  Fair  Poor

6. What is your opinion on the quality of information disclosed in this report?

Yes  No  Fair

7. What expectations or suggestions do you have for the company's ESG report to be prepared and released next year?

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8. What other comments or suggestions do you have regarding the company's ESG work and this report?

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You may convey your opinions to ApeloA in the following ways:

Company Name: ApeloA Pharmaceutical Co., Ltd.

Tel.: 0579-86557527

Address: No. 399, Jiangnan Road, Hengdian, Dongyang City, Zhejiang Province

E-mail : 000739@apeloA.com

Postal Code: 322118

# APELOA

## **Apeloa Pharmaceutical Co., Ltd.**

Address: No. 399, Jiangnan Road, Hengdian, Dongyang City, Zhejiang Province

Postal Code: 322118



Apeloa Official Website



Apeloa Official LinkedIn