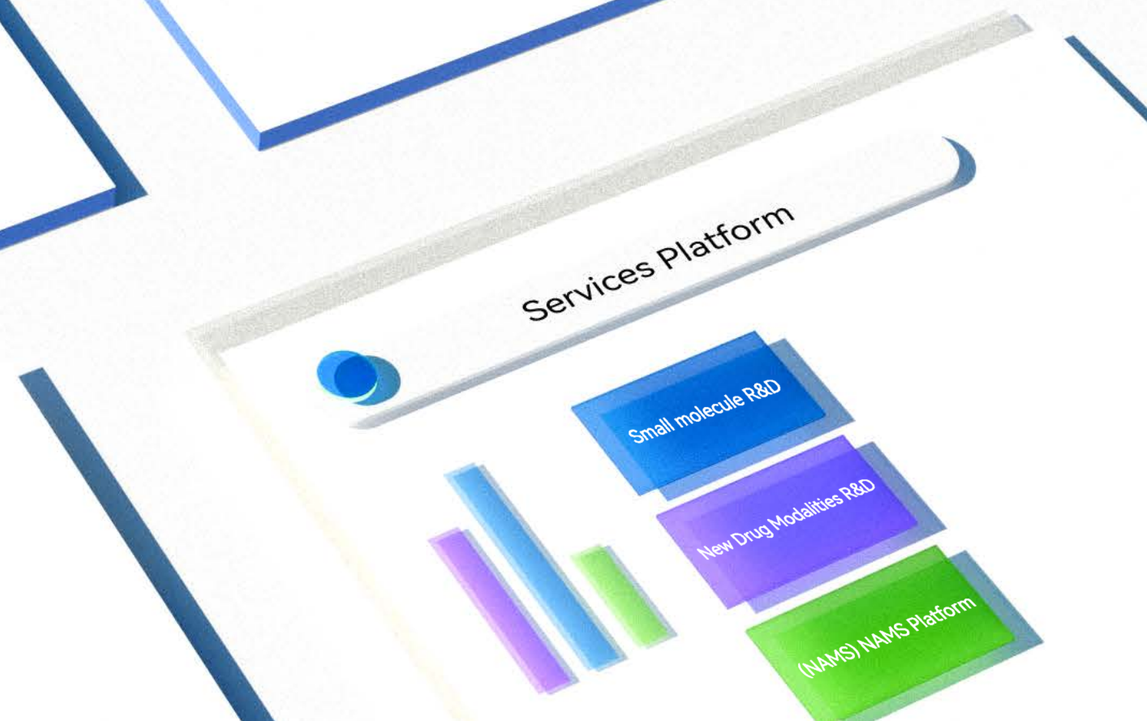
2025

Environmental, Social and Governance (ESG) Report

Shanghai Medicilon Inc.

Stock Code 688202



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About this Report

This report is the fifth Environmental, Social and Governance (ESG) Report of Shanghai Medicilon Inc., intended to provide stakeholders with a comprehensive disclosure of the Company's core principles, management approaches, implementation progress and performance outcomes in relation to ESG topics throughout its business operations and development.

Reporting Scope

This report is specific to Shanghai Medicilon Inc. and its subsidiaries ("Medicilon", the "Company" or "we"). Unless otherwise specified, the scope of this report is consistent with that of the consolidated financial statements of Medicilon (Stock Code: 688202.SH) for the corresponding reporting period.

Reporting Period

This report covers the period from January 1, 2025 to December 31, 2025 ("Reporting Period"). To improve the comparability and completeness, some sections of this report may be appropriately referred to previous years or contain forward-looking statements.

Reference Standard and Preparation Basis

- *Rules Governing the Listing of Stocks on the STAR Market of Shanghai Stock Exchange*
- *Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies on SSE STAR Market No.1 – Standardized Operation of Listed Companies*
- *Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 14 – Sustainability Report (Trial)*
- *Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies on SSE STAR Market No. 13 – Preparation of Sustainability Reports (Revised in January 2026)*
- *Global Reporting Initiative Sustainability Reporting Standards (GRI Standards)* (Reference Standard)
- UN Sustainable Development Goals (SDGs)

Description of Data

The financial data and cases in this report are sourced from the official documents, internal statistical reports, audited financial reports and verified operational data of Shanghai Medicilon Inc. Unless otherwise specified, all amounts in this report are expressed in RMB. For any discrepancy between this report and the annual financial reports, the latter shall prevail.

This report has been reviewed and approved by the Board of Directors of the Company. The Board of Directors, along with all directors, hereby guarantees that this report is free from false information, misleading statements or material omissions, and assumes responsibilities for its truthfulness, accuracy and completeness.

Appellation Description

Term	Definition
Medicilon/the Company/we	Shanghai Medicilon Inc.
Medicilon Puya	Medicilon Preclinical Research (Shanghai) LLC.
Medicilon Puhui	Medicilon Puhui Pharmaceutical Technology (Shanghai) Co. Ltd.
Medicilon Purui	Medicilon Purui Biomedical Technology (Shanghai) Co., Ltd.
Medicilon Puson	Medicilon Puson Pharmaceutical Technology (Shanghai) Co., Ltd.

Access to this Report

This report is available in electronic format. You may download this report from the websites of the Shanghai Stock Exchange (www.sse.com.cn), cninfo (www.cninfo.com.cn) or the Company (https://www.medicilon.com.cn) to access more information.

Feedback

If you have any suggestions on this report, please don't hesitate to contact us at:
Address: 585 Chuanda Road, Pudong, Shanghai, China
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Message from the Chairman

Dear shareholders and all friends who care about Medicilon,

We sincerely thank you for your continued attention and support for Medicilon, and for accompanying us in witnessing the wave of innovation in the biopharmaceutical industry as we advance steadily in the field of preclinical research services. At present, the global biopharmaceutical industry is at a pivotal stage characterized by both transformation and opportunity. Rapid technological advancement, increasingly clear regulatory guidance and evolving market demand are creating broader development prospects while also setting higher standards for industry participants. Medicilon remains committed to the principle of "innovation-driven and quality-oriented development", maintaining strategic focus and advancing with determination amid a rapidly changing environment.

Focusing on core business and strengthening technological barriers through innovation. We consistently regard scientific and technological innovation as the primary engine of growth, closely tracking frontier trends in drug discovery while continuously advancing key technologies in preclinical research. In 2025, Medicilon successfully passed the NMPA GLP additional accreditation, FDA on-site re-inspection, PMDA on-site project inspection and CNAS laboratory reassessment, and obtained OECD GLP certifications in Hungary and Mexico, thereby establishing a comprehensive qualification matrix recognized by major global regulatory authorities. We continued to enhance our integrated one-stop R&D service platforms covering ADC, RNAi, PROTAC, peptides and cell and gene therapy, while actively advancing new technologies and methodologies, including AI-enabled drug discovery, in vitro safety evaluation, organoid and PDXO models, and physiologically based pharmacokinetics (PBPK). Through these efforts, we are exploring new paradigms in drug evaluation and building sustainable innovation momentum to support the Company's high-quality development.

Expanding development boundaries through ecosystem collaboration and global presence. In 2025, we partnered with global innovators including Hengrui Pharma, Kexing Biopharm, Oncotelic and BIK Therapeutics to jointly build a forward-looking international innovation ecosystem. With the continued advancement of our globalization strategy, the proportion of overseas business increased steadily, newly signed international orders continued to grow, and our global service capabilities and market competitiveness were further strengthened, providing strong momentum for long-term sustainable development.

Demonstrating corporate responsibility through ESG practices. As a long-term participant in the biopharmaceutical industry, we recognize that corporate development is inseparable from environmental stewardship and social progress. Accordingly, ESG principles are deeply integrated into our development strategy and corporate culture. In terms of green development, we continuously upgrade our green chemistry platform by integrating advanced technologies such as electrochemistry, photochemistry and metal catalysis, optimizing synthesis routes, reducing emissions and resource consumption, and exploring low-carbon pathways for pharmaceutical R&D, thereby contributing to the achievement of China's carbon peaking and carbon neutrality goals. In terms of social responsibility, we remain committed to supporting education and public welfare initiatives, making ongoing contributions to educational foundations and local charitable organizations to promote talent development, educational advancement and shared prosperity. At the same time, we actively facilitate industry exchange and collaboration by organizing forums, participating in domestic and international conferences and offering online training programs, sharing R&D experience and technical insights to support the coordinated development of the industry.

Looking ahead, we will continue to adhere to the core direction of "innovation-driven growth, compliance-led operations and sustainability-enabled development". We will further strengthen technological innovation, continuously improve service quality and remain steadfast in fulfilling our corporate responsibilities, delivering more resilient growth and higher-quality services in return for the trust and expectations of all stakeholders. Together with industry partners, we will work to advance the high-quality development of China's biopharmaceutical industry and make greater contributions to global drug innovation and human health and well-being.

Founder, Chairman and Chief Executive Officer of Shanghai Medicilon Inc.

About Medicilon

Company Profile

Founded in 2004, Medicilon (Stock Code: 688202.SH) is dedicated to providing global pharmaceutical companies, research institutions and scientific investigators with comprehensive preclinical drug research services. The Company has established an integrated one-stop R&D platform covering drug discovery, CMC development and preclinical research.

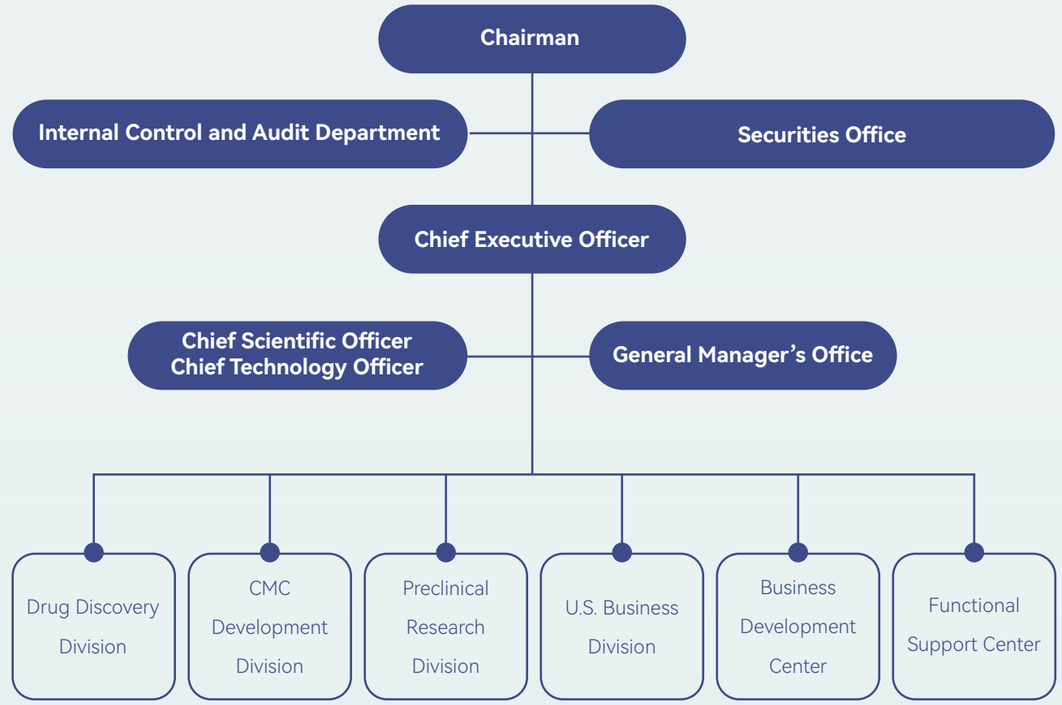
In frontier technology areas, Medicilon continues to strengthen its integrated R&D platforms for ADC, RNAi, PROTAC, peptides, and cell and gene therapies. We've developed nearly 1,000 pharmacodynamics models and actively explores and applies new approach methodologies (NAMs), including AI-enabled drug discovery, in vitro safety assessment, organoid and PDXO models and PBPK modeling.

With respect to quality management, we've established a quality control system in compliance with international standards and have obtained GLP certifications from the China NMPA, the U.S. FDA and the OECD, as well as AAALAC international accreditation. The Company currently operates over 92,000 square meters of R&D laboratory facilities across domestic and overseas locations.

In 2025, the Company's globalization strategy entered a new phase. The Boston Innovation Center in the United States officially commenced operations and began generating revenue, operating in close coordination with the Company's domestic R&D centers in Zhangjiang, Chuansha and Nanhui in Shanghai to form an R&D service network spanning China and the United States with global reach. The Company aims to gradually increase the proportion of overseas business and to provide high-quality technical support to global partners.

As of the end of 2025, Medicilon had provided services to more than 2,000 clients worldwide. Among the new drug and generic drug projects supported by us, 651 have successfully obtained IND clinical approvals. In 2025 alone, we supported the successful approval of 131 Investigational New Drug (IND) filings, including more than 10 overseas IND approvals.

20+ years **R&D Experience**	**2,000+** **Clients Worldwide**	**2,500+** **Scientists & Supporting Researchers**
92,000 +m² **Laboratories and Facilities**	**651** **IND Filings**	**990**+ **Pharmacodynamics Models**



Organizational Structure of Medicilon

Business Layout

Medicilon focuses on the full preclinical R&D value chain in the biopharmaceutical field and has established a comprehensive business framework comprising three core segments—drug discovery, CMC development and preclinical research—together with integrated project management services. Leveraging the synergistic capabilities across these segments, the Company provides end-to-end R&D solutions for global clients, efficiently supporting preclinical development and regulatory submission of new drug candidates.

Drug Discovery

Drug discovery represents the initial stage of the R&D process, focusing on target validation, lead compound screening and optimization as well as early druggability assessment, with the objective of delivering candidate compounds with favorable druggability. Medicilon primarily provides two core categories of services: chemistry services and biology services.

Chemistry Services

Supported by comprehensive capabilities in medicinal, synthetic and process chemistry and analytical chemistry, together with advanced supporting facilities, Medicilon provides high-quality chemical synthesis services through an efficient and cost-effective operating model. These services enable seamless transition from laboratory-scale synthesis to kilogram-scale process development, covering the full spectrum of chemical research from compound screening to IND filing.

Biology Services

With extensive expertise in cell, molecular biology and structural biology, Medicilon provides end-to-end services ranging from cDNA library construction to drug design. Supported by technologies including protein purification and structural characterization, these services provide critical biological data to support drug discovery and candidate optimization.

Comprehensive Chemistry, Manufacturing and Control (CMC) Development

CMC development serves as a fundamental safeguard for drug efficacy and safety. Focusing on APIs and formulations, Medicilon conducts comprehensive studies covering process development, quality control and stability evaluation, thereby laying a solid foundation for new drug commercialization and regulatory compliance.

API Research

Provide integrated research services covering API process development, quality control and stability evaluation, including process optimization, impurity control and stability studies at pilot scale and above. Through end-to-end quality management, the Company enhances product safety, consistency and suitability for large-scale manufacturing.

Formulation Research

Provide end-to-end formulation development services, including formulation research, manufacturing and quality consistency evaluation. Through formulation innovation, we optimize drug performance characteristics or expand indications, enabling product differentiation and extension of the product lifecycle.

Analytical Chemistry

Medicilon's Analytical Chemistry Service Center provides integrated analytical solutions and technical support for drug development, CMC regulatory submissions and product release testing. In August 2025, the Medicilon Chemistry Service Center laboratory successfully passed the on-site re-assessment conducted by the China National Accreditation Service for Conformity Assessment (CNAS), demonstrating that its testing capabilities and quality management system continue to meet internationally recognized accreditation standards.

Preclinical Research

Preclinical research covers both chemical drugs and biologicals, with bioactivity analysis and pharmacological and toxicological evaluation conducted through in vitro and in vivo studies. Core service areas include pharmacology, PBPK and safety assessment.

Pharmacology

Medicilon has established multi-species and multi-disease model systems, with the capability to develop customized models and integrate in vivo imaging technologies, providing precise and reliable support for drug efficacy evaluation.

ADME/DMPK

Provide in vitro and in vivo ADME and bioanalytical services for multiple drug modalities. Supported by advanced instrumentation, we perform a wide range of pharmacokinetic studies, delivering high-quality data with efficient turnaround to support drug development programs.

Safety Assessment

Medicilon has GLP-compliant service capabilities and extensive experimental animal resources across multiple species, enabling the provision of preclinical toxicokinetic and safety evaluation services covering a wide range of regulatory-compliant studies.

Integrated Project Services

By leveraging our end-to-end R&D capabilities, we provide integrated services for chemical drugs from lead compound screening and optimization through IND filing, covering the entire preclinical development value chain.

Corporate Culture

Vision	As a provider of outsourced preclinical research services, Medicilon is committed to delivering comprehensive preclinical research solutions to pharmaceutical companies, research institutions and scientific investigators worldwide, thereby supporting the advancement of new drug development.
Mission	Innovate in R&D, Impartial in Evaluation, Economic in Development
Values	Innovation First, Collaboration, Client-centric Excellence and Unwavering Dedication

Milestones in 2025

March 3, 2025

Newly commissioned laboratory facilities of Medicilon obtained NMPA GLP additional accreditation

April 27, 2025

Leaders from the Standing Committee of the People's Congress of Pudong New Area conducted an official visit and research inspection at Medicilon

May 20, 2025

Medicilon passed the FDA on-site re-inspection

August 12, 2025

Medicilon Chemistry Service Center passed the CNAS on-site re-assessment

August 28, 2025

Medicilon obtained OECD GLP certification (Hungary)

August 13, 2025

Medicilon obtained OECD GLP certification (Mexico)

October 1, 2025

Medicilon participated in the 4th World Congress of Biopharm Industry Development and co-hosted the "Shanhai Forum" roundtable session

October 24, 2025

The first anniversary celebration of the Medicilon Boston Innovation Center was successfully held.

December 19, 2025

"Technology Empowerment, Intelligent Innovation for the Future" — Medicilon Shanghai Seminar series were successfully concluded.

Honors and Awards in 2025

Type	Award Name	Awarding Authority
Economic and Investment Recognition	• Pioneer Enterprise in Global Expansion	• People's Government of Pudong New Area, Shanghai
	• 2025 Outstanding Investor Relations Management Award for Listed Companies	• Valueonline
	• 2025 STAR Market "Hard Technology · Investment Value" Award	• *China Business Journal*, GF Securities
Industry Recognitions	• Top 20 Pharmaceutical CRO Enterprises in China 2025	• YAOZH, Pharmaceutical Development & Innovation (PDI) Conference Organizing Committee, *Zhongguo Yaoye Journal*
	• Top 20 New Drug Preclinical CRO Service Providers in China	• China Medicine Connect Expo, PHARNEX
	• Industry-Leading CRO Company Award	• Pharmcube
	• CRO Best Enabling Service Provider Award — Preclinical CRO	• New Drug Founders Club
	• Top 20 Enterprises in the 2025 China CRO Outstanding Brand Ranking	• YAOZH
	• Outstanding Enterprise of the Year 2024	• Healthcare Service Committee, Shanghai Modern Service Industry Federation
Technology and Innovation Recognition	• Innovative R&D Enterprise par Excellence	• National Innovation Center par Excellence
	• Best Medical Technology Breakthrough Award	• TMTPost
	• 2024 Innovation Achievement Award for Economic Development, Huinan Town, Pudong New Area	• CPC Huinan Town Committee, Pudong New Area, Shanghai People's Government of Huinan Town, Pudong New Area, Shanghai
Client Recognitions	• Excellent Service Award	• Eluciderm Inc
	• Excellent Partnership Award	• RayThera
	• Best Partner of the Year 2025	• Gluetacs Therapeutics (Shanghai) Co., Ltd.
	• Outstanding Partner	• Sungening Biotechnology Co., Ltd..
	• Toxicology Pioneer Award	• Beijing Continent Pharmaceuticals Co., Ltd.
	• 2024 Team Excellence Award	• Insilico Medicine
	• 2024 Best Partner Award	• Shanghai Yishi Pharmaceutical Technology Co., Ltd. (CSPC)
	• 2024 Outstanding Partner Award	• Hexin Biotech (Changchun) Co., Ltd.
	• 2024 Best Cooperation Award	• MediLink Therapeutics
Group Standard Contribution	• Primary Drafting Organization of the Group Standard *Technical Specification for Drug Toxicity Evaluation Based on Organoid Models* (T/CIET 1854-2025)	• Standardization Committee of China Association for the Promotion of International Economic and Technological Cooperation
ESG Recognition	• Top 10 ESG Competitiveness among Chinese Listed Pharmaceutical Companies 2025	• Healthcare Executive
	• ESG Value Transmission Award for Listed Companies in 2025	• Valueonline

Primary Drafting Organization of the Group Standard *Technical Specification for Drug Toxicity Evaluation Based on Organoid Models* (T/CIET 1854-2025)

2025 Outstanding Investor Relations Management Award for Listed Companies

Pioneer Enterprise in Global Expansion

2025 STAR Market "Hard Technology · Investment Value" Award

2024 Innovation Achievement Award for Economic Development, Huinan Town, Pudong New Area

Innovative R&D Enterprise par Excellence

Best Medical Technology Breakthrough Award

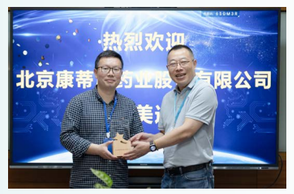
2024 Team Excellence Award

2024 Outstanding Partner Award

2024 Best Cooperation Award

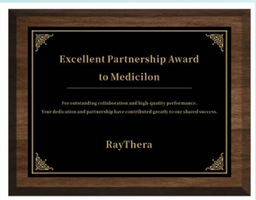
2024 Best Partner Award

Best Partner of the Year 2025



Toxicology Pioneer Award

Outstanding Partner



Excellent Partnership Award

Excellent Service Award

Outstanding Enterprise of the Year 2024

Top 20 New Drug Preclinical CRO Service Providers in China

Top 20 Pharmaceutical CRO Enterprises in China 2025

Top 20 Enterprises in the 2025 China CRO Outstanding Brand Ranking

Industry-Leading CRO Company Award

CRO
Best Enabling Service Provider Award — Preclinical CRO

ESG Value Transmission Award for Listed Companies in 2025

Top 10 ESG Competitiveness among Chinese Listed Pharmaceutical Companies 2025

Performance Highlights in 2025

Economic Performance

Total Assets	262,207.31 (in RMB 10,000)
Operating Revenue	116,306.25 (in RMB 10,000)
Net Assets Attributable to Shareholders	193,422.01 (in RMB 10,000)

Environmental Performance

Investment in Environmental Protection	RMB 14.4466 Million
Non-compliance Events Concerning Environmental Protection	0 Case
Compliant Emission Rate of Wastewater, Waste Gas and Solid Waste	100%

Social Performance

Investment in R&D	10,441.28 (in RMB 10,000)
Cumulative Number of Authorized Patents	56 piece
Social Insurance Coverage Rate among Domestic Employees	100%

Governance Performance

General Meetings of Shareholders Convened	3 Times
Board Meeting Convened	9 Times
Proportion of Female Directors	25%
Proportion of Independent Directors	37.50%

Sustainable Development Governance

Sustainable Development Strategy

As a professional CRO providing integrated preclinical R&D services to the biopharmaceutical industry, Medicilon consistently adheres to the principles of sustainable development and integrates them into its corporate strategy and daily operations, establishing a structured ESG management strategy. We continue to enhance our ESG-related practices by fully incorporating sustainability requirements into our operational management processes; regularly analyze and evaluate sustainability-related topics and, in consideration of industry trends, corporate development objectives and national policies, and the evolving market environment; dynamically review and optimize our sustainability roadmap.

Medicilon has defined medium-term development targets across three key dimensions of sustainable development. In the governance dimension, we place sound governance at the core of our approach and continuously improve our governance structure to ensure compliant operations and transparent decision-making. In the environmental dimension, we promote green development and support environmentally responsible pharmaceutical R&D. In the social dimension, we rely on scientific innovation and robust quality management to ensure the safety and reliability of our R&D services, while adhering to a people-oriented philosophy to provide employees with a safe and healthy working environment. Guided by the concept of sustainable development, we strive to achieve long-term, balanced and high-quality growth. To further strengthen the implementation of our sustainability strategy, effectively respond to increasingly stringent regulatory and investor expectations, and enhance our sustainability performance, we continuously improve our institutional framework and management practices for key ESG topics. By standardizing ESG-related policies and procedures, ESG requirements are fully embedded into the Company's operational and management processes.

Medicilon regularly tracks the progress of key sustainability initiatives. Each year, the ESG governance management reports the progress of sustainability targets to the Board of Directors to ensure the effective implementation of sustainability plans and objectives.

Long-term Goals of Sustainable Development Topics

Governance Dimension	Sustainable Development Topic	Long-term Goal	Progress in 2025	SDGs
Governance	Anti-commercial Bribery and Anti-corruption, Anti-unfair Competition, Due Diligence, and Communication with Stakeholders	The Company continuously strengthens its business ethics management and strictly prevents commercial bribery and corruption to ensure that all operations comply with applicable laws, regulations, and ethical standards.	During the reporting period, the Company organized the signing of the Letter of Commitment to Anti-Fraud and Anti-Commercial Bribery and conducted business ethics audits, further improving its business ethics governance framework.	16, 17
Employee Management	Occupational Health and Safety, and Employee's Rights and Interests	The Company maintains a target of zero major responsibility-related incidents, including casualties, fires, explosions and occupational health incidents, on an annual basis.	During the reporting period, the Company recorded no major responsibility-related incidents, including casualties, fires, explosions or occupational health events.	3, 5, 8, 10
Product Value	Innovation-Driven Development, Data Security and Customer Privacy Protection, Safety and Quality of Products and Services, Supply Chain Security, and Science and Technology Ethics	1. The Company continuously improves its quality management system to provide high-quality, safe and reliable services. 2. The Company maintains annual R&D investment at not less than 5% of operating revenue. 3. The Company maintains 100% employee coverage for annual information security training.	1. During the reporting period, the Company conducted ongoing internal quality audits and supplier audits to ensure the robustness and effectiveness of its quality management system. 2. In 2025, the Company's R&D investment accounted for 8.98% of operating revenue. 3. During the reporting period, all employees completed information security training during the reporting period.	9, 12

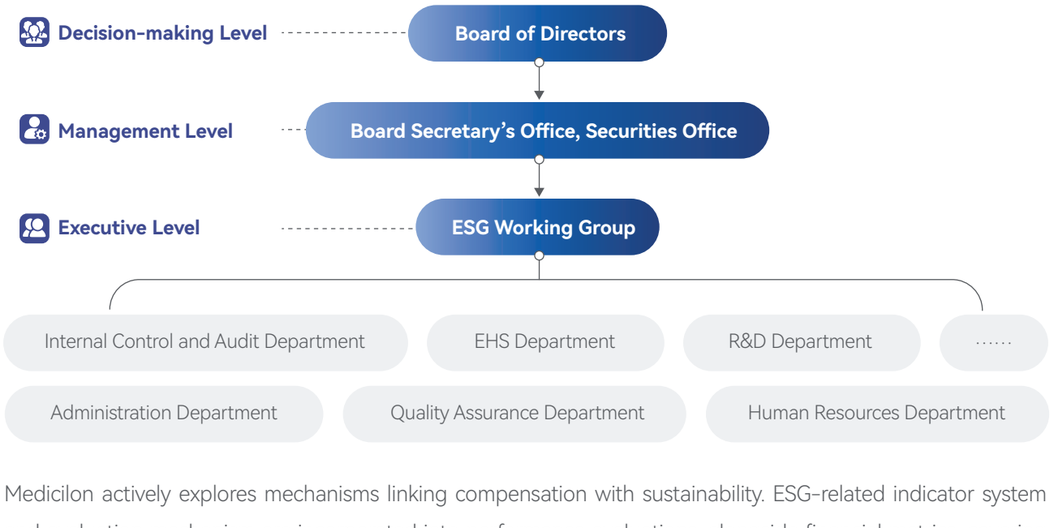
Governance Dimension	Sustainable Development Topic	Long-term Goal	Progress in 2025	SDGs
Ecological Protection	Environmental Compliance Management, Response to Climate Change, Waste Disposal, Circular Economy, Energy Utilization, Pollutant Emissions, Water Resource Utilization, and Ecosystem and Biodiversity Protection	1. The Company maintains a target of zero major environmental pollution incidents each year. 2. The Company continuously improves energy efficiency, expands the use of renewable energy and optimizes resource management to actively address climate change. 3. The Company maintains a 100% waste disposal compliance on an annual basis.	1. During the Reporting Period, no major environmental accidents occurred in the Company. 2. During the reporting period, the Company completed the solar streetlight retrofit project and implemented multiple energy-saving initiatives, including electricity conservation measures and refined energy management practices. 3. During the Reporting Period, the Company achieved a 100% compliance rate in waste disposal.	
Social Harmony	Equal Treatment of Small and Medium-Sized Enterprises, Contribution to Society, and Rural Revitalization	1. The Company continues to invest in public welfare initiatives. 2. The Company treats small and medium-sized enterprises (SMEs) fairly and does not differentiate based on company size.	1. During the reporting period, the Company donated RMB 5 million to the Fudan University Education Development Foundation, Shanghai. 2. During the reporting period, the Company did not have any overdue payments to SMEs that required public disclosure through the National Enterprise Credit Information Publicity System.	

Sustainable Development Management System

To further advance the Company's sustainable development, strengthen strategic alignment and enhance our influence in the capital markets, the Board of Directors, as the Company's highest decision-making body, oversees the comprehensive planning and supervision of ESG initiatives. Under the Board's authorization, the Board Secretary is responsible for overall ESG coordination and strategic implementation, while the Securities Office manages operational execution and day-to-day ESG affairs.

We've established a three-tiered ESG governance framework—comprising the decision-making level, management level and execution level—with clearly defined responsibilities at each tier. Through strategic guidance from the Board, coordinated oversight by the Board Secretary and Securities Office and operational implementation by business units, we've created a cohesive and efficient governance chain that ensures ESG practices are systematically embedded and effectively managed across the organization.

ESG Management Structure



Medicilon actively explores mechanisms linking compensation with sustainability. ESG-related indicator system and evaluation mechanism are incorporated into performance evaluations, alongside financial metrics, covering areas such as technological R&D, talent development, green manufacturing and supply chain security. By combining short-term and long-term incentives, the Company reinforces executive accountability and drives the achievement of sustainable development objectives. During the reporting period, ESG performance targets for senior management were largely achieved.

Indicator Type	Detailed Requirements	Assessment Criteria
Qualitative Indicators	**Safety Management System** Promote standardized laboratory safety upgrades and enhance emergency preparedness.	Completion of annual safety system certification updates;
	Environmental Compliance Ensure full-process compliance in hazardous waste management and implement low-carbon operations.	Zero environmental compliance penalties;
	ESG Strategy Implementation: Lead ESG-specific training initiatives to raise sustainability awareness across all employees.	Coverage Rate of ESG Training: 100%

Indicator Type	Detailed Requirements	Assessment Criteria
Quantitative Indicators	Work safety incident rate	0 Accidents
	Hazardous waste disposal compliance rate	100% Compliance
	Employee occupational health examination coverage	100%

Special Actions for Sustainable Development

In 2025, Medicilon continued to deepen the ESG institutional and procedural framework, undertaking multiple initiatives including indicator optimization, ESG rating benchmarking, climate change response system enhancement and specialized ESG training for personnel. These actions further strengthened ESG governance capabilities and promoted the standardization of ESG management practices.

Indicator Optimization

Benchmarking industry-leading CXO cases, the Company enhanced quantitative disclosure and management practices across sustainability governance, environmental management and climate resilience initiatives.

Resilience Development

Drawing on best practices from exchange disclosures, the Company continued to refine institutional systems and information disclosure processes to enhance organizational resilience.

Case

ESG-focused Training

On January 9, 2026, Medicilon conducted ESG-focused training for functional department leaders. External experts provided comprehensive insights into the latest ESG regulations, reporting frameworks and compliance requirements, emphasizing their potential impact on operational and disclosure practices. This training strengthened management's understanding of the ESG system, clarified the strategic direction and compliance requirements of the Company's ESG initiatives and promoted the standardization of ESG management and information disclosure across the organization, laying a solid foundation for improving ESG governance capacities.

Communications with Stakeholders

Medicilon fully recognizes the importance of incorporating stakeholder perspectives into the development and advancement of sustainability strategy. We have identified six core stakeholder groups crucial to our operations and maintain regular, multi-channel engagement mechanisms to address their expectations and requirements. This ensures ongoing dialogue regarding sustainability-related risks and opportunities and enables us to align our strategy with stakeholder priorities.

We adhere strictly to international standards, including stock exchange regulations and the AA1000 Stakeholder Engagement Standard, systematically recording, measuring and reviewing all stakeholder interactions. Feedback from stakeholders is continuously integrated to refine engagement processes, enhancing the effectiveness, responsiveness and timeliness of communication, while embedding key stakeholder concerns into operational and strategic decision-making.

Category of Stakeholders	Topics of Concern	Response Mode
Government and Regulatory Agencies	Environmental Compliance Management	Cooperate proactively with regulatory inspections
	Response to Climate Change	Promote green operations in alignment with China's carbon peaking and carbon neutrality policy
	Pollutant Emissions	Disclose pollutant emissions and participate in government monitoring programs
	Data Security and Customer Privacy Protection	Maintain and update data security management systems to ensure regulatory compliance
	Anti-Commercial Bribery and Anti-Corruption	Establish robust internal anti-bribery and anti-corruption controls
Shareholders and Investors	Innovation-driven Development	Strengthen investment in innovation and expand collaborative industry partnerships
	Supply Chain Security	Conduct comprehensive supply chain risk assessments and implement mitigation measures
	Communications with Stakeholders	Hold regular investor communication sessions to address stakeholder concerns
Customers	Data Security and Customer Privacy Protection	Implement IT disaster recovery and business continuity plans to safeguard data integrity
	Safety and Quality of Products and Services	Enhance service quality through proactive client engagement
	Science and Technology Ethics	Comply with scientific and technological ethics standards

Category of Stakeholders	Topics of Concern	Response Mode
Suppliers and Partners	Supply Chain Security	Establish supplier onboarding, assessment and lifecycle management processes, with periodic supply chain risk audits
	Equal Treatment of Small and Medium-Sized Enterprises	Ensure equitable treatment of SMEs, providing fair opportunities for collaboration
	Due Diligence	Implement supplier lifecycle management
Employees	Employee Benefits	Maintain comprehensive employee compensation and benefits programs and conduct regular employee satisfaction surveys
	Cultivation and Retention of R&D Talents	Provide continuous professional development, career advancement opportunities, and publish talent development plans
	Democratic Management	Establish an employee congress, employee discussion forums and departmental forums to capture employee feedback
Communities and Media	Contribution to Society	Organize charitable donations
	Waste Disposal	Disclose waste disposal processes and service providers
	Communications with Stakeholders	Hold media briefings

Analysis of Material Topics

In 2025, Medicilon conducted a materiality assessment, evaluating both financial and impact materiality for sustainability topics. Working with an independent third-party expert, we conducted stakeholder surveys to identify and prioritize topics, issuing 151 questionnaires and receiving 151 valid responses. Integrating internal management insights with external expert guidance, ten topics were identified as financially material: innovation-driven development, employees' rights and interests, occupational health and safety, response to climate change, environmental compliance management, anti-commercial bribery and anti-corruption, supply chain security, safety and quality of products and services, data security and customer privacy protection and waste disposal.

Double Materiality Assessment Process

Identification of Topics

We identified 22 sustainability topics of high relevance or impact to both the organization and its stakeholders, based on global sustainability trends, applicable laws and regulations, macroeconomic policies, the characteristics of the new drug and CXO sectors, and the Company's strategic and operational context.

Analysis of Impact Materiality

These topics were analyzed considering positive and negative impacts as well as actual and potential effects. The assessment incorporated stakeholder feedback to evaluate the scope and significance of each impact.

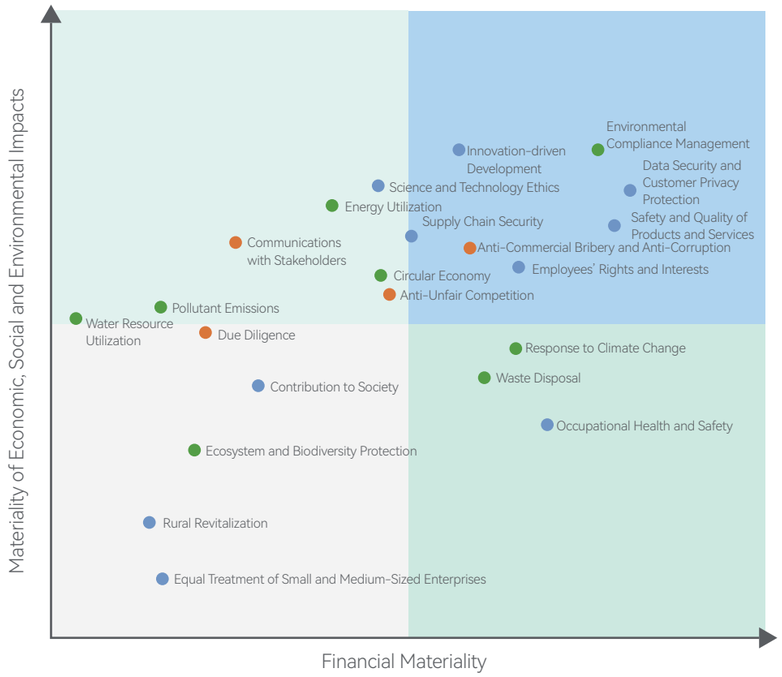
Analysis of Financial Materiality

The Company establishes annual action plans and defines long-term strategic goals. Using a time horizon framework—short-term (0–1 year), medium-term (1–5 years), and long-term (5+ years)[1]—potential financial impacts associated with the risks and opportunities of each topic are identified. Independent industry experts are engaged to provide an integrated assessment of financial materiality.

Priority Ranking of Topics

Management reviews and deliberates on the outcomes of both impact and financial materiality assessments. The Board of Directors then confirms the priority ranking of each sustainability topic, ensuring alignment with corporate strategy and stakeholder expectations.

[1]The impact duration for topics with financial materiality in the report is based on this time frame.



For topics with financial materiality, the Company conducts analysis and disclosure in accordance with the *Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 14 — Sustainability Report (Trial)*, focusing on the four core pillars of Governance, Strategy, Impact, Risk and Opportunity Management, and Indicators and Targets, as well as other applicable regulatory requirements.

Analysis of the Impacts, Risks and Opportunities of Topics with Financial Materiality

Topics with Financial Materiality	Definition of Impacts on the Company's Finance and Business	Impact Type	Impact Scope	Specific Risks Impacting the Company's Finance and Business	Key Opportunities Related to the Company's Business	Impact Duration
Innovation -driven Development	It determines the Company's technical competitiveness in preclinical research services, affecting project win rates and service pricing, and directly influencing revenue growth and profit margins.	Potential positive impact	The Company,and the downstream of its value chain	Insufficient return on R&D investment may weaken technological advantages, leading to customer attrition and slower revenue growth.	Establish differentiated technological barriers can attract high-end pharmaceutical clients and enhance the Company's premium service capability.	Medium term (1–5 years); Long term (more than 5 years)
Supply Chain Security	Supply of research reagents and consumables affects project delivery cycles and procurement costs, and influences inventory efficiency.	Potential negative /positive impact	Upstream value chain and the Company's own operations	Supply chain disruptions may result in project delays and contractual liabilities; increases in raw material prices may raise procurement costs and weaken customer confidence.	Establish a diversified supplier system to stabilize procurement prices, ensure timely project delivery and strengthen customer loyalty.	Short term (1 year), medium term (1–5 years)
Safety and Quality of Products and Services	It determines customer satisfaction and repeat business, affects brand reputation, and is associated with compensation costs and rework expenses arising from quality incidents.	Potential negative /positive impact	The Company,and the downstream of its value chain	Failure to meet service quality standards may result in customer complaints, contract termination, compensation payments, and reputational damage.	Maintain a strong reputation for high quality to improve repeat order rates, attract new customers, and build competitive barriers within the industry.	Short term (within 1 year), Medium term (1–5 years), Long term (more than 5 years)
Data Security and Customer Privacy Protection	It affects customer trust in R&D data, influences willingness to cooperate, and determines the level of data security investment and compliance risk.	Potential negative impact	The Company,and the downstream of its value chain	Data breaches may lead to customer loss, legal proceedings, regulatory penalties, and increased remediation costs.	Establish a robust data security system to enable the Company to undertake highly sensitive projects and enhance customer confidence in data protection.	Short term (1 year), medium term (1–5 years)
Waste Disposal	It affects environmental compliance performance, determines treatment costs and environmental penalty risks, and is related to the Company's green corporate image.	Potential negative /positive impact	The Company	Improper handling of waste may result in environmental penalties, community complaints and increased rectification and compensation costs.	Implement environmentally friendly treatment solutions to reduce long-term costs, strengthen the Company's green image, and meet customers' environmental requirements.	Short term (1 year), medium term (1–5 years)

Topics with Financial Materiality	Definition of Impacts on the Company's Finance and Business	Impact Type	Impact Scope	Specific Risks Impacting the Company's Finance and Business	Key Opportunities Related to the Company's Business	Impact Duration
Employees' Rights and Interests	It affects overall operational efficiency and workforce stability, and is associated with compensation, benefits and employee-related costs.	Potential negative /positive impact	The Company	Low employee satisfaction may lead to high turnover, increased replacement costs and delays in project execution.	Improve employee welfare systems to enhance retention, increase productivity per employee, and reduce operating costs.	Short term (1 year), medium term (1-5 years)
Environmental Compliance Management	Violation of applicable laws, regulations or standards may result in fines, corrective orders or suspension of operations.	Potential negative impact	The Company	Regulatory penalties or rectification notices may increase operating costs and cause production or project interruptions.	Compliance with environmental and regulatory requirements can enhance brand value and enable the Company to obtain government subsidies or preferential policy support.	Short term (1 year), medium term (1-5 years)
Anti -Commercial Bribery and Anti -Corruption	Commercial bribery may lead to legal sanctions, reputational damage and loss of business opportunities.	Potential negative impact	The Company,and the downstream of its value chain	Negative publicity arising from improper conduct may result in termination of partnerships, decline in share price and loss of key personnel.	Strengthen integrity and compliance measures to improve governance efficiency, reduce hidden or non-compliant costs, and enhance true profitability.	Long term (over 5 years)
Response to Climate Change	Intensifying climate change may affect the Company's production operations and employee safety.	Potential negative /positive impact	The Company,and the downstream of its value chain	Extreme weather events may cause supply chain disruptions and economic losses, affecting the Company's cost structure and asset value.	Develop low-carbon pharmaceutical products or services to create new market opportunities, while increasing the use of clean energy to reduce long-term energy costs.	Short term (1 year), medium term (1-5 years)
Occupational Health and Safety	Workplace accidents or occupational diseases may result in compensation costs, work stoppage losses and increased investment in health and safety management, thereby affecting operational efficiency.	Potential negative /positive impact	The Company	Safety incidents may lead to injury compensation, medical expenses and fines related to production safety violations.	Achieving a zero-incident record can enhance the Company's employer brand, attract high-caliber talent, reduce insurance costs and strengthen customer confidence.	Short term (1 year), medium term (1-5 years)

Medicilon recognizes that certain sustainability topics are not financially or impact material for the Company. The reasons are as follows:

Dimension	Topics	Reason
Environmental	Ecosystem and Biodiversity Protection	The Company's operations are primarily conducted in standardized laboratories located within urban industrial parks. These activities do not involve resource extraction, land use or other practices that could adversely affect biodiversity or ecosystems.
Social	Contribution to Society Rural Revitalization Equal Treatment of Small and Medium-Sized Enterprises	Operating in a technology-intensive service sector, the Company relies on highly skilled personnel and precision equipment rather than rural labor or locally specific resources. Consequently, its business has limited connection to rural revitalization initiatives, regional employment generation, or local investment. While the equal treatment of small and medium-sized enterprises (SMEs) is relevant in certain supply chain activities, the Company's core CRO suppliers consist primarily of international reagent manufacturers and standardized laboratory animal providers, with SMEs representing a minor proportion.
Governance	Due Diligence	The Company has developed a robust sustainability governance framework, and major risks are effectively managed through existing systems.

Governance Structure

ESG Material Topics Covered

Due Diligence

Anti-Commercial Bribery and Anti-Corruption

Anti-Unfair Competition

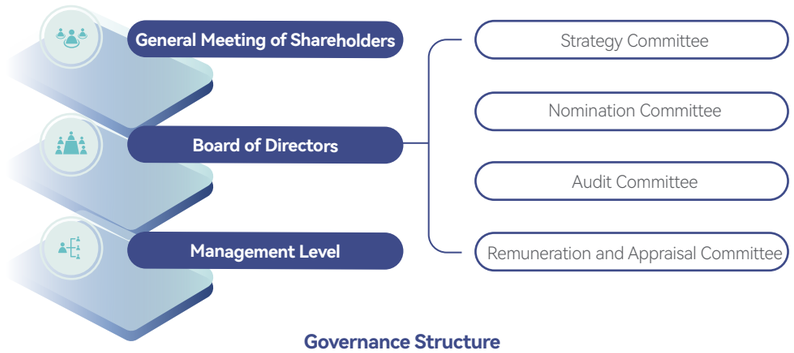
Communications with Stakeholders

SDGs

Governance

Governance Structure

Medicilon strictly complies with applicable laws and regulations, including the *Company Law of the People's Republic of China* (the "Company Law"), *the Securities Law of the People's Republic of China* (the *"Securities Law"*), *the Code of Corporate Governance for Listed Companies*, and the *Rules Governing the Listing of Stocks on the START Market of Shanghai Stock Exchange*. Based on the Company's operational context and regulatory requirements, we've established internal governance instruments such as *the Articles of Association*, *Rules of Procedure for Shareholders' Meetings, Rules of Procedure for Board Meetings* and the *Work Rules of Independent Directors*. These instruments ensure that the governance structure and operational processes are standardized, decision-making is scientific, transparent and compliant, and the legitimate rights of shareholders, employees and other stakeholders are safeguarded.



Governance Structure

General Meeting of Shareholders

Medicilon strictly follows relevant laws and regulations, such as the *Rules for Shareholders' Meetings of Listed Companies*. Shareholder meetings are conducted in accordance with applicable regulations, adopting a dual-track voting mechanism combining in-person and electronic voting. This ensures resolutions are made in a fair and transparent manner, fully respecting the rights of all shareholders, including minority shareholders. During the reporting period, no incidents of unauthorized interference in business decision-making were recorded.

Key Performance

During the Reporting Period,
the Company held **3** general meetings of shareholders,
at which **24** proposals were reviewed and approved.

Board of Directors

The Board of Directors of the Company, accountable to the General Meeting of Shareholders, reviews major matters in the business activities of the Company, and makes decisions or submits them to the General Meeting of Shareholders for approval. In strict compliance with the provisions and requirements of the *Company Law of the People's Republic of China*, the Articles *of Association and the Rules of Procedure of the Board of Directors*, the Company clarifies the scope of authority of the Board of Directors, improves and standardizes the operation of the Board of Directors in aspects such as the procedures of convening meetings and reviewing proposals voting, as well as voting modes and resolution content, thereby fully utilizing the decision-making role of the Board of Directors.

Key Performance

During the Reporting Period,
the Company convened a total of **9** meetings of the Board of Directors,
at which **54** proposals were reviewed and approved.

Specialized Committees under the Board of Directors

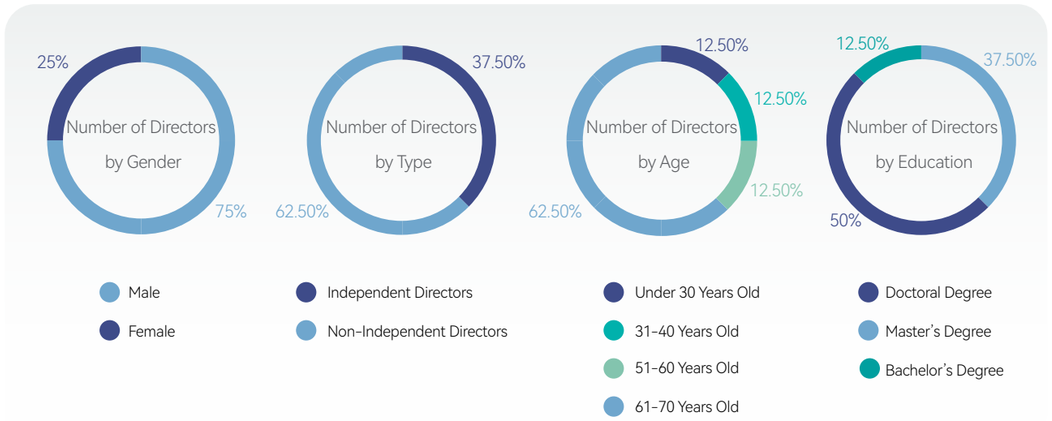
The Board of Directors consists of four specialized committees: the Strategy Committee, the Nomination Committee, the Audit Committee, and the Remuneration and Appraisal Committee. Each committee regularly reports its work progress to the Board of Directors, providing support for the Board's informed decision-making and corporate governance.

Key Performance

During the reporting period,
the Company held **3** Strategy Committee meetings, **2** Nomination Committee meetings,
5 Audit Committee meetings and **3** Remuneration and Appraisal Committee meetings.

Board Diversity and Composition

Board composition is determined with reference to the Company's future strategic needs and diversity criteria, including professional background, gender balance and age structure. This approach ensures the board's capacity for informed and effective decision-making.



Independence of Board of Directors

Medicilon emphasizes the critical role of independent directors in corporate governance. Through institutionalized processes, we leverage their expertise to enhance board oversight and decision-making quality. The *Work Rules of Independent Directors* ensures that three qualified independent directors, accounting for over one-third of the board, are appointed in compliance with regulatory requirements.

All independent directors participate in every board meeting, either in person or remotely, and serve on four board committees. Except for the Strategy Committee, independent directors chair the remaining committees, with the Audit Committee chair possessing deep accounting expertise. Regularly organized dedicated independent director meetings provide a platform to review company operations, consider industry trends, deliberate on strategic matters and offer professional recommendations, thereby supporting informed and effective corporate decision-making.

Key Performance

During the Reporting Period,
the Company convened **2** special meetings of independent directors,
at which **3** proposals were reviewed and approved.

Management of Remuneration for Directors and other Officers

We continuously refine our compensation management system. In alignment with the *Rules of Procedure for the Remuneration and Appraisal Committee under the Board of Directors of Shanghai Medicilon Inc.* and the *Performance Management Measures for Directors and Senior Management*, as approved by the Board, the annual remuneration for directors and senior executives is determined by the Shareholders' Meeting and the Board based on performance outcomes for the fiscal year.

Investor Relations Management and Shareholders' Rights and Interests

Information Disclosure

In accordance with the *Administrative Measures on Information Disclosure by Listed Companies* and other applicable regulations, Medicilon has established and implemented the *Information Disclosure Management System* to safeguard the legitimate rights and interests of investors. During the Reporting Period, the Company was not subject to any penalties imposed by any regulators due to non-compliance with any information disclosure regulations.

Key Performance

During the Reporting Period,
we issued **136** public announcements and did not incur any penalties for non-compliance in information disclosure.

Capital Market Communication and Public Opinion Management

Medicilon maintains a proactive and structured approach to capital market communications. We've established and implemented the *Public Opinion Management Workflow,* covering pre-event monitoring, in-event response and post-event evaluation, ensuring timely identification and management of market developments. Stock price fluctuations and anomalous movements are analyzed in real time, with findings reported promptly to senior management.

Investor Relations Management

Our *Investor Relations Management System* ensures equitable treatment of all investors and prioritizes protection of minority shareholder rights.

The Board Secretary serves as the primary officer responsible for investor relations, supported by the Securities Office, which coordinates investor visits, inquiries, shareholder engagement and the dissemination of publicly disclosed information. Communication channels include earnings briefings or investor conferences, general shareholder meetings, creating platforms for the Company to communicate with investors over operating results, significant matters and other information.

In addition, we maintained routine interactions and engagements with investors through a dedicated investor hotline, fax, email and SSE e-Interaction portal, among others.

Key Performance

During the reporting period,
we hosted **3** earnings briefings, received **68** institutional research visits,
and engaged with over **460** investors.
The response rate to investor questions submitted via SSE e-Interaction portal was **100%**.

Return to Shareholders

Medicilon consistently upholds its responsibility to all shareholders and places high priority on shareholder returns. For three consecutive years, the Company has conducted share repurchases through centralized bidding. In addition, the Company has established scientifically designed procedures and adjustment mechanisms for profit distribution decisions to ensure the process is transparent and open, fully protecting the information rights and participation of minority shareholders and safeguarding their legitimate interests.

Standardization of Related-Party Transactions

During the reporting period, Medicilon continuously optimized and standardized the *Related-Party Transaction Decision-Making System* to regulate related-party transactions, detailing transaction approval, authority, review and abstention procedures, examination and execution. This framework ensures that all related-party transactions are conducted fairly, transparently and in accordance with governance standards, safeguarding the interests of the Company and all shareholders. During the reporting period, no violations or incidents occurred that could negatively impact the Company or its shareholders.

Risk Management and Internal Control

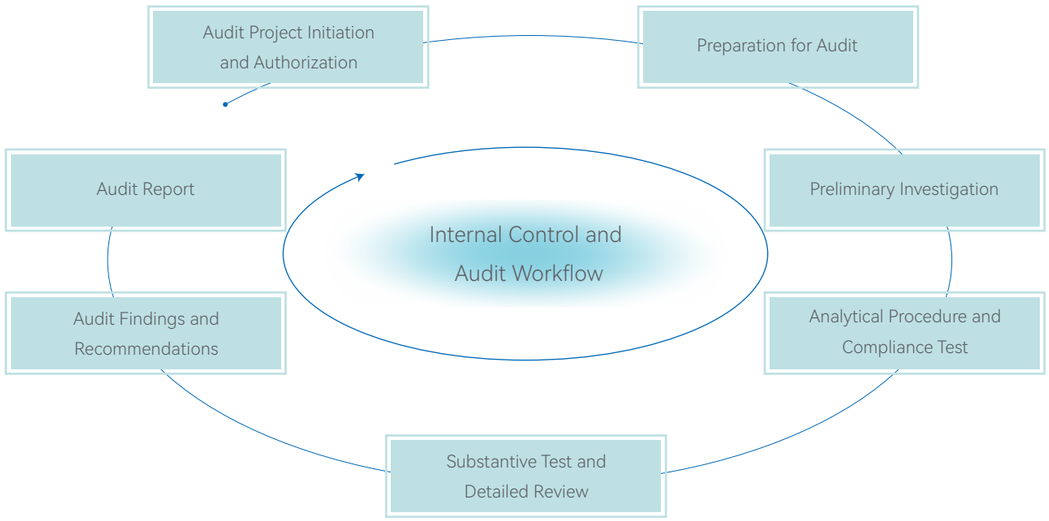
Investment Decision Risk Management

In response to an increasingly complex and dynamic macroeconomic and trade environment, Medicilon has aligned its investment decision-making processes with national policies, regulatory requirements and the recommendations of the "15th Five-Year Plan". The *Measures for Investment Decision Committee Management* provide a structured framework to continuously enhance the Company's investment risk management capabilities, improve risk prevention and mitigation effectiveness and strengthen internal controls and oversight mechanisms. This ensures the systematic application of investment decision risk management across all business segments and global operations, supporting the Company's sustainable and resilient growth.

Internal Control

Anchored in compliance, Medicilon has established and continuously refined supporting governance systems, including the *Internal Audit Management System, Internal Audit Implementation Rules,* and *Internal Audit Procedures* in strict accordance with the *Audit Law of the People's Republic of China,* the *Basic Standards for Enterprise Internal Control* and related regulatory guidance. These institutionalized and standardized mechanisms ensure that risk monitoring and internal audit activities operate effectively, efficiently and in line with best practice standards.

An Internal Control and Audit Department serves as the Company's independent audit body. Reporting directly to the Audit Committee, this department conducts audits across key operational areas, including financial audits, internal control assessments, project budget and final account audits, economic responsibility audits, handover and exit audits, and anti-corruption audits. Based on operational requirements, the Company has developed detailed procedural standards for internal audit activities to ensure independence, objectivity and effectiveness.



Internal Audit

Medicilon develops an annual audit plan that coordinates resources to ensure audits are systematic, forward-looking and outcome-driven. During the reporting period, the Company conducted targeted audits in critical areas, including full lifecycle management of technical service contracts and implementation of outsourced service policies. Audit scopes and objectives were clearly defined, potential risks were identified and actionable recommendations were provided, supporting corrective measures, operational efficiency and compliance.

Internal Audit Frequency and Scope

High-Frequency Audits Quarterly to Semi-Annual	● Financial Accounting and Fund Management: Revenue recognition, expense reimbursement and cash flow management; conducted quarterly or semi-annually in full. ● Procurement and Supply Chain: Supplier onboarding, contract execution and payment processes; audited semi-annually, or quarterly for bulk procurement or frequent supplier changes. ● Sales and Accounts Receivable: Compliance with credit policies and revenue recognition; audited semi-annually, with increased frequency for high variability or credit risk.
Medium-Frequency Audits Annual	● Asset Management: Inventory verification and fixed asset management; audited at least once annually. ● Engineering Projects and Contract Management: Key project milestones, including initiation, budget execution and completion, audited annually. ● Information Systems and Data Security: Assessed annually in relation to system upgrades and potential data breach risks.
Low-Frequency Audits Every 1–3 Years	● Human Resources and Compliance Systems: Recruitment, performance appraisal and anti-fraud mechanisms; audited at least once every two years.

Key Performance

During the reporting period,

all internal audit findings were addressed through corrective actions and closure procedures.

We completed **2** internal audit projects, identified **7** potential risks,

and issued **9** targeted recommendations to strengthen governance, compliance and operational resilience.

Risk Control and Management

We conduct a comprehensive annual risk identification process, evaluating both internal and external factors affecting its operations. Internal management risks include strategic, operational, financial, market and legal compliance risks. External risks encompass macroeconomic fluctuations, environmental impacts, changes in national laws and regulations and shifts in industry-specific policies.

The global pharmaceutical CXO sector is highly sensitive to policy changes driven by geopolitical developments. Legislative initiatives such as the U.S. *Biosecure Act* draft, the EU *Critical Raw Materials* Act (CRMA) and "de-risking" policies in certain countries present potential constraints to the overseas operations of Chinese CRO companies.

To enhance resilience and mitigate these risks, we've implemented the following measures:

Strengthening Compliance Systems to Address Regulatory and Policy Changes

Compliance management serves as a cornerstone of the Company's global operations. We continuously strengthen our internal control framework and risk early-warning mechanisms, conducting regular internal audits and risk assessments to ensure robust and compliant operations. Internationally, the Company actively pursues multi-system certifications and successfully passed on-site inspections by the U.S. FDA and China's NMPA for consecutive years, and obtained OECD GLP certification.

Optimizing Global Footprint to Reduce Regional Dependence

The Company follows a dual-track strategy of "deepening mature markets + expanding into diverse regions". We continue to consolidate our presence in established markets across Europe and North America while expanding our global service network. In China, operations cover core regions such as the Yangtze River Delta and Pearl River Delta, with additional outreach nationwide. Overseas, service teams and partnerships are established across multiple countries in the Americas, Europe and Asia to reduce dependence on any single market.

Enhancing Data Governance and Intellectual Property Protection to Safeguard Core Assets

The Company prioritizes data governance to mitigate cross-border transfer risks, upgrading information systems to ensure secure and compliant global data handling. In terms of intellectual property, we've implemented comprehensive end-to-end IP management mechanisms. Proactive IP strategy, risk assessments and legal safeguards in overseas markets are applied to prevent potential infringement disputes.

Strengthening Cross-Border Operations and Stabilizing Key Talent

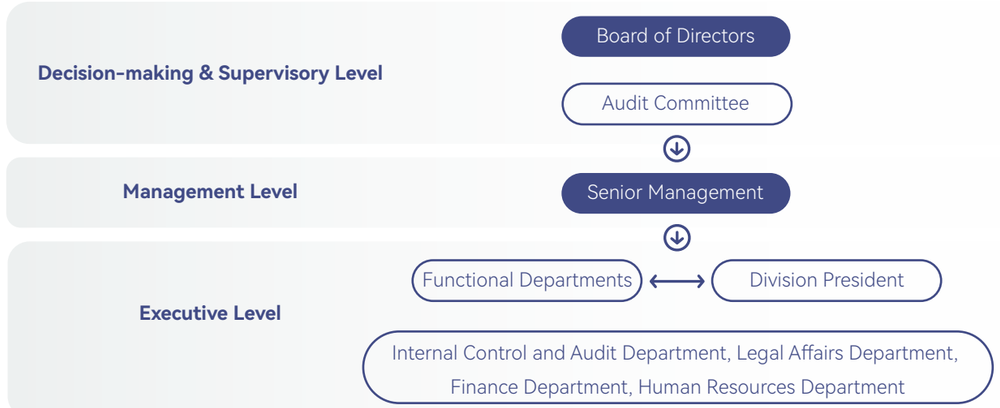
For cross-border operations, we strengthen internal controls within our overseas subsidiaries to ensure timely operational reporting and improved management efficiency. Additionally, we continuously evaluate the legal and commercial environments of overseas markets, continuously adapting management models to support global growth. Relying on enhanced market development capabilities and culturally aligned compensation and performance incentives, we endeavor to foster a resilient workforce.

Anti-Commercial Bribery and Anti-Corruption

Anti-commercial bribery and anti-corruption practices are fundamental to sustainable growth in the pharmaceutical industry. Medicilon strictly complies with the *Anti-Unfair Competition Law of the People's Republic of China* and the *Guidelines for Pharmaceutical Companies to Prevent Commercial Bribery Risks*, establishing a comprehensive internal compliance framework supported by ongoing employee training and supervision. During the Reporting Period, no incidents of commercial bribery, embezzlement, corruption or other violations occurred in the Company.

Governance

To reinforce anti-corruption measures, Medicilon has developed the Anti-Fraud, *Anti-Bribery and Whistleblowing Management System* and the *Measures for the Administration of Anti-Fraud, Anti-Bribery and Whistleblowing*. A clear hierarchical organizational structure is in place, which defines responsibilities at each level, with the Board authorizing the Audit Committee to oversee anti-fraud initiatives. These measures ensure effective enforcement of policies, clearly defined sanctions and the promotion of an ethical corporate culture.



Corporate Anti-commercial Bribery and Anti-Corruption Governance Structure

Strategy

Risk/ Opportunity	Description of Risk /Opportunity	Likelihood of Occurrence	Impact Materiality	Duration of Impact	Value Chain Links Impacted	Priority Ranking	Financial Impact	Countermeasures
Corruption Risk	Any acts of corruption or fraud by employees or management could result in litigation, regulatory fines, contract terminations, and reputational damage, materially affecting the Company's financial performance and long-term sustainability.	Medium	High	Short to medium term	Operations	High	Increased operating costs and reputational loss	Conduct regular anti-corruption training programs to strengthen employees' ethical awareness, and establish a whistleblowing policy, empowering all employees to participate in oversight and reporting.
Opportunities	With robust ethical standards and anti-corruption systems, the Company can continuously build brand equity and reinforce client loyalty.	High	Medium	Long term	Operations, downstream	High	Reduction in operating cost and increase in operating income	Maintain and optimize the anti-fraud system and mechanism to ensure that corruption risks remain controlled over the long term.

Impact, Risk, and Opportunity Management

Medicilon has established and effectively implements anti-fraud procedures and controls, including risk assessments and preventive controls. The Internal Control and Audit Department regularly evaluates internal corruption risks. All employees are required to sign the *Letter of Commitment to Anti-Fraud and Anti-Commercial Bribery*, reinforcing awareness and accountability.

Supervision and Audit of Anti-Commercial Bribery and Anti-Corruption

- The Internal Control and Audit Department, reporting to the Board, oversees corporate ethics standards and monitors compliance continuously, assessing the integrity and effectiveness of risk management and internal control systems across all business units.
- It also drives employee training, whistleblowing and supervision, integrating ethical oversight into financial audits, supply chain management and compliance evaluations. Regular analysis of employee reimbursements and supplier payments is conducted to detect and prevent fraudulent activity.

Training on Anti-Commercial Bribery and Anti-Corruption

- Medicilon institutionalizes anti-corruption culture across all organizational levels, including Board members, management, employees and suppliers. This promotes alignment between ethical culture, corporate governance and individual responsibilities, embedding integrity as an intrinsic part of organizational operations.

Key Performance

During the reporting period, the Company conducted **20** in-person anti-commercial bribery and anti-corruption training sessions, covering all new hires in 2025; and online training, with **1,217** participants completing a total of **243.40** training hours.

Case

Training on *the Measures for the Administration of Anti-Fraud, Anti-Bribery and Whistleblowing*

As part of the 2025 onboarding program, Medicilon positioned anti-fraud culture as a foundational element of employee development. It delivered training sessions on *the Measures for the Administration of Anti-Fraud, Anti-Bribery and Whistleblowing*, which defined fraudulent behaviors, whistleblowing procedures, rewards and sanctions, establishing a "compliance-from-day-one" mindset to ensure that integrity awareness permeates the workforce.

Integrity Management of Business Partners

- Medicilon conducts comprehensive due diligence during supplier onboarding, verifying qualifications through official credit information systems and bribery-related criminal record databases. Suppliers are required to complete an *Anti-Corruption Questionnaire* and to sign the *Integrity Initiative, Declaration of Integrity,* and the *Supplier Code of Conduct* which explicitly incorporates anti-commercial bribery and anti-corruption clauses, thereby prohibiting any form of corrupt behavior. Throughout the partnership, the Company systematically monitors and audits suppliers' compliance performance to ensure a long-term, integrity-driven supply chain with controllable risks.

Whistleblowing and Protection of Whistleblowers

- Medicilon encourages all employees and external whistleblowers to report any acts of commercial bribery or corruption. Reporting channels have been established and disclosed publicly. The Internal Audit Department is responsible for receiving and investigating such reports, implementing tiered response procedures and recusal protocols depending on the severity of the case, ensuring a fair and impartial investigation process. Verified reports result in substantial cash rewards for whistleblowers, depending on the amount of losses recovered. We strictly prohibit any unlawful discrimination, retaliation or hostile actions against complainants or employees involved in investigations, thereby safeguarding whistleblower rights.

Whistleblowing Email	Yijian@medicilon.com.cn
Whistleblowing Hotline	021-58591500-8149

Metrics and Targets

We maintain a zero-tolerance stance on corruption, establishing quantifiable, verifiable and traceable anti-bribery objectives, which are regularly reviewed and dynamically adjusted to ensure that anti-corruption management evolves from a qualitative commitment to measurable, trackable and accountable governance practices.

Targets	Achievements in 2025
Online anti-corruption training is delivered to all employees.	Achieved
100% employees signed the Employee Business Ethics Agreement.	Achieved

Key Performance

During the reporting period,

100% employees signed the *Letter of Commitment to Anti-Fraud and Anti-commercial Bribery;*

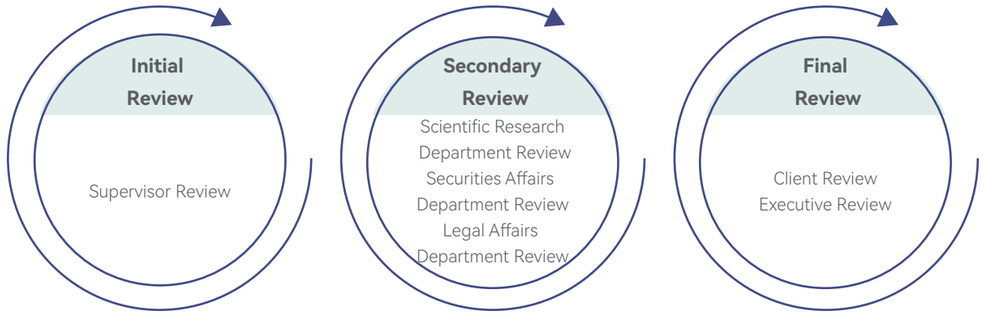
business ethics audits achieved **100%** coverage, with **0** risk points identified;

100% key suppliers signed the *Integrity Initiative.*

Anti-unfair Competition and Anti-Monopoly

Medicilon has formulated the *Measures for Unfair Competition and Anti-Monopoly Management* in strict accordance with the *Anti-Unfair Competition Law of the People's Republic of China* and the *Anti-Monopoly Law of the People's Republic of China*. The Internal Audit Department is responsible for supervising and managing unfair competition behavior. Through regular training and the establishment of whistleblowing policies, the Company ensures that all market operations are conducted in full compliance with legal requirements, effectively safeguarding the Company's brand reputation and promoting fair market competition. During the Reporting Period, no incidents of unfair competition occurred in the Company.

Medicilon Content Publication Review Process



Case

《Training on the *Measures for Unfair Competition and Anti-Monopoly Management*

To strengthen anti-unfair competition and anti-monopoly awareness among new employees, Medicilon conducted training on the *Measures for Unfair Competition and Anti-Monopoly Management* as part of the 2025 onboarding program. Training content was closely aligned with the Company's operational realities, providing detailed guidance on institutional compliance and effectively embedding a culture of compliance across the organization.

02

Innovation-Driven Development and Data Security

ESG Material Topics Covered in this Chapter

Innovation-driven Development

Science and Technology Ethics

Data Security and Customer Privacy Protection

SDGs Responded in this Chapter

Innovation-Driven Development

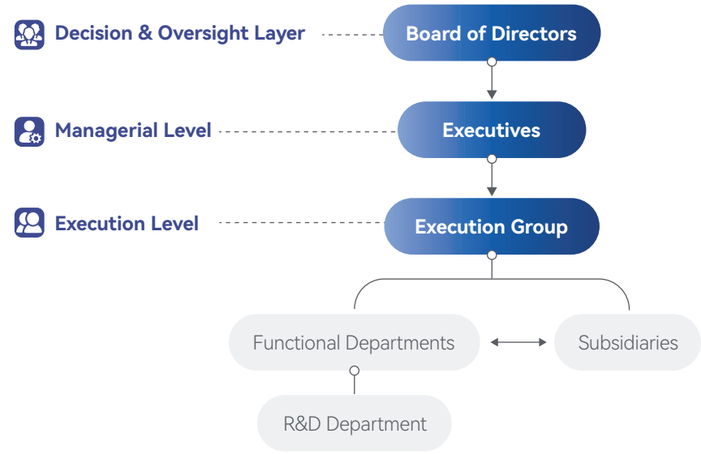
Governance

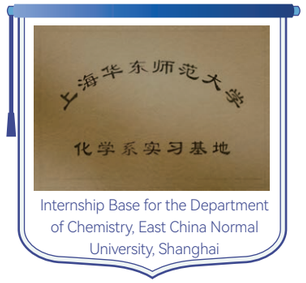
Medicilon places the highest priority on scientific and technological innovation, establishing and implementing systems such as the Internal Control System – Independent R&D to define clear objectives for proprietary research and development. The Company has built a three-tier governance structure for scientific and technological innovation—comprising the Decision & Oversight Layer, Management Layer and Execution Layer—coordinating innovation strategy, resource allocation and project approvals. We've also developed three major business divisions—Drug Discovery, CMC Development and Preclinical Research—alongside the Boston Innovation Center in the United States, forming a distributed research architecture that enhances the resilience of the Company's scientific activities.

Medicilon continually focuses on the forefront of drug discovery, aligning with client innovation needs and investing heavily in critical core technologies. We've built and refined the one-stop preclinical research platform covering both chemical drugs and biologicals. In 2025, we further consolidated the one-stop preclinical research platforms for AOCs, ADCs and RNAi. In terms of technological innovation, Medicilon is strategically advancing an AI-enabled drug discovery platform, integrating artificial intelligence, big data and over two decades of R&D experience. This platform encompasses core capabilities including protein structure prediction, target binding site analysis, molecular design and database construction. Additionally, the Company actively develops cutting-edge technology platforms, including organoid models, PROTACs, cell and gene therapies, ocular animal models and AI-assisted molecular probe design, continually strengthening technological barriers and service competitiveness.

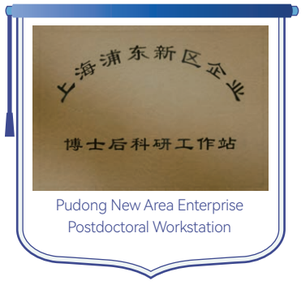
Leveraging our one-stop preclinical research platform, the Company collaborates closely with multiple AI-driven new drug companies, successfully advanced several AI-driven new drugs of clients into the clinical stage. By the end of the reporting period, Medicilon and several subsidiaries had obtained High-Tech Enterprise Certification. Medicilon and Medicilon Puya were recognized as Municipal Enterprise Technology Centers. Medicilon, Medicilon Puson and Medicilon Puya were recognized as "Specialized and Sophisticated Enterprise that Produces Novel and Unique Products" (SSNI) enterprises.

Medicilon Technological Innovation Governance System





Internship Base for the Department of Chemistry, East China Normal University, Shanghai



Pudong New Area Enterprise Postdoctoral Workstation

NMPA GLP Laboratory for Drug Safety Evaluation

High-Tech Enterprise Certificate of Medicilon Puson

High-Tech Enterprise Certificate of Medicilon Purui

High-Tech Enterprise Certificate of Medicilon Puya

High-Tech Enterprise Certificate of Medicilon

High-Tech Enterprise Certificates of Medicilon Puhui

Strategy

Guided by our R&D-driven innovation strategy, we conduct comprehensive, scientific assessments of innovation-related risks and opportunities, accurately evaluating their impact on technological development, product portfolio and market growth, and formulate corresponding mitigation and opportunity-capturing strategies.

Type of Risk/Opportunity	Description of Risk /Opportunity	Likelihood of Occurrence	Extent of Impact	Impact Duration	Impact on Value Chain	Financial Impact	Countermeasures
Risk Technology Risks	Rapid technological evolution and high uncertainty may result in misjudged R&D directions or outdated technologies.	Low	High	Long term	Operations, downstream	Reduction in operating revenue	Advance frontier research and outcomes translation through independent R&D and industry-academia collaboration to maintain technological leadership in the industry.
Risk Market Risk	Market competition from rivals launching cost-effective products may erode market share.	Low	Medium	Medium to long term	Operations	Decreased market share and operating revenue	Continuously increase R&D investment, strengthen technological barriers and service differentiation, and enhance customer loyalty and order stability via long-term strategic partnerships, co-development and joint technology initiatives.
Opportunities Technological Opportunities	Emerging technologies such as AI-enabled drug discovery, organoid models and human cell models are rapidly penetrating the market, offering significant improvements in R&D efficiency, cost reduction and safety evaluation.	High	High	Short, medium and long term	Operations	Reduction in operating costs	Strengthen industry-academia-research collaboration and independent innovation, continuously iterate technological routes and service models, converting technological opportunities into core competencies and market share, enhancing R&D service capability and competitive advantage to consolidate industry leadership.
Opportunities Market Opportunities	Product reliability and safety are crucial to building customer trust and loyalty, reducing attrition, and stabilizing or expanding market share.	High	High	Short, medium and long term	Upstream, operations	Increase in operating income	Medicilon continues to strengthen its talent pool, increase R&D investment, and advance its capital operations strategy, optimizing and adjusting internal structures to further expand into high-tech, high value-added fields.

Impact, Risk, and Opportunity Management

Medicilon has established a systematic impact, risk and opportunity management framework covering the entire proprietary R&D process, encompassing identification, assessment and mitigation, to achieve closed-loop control over the full R&D lifecycle. In the area of risk and opportunity management, we've implemented a multidimensional identification mechanism, systematically tracking cutting-edge developments in new drug R&D and thoroughly analyzing client innovation needs to accurately identify potential risks and opportunities, including technological challenges in R&D and industry-wide technology iterations. We further evaluate and classify the likelihood and potential impact of these risks and opportunities, strengthen targeted mitigation measures, seize development opportunities, and continuously increase research efforts on key drug development technologies, thereby establishing a robust technical barrier against risks.

Metrics and Targets

Medicilon closely monitors global trends in drug discovery, aligning with core client innovation needs, systematically advancing and continuously improving its innovation technology platforms. The Company also increases investment in proprietary R&D resources, enhances technical service capabilities and strengthens core R&D service competence and market competitiveness, leveraging specialized innovation technology to drive progress in the biopharmaceutical industry.

R&D Technology Platform Development	The Company continues to consolidate and enhance integrated preclinical research platforms for ADC, RNAi drugs and other biopharmaceuticals. This integrated approach extends from chemical drugs to biologics, further enhancing drug discovery and CMC development capabilities for biopharmaceuticals.
Proprietary Innovation and R&D	The Company further develops AI-driven drug discovery platforms, organoid model development, PROTAC drug R&D platforms, and cell and gene therapy platforms, addressing key technological frontiers.

Targets	Achievements in 2025
The Company maintains an annual R&D investment exceeding 5% of its operating revenue	In 2025, R&D investment accounted for 8.98% of its main operating revenue, achieving the target

Quantitative Indicators

Indicator	Unit	Results in 2025
Investment in R&D:		
R&D Expenditures	RMB 10,000	10,441.28
Percentage of R&D Expenditure to Operating Revenue	%	8.98
R&D Team Building:		
Number of R&D Personnel	Person	2,215
Ratio of R&D Personnel to Total Employees	%	88.46
Including: Employees with Master's Degree and Above	Person	601
Including: Employees with Bachelor's degree and below	Person	1,614
Innovation Achievements:		
Cumulative Number of Authorized Patents	Case	56
Including: Cumulative Number of Authorized Invention Patents	Case	45
Including: Cumulative Number of Authorized Utility Model Patents	Case	11
Number of Annual Patent Applications	Case	6
Cumulative Number of Software Copyrights	Case	25
Cumulative Number of Trademarks	Case	35

Presentation of Innovation Achievements

New Drug R&D

Medicilon is committed to building standardized, cutting-edge drug discovery technology platforms, continuously refining full-cycle R&D services. Core achievements include supporting partner biopharmaceutical companies in accelerating drug discovery, thereby speeding up their market entry while generating stable and substantial economic returns for Medicilon. During the reporting period, the Company assisted 131 IND approvals.

Contribution to Industry Development

Medicilon has deepened strategic collaborations with leading domestic pharmaceutical companies, including Hengrui Pharma, Kexing Biopharm and Innodrug, while coordinating with international partners such as Oncotelic, Hepanova and BIK Therapeutics. By integrating global technical expertise, talent and industry resources through a collaborative model, the Company facilitates efficient progress in drug discovery projects both domestically and internationally. During the reporting period, Medicilon led the development of the group standard Technical Specification for Drug Toxicity Evaluation Based on Organoid Models, earning an honorary certificate from the Standardization Committee of China Association for the Promotion of International Economic and Technological Cooperation. Additionally, the Company participated in 25 domestic and 40 international industry conferences and hosted 21 topic-specific live sessions covering ADCs, AOCs, nucleic acids, peptides, organoids and NAMs, promoting knowledge sharing and collective advancement.

Case

Medicilon Shanghai Seminar

On December 19, 2025, Medicilon held a specialized touring seminar in Shanghai, inviting representatives from Roche, Fudan University, Hengrui Pharma and other industry-academia-research partners. The seminar focused on cutting-edge technologies, non-clinical research, FDA policy updates and ecosystem co-development. Medicilon's expert team engaged in in-depth exchanges with attendees, jointly promoting sustainable development within the industry.

Roundtable Forum: Co-Creating the Future

Case

Advancing New Opportunities for International Collaboration

On September 8, 2025, Medicilon's Chief Scientific Officer (CSO), invited as an authoritative Chinese expert, attended the 13th World Congress on Alternatives and Animal Use in the Life Sciences – 3RS Integrating 3 Worlds: Human, Animal and Environment Health (WC13) in Rio de Janeiro, Brazil. During the event, two academic presentations were delivered, systematically showcasing China's progress, achievements and challenges in non-animal toxicity testing strategies to the international scientific community. This conference highlighted the global impact of Chinese scientific innovation and reinforced Medicilon's commitment to advancing drug development in a scientifically rigorous, ethical and efficient manner, in collaboration with international partners.

13th World Congress on Alternatives and Animal Use in the Life Sciences – 3RS Integrating 3 Worlds: Human, Animal and Environment Health

Technical Specification for Drug Toxicity Evaluation Based on Organoid Models

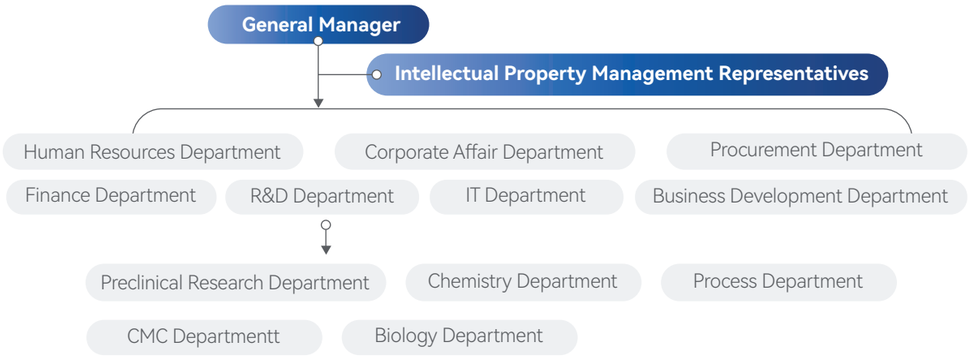
◀ Validation of CCL20-driven CAR-γδ T secreting PD-1 blockade with enhanced trafficking into solid tumor

Protection of Intellectual Property Rights

Medicilon places high strategic importance on intellectual property (IP) protection, recognizing it as a critical lever for safeguarding technological innovation and maintaining core competitive advantages. The Company has established a systematic IP management framework, implementing 23 dedicated IP management policies, including the Intellectual Property Document Control Procedures and IP Management Manual, which clearly define responsibilities for relevant departments and personnel, and provide standardized procedures for IP application, protection, utilization and administration.

The Company's IP protection measures address risk management, dispute resolution, international trade and contract oversight, while continuously strengthening confidentiality management. We continuously improve our internal IP management system, focusing on promoting the institutionalization and systematization of IP protection. Specific initiatives include training programs emphasizing respect for IP and privacy, *Guide on Keeping a Good Laboratory Notebook*, and employee confidentiality agreements under the *External Information Distribution and Use Management System*, clearly defining responsibilities and obligations to protect the IP of clients, partners and the Company itself.

Intellectual Property Management Functions

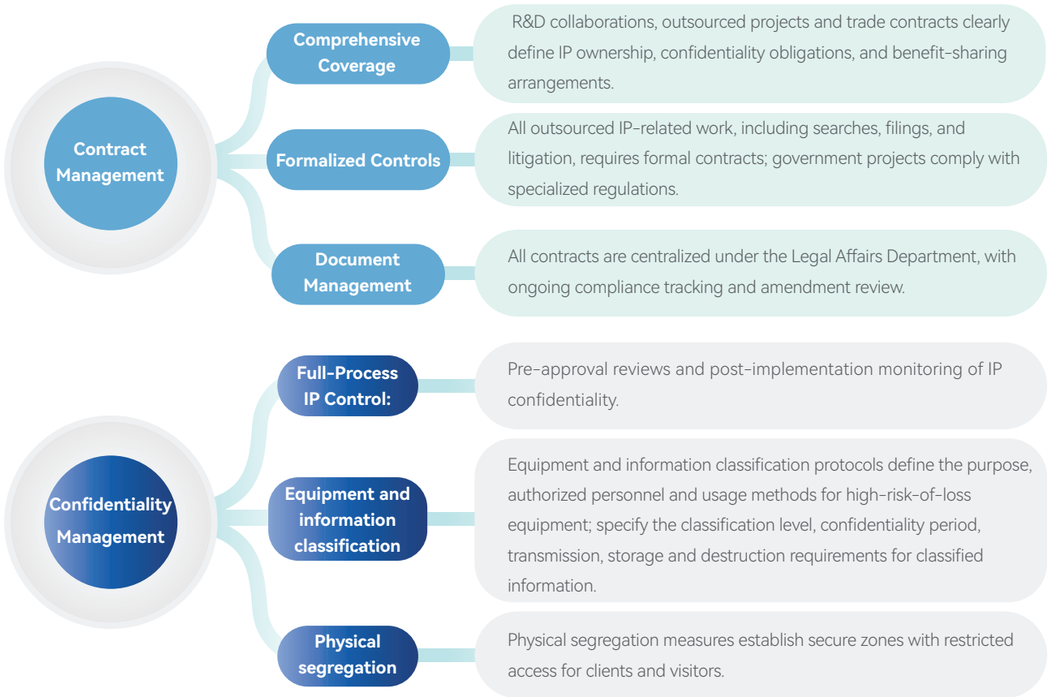


Medicilon Intellectual Property Application and Management Process

- The R&D Department submits an intellectual property application to the Corporate Affairs Department based on research outcomes.
- The Intellectual Property Manager organizes the evaluation of the submitted IP application, conducts patent searches on related technologies, issues search reports, and submits applications that meet the requirements to the responsible supervisor for approval.
- The Corporate Affairs Department engages a patent agency to prepare patent application documents and forwards the documents prepared by the patent agency to the inventor for confirmation.
- The patent agency is entrusted to submit the patent application documents.
- The status of patent application is tracked, and relevant procedures are handled accordingly.

Measures for Intellectual Property Protection

Risk Control	Patent Search	Conduct pre-project patent searches and infringement assessments, produce investigation reports, and implement early-warning or mitigation measures.
	Market Surveillance	Maintain routine monitoring of potential IP infringements; all findings are formally reported to the Legal Affairs Department to enforce rights.
	Systematic Oversight	Incorporate IP risk assessment into the Company-wide risk management system with periodic evaluations and updates.
Dispute Resolution	Multi-Channel Rights Enforcement	Monitor infringement trends and employ administrative complaints, litigation or whistleblowing as appropriate.
	Strategic Decision-Making	Evaluate litigation, arbitration, or settlement options based on cost, duration, and commercial impact to select the most effective course of action.
International IP Protection	Pre-Export Due Diligence	Assess IP laws, industry litigation risks, and potential infringement barriers in target markets, preparing comprehensive risk reports.
	Overseas IP Registration	File patents, register trademarks, and record copyrights in relevant overseas jurisdictions.
	Border Enforcemen	Apply customs IP filings and border inspection measures for high-risk products.



Case

Training on Laws Concerning Intellectual Property

In December 2025, Medicilon's Legal Affairs Department conducted specialized IP legal training for relevant management personnel. The training, tailored to the Company's IP management needs, combined professional legal interpretation with practical guidance, effectively strengthening participants' awareness, accountability, and legal expertise in IP protection. This initiative further supports the standardized and systematized development of Medicilon's IP management framework.

Highlights from Training on Laws Concerning Intellectual Property

Science and Technology Ethics and Medical Ethics

Medicilon strictly adheres to the *Regulations on the Administration of Laboratory Animals, the Laboratory Animal—Guideline for Ethical Review of Animal Welfare*, the *Biosafety Law of the People's Republic of China* and GLP standards established by the NMPA, FDA and OECD, among other relevant domestic and international laws and regulations. The Company has established the Institutional Animal Care and Use Committee (IACUC) and implemented policies including the *Medicilon Preclinical Research Animal Use and Management System and IACUC Operating Room Use and Care Rules*, overseeing end-to-end management of laboratory animals. These measures ensure compliance with animal welfare and ethical standards while providing high-quality animal care and robust biosafety protections.

The Company continuously strengthens ongoing education and vocational training for personnel. Higher standards have been established and enforced regarding environmental safety, including the handling of laboratory waste and animal carcasses, as well as occupational safety, standardized operational procedures and labor protection. These measures maximize respect for animal welfare and ensure that experimental data are accurate, reliable and reproducible. Medicilon actively implements the "3Rs" principles in animal research—Replacement, Reduction and Refinement—and has developed a comprehensive system for animal welfare and ethical protection, continuously improving the ethical and scientific standards of animal experiments.

Medicilon's "3Rs" Principles in Laboratory Animal Management	
Replacement	Utilize in vitro assays to evaluate drug safety, minimizing reliance on live animals. For example, in hERG studies, cell-based models are used to assess compounds, avoiding the use of live animals.
	Develop iPS cell-derived organoid platforms, enabling in vitro pharmacological and toxicological evaluation to replace in vivo studies, accelerating drug development timelines.
	Leverage an AI-driven drug discovery platform to integrate compound physicochemical properties, metabolic pathways and potential toxicities, enabling precise prediction of ADMET characteristics (Absorption, Distribution, Metabolism, Excretion and Toxicity).
	The NAMs (New Approach Methodologies) drug discovery platform combines AI, in vitro models and hybrid wet-dry systems into a triad framework. This fully integrates advanced in vitro models, computational modeling, and AI technologies to support drug safety and efficacy evaluation, reducing or replacing traditional animal testing.

Medicilon's "3Rs" Principles in Laboratory Animal Management	
Reduction	Reuse animals in PK studies after completion of test compound washout periods to minimize total animal use.
	Use residual animals for blank sample collection for training or other research applications to optimize resource use and avoid unnecessary animal testing.
	A strategic framework agreement with Shanghai Jiao Tong University Agricultural Life Sciences Experimental Internship Co., Ltd. facilitates comprehensive collaboration in teaching, research, experimental internships and supply of Beagle dogs for preclinical research. Retired dogs are donated for experimental teaching, maximizing the utilization of animal resources.
Reduction	During project implementation, literature research and optimized experimental design are applied in strict compliance with NMPA, FDA and OECD regulations and guidelines, ensuring minimal use of animals to achieve research objectives.

Medicilon places a high priority on the welfare of laboratory animals, providing them with a comfortable and humane living environment. Research projects are reviewed at least once every six months, and animal facilities are inspected at least semiannually. During the reporting period, the Company conducted 14 IACUC knowledge training sessions for relevant personnel and carried out 4 inspections of animal facilities, ensuring comprehensive protection of animal welfare.

During the reporting period, the Company received full accreditation from the Association for Assessment and Accreditation of Laboratory Animal Care International (AAALAC). From October 19 to 20, 2025, we successfully passed the on-site triennial re-inspection by AAALAC international experts, with no major violations related to scientific ethics reported.

AAALAC Full Accreditation

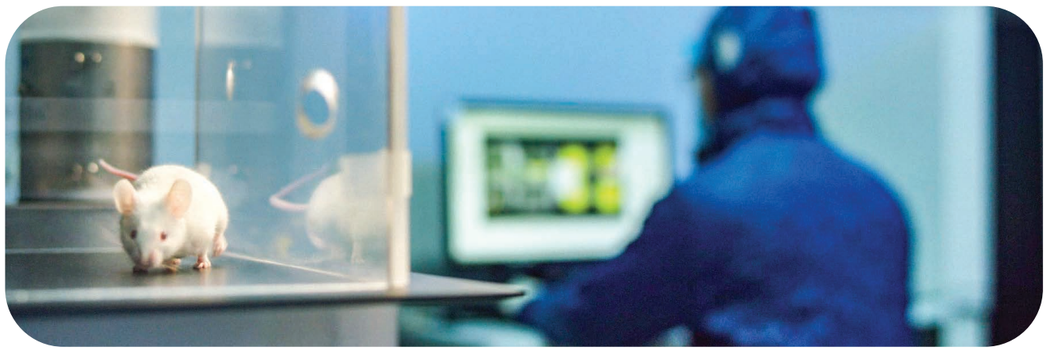
On-site Inspection by AAALAC Accreditation Experts, September 19–20, 2025

Animal Welfare and Ethical Protection Measures	
Animal Facility Environment	Animal facilities comply with the national standard GB14925-2023 *Laboratory Animal – Environment and Housing Facilities*, providing animals with a comfortable housing environment.
Animal Experimental Project Management	All projects involving laboratory animals require approval of the Protocol by the IACUC for welfare and ethical compliance. Projects that do not pass review are prohibited from proceeding.
Regulatory and Policy Safeguards	The Company has established comprehensive guidelines and policies to ensure the welfare and ethical treatment of laboratory animals.
Training	For SD personnel, laboratory staff and animal caretakers: Conduct AAALAC international accreditation training and in-house "Animal Care and Use Program" training.
	For all employees: Conduct annual training on animal welfare and zoonotic disease prevention.

To honor and recognize the contributions of laboratory animals, Medicilon has established an Animal Memorial Monument and periodically holds flower-laying ceremonies, promoting ethical responsibility in scientific research, raising awareness among employees and the public regarding animal welfare, and advancing more humane and sustainable practices in pharmaceutical research and development.

Flower-Laying Ceremony

Animal Memorial Monument

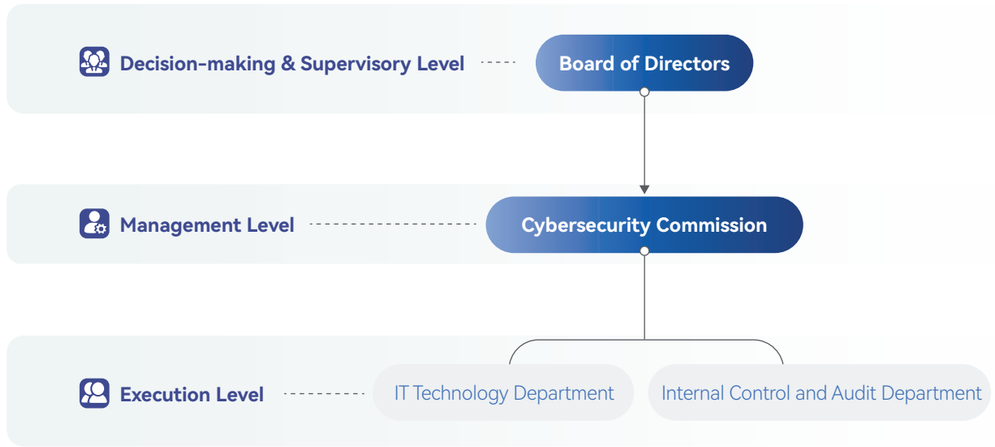


Data Security and Customer Privacy Protection

Governance

Data security is a cornerstone of the Company's sustainable operations. Medicilon strictly complies with the *Cybersecurity Law of the People's Republic of China*, the *Regulations on the Protection of Computer Information System Security of the People's Republic of China,* the *Provisional Provisions on the Management of International Connections of Computer Information Networks* and the *Good Laboratory Practice for Non-clinical Laboratory Studies, among other relevant laws and regulations*. We've established and implemented a series of policies and procedures, including the *IT Information Security Management System, Network Security Management System and Data Security Management System*, covering IT infrastructure, information technology and compliance to build a comprehensive data security management framework. A Cybersecurity Committee has been established, under which the IT Infrastructure Group manages full-process IT operations and training, while other departments collaborate to safeguard data security. In 2025, the Company obtained ISO 27001 certification and network security level protection certification. No data security incidents or customer information breaches were reported during the reporting period.

Medicilon Data Security and Privacy Protection Governance Structure



ISO 27001Certificate

Medicilon's Collaborative Workplace Platform OASYSTEM – Level 2 Network Security Certification

Strategy

Type of Risk/ Opportunity	Description of Risk /Opportunity	Likelihood of Occurrence	Extent of Impact	Impact Duration	Value Chain Links Impacted	Financial Impact	Countermeasures
Compliance Risk	If Medicilon fails to comply with relevant information security regulations or transmits customer data overseas without completing statutory procedures such as security assessments or certifications, it may face regulatory penalties, operational restrictions, reputational damage, and, in severe cases, legal prohibitions.	High	High	Medium term	Operations	Increase in costs and decrease in revenue	The Company has established a comprehensive compliance governance framework, conducts regular compliance audits and implements Privacy Impact Assessments (PIA). We also define a data localization strategy, apply standard contractual clauses, and complete required security assessments or certifications for cross-border data transfers.
Management Risks	Information security incidents may also arise from employee misconduct—such as clicking on phishing emails, mis-sharing data or using weak passwords—or from external cyberattacks or internal system vulnerabilities.	Medium	Medium	Medium term	Operations	Increase in costs and decrease in revenue	Enhance encryption and access control, develop and testing data breach response plans, and conducting ongoing employee data security training.

Type of Risk/ Opportunity	Description of Risk /Opportunity	Likelihood of Occurrence	Extent of Impact	Impact Duration	Value Chain Links Impacted	Financial Impact	Countermeasures
AI-related Privacy Risk	When employing AI technologies to analyze customer behavior, risks may arise due to algorithmic bias, overprofiling of customers or a lack of explainability in AI models and decision-making processes, potentially leading to customer privacy disputes, regulatory scrutiny, reputational damage and loss of client trust.	Medium	Medium	Medium term	Operations	Cost increase	To address these risks, Medicilon has implemented an AI ethics review mechanism and is gradually establishing AI compliance standards. This includes: Conducting full-process compliance reviews of algorithmic models; Strictly controlling the design and use of sensitive labels and defining clear boundaries for the collection and application of customer profiling data; Implementing mechanisms for user profile withdrawal and data deletion to protect user rights; Enhancing algorithm explainability and auditability, maintaining detailed data logs, and ensuring AI decision-making processes are traceable and verifiable.
Competitive Opportunities	Strengthening data security and privacy protection enhances client trust in the Company's data management capabilities, creating a differentiated competitive advantage that supports client expansion.	Medium	Medium	Long term	Operations	Revenue increase	Medicilon continuously develops its data security management system and emphasizes transparency during client interactions to reinforce trust. By analyzing competitor weaknesses and highlighting its own differentiators, the Company integrates data security capabilities into client engagement strategies to support market growth.

Impact, Risk, and Opportunity Management

Medicilon places a high priority on information security risk prevention and control. We implement diversified data and information security management measures, establishing a multi-layered backup system that covers data, systems and staff. This ensures that both core information systems and hardware devices are incorporated into regular backup and off-site disaster recovery mechanisms. Additionally, through periodic drills and dynamic assessments, we continuously verify the recoverability of backup data and the business restoration capabilities in extreme scenarios.

Data and Information Security Management Measures

Medicilon maintains a full-spectrum data and information security management system covering employee conduct, network security, data protection and emergency response. Through clear policies, strict technical controls and efficient incident response mechanisms, the Company ensures the security and integrity of its data assets.

Data and Information Security Management Measures	
Employees' Code of Conduct	Employees are required to follow device and software usage policies, password and access management protocols, cooperate with virus control and patch updates, transmit business data according to protocols, and actively participate in security training. Violations are subject to disciplinary measures.
Cybersecurity Management Measures	Network devices and IP addresses are centrally managed, network management passwords are regularly updated, and backup, software upgrade, vulnerability scanning, and patching processes are implemented.
Data Security Management Measures	Least privilege authorization, encrypted transmission and storage and database monitoring ensure data integrity, availability and confidentiality, while audit tracking records all access activities. A trusted recovery system is in place to respond to abnormal faults.
Emergency Response	A dedicated Network and Information Security Incident Response Committee has been set up to oversee incident management, operating an emergency technical platform and implementing policies and technical plans to ensure rapid response to cybersecurity risks.

Case

IT Policy Awareness and Training Program

To support business development, during the reporting period, the Company conducted IT policy awareness training covering four key areas: service support, compliance and security, infrastructure, and application systems. The training provided employees with detailed guidance on account and password requirements, computer and software usage standards, network security management, and information security protection. Additionally, employees were instructed on the proper use of corporate WeChat, email, and telephone systems, as well as common application systems and IT service request channels, thereby comprehensively enhancing IT compliance awareness and operational competence.

IT Policy Awareness and Training Program

Information Security Risk Prevention and Control

Medicilon has established the IT Risk Management Procedures and formed a risk assessment team. The team defines tiered evaluation criteria for key indicators, including data backup, access control, security protection and environmental safeguards. Regular assessments are conducted on servers, networks, information security systems and core data centers to identify and classify risks, enabling targeted control measures and strengthened supervisory execution. These efforts culminate in the preparation of *a Risk Assessment Report*, ensuring that data security risks are maintained at acceptable levels, thereby safeguarding information assets and supporting sustainable business operations.

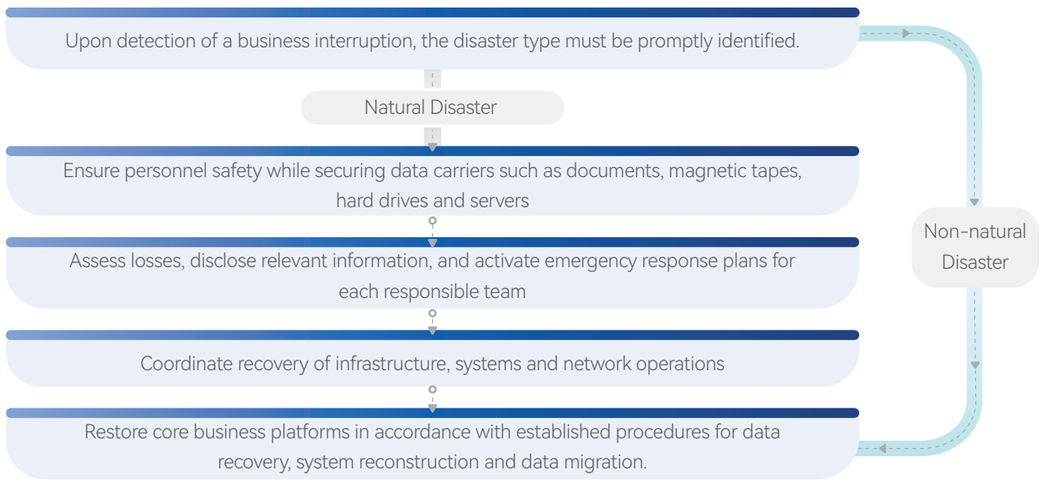
IT Business Continuity Assurance

To reinforce risk resilience in extreme scenarios and ensure data integrity, availability and business continuity, Medicilon has implemented the IT Business Continuity Plan. Core measures are deployed across system infrastructures, covering data backup, system disaster recovery and personnel redundancy. Execution is coordinated by specialized IT teams, with recovery targets of 12 hours for core business systems and 24 hours for non-core systems. The plan is continuously refined through annual drills and dynamic evaluations following business adjustments, ensuring robust IT continuity.

IT Disaster Recovery Plan

To enhance emergency response capabilities during disasters and safeguard core business systems and data security, we've established an IT Disaster Recovery Plan. The plan defines differentiated recovery procedures for natural disasters (e.g., fire, earthquake) and non-natural events (e.g., power outages, cyberattacks), enabling rapid, orderly recovery and minimizing business interruption. Regular recovery drills are conducted to maintain a dynamic evaluation and continuous improvement mechanism.

IT Business Recovery Process



Case

PRTG Network Monitor System Disaster Recovery Implementation

On December 30, 2025, Medicilon executed and validated the disaster recovery plan for the Paessler Router Traffic Grapher (PRTG) Network Monitor at both its Chuansha and Nanhui R&D sites. A simulated disaster scenario was used, and the Zerto disaster recovery platform was employed to restore the PRTG system. The process included system recovery validation, alert inspection and timely notification, ensuring the disaster recovery plan was fully functional and reliable.

Metrics and Targets

To ensure the effective implementation of data security control measures, Medicilon, on the basis of establishing a data security management system, has set targets across multiple dimensions, including information leakage prevention, data classification and grading, recovery planning, training and emergency drills, and has promoted the orderly implementation of these targets throughout the year.

Management Objectives	Achievement
No major data leakage or information security incidents occurred during the year.	Achieved
A data classification and grading protection mechanism covering the entire data lifecycle has been established and continuously improved.	Achieved
Backup strategies and disaster recovery plans have been implemented. Through regular training, drills and assessments, the Company continuously strengthens employees' awareness of and compliance with information security practices.	Achieved

03

Product Quality and Customer Service

ESG Material Topics Covered in this Chapter

Safety and Quality of Products and Services

SDGs Responded in this Chapter

Product Quality Management

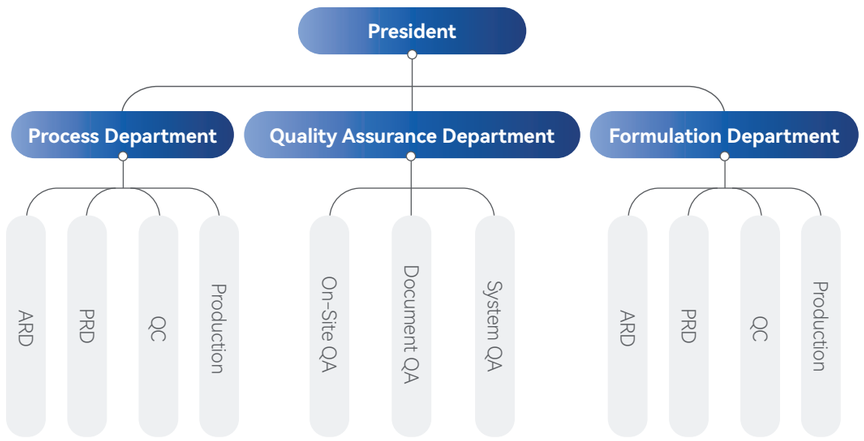
Governance

Medicilon has formulated institutional documents such as the Quality Manual, which define the quality policy of "quality first, continuous improvement, pursuit of excellence, and striving to set industry benchmarks". In accordance with standards including ISO 9001, ICH Q7 and GMP, the Company has established a full-process quality management system covering R&D, procurement of raw materials and excipients, manufacturing, packaging and testing. The Company has also issued multiple standard operating procedures (SOPs), including SOP for Corrective and Preventive Actions and SOP for Inspection of Suppliers of Animals and Animal-Related Products, to ensure standardized and regulated operations.

We've established a scientific and well-structured quality management organization, clearly defining the responsibilities of the Quality Assurance Department and other relevant departments. Through mechanisms such as resource allocation, management review and corrective and preventive actions, the Company conducts comprehensive quality management across all stages of R&D and the production of drugs for clinical trials, ensuring that products and services comply with customer requirements and applicable laws and regulations, and continuously maintaining the effectiveness of the quality management system.

Medicilon continues to expand its R&D network by establishing research centers in Shanghai, Boston (USA) and other locations, ensuring that customers in different regional markets receive stable technical support that complies with local operational requirements.

Organizational Chart of Quality Management System



Strategy

During the quality management process, Medicilon may face risks such as instability in raw material quality and updates to quality standards resulting from changes in laws, regulations or policies. The Company systematically promotes the identification, assessment, monitoring and control of risks, while actively exploring development opportunities arising from quality improvement.

Type of Risk/ Opportunity	Description of Risk /Opportunity	Likelihood of Occurrence	Extent of Impact	Impact Duration	Impact on Value Chain	Financial Impact	Countermeasures
Risk Clinical Trial Risk	Failure to meet product quality standards or regulatory requirements may compromise the accuracy and reliability of clinical trial data, jeopardize participant safety, and expose the Company to regulatory penalties or brand reputation damage.	Low	Medium	Short term	Downstream and operations	Increase in operating costs and decrease in operating revenue	1. Continuously strengthen the quality management system, ensuring strict adherence to GMP, ICH Q7 and other relevant domestic and international standards. 2. Conduct comprehensive quality trend analyses, leveraging company experience, statistical tools or other methodologies to identify potential nonconformities in the quality management system and product realization process, and implement preventive measures. 3. Further enhance customer feedback and adverse event response mechanisms to ensure that quality-related issues arising from customer feedback or clinical trials are rapidly captured, professionally analyzed, and efficiently addressed, thereby safeguarding participant safety and supporting smooth project progression.
Risk Raw Material Procurement and Supplier Quality Risk	During raw material procurement, insufficient supplier qualification checks or inadequate raw material acceptance standards may allow substandard raw or auxiliary materials to enter production, potentially compromising product quality stability. This may result in production rework, increased costs or non-compliance with downstream product testing, customer requirements or regulatory standards.	Low	Medium	Short to medium term	Upstream, operations	Increase in operating costs	1. Implement a rigorous supplier onboarding, evaluation and dynamic management process, strengthen raw material acceptance procedures, and conduct comprehensive testing in accordance with quality standards. 2. Maintain full lifecycle documentation of raw material procurement, inspection and storage to enable rapid traceability of issues. 3. Foster long-term partnerships with high-quality suppliers while maintaining a reserve of alternative suppliers to reduce reliance on a single source and mitigate supply risks.

Type of Risk/ Opportunity	Description of Risk /Opportunity	Likelihood of Occurrence	Extent of Impact	Impact Duration	Impact on Value Chain	Financial Impact	Countermeasures
Opportunities Quality Brand Premium Opportunity	By maintaining a stable product pass rate, implementing a robust customer complaint handling mechanism and cultivating a reputable compliance record in preclinical research, the Company can further strengthen the "high-quality" brand positioning. This enables the conversion of quality advantages into brand premiums, attracting high-end clients with stringent quality requirements and expanding high-value business opportunities.	Medium	Medium	Long term	Downstream and operations	Increase in operating income	Uphold quality commitments to ensure consistent achievement of quality objectives; maintain and enhance brand reputation through tangible performance, gradually transforming quality excellence into brand value and premium pricing potential.
Opportunities Quality System Optimization and Upgrade Opportunity	Building on the Company's established quality management system aligned with GMP, ICH Q7 and ISO 9001, and supported by a four-tier documentation control mechanism and regularly updated Quality Manual, the Company has the opportunity to benchmark industry-leading practices, integrate advanced quality risk management concepts, and leverage digital management tools. This will drive the evolution of the quality system from "compliance-oriented" one to "efficient and lean" one, enhancing operational efficiency, proactive risk identification and industry competitiveness.	High	High	Long term	Downstream and operations	Increase in operating income	1. Continuously monitor updates to domestic and international quality regulations and industry standards, conduct periodic system suitability reviews, and revise the Quality Manual and SMP/SOP documents in line with business development needs. 2. Deepen the application of quality risk management, embedding risk assessments into raw material procurement, process development and product release, and implement disaster recovery and business continuity plans to achieve proactive risk anticipation and precise control.

Impact, Risk, and Opportunity Management

Medicilon conducts internal quality self-inspections and management reviews to systematically identify, analyze and evaluate risk sources. For identified risks, the Company implements risk mitigation or acceptance measures and conducts periodic reviews and summaries, thereby establishing a comprehensive and multi-layered risk management system. During the reporting period, one quality self-inspection was performed; all identified issues were fully rectified, and no major quality risks were detected.

Risk Response

Quality Control: Based on multiple domestic and international standards, the Company has developed a Quality Manual that clearly defines quality policies and objectives. Through a four-tiered document management system, we standardize the entire R&D and production process and implement corrective and preventive actions for continuous improvement.

Emergency Response: The Company has established disaster recovery and business continuity plans. For various contingencies—including facility failures, natural disasters and supply chain disruptions—these plans specify tiered response processes, responsible parties and handling procedures, supported by dedicated incident command teams for coordinated management.

Business Continuity Assurance: The Company adopts a multi-site operational strategy to ensure cross-regional backup. Core facilities are equipped with redundant systems and backup equipment, and IT systems maintain data integrity through backup and disaster recovery architectures. Additionally, key position succession plans, flexible personnel allocation and remote work mechanisms are in place to mitigate risks associated with personnel dependency.

Opportunity

Leveraging our integrated technical service platforms, highly skilled R&D team and multiple certifications, we focus on drug discovery and CMC development and Preclinical research. We meet the needs of global clients through efficient and cost-effective one-stop services. By continuously driving technological innovation, process optimization and compliance system enhancement, we strengthen our core competitiveness in the CRO sector, accelerate new drug development, and contribute to innovation in the pharmaceutical industry.

Metrics and Targets

Medicilon adheres to the quality policy of "quality first, continuous improvement, pursuit of excellence, and striving to set industry benchmarks". In alignment with industry regulations, market demands and corporate strategy, the Company sets quality objectives, monitors progress through regular communication and updates targets as needed.

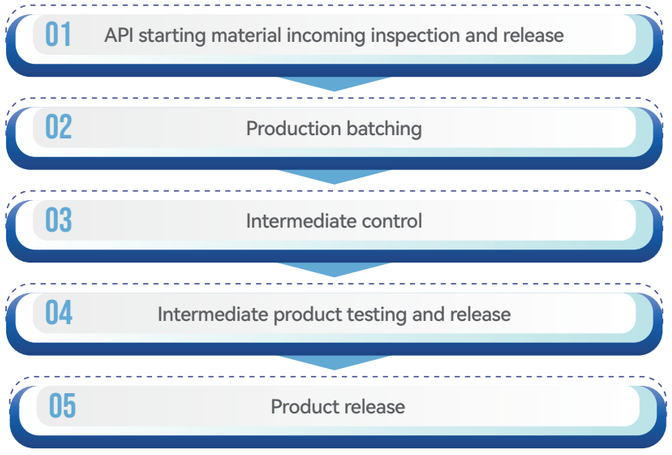
Quality Target	Achievement
Incoming materials (raw materials, excipients, packaging materials) pass rate: 100%	Achieved
Product pass rate: >99%	Achieved
Incoming inspection pass rate: 100%	Achieved
In-storage compliance: 100%	Achieved
Outgoing product compliance: 100%	Achieved
Handling Rate of Customer Complaints: 100%	Customer complaints: None
Employee quality training coverage: >98%	Achieved

Product Quality Control Measures

Product Lifecycle Management

Medicilon has established systematic and end-to-end quality management measures across the full product lifecycle, achieving closed-loop control from raw material entry to product delivery. Quality standards are defined for monitoring hazardous substances during production, and combined with corrective and preventive mechanisms, potential non-conformities are promptly identified and addressed, ensuring comprehensive product quality assurance.

Key Stages in the Product Manufacturing Lifecycle



In addition, to continuously enhance operational reliability, the Company conducts ongoing inspections of facilities, research activities and processes in accordance with internal management procedures. Facility inspections are conducted semiannually, focusing on laboratories, animal housing areas, the IT Department, archives, general infrastructure and the management of controlled substances (narcotics and psychotropic drugs). Laboratory process inspections occur quarterly, covering the management of test and control articles, animal receipt, intracellular and extracellular fluids, among other aspects. Research inspections are performed in accordance with Company's GLP projects, reviewing protocols, study conduct, data integrity and final reports. These inspections are designed to identify and correct potential issues promptly and constitute a core component of the Company's quality management system.

Medicilon annually collects and consolidates records related to Corrective and Preventive Actions (CAPA) over a one-year period. These records include, but are not limited to, detailed problem descriptions, preliminary investigation results, temporary measures implemented and planned corrective and preventive actions. Each year, the quality management system undergoes a comprehensive review to summarize deviations, changes and CAPA, analyze the root causes of various deviations, and assess the effectiveness of CAPA measures.

Quality Audits

Through a systematic audit program, we ensure the full compliance of our R&D and production activities. Internal audits review GLP and CMC projects, verifying that laboratory operations and data recording are accurate and standardized. External audits involve inspections by domestic and international regulatory authorities, confirming the effectiveness of the Company's quality management system. Supplier audits include on-site inspections of material suppliers, ensuring the compliance and safety of raw materials. Together, these audits form a critical part of the Company's quality assurance framework, effectively mitigating risks and ensuring stable business operations.

Quality Culture Training

Medicilon has established a comprehensive quality training system, including new employee onboarding, annual training and ad hoc training sessions. To ensure effectiveness, a strict assessment mechanism is implemented: department heads develop and execute training plans, and trainees are evaluated according to internal departmental assessment procedures. Passing the assessment is a prerequisite for employees to obtain project skill operation qualifications. Employees who do not pass must undergo retraining and successfully complete the assessment before continuing relevant operations.

Key Performance

During the Reporting Period, the Company offered **1,773** quality training sessions for **21,302** (person-times) participants, with a total training duration of **15,921.25** hours.

Product Recall

To safeguard product quality and customer interests, Medicilon clearly defines the responsibilities and collaborative workflows of relevant departments, enabling efficient cross-departmental coordination for the recall of delivered products. During the Reporting Period, no product incidents that required withdrawal or recall for health and safety reasons occurred in the Company.

Product Recall Management Process

Emergency Response and Plan Development	The QA Head convenes an Emergency Quality Committee meeting to discuss the recall plan and communicates promptly with customers.
	The plan must specify: affected batch numbers/items, customer list and quantities, notification method and timeframe, and transportation method.
	All plans are documented in *the Recall Record Form*, reviewed by relevant departments, and approved by the CEO before execution.
Recall Execution and Receipt Control	Returned products are received by the warehouse, transferred to a physically segregated nonconforming area and clearly labeled.
	The warehouse immediately notifies QA who verifies the completeness of the recall and reconciles quantities (recall/shipment/sales/inventory/warehouse). Any discrepancies are investigated to closure.
Quality Inspection and Evaluation	The warehouse issues a sample submission form, QC performs sampling and testing, and generates a report.
	QA reviews the results and coordinates with production and other departments to evaluate appropriate handling options (rework, reprocessing, destruction or alternative measures).
Approval and Closure	The proposed handling plan is reviewed by relevant departments and approved by the QA Head before implementation.
	The QA Head confirms the final outcome, and the recall event is formally closed.

Customer Service Management

Customer Service Management

Medicilon adheres to a "customer-first" service philosophy, striving to exceed client expectations. The Company has established standardized service mechanisms across multiple dimensions, including service quality, response speed, cost optimization, compliance operations and intellectual property protection, ensuring a comprehensive and proactive response to customer needs. Through transparent and honest communication combined with professional and efficient service, we continually strengthen customer trust and loyalty, solidifying collaborative and win-win relationships.

Medicilon conducts regular customer satisfaction surveys. In 2025, these surveys covered all projects—both completed and ongoing—throughout the year. Clients evaluate Medicilon's performance across multiple dimensions, including project planning, research capabilities, problem-solving efficiency, responsiveness, delivery quality, and communication and collaboration. Feedback collected from these surveys informs targeted service process optimization and employee training initiatives, driving continuous improvement in the customer experience.

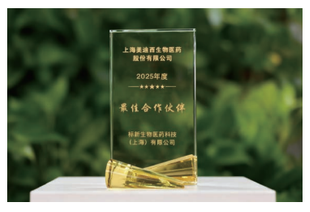
Key Performance

In 2025, the Company received no customer complaints, and overall customer satisfaction remained strong.

Case

Recognition for Customer Service Excellence

In 2025, upholding the philosophy of "innovation-driven and quality-first collaboration", Medicilon leveraged its technical expertise and efficient customer service to earn high recognition from domestic and international partners, including GlueTacs, TANGO, Eluciderm and Continent Pharmaceuticals. The company was also honored with the BIOCHINA "Top 100 Suppliers of 2024" Award.

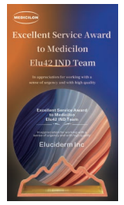


GlueTacs Award


Continent Pharmaceuticals
"Toxicology Pioneer" Award



RayThera Honors Medicilon with “Excellent Partnership Award”



Eluciderm Award

Training on Customer Service

Medicilon places great emphasis on customer service quality. To meet diverse client needs and foster long-term, stable partnerships, the company regularly conducts specialized customer service training. These programs combine concept reinforcement with case study sharing, helping employees internalize customer satisfaction as a core practice, enhancing service efficiency and elevating overall client satisfaction.

Case

“Customer-Centric” Training Program

On May 15, 2025, Medicilon conducted a “Customer-Centric” training session for mid-level managers, with 32 participants. The program emphasized that delivering high-quality service is foundational to personal and corporate development, and shared outstanding customer service examples from both the industry and internal company practices. By illustrating practical service pathways and outcomes, the training strengthened managerial understanding, enhanced service capabilities, and empowered managers to lead their teams in fulfilling customer service responsibilities.


“Customer-Centric” Training Program

Medicilon’s Global Development System

Strategic Foundation: Expanding the Boston Center to Build a Global Innovation Hub

To accelerate the globalization process, Medicilon increased investment in the “Overseas Marketing and R&D Center Project” as a fundraising investment project in 2025. This project involves a strategic expansion of its existing Boston Innovation Center, aiming to attract and optimize international talent, procure advanced R&D equipment, and enhance service capabilities. Leveraging the Company’s existing overseas R&D and sales teams, the center will further strengthen Medicilon’s brand influence, customer service efficiency, and business development capabilities in the global biopharmaceutical market, establishing a solid strategic foundation for global development.

Compliance as Cornerstone: Aligning with International Standards to Facilitate Global Expansion

Compliance comes first in international operations. In 2025, Medicilon continued to build the international market compliance system, thereby enhancing our cross-regional regulatory and customer response capabilities. In alignment with the highest international standards, the Company achieved significant breakthroughs in quality system and global certification. It successfully passed multiple inspections by drug regulatory authorities worldwide and obtained OECD GLP certifications in Hungary and Mexico. These achievements build a reliable and efficient compliance pathway for the Company’s global new drug applications and international collaborations, providing robust support for global business expansion.


Certificate of Registration of Conformity with the OECD Principles of Good Laboratory Practice

Visit of Mexican OECD GLP Inspection Expert Panel

On-site Inspection of GLP Project by Japanese Inspectors

OECD GLP Inspection by the Hungarian OECD Expert Panel

Talent Aggregation: Gathering International Experts to Build an Innovation Team

Medicilon, deeply rooted in the CRO industry, consistently cultivates and attracts a large pool of R&D talent. Over years of development, the Company has built a professional, experienced, and well-structured talent team. The BD team has grown to more than 10 members. Additionally, the Boston project is located in a region with numerous top-tier universities and research institutions, alongside a robust pharmaceutical industry, providing strong support for the Company's talent recruitment.

Business Development: Deepening Global Ecosystem Engagement to Co-create Value

Leveraging the Boston Innovation Center as a gateway, Medicilon actively advances overseas business expansion and localized services. In 2025, the Company participated in nearly 40 top-tier global industry conferences, including the Annual Meeting of the American Association for Cancer Research (AACR), BIO International Convention, EUROTOX Congress, and CPHI Korea. These engagements allowed the Company to precisely grasp international R&D trends and actively showcase China's innovative strength in the biopharmaceutical field.

In the same year, Medicilon established in-depth strategic partnerships with several international innovative pharmaceutical companies, such as Oncotelic, Hepanova, and BIK Therapeutics. Focusing on cutting-edge areas like nucleic acid drugs, nano-formulations, and cell and gene therapies, the Company integrates technical resources across regions to co-create a global innovation community poised to lead the industry's future.

Signing Ceremony of Cooperation Agreement between Medicilon and BIK Therapeutics

Signing Ceremony of Strategic Cooperation Agreement between Oncotelic and Medicilon in Nucleic Acid Drugs, Nano-formulations, and Other Areas

59th EUROTOX Congress

Medicilon at CPHI Korea 2025

Medicilon at AACR Annual Meeting

Globalization Outcomes: Empowering Domestic Innovation and Facilitating Global Success

In supporting global reach of domestic innovative achievements, Medicilon has facilitated overseas licensing for multiple Chinese innovative drugs, for example assisting MediLink Therapeutics in licensing out its HER3-targeted ADC YL202 and B7H3-targeting ADC to Roche; assisting Allist Pharmaceuticals in licensing out its third-generation EGFR-TKI Furmonertinib Mesylate to ArriVent Biopharma; assisting Hengrui Pharmaceuticals in licensing out its GLP-1 innovative drug HRS-7535 to Kailera Therapeutics; and assisting Jeyou Pharmaceutical in licensing out its long-acting IgE antibody JYB1904 to RAPT Therapeutics and KRAS G12C inhibitor Sotorasib to HuyaBio International, respectively. These cases not only reflect the Company's services of international caliber but also substantially advance the global reach of domestic innovative achievements, laying a solid foundation for future globalization of Chinese innovation.

Responsible Marketing

Medicilon strictly adheres to the Advertising Law of the People's Republic of China and relevant laws and regulations of all jurisdictions where it operates, and resolutely rejects any form of false or exaggerated advertising to ensure all external communications are truthful, accurate, and transparent. Meanwhile, the Company continues to strengthen compliance management across service promotion and sales processes, maintaining a healthy competitive order in the industry through responsible business practices. During the reporting period, no marketing violations, false promises, or consumer rights infringement occurred.

04

Climate-related Transition and Green Development

ESG Material Topics Covered in this Chapter

Waste Disposal

Response to Climate Change

Energy Utilization

Pollutant Emissions

Environmental Compliance Management

Water Resource Utilization

Circular Economy

Ecosystem and Biodiversity Protection

SDGs Responded in this Chapter

Response to Climate Change

Governance

Medicilon thoroughly implements the concept of green development, complies with policy documents such as the *Action Plan for Carbon Dioxide Peaking before 2030*, and integrates climate change response into the entire production and operation process to ensure that environmental responsibility and business development go hand in hand. The Company has established a three-tier ESG governance structure consisting of a "decision-making level, management level, and execution level", with clear responsibilities at each level. The Board of Directors oversees and leads related work, clarifies each management's responsibilities in energy conservation, emission reduction, and green operations, and facilitates a clear chain of accountability and effective implementation of energy conservation and emission reduction measures, thereby contributing to climate change mitigation in daily operations

ESG Management Structure

Decision-making Level
Board of Directors — Develop ESG development strategies and provide overall leadership for ESG-related work

Management Level
ESG Working Group — Coordinate the work across departments and regularly report ESG work progress to the Board of Directors

Execution Level
Functional Departments — Fulfill specific ESG tasks, including collection and archiving of relevant data and materials.

Strategy

Risk/ Opportunity	Description of Risk /Opportunity	Likelihood of Occurrence	Impact Materiality	Duration of Impact	Value Chain Links Impacted	Priority Ranking	Financial Impact Description	Countermeasures
Extreme Weather Risks	Extreme weather events, such as typhoons and severe rainstorms, may cause power outages or production halts, threatening the safety of employees and facilities.	Medium	High	Short term	Operations	Medium	Increase in operating costs and decrease in operating revenue	Develop a *Business Continuity Plan* and equip facilities with dual-circuit power supply system and emergency diesel generator sets to minimize the impact of extreme weather on business operations.
Policy Risk	Accelerated updates in domestic and international carbon reduction laws, regulations, and policies may expose the Company to penalties if it fails to respond promptly.	Low	Medium	Short term	Operations	Medium	Increase in operating costs	Monitor domestic and international policy changes in real time and actively adopt energy conservation and emission reduction measures.
Energy Opportunity	Through energy conservation and emission reduction measures, the Company can effectively reduce energy consumption and lower operating costs.	High	Medium	Short- and medium-term	Operations	Medium	Reduction in operating costs	Develop and strictly implement policies such as the *Energy Management System*, optimize the energy structure, and increase the use of clean energy such as photovoltaics.
Market Opportunities	As the public and customer demand for green products and services increases, the Company can attract market resources by building a green and low-carbon brand.	Medium	Medium	Long term	Operations, downstream	Medium	Revenue increase	Increase investment in green chemistry, and actively explore pathways that achieve both green development and efficient production.

Impact, Risk, and Opportunity Management

The Company continuously strengthens climate change risk management, regularly identifies risks and opportunities throughout the production and operation process, and takes targeted measures based on its actual conditions to achieve stable risk control and capitalize on opportunities.

Identification

The Company identifies risk and opportunity types in line with authoritative domestic and international disclosure frameworks, and defines and describes relevant risks and opportunities based on relevant policies, sustainability trends, and actual company conditions.

Assessment

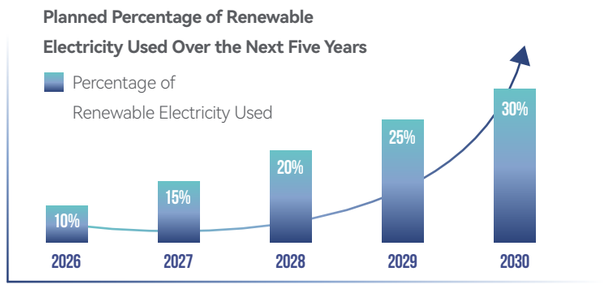
For risks and opportunities identified, the Company assesses their potential financial impact, duration of impact, and impact materiality to determine their priority rankings.

Response

Based on the identification and assessment, the Company develops targeted response measures to mitigate or even eliminate climate change risks, while seizing opportunities from climate change to promote sustainable development.

Indicators and Targets

With a long-term perspective, the Company plans to gradually increase the use of clean energy while developing long-term energy conservation plans. Phased targets have been set: The percentage of renewable electricity used is expected to reach 10% by 2026 and then increase by 5% annually to reach 30% by 2030, achieving coordinated economic and environmental benefits.



The Company's GHG emissions primarily come from purchased electricity consumption, natural gas combustion in boilers, and use of air conditioning refrigerants. To effectively reduce GHG emissions, the Company actively adopts power-saving measures and promotes the use of clean energy, helping mitigate global climate change through concrete actions.

Indicator	Unit	2023	2024	2025
Total GHG Emissions	tCO2e	27,637.12	28,011.77	27,899.10
Direct greenhouse gas emissions (Scope 1)	tCO2e	3,623.40	3,470.53	3,333.59
Indirect GHG Emissions (Scope 2)	tCO2e	24,013.72	24,541.24	24,565.51
GHG emissions intensity	tCO2e/ 10,000 yuan	0.20	0.27	0.24

Note on GHG Accounting Standards:
Calculated according to the Guidelines for Accounting and Reporting GHG Emissions for Enterprises in Other Industrial Sectors (Trial), and 2023 Carbon Dioxide Emission Factors for Electricity.

Energy and Resource Utilization

Energy Utilization

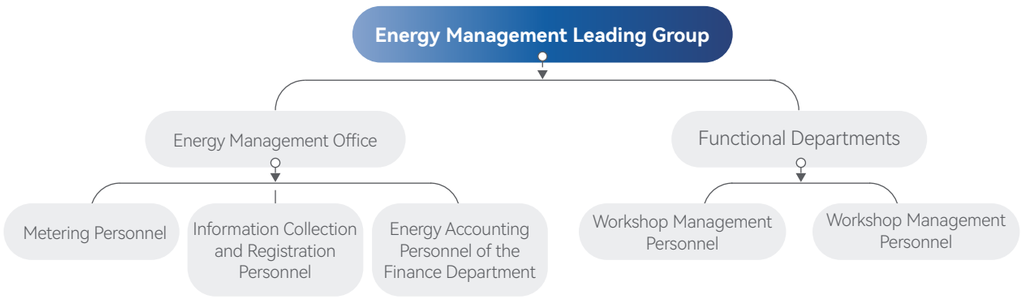
Management System

Medicilon adheres to the principle of "integrating efficiency with strict economy" in energy management, and strictly complies with laws and regulations such as the Metrology Law of the *People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, and *the General Rules for Energy Measuring Instruments Equipping and Managing of Energy User*. Based on its actual conditions, the Company has formulated energy management regulations such as the *Electricity Management System, Energy Management System*, and *Energy Measurement Management System*, promoting the efficient recycling of energy resources through strengthened whole-process control.

The Company has established a three-tier energy management structure comprising a decision-making layer, a management layer, and an execution layer, with clear responsibilities at each level. The decision-making layer is comprised of an Energy Management Leading Group, headed by the Vice President of Operations with heads of various functional departments as members, responsible for formulating energy policies, approving major energy-saving projects, and coordinating resource allocation. At the management layer, the Energy Management Office serves as the specialized agency responsible for coordinating daily work such as policy formulation, energy statistics, and implementation of energy conservation measures; functional departments such as the Production Department, Equipment Management Department, and Finance Department collaborate to fulfill their respective responsibilities in energy management. The execution layer comprises energy management personnel from each workshop/department team, responsible for grassroots energy management, particularly including supervising energy usage, implementing energy conservation measures, and breaking down energy targets to individual positions and employees.

The Company has established a sound energy assessment and incentive mechanism, closely linking energy conservation targets to job performance, and providing special awards to departments and individuals with outstanding achievements in energy conservation. The Company regularly organizes energy audits to accurately identify energy waste and drive corrective actions. Additionally, the Company benchmarks against advanced management standards and best practices in the industry to continuously improve its refined energy management.

Organizational Structure of Energy Management System



Energy Conservation Measures

Medicilon systematically advances various energy conservation initiatives with a focus on energy conservation, consumption reduction, safety management, and efficient energy use. By establishing a comprehensive energy measurement system, the Company conducts real-time monitoring and dynamic analysis of energy consumption data,and accurately identifies energy use trends, thus providing scientific data support for the formulation and implementation of energy conservation measures. Meanwhile, the Company actively promotes the application of new energy-saving technologies and equipment, systematically organizes energy-saving retrofit projects, continuously optimizes energy utilization efficiency, and effectively reduces energy consumption across all aspects of production and operations.

Photovoltaic Application

- Complete lighting retrofits at the Nanhui site by adding a total of 35 sets of LED solar streetlights and on-site solar lighting facilities (100W per set). These retrofits achieved significant energy conservation and carbon reduction benefits, saving approximately 12,775 kWh of electricity annually and reducing carbon dioxide emissions by over 8.53 tons, equivalent to reducing 1,533 tons of standard coal combustion.

Energy Monitoring and Measurement Optimization

- Equip the Chuansha and Nanhui sites with an energy monitoring system for power distribution cabinets, enabling real-time monitoring of operating current, voltage, and temperature of equipment. When any abnormal parameter is detected, the system automatically triggers an alarm, achieving dynamic energy management and early safety warning for the power distribution process.
- Complete the installation of secondary meters at the Chuansha site. All devices with a power rating of 100kW or above have been equipped with independent meters, enabling precise monitoring of energy consumption.

Refined Management of Electrical Equipment

- Achieve timed switching of fans. All fans are shut down after work and started before work each day.
- Promote a culture of energy conservation through regular energy-saving awareness campaigns; establish an equipment utilization check mechanism to accurately identify idle assets; implement sealing management for inefficient equipment, and prioritize internal allocation to revitalize resources, thus reducing the need for new equipment procurement at the source.
- Equip air conditioners in all rooms except special-use rooms with custom controllers: cooling temperature ≥ 26℃, and heating temperature ≤18℃; automatic startup at 8:30 and shutdown at 17:30 every work day; manual activation available for overtime work (lasting for 1 hour per activation).

Supporting Retrofits and Energy Conservation Awareness Campaigns

- Complete natural air supply retrofit in laboratory areas, particularly by replacing existing fixed windows with rainproof louvers to effectively alleviate building-wide negative pressure. The retrofit was completed for Building 2 in Nanhui in 2023 and for Building 1 in Nanhui in 2025. By optimizing the building ventilation structure, the Company reduces the mechanical ventilation energy consumption, thereby achieving energy conservation and consumption reduction.
- Incorporate daily electricity use standards into the administration module of new employee orientation training, which is organized and coordinated by the Human Resources Department. Signed confirmation documents from participants are retained, strengthening all employees' awareness of energy conservation and consolidating the personnel foundation for energy management.

Energy Planning and Targets

The Company's energy use is primarily concentrated in daily office and laboratory operations, with electricity and natural gas as the main energy types, laying a foundation for energy management across the entire operational chain. To ensure effective implementation of energy conservation and emission reduction measures, the Company set the 2025 energy management targets, i.e., reducing both electricity and natural gas consumption by 1% in 2025 compared with 2024. During the reporting period, the Company successfully achieved the target of a 1% reduction in natural gas consumption. However, the target of a 1% reduction in electricity consumption was not achieved, primarily due to increased laboratory R&D and testing activities, extended operating hours of high-power equipment, expanded office and operational scale, compounded by the fact that some energy-saving retrofit projects were still in the early stage of implementation and their effects had not yet materialized, resulting in electricity consumption management falling short of expectations.

Additionally, the Company has established a long-term energy conservation plan for 2026-2030. In 2026, based on the business expansion needs, consumption of natural gas and electricity is expected to rise by 5% and 15% respectively compared with 2025, reaching peak energy consumption; from 2027 to 2030, the Company will enter a phase of energy conservation and consumption reduction, aiming for a reduction of 1% year-on-year in both electricity and natural gas consumption every year. Through this stepped control strategy, the Company aims to steadily improve energy efficiency.

Indicator	Unit	2025
Comprehensive Energy Consumption	tce	7,539.82
Natural Gas Consumption	10,000 m³	154.18
Purchased Electricity Consumption	kWh	44,664,565
Clean Energy Consumption	tce	2,050.55
Direct Energy Consumption	tce	2,050.55
Indirect Energy Consumption	tce	5,489.28
Comprehensive Energy Consumption Intensity	tce/10,000 yuan	0.06

① During the reporting period, the energy sources used by the Company included natural gas and electricity. The Company calculated comprehensive energy, clean energy, direct energy, and indirect energy consumption with reference to the latest China Energy Statistical Yearbook and General Principles for Calculation of the Comprehensive Energy Consumption.

② Comprehensive energy consumption intensity = Comprehensive energy consumption / Operating revenue.

Water Resource Utilization

Management System

Medicilon strictly complies with relevant laws and regulations such as the Water Law of the People's Republic of China, and has formulated and implemented the Water Management System and established a water resource management structure with clearly defined roles and responsibilities for each position, systematically strengthening full-process water management. Meanwhile, the Company incorporates the performance of water resource management into the performance appraisal and evaluation system. This drives management implementation, promotes scientific allocation and rational use of water resources, continuously improves water efficiency, ensures safety in production and domestic water use, effectively reduces water-related operating cost, and supports the Company's green and sustainable development through standardized and systematic water management measures.

Water Resource Management Structure

Decision-making Level

- **General Person in Charge**: Set the overall objectives and strategic direction for water resource management, coordinate resource allocation, and drive overall work.
- **Executive Person in Charge**: Implement specific water resource management plans, and coordinate resource allocation across departments to facilitate target achievement.

Executive Level

- **Major Water-Using Units**: Manage water use in production processes, including equipment maintenance and implementation of water conservation measures.
- **Wastewater Management Unit**: Treat and discharge wastewater, ensuring compliance with water quality standards.
- **Water Management Units**: Monitor and manage daily water use, and develop water use plans and water conservation programs.
- **WASH Management Units**: Ensure the safety of sanitary water for employees and communities, and provide related services.
- **Safety Management Units**: Responsible for water-related safety risk prevention and control, such as flood control and water quality.

Supporting Level

- **System Promotion Units**: Promote the establishment and continuous improvement of the water resource management system, and develop relevant standards and processes.

Supervision and Communication Level

- **Environmental Compliance Department**: Ensure compliance with water resource laws and regulations, and handle related compliance matters.
- **Information Disclosure Team**: Disclose water resource management information to stakeholders to enhance transparency.

Water Resource Risk Assessment and Emergency Management

Medicilon conducts water resource risk assessments to comprehensively identify and systematically analyze risks, such as water scarcity, water pollution, and water-related disasters, and develops targeted and scientifically sound risk prevention and control measures. The Company has established a sound early warning mechanism for water resource risks to achieve regular monitoring and timely warnings for water resource risks and promptly take effective response measures, thus minimizing the likelihood and impact of risks. Furthermore, the Company has improved emergency management requirements for water-related incidents, developed specialized emergency plans covering critical scenarios such as water source pollution, water supply interruption, and pipeline rupture, established a specialized emergency response team for water incidents, and clearly defined the division of responsibilities for all stages of emergency response to ensure safe supply of water for production, domestic use, and laboratory activities. Furthermore, the Company regularly organizes emergency drills to test the feasibility and effectiveness of the plans, enhance employees' emergency awareness and emergency response capabilities, and promptly identify and address gaps in the plans, enabling rapid and precise response in emergencies.

Water Resource Emergency Management Team

Information Release Group	Logistics Support Group	Water Quality Testing Group	Emergency Repair Group
Issue emergency water supply information and address water-related inquiries from various departments	Responsible for emergency water procurement to ensure supply for urgent laboratory and domestic use	In case of water source contamination, the Safety Management Department monitors and analyzes water supply, and reports water quality status in a timely manner	In case of pipeline rupture, promptly shut off the main water supply valve based on the specific cause, perform emergency repairs, and restore water supply immediately after repair

Water Conservation Measures

The Company actively promotes the research, development, and application of water resource management technologies, and encourages the adoption of advanced water-saving technologies, water treatment technologies, and water recycling technologies to continuously improve water efficiency. At the same time, the Company regularly organizes technical training and exchange activities on water resource management to comprehensively enhance employees' water resource management skills and strengthen the awareness of water conservation and management among all employees.

Additionally, the Company scientifically coordinates the internal allocation and use of water resources by rationally allocating water resources based on actual production needs and water availability to ensure stable supply for key water-use processes. The Company also proactively coordinates partnerships with external water suppliers to secure stable water supply, and actively participates in the optimal allocation and sharing of regional water resources, contributing to the overall efficient utilization of water resources.

Water Conservation Measures

Enhancement of Water Management

- Establish a sound water conservation management system, define water conservation responsibilities for each department and position, and incorporate water conservation targets into performance appraisals;
- Conduct regular inspections of water facilities, promptly repair leaks, and strictly control pipeline leakage and losses.

Enhancement of Publicity and Education

- Regularly organize water conservation training, meetings, poster campaigns, and other publicity campaigns;
- Set up water conservation bulletin boards and slogans to create a water-saving culture.

Water Use Data Recording and Analysis

- Install high-precision meters for key water-using equipment, all floors of each building, and the campus total meter;
- Regularly record data from all meters and continuously analyze water use;
- Conduct focused monitoring on areas, departments, and equipment with high water consumption.

Use of Water-Saving Devices in Production Processes

- Use river water preferentially for road washing and landscape irrigation at the sites;
- Adjust tap water flow as needed;
- Recycle wastewater from the purified water system for reuse as make-up water in air conditioning cooling towers.

Water Conservation Promotion

Water Resource Management Goals

To actively practice the concept of green development, implement requirements for the intensive and efficient use of water resources, and support the sustainable development strategy, Medicilon has set scientific water conservation targets for 2025 based on operational plans and actual production conditions: reduce water consumption by 1% in 2025 compared with 2024. The Company has also established a long-term plan, setting phased water management targets for 2026–2030: Based on the phased development requirements, water consumption is expected to increase by 5% in 2026 compared with 2025, reaching the Company's peak water consumption; from 2027 to 2030, the Company will continue to focus on efficient use and conservation of water resources, aiming for a 1% year-on-year reduction in water consumption. During the reporting period, the Company's water consumption in 2025 decreased by 0.92% year-on-year, primarily due to increased laboratory R&D and testing activities, experimental animal husbandry, and expanded office and operational scale, which created rigid water demand that was difficult to reduce. Additionally, some water conservation measures had not yet fully taken effect, resulting in water consumption management falling short of expectations.

Key Performance

During the reporting period, the Company's total water consumption was **201,926** m^3.

Green Operations

Medicilon deeply integrates the concept of green development into every aspect of operations, striving to become an environmentally friendly enterprise. The Company has established a comprehensive operational environment monitoring mechanism, regularly testing indoor air quality, noise, and other factors to create a healthy, comfortable, and green working environment for employees. Through continuous improvement of operational processes, the Company enhances resource efficiency, reduces the negative environmental impact from operations, and supports sustainable development.

Green Office

- Use energy-saving lights in offices and public areas; install automatic control switches in corridors and restrooms; keep lights off during the day in areas with good natural lighting; and reduce lighting in public areas at night (e.g., alternate lighting and motion sensor lights).
- Promptly turn off computers, printers, fans, and other office equipment when staff leave for long periods or after work; turn off air conditioning 30 minutes before the end of work, using residual cooling or heating to maintain indoor temperature.
- Strictly control the use of air conditioning: it may only be turned on when the indoor temperature falls below 10°C in winter or exceeds 28°C in summer. The heating temperature should not be higher than 18°C, and the cooling temperature should not be lower than 26°C, with fan speed set to low. Air conditioning and fans are not allowed to run when spaces are unoccupied, and windows should not be opened while the air conditioning is on.
- Prohibit unauthorized wiring, replacement of power sources or sockets, and use of high-power electrical equipment such as electric heaters in office spaces. If such equipment is necessary, approval from the Administration Department must be obtained.
- Prioritize purchasing key electrical equipment or components with energy-saving labels and high quality.
- Regularly clean air conditioning vents and filters; promptly report faulty electrical facilities, arrange centralized maintenance, and monitor the entire process.

Green Laboratory

- Turn on lights only as needed during experiments, avoiding simultaneous use of general lights and UV-free yellow lights. After work (including overtime work), the last person should turn off all unnecessary lights before leaving.
- Promptly turn off lights, solenoid valves, and control panels when fume hoods are not in use. The fume hood glass opening should exceed 15 cm during experimental reactions and not exceed 60 cm during experiments to reduce energy consumption.
- Turn off rotary evaporators, oil pumps, freeze dryers and other laboratory equipment immediately when they are not in use to reduce standby energy consumption. Select equipment with lower energy consumption for experimental tasks to optimize energy efficiency.
- For special analytical equipment such as NMR and LC systems, provide notification in advance and turn off all associated facilities to reduce energy loss if such equipment needs to be shut down during holidays.
- Only areas housing live animals require constant temperature, allowing equipment to operate continuously for 24 hours a day. For other laboratories without special requirements, the use of air conditioning must strictly comply with office electricity usage standards.
- In laboratories with low ambient temperature requirements, such as NMR rooms, analysis rooms, and refrigerator rooms, avoid using air conditioning in winter, and use air conditioning moderately in spring and autumn based on instrument operation needs to avoid errors caused by abnormal temperatures.
- Rationally schedule the use of high-energy-consuming experimental equipment, scientifically control start and stop times, improve equipment load rates, and reduce unit electricity consumption.

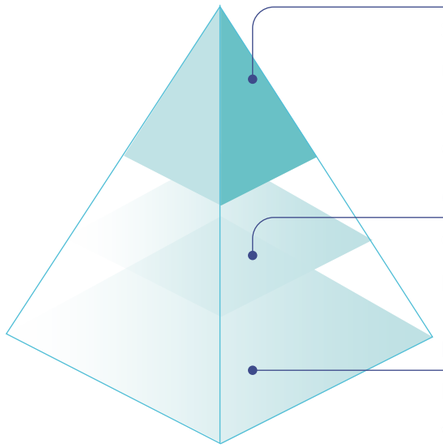
Environmental Compliance Management

Governance

Medicilon places great importance on environmental protection, and strictly complies with national laws and regulations including 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 Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*. The Company has developed internal management procedures, such as the *Water Pollution Control Procedures*, Air Pollution Control Procedures, and Waste Management Procedures to achieve full-process control over wastewater, waste gas, and solid waste generated during production and operations, thus ensuring compliance in pollutant discharge. Through effective measures such as improving the environmental management system, improving pollution prevention facilities, and promoting cleaner production, the Company effectively reduces environmental risks, enhances resource efficiency, and deeply integrates environmental protection concepts into daily operations and strategic decisions.

Medicilon has established a three-tier environmental management structure comprising the Board of Directors, the Chief Executive Officer (CEO), and the Environment, Health, and Safety (EHS) Department, with clearly defined roles and responsibilities at each level, to systematically direct, coordinate, supervise, and inspect environmental protection efforts, thereby facilitating fulfillment of environmental protection responsibilities. In addition, the Company focuses on developing a sense of environmental responsibility among all employees. Through regular environment-themed learning and advocacy activities, it actively fosters a culture that values ecology and embraces environmental protection, thus embedding the concept of sustainable development into daily operations and establishing it as a shared commitment. During the reporting period, the Company had no penalties for violations of environmental management laws and regulations.

Organizational Structure for Environmental Management



Board of Directors

Set the strategic direction for environmental management, make environmental management decisions, and review and approve environmental management objectives as the highest decision-making body

CEO

Coordinate and oversee the Company's environmental protection efforts as the primary responsible person

EHS Department

Responsible for daily management and supervision of wastewater, waste gas, solid waste, noise, and other emissions

Risk/ Opportunity	Description of Risk /Opportunity	Likelihood of Occurrence	Impact Materiality	Duration of Impact	Value Chain Links Impacted	Priority Ranking	Financial Impact Description	Countermeasures
Regulatory Risks	New environmental regulations and increasingly stringent emission standards may lead to higher compliance costs.	High	Medium	Short term	Operations	Low	Increase in operating costs	Establish a dynamic regulatory tracking mechanism, plan environmental protection investments and technology upgrades in advance, and incorporate them into long-term budgets and strategic management.

Risk/ Opportunity	Description of Risk /Opportunity	Likelihood of Occurrence	Impact Materiality	Duration of Impact	Value Chain Links Impacted	Priority Ranking	Financial Impact Description	Countermeasures
Production Risks	Sudden environmental pollution incidents during production may result in production halts and high repair costs.	Low	High	Short term	Operations	Medium	Increase in operating costs	Develop emergency plans, strengthen real-time monitoring and early warning, organize regular drills, and prepare emergency supplies to ensure rapid response and recovery in case of incidents.
Compliance Opportunity	Establish and continuously optimize the environmental management system to build a green brand image and enhance market competitiveness.	Medium	High	Long term	Operations, downstream	High	Increase in operating income	Maintain a robust environmental management and risk emergency system to ensure compliant operations, and organize training on risk prevention and control and emergency response capabilities.

Impact, Risk, and Opportunity Management

Environmental Risk Prevention and Control

Medicilon has developed the *Environmental Emergency Risk Assessment Report* to systematically identify and evaluate environmental risks associated with the Company's activities, products, and services. Considering internal and external environments and stakeholder concerns, we identify potential environmental opportunities, and implement targeted measures to manage risks and seize opportunities, thus promoting the continuous optimization and effective operation of the environmental management system.

Emergency Response Capacity Building

Medicilon strictly follows the laws and regulations, including the *Emergency Response Law of the People's Republic of China* and the *Law of the People's Republic of China on Work Safety*, and has developed the Emergency Plan for Environmental Incidents and established an Emergency Rescue Command Center responsible for unified command and coordination of emergency response for environmental incidents. The Company regularly organizes specialized emergency drills, such as drills for hazardous waste leakage. Through simulation learning, multi-department coordination, and post-drill evaluation, the Company continuously enhances employees' on-site response and collaborated response capabilities, ensuring efficient and orderly response to environmental emergencies.

Key Performance

During the reporting period, the Company conducted a total of 1 environmental emergency drill.

Case

Emergency Drill for Hazardous Waste Leakage

On November 6, 2025, Medicilon organized an emergency drill for hazardous waste leakage by simulating leakage of hazardous waste from a discarded solvent barrel, aiming to realize rapid, efficient, and orderly emergency response and minimize losses and environmental impact in case of an environmental emergency. This drill effectively improved the emergency response speed and practical skills of our staff and strengthened inter-departmental coordination.

Emergency Drill for Hazardous Waste Leakage

Cleaner Production

To thoroughly implement the *Law of the People's Republic of China on the Promotion of Cleaner Production* and the *Measures on Cleaner Production Audits*, Medicilon systematically advances cleaner production audits and management, regarding cleaner production as an important lever for sustainable development. The Company has established a dedicated Cleaner Production Audit Leading Group, led by the Vice President of Administration as group leader and the EHS Department Manager as the deputy leader, to coordinate overall work arrangements. In addition, the Company engages external professional organizations to collaborate on cleaner production audits, strictly follows cleaner production audit procedures and standards, and systematically identifies energy conservation and emission reduction potential at each stage of the entire process from planning and organization, pre-audit, audit, solution generation and screening, to solution implementation. This effectively reduces the generation of hazardous waste, and successfully promotes the implementation of cleaner production improvement measures and their result transformation. During the reporting period, the Company successfully passed the cleaner production audit.

Wastewater Management

Medicilon strictly complies with laws, regulations, and local standards, including the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, and has established internal procedures such as the Water Pollution Control Procedures to manage wastewater generation and compliant discharge. Wastewater generated by the Company mainly includes domestic sewage, laboratory wastewater, animal cleaning wastewater, and wastewater from purified water preparation. Domestic sewage is discharged into the site's sewage pipe network through the sewer system. Laboratory wastewater is collected in a sump and treated using combined physicochemical and biochemical processes to ensure that effluent quality meets the limits set by *Shanghai Municipal Discharge Standard of Pollutants for Bio-Pharmaceutical Industry* (DB31/373-2010) and the Integrated Wastewater Discharge Standard, before ultimately being discharged into the municipal sewage pipe network. The Company regularly engages qualified third-party testing agencies to conduct testing and issue testing reports. During the Reporting Period, all wastewater was discharged compliantly.

Indicator	Unit	2025
Total Water Emission	m^3	194,292
Chemical Oxygen Demand (COD)	Ton	15.71
Total Nitrogen (TN)	Ton	3.01
Five-day Biochemical Oxygen Demand (BOD_5)	Ton	7.26
Ammonia nitrogen (NH_3-N)	Ton	1.05

Management of Waste Gas

Waste gas generated by the Company mainly include volatilized reagents during R&D, exhaust from biosafety cabinets, animal experiment emissions, dust, and combustion gas from boiler operation. Main pollutants include volatile organic compounds (VOCs), particulate matter, nitrogen oxides, sulfur oxides, etc. We strictly follow laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, and have established internal management procedures such as the *Air Pollution Control Procedures* to regulate waste gas treatment and discharge management. We also engage qualified third-party testing agencies annually to conduct waste gas testing, thereby ensuring compliance in pollutant emissions. During the reporting period, all waste gas treatment facilities remained in stable, continuous operation. Monitoring results show that all waste gas indicators consistently met national and local emission limits.

Measures for Waste Gas Management

01	Laboratory Waste Gas	■ Waste gas is collected via fume hoods and collection hoods, conveyed via pipelines to the rooftop activated carbon adsorption unit for treatment, and finally discharged through 15-meter-high stacks in compliance with standards.
02	Animal Room Waste Gas	■ Waste gas is collected via exhaust ducts, conveyed to the rooftop "UV catalytic oxidation + activated carbon" integrated treatment unit for purification, and finally discharged through 15-meter-high stacks in compliance with standards.
03	Boiler Waste Gas	■ Natural gas boilers are equipped with low-nitrogen burners, and flue gas is discharged through 15-meter-high stacks in compliance with standards.

To reduce waste gas generated during experimental processes, we implement source-level emission reduction measures, such as promptly sealing organic solvents after use to prevent prolonged open exposure. We also implement process-level emission reduction measures, such as using balloon sealers or installing tail gas treatment devices, and regularly replacing activated carbon adsorption units to prevent fugitive emissions.

Indicator	Unit	2025
Total Exhaust Emissions	kg	828
Exhaust Gas Emission Intensity	kg/ 10,000 yuan	0.0071
VOCs	kg	755
Particulates	kg	4
Nitrogen Oxides	kg	74

Indicators and Targets

To systematically improve environmental performance, Medicilon has set environmental protection targets for 2025 based on strict control over pollutant discharge indicators, thus fully advancing the implementation of ecological and environmental protection efforts and achieving continuous progress in environmental management. By the end of the reporting period, all environmental targets had been achieved.

Indicators and Goals	Achievements in 2025
Environmental Pollution Incidents: 0	Achieved
Wastewater COD Emissions: < 20 tons	Achieved
Wastewater BOD_5 Emissions:< 10 tons	Achieved
Wastewater NH_3-N Emissions:< 1.5 tons	Achieved
Waste Gas VOCs Emissions:< 1,000 kg	Achieved
Waste Gas PM Emissions:< 10 kg	Achieved
Waste Gas NOx Emissions:< 100 kg	Achieved

Key Performance

During the reporting period, the Company invested RMB **14.4466** million in environmental protection, and conducted **16** environmental protection training sessions, covering **2,646** participants and totaling **5,292** training hours.

Waste Disposal

Governance

Medicilon always places waste management at the core of operational management, and strictly complies with national laws, regulations, and standards such as the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, the *National Catalogue of Hazardous Wastes, and the Standard for Pollution Control on Hazardous Waste Storage* (GB18597-2023). On this basis, the Company has systematically established internal procedures, such as *the Waste Management Procedures, Hazardous Waste Management System*, and *Hazardous Waste Reduction and Control Measures*, clearly designating the EHS Department as the responsible department for the collection, storage, and transfer of waste to qualified third-party agencies. In this way, the Company achieves full-process control from waste generation, classification, and storage to disposal, aiming to realize the integrated goals of compliant operations, risk prevention and control, and resource conservation.

Strategy

Risk/ Opportunity	Description of Risk /Opportunity	Likelihood of Occurrence	Impact Materiality	Duration of Impact	Value Chain Links Impacted	Priority Ranking	Financial Impact Description	Countermeasures
Risks from Waste Disposal	Entrusting third parties with waste disposal carries potential joint liability risks. If improper disposal by a third party leads to an environmental incident, the Company could suffer both operational and reputational losses.	Low	High	Short term	Operations	High	Increase in operating costs	Prudently select qualified disposal units, and reduce associated environmental and operational risks from improper disposal by third parties through contractual obligations, process supervision, and regular audits.
Leakage Risk	Leakage of hazardous waste during collection may pose direct threats to personnel health and safety through contact, inhalation, or secondary accidents.	Low	High	Short term	Operations	High	Increase in operating costs	Improve daily management systems, implement standardized operating procedures for collection, storage, and other stages, and engage qualified third-party institutions for compliant disposal.
Opportunities from Circular Economy	Promoting waste recycling can effectively reduce both procurement and disposal costs, optimize resource efficiency, and create circular economy value.	High	Medium	Long term	Operations, downstream	High	Reduction in operating costs and increase in operating income	Establish a waste recycling system, implement classified recycling and reuse, and convert waste into renewable resources.

Impact, Risk, and Opportunity Management

Management Process

Medicilon has developed the *Waste Disposal Risk/Opportunity Identification and Assessment Checklist* to systematically identify potential risks and recycling opportunities throughout the entire waste lifecycle, and comprehensively assess their impact on the environment, operations, and market competitiveness. Based on the assessment results, the Company develops and implements effective control and optimization measures, thereby improving resource efficiency, reducing environmental burdens, and providing strong support for sustainable operations.

Management Measures

Medicilon classifies waste into three main categories: household waste, general waste, and hazardous waste. Household waste mainly refers to daily waste generated in office areas. General waste includes discarded equipment, packaging and other materials generated during production and construction. Hazardous waste covers waste liquids, contaminated materials, and contaminated solids generated during experimental processes. All waste must be sorted and collected and disposed of properly according to regulations.

Waste Disposal Measures

Household Waste

Household waste is collected and placed in designated areas by cleaning staff every day, and then collected by municipal sanitation authorities;

General Waste

After collection and temporary storage, general waste is uniformly handed over to qualified professional agencies for recycling and disposal (all handover and registration procedures must be completed);

Hazardous Waste

Hazardous waste is temporarily stored in specialized hazardous waste rooms as required after collection, and regularly transferred by qualified agencies for disposal according to regulations.

Medicilon has been designated as a key environmental supervision entity for hazardous waste in Shanghai. To meet the government's high standards for waste disposal, the Company has set up the EHS Department to manage hazardous waste-related activities, and assigned on-site management personnel, collection personnel, and warehouse staff to ensure responsibility is assigned to individuals at each stage. During the reporting period, hazardous waste collection and storage operations remained safe, with no safety incidents, and the overall operational safety remained under control.

Hazardous Waste Management Measures

Classification and Storage

The Company classifies hazardous waste in strict accordance with the *National Catalogue of Hazardous Wastes*, implements standardized storage management, and ensures safety and compliance throughout the process through specialized facilities, standardized protection measures, and an electronic labeling system.

Inbound /Outbound management

The inbound/outbound management of hazardous waste strictly follows planned dispatch and electronic manifest transfer procedures. A full-process closed-loop ledger system enables traceable management of the entire process from generation to disposal.

Reduction and Control

Source Control: The Company reduces hazardous waste generation and disposal risks through meticulous planning, source reduction, strict classification, and compliant packaging reuse in accordance with national standards.

Experimental Process Control: The Company reduces hazardous waste and promotes compliant solvent recycling and reuse through operational improvements across the entire experimental process, including experiment design optimization, refined process control, and standardized post-treatment procedures.

Emergency Drills

Conduct emergency drills for hazardous waste leakage to train employees' emergency response capabilities, enhance skills for preventing and handling environmental emergencies, and reduce potential harm to the environment.

Culture Construction

To systematically advance the development of a waste management culture, Medicilon has established a regular training mechanism. By regularly organizing specialized training on topics such as the safe use of hazardous chemicals, collection and packaging of hazardous waste, and standardized hazardous waste management, the Company continuously enhances the environmental awareness and sense of responsibility among all employees and deeply embeds environmental protection concepts into daily operations and decision-making processes, ensuring that relevant training is practical and effective.

Case

Specialized Training on Hazardous Waste Collection and Packaging

On November 6, 2025, the Company organized specialized training on hazardous waste collection and packaging, aiming to standardize the collection and storage procedures of laboratory hazardous waste, clarify responsibilities at each stage, maintain operational safety, and prevent pollution incidents. The training systematically covered the roles and responsibilities of collection personnel, classification standards for laboratory hazardous waste, and proper collection and storage procedures, with a strong emphasis on safety protection and fire emergency precautions. Through the training, the Company further enhanced employees' awareness of standardized operations and risk prevention capabilities.

Specialized Training on Hazardous Waste Collection and Packaging

Indicators and Targets

To continuously reduce hazardous waste generation and ensure compliance in waste disposal, Medicilon sets management targets for hazardous waste reduction and recycling, and promotes the application of reduction technologies such as solvent recycling, to fulfill our environmental protection responsibilities.

Indicators and Goals	Achievements in 2025
Hazardous Waste Generation and Discharge: < 3,200 tons	Hazardous waste generated in 2025: 3,134.30 tons

Indicator	Unit	2025
Volume of General Waste Generated	Ton	72.85
Disposal Volume of General Waste	Ton	72.85
Quantity of Hazardous Waste Generated	Ton	3,134.30
Volume of Hazardous Waste Disposed	Ton	3,134.30
Recycling Rate of General Waste	%	44.21%
Recycling Rate of Hazardous Waste	%	1.03%

Protection of Ecosystem and Biodiversity

Medicilon strictly follows national environmental protection regulations, actively fulfills our corporate responsibilities for ecological protection, and strives to promote biodiversity conservation and improvement of natural habitats. Upholding the principle of source prevention, the Company requires all new, expansion, and renovation projects to undergo environmental impact assessments in accordance with the law, and fully implements the "three simultaneities" principle, ensuring that environmental protection facilities are designed, constructed, and put into operation simultaneously with the main project. During operations, the Company has established a comprehensive pollutant monitoring system for standardized control over wastewater, waste gas, solid waste, and noise to ensure that emissions consistently meet required standards. Comprehensive assessments indicate that the Company's business activities and production processes have not caused significant negative impacts on the local ecosystem. In the early planning stage of projects, the Company proactively avoids ecological conservation redlines, key wetlands, and other environmentally sensitive zones, minimizing interference with natural ecosystems at the source. The Company explicitly prohibits any activities that may damage vegetation, cause soil erosion, or disrupt ecological balance, and consistently adheres to a sustainable development path that harmonizes industrial growth with environmental protection.

Sustainable Supply Chain and Community Development

ESG Material Topics Covered in this Chapter

Supply Chain Security

Equal Treatment of Small and Medium-Sized Enterprises

Rural Revitalization

Contribution to Society

Equal Treatment of Small and Medium-Sized Enterprises

Equal Treatment of Small and Medium-Sized Enterprises

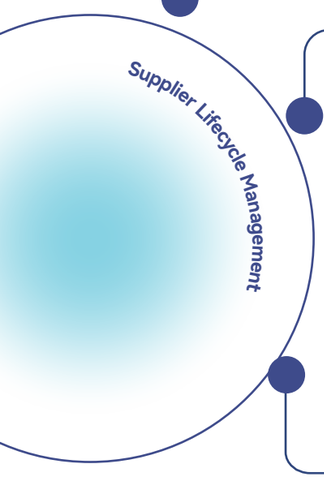
SDGs Responded in this Chapter

Establishment of Responsible Supply Chain

Governance

Medicilon primarily provides preclinical CRO services, involving a wide range of suppliers, such as suppliers of laboratory animals, reagents, consumables, and equipment. To improve supplier documentation, standardize qualification management, and facilitate subsequent performance evaluations, the Company has established the *Supplier Documentation Management System*, according to which the Procurement Department is responsible for establishing and maintaining a list of qualified suppliers and regularly updating and retaining supplier qualification documents to build a foundational framework for management of all categories of suppliers.

In addition, the Company has developed the *Supplier Management System* and *Supplier Evaluation Standards*, aiming to build a lifecycle management system for suppliers covering classification, admission, daily management, assessment, and collaboration adjustments. On this basis, the Company can achieve closed-loop management throughout the process, maintain a stable and controllable supply chain, and promote collaboration with upstream and downstream partners for sustainable operations.



Supplier Classification

Based on annual procurement volume and supply importance, suppliers are classified into key suppliers, important suppliers, general suppliers, and potential suppliers.

Admission of Suppliers

New suppliers must provide required qualification documents, product trials, or technical evidence. After successful trials and approval, small-batch procurement may proceed. Suppliers of GLP- and GMP-compliant materials must pass on-site or document audits before admission.

Daily Management

Suppliers at different levels are required to regularly update their qualification files according to requirements, ensuring compliance with laws, regulations, and industry standards.

Supplier Assessment and Grading Management

The Procurement Department conducts regular on-site/qualification audits for suppliers at different levels. Key and important suppliers undergo annual performance evaluations. Scoring is based on dimensions such as corporate management, customer service, quality management, social responsibility, and environmental protection, providing an objective assessment of supplier performance. Based on scores, suppliers are classified into four grades: A, B, C, and D.

Operation Adjustment

Suppliers rated as D are deemed unqualified and will be suspended from cooperation. They must complete rectification and undergo re-evaluation before readmission.

Strategy

Type of Risk/ Opportunity	Description of Risk /Opportunity	Likelihood of Occurrence	Extent of Impact	Impact Duration	Impact on Value Chain	Financial Impact	Countermeasures
Regulatory Risks	The Company's raw materials include biotechnology products from the United States, which may pose supply chain disruption risks and compliance review risks under U.S. biosafety regulations	Medium	High	Medium to long term	Upstream, operations	Increase in operating costs and decrease in operating revenue	Closely monitor changes in international regulations and prepare strategic reserves in advance; actively identify and evaluate biotechnology suppliers from other countries and regions, including local suppliers, to reduce reliance on single sources (especially U.S. suppliers); and conduct rigorous audits and assessments of potential suppliers to ensure their products and services comply with biosafety regulations.
Management Risks	Improper supplier selection or ineffective management of supplier qualifications and admission criteria may lead to the selection of suppliers that fail to meet production requirements, or the procurement of materials of inferior quality at excessive prices.	Low	Medium	Short term	Upstream, operations	Increase in operating costs	In terms of new supplier development, prudently collect background and qualification information of new suppliers according to standards, and conduct on-site assessments of their quality control and production processes to ensure they can stably meet the Company's production and quality requirements.
Opportunities from Digital Transformation	Building a digital supply chain can enhance collaboration efficiency across the supply chain, optimize cost management through data analysis, achieve efficient coordination, and reduce operational costs.	high	High	Long term	Operations	Reduction in operating costs	Establish an integrated digital collaboration platform, break down data silos, and create a full-chain data analysis system to support procurement decision-making, thereby improving operational efficiency and lowering operating costs; enable online collaboration for the entire process of supplier admission, management, and exit, enhancing work efficiency and process transparency.

Impact, Risk, and Opportunity Management

Medicilon attaches great importance to supply chain sustainability. By establishing the *Measures for Supply Chain Risk Management and Control*, the Company has set quantitative targets around four core dimensions of risk control, operational stability, compliance assurance, and resilience enhancement, clearly defining management and assessment criteria for all aspects of the supply chain. Additionally, we have established a dynamic adjustment and regular assessment mechanism to maintain safe, stable, and sustainable operations of the supply chain.

To further strengthen supply chain risk prevention and control and enhance management efficiency, the Company has adopted an innovative "R&D-Driven Supplier Selection with Procurement Oversight" model through its SRM system. By prioritizing inventory recommendations, we promote material recycling, fully improve procurement efficiency and lower procurement costs. Furthermore, we use OA system for supplier admission and review to reduce manual errors, enhance standardized admission, and ultimately achieve full-process control and traceability from supplier engagement and admission assessment to subsequent material flow.

Furthermore, the Company emphasizes supply chain resilience. To this end, we have developed the Business Continuity (Resilience) Plan to identify single-source or high-risk suppliers of key materials, reagents, equipment, or services, and have established mechanisms to monitor suppliers' operational status and geographical risks and regularly assess their business continuity, thereby maintaining a safe and stable supply chain.

Indicators and Targets

To build a robust integrity and compliance framework and advance the development of a responsible supply chain, the Company explicitly incorporates core requirements such as transparent procurement, environmental standards, and labor rights protection into cooperation agreements, creating shared values among upstream and downstream partners and promoting the sustainable and coordinated development of the supply chain.

Management Indicators	Management Targets	Achievement
Percentage of Key Suppliers Covered by Integrity Initiative	100%	Achieved
Percentage of Key Suppliers Covered by Code of Conduct	100%	Achieved

Key Performance

In 2025, the Company had a total of **1,699** suppliers,

including **17** from Hong Kong, Macao, Taiwan, and foreign countries.

Promotion of Sustainable Development of Supply Chain

Integrity-based Supply Chain

Based on the *Code of Conduct on Corporate Social Responsibility* and international standards such as the ISO 37001 Anti-Bribery Management System, Medicilon has established an integrity system and oversight framework. We have developed a series of documents, such as the *Statement of Integrity, Anti-Corruption Questionnaire,* and *Integrity Initiative*, which clearly stipulate that all trading parties must adhere to the principles of fair trade. We oppose all forms of commercial bribery, maintain zero tolerance for corruption, and rigorously combat all types of corrupt practices.

In addition, we have set up a dedicated hotline and email for reporting integrity issues, encouraging suppliers and employees to report potential commercial bribery, improper transfer of benefits, and other misconduct. We strictly protect whistleblower information in accordance with regulations and offer substantial rewards, fostering a clean and transparent environment for the supply chain.

Report phone	021-58591500-8149
Whistleblowing Email	Yijian@medicilon.com.cn
Address	585 Chuanda Road, Pudong, Shanghai, China

Responsible Supply Chain

Medicilon has developed documents such as the *Supplier Code of Conduct*, the *Energy Conservation and Emission Reduction Initiative*, and the *Supplier Social Responsibility Survey Report* to clearly define suppliers' compliance obligations in environmental protection, labor and employee rights, occupational health and safety, business ethics, and management systems. By signing the *Annual Cooperation Agreements* with suppliers, the Company incorporates these requirements into binding contractual terms.

Communication with Suppliers

Medicilon aims to build long-term, stable relationships with suppliers, working together to address market fluctuations and build a sustainable supply chain. We maintain regular communication with suppliers, and foster mutual understanding of each other's needs through in-depth communications with suppliers, thereby improving supply chain responsiveness, enhancing product quality and performance, and achieving mutually beneficial outcomes.

Equal Treatment of Small and Medium-Sized Enterprises

Medicilon upholds equal treatment for small and medium-sized enterprises (SMEs), providing them with fair bidding opportunities and selecting suppliers based on comprehensive evaluations. This approach helps SMEs integrate into the supply chain by leveraging their own strengths and expand their business channels. During the reporting period, the Company strictly complied with the payment terms stipulated in contracts with SMEs, ensuring all due payments were made on time, with no overdue payments.

Community Public Welfare

Medicilon actively fulfills corporate social responsibilities, and engages in public welfare initiatives such as the "Public Welfare Festival" to spread goodwill and warmth, contributing to a more harmonious and inclusive society. During the reporting period, the Company donated RMB 5 million to the Fudan University Education Development Foundation for research talent cultivation, fulfilling its corporate social responsibilities.

06

Employee Development, Health, and Safety

ESG Material Topics Covered in this Chapter

Employees' Rights and Interests

Occupational Health and Safety

SDGs Responded in this Chapter

Protection of Employees' Rights and Interests

Governance

Medicilon strictly complies with laws and regulations such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, and has established internal policies such as the *Employee Handbook* and the *Compilation of Human Resources Management Measures*, designating the *Human Resources Department* as the functional department for human resource management. In addition, the Company has built a comprehensive employee governance system to continuously optimize human resource management.

The Company adheres to the principles of "open recruitment, internal promotion first, fair competition, job-person fit, and merit-based selection", and carries out recruitment based on the requirements of each position, without discrimination based on ethnicity, age, gender, religious belief, political affiliation, or other factors. Candidates are fully evaluated in terms of educational background, work experience, professional skills, personal abilities, and health status, with the most suitable individuals selected. The Company resolutely prohibits the use of child labor, rigorously verifies the age and identity documents of candidates during recruitment to ensure no one under 16 years old is employed, and eradicates any form of forced labor. Additionally, the Company has established the Policy on Eliminating Sexual Harassment in the Workplace, forbidding any form of sexual harassment in the workplace, including verbal sexual advances, deliberate touching, and sending sexually explicit messages. During the reporting period, the Company had no incidents of employee discrimination, harassment, child labor, or forced labor.

To build a diverse and high-quality talent pipeline, the Company has developed the *Measures for Recruitment and Deployment Management* and established a multi-channel recruitment system that integrates online and offline platforms to access multiple talent pools efficiently.

Recruitment Channels	Measures	Key Performance During the Reporting Period
01 Social recruitment	The Company attracts industry experts and technical backbones through mainstream recruitment platforms, internal referrals, and executive search partnerships. During the reporting period, to support business expansion and internationalization efforts, the Company successfully recruited senior management, including the Chief Operating Officer and Chief Strategy Officer, strengthening the core talent pipeline.	Throughout the year, over 100 mid- to senior-level technical and managerial professionals were recruited.
02 On-campus recruitment	The Company has established long-term partnerships with several "Double First-Class" universities and key science and engineering institutions. In 2025, the on-campus recruitment followed a "offline + online" recruitment model, reaching universities nationwide. The Company offers tailored programs for new graduates, such as the "Rising Star Talent Program" and the "Management Trainee Program", solidifying the core talent reserve through systematic onboarding guidance and rotation training.	Over 20 offline/online recruitment sessions were held, and more than 200 graduates from the class of 2026 were hired.
03 Inclusive recruitment	The Company upholds the principle of equal employment, guarantees that all positions are openly available to qualified candidates throughout the recruitment process, and encourages applications from special groups such as veterans and individuals with disabilities, striving to create an equal and inclusive work environment without discrimination.	During the reporting period, the Company had 19 staff members with disabilities.

Strategy

Regarding employees as the core driver of corporate development, Medicilon has established a systematic mechanism for risk and potential opportunity identification to proactively identify and address potential employee-related risks, and has developed targeted measures to ensure risks are controlled and opportunities are seized.

Type of Risk/ Opportunity	Description of Risk /Opportunity	Probability of Occurrence	Extent of Impact	Duration of Impact	Value Chain Links Impacted	Priority Ranking	Potential Financial Impact	Countermeasures
Policy and Legal Risks	During employment, failure to update internal policies and procedures in line with the latest labor, social insurance, or taxation regulations, or insufficient justification or incomplete procedures for employee departures, may lead to labor disputes or arbitration, exposing the Company to litigation or administrative penalties.	Low	Medium	Short term	Operations	Medium	Increase in operating costs	1.Regularly review and adjust internal management policies and operating procedures to ensure full compliance throughout the employment process. 2.Conduct regular internal audits of employment compliance to promptly identify and rectify issues in policy implementation and operational procedures; organize compliance training for management to enhance practical skills in lawful employment.

Type of Risk/ Opportunity	Description of Risk /Opportunity	Probability of Occurrence	Extent of Impact	Duration of Impact	Value Chain Links Impacted	Priority Ranking	Potential Financial Impact	Countermeasures
Operational Opportunities	A robust employee rights protection system can create a differentiated competitive advantage in talent acquisition, attract top-tier R&D and technical talent, enhance employee belonging and loyalty, reduce turnover of core R&D personnel, and stabilize the talent pipeline.	Medium	Medium	Medium to long term	Operations	Medium	Reduction in operating costs	1. Build a systematic employee rights protection framework, optimize core policies concerning compensation and benefits, occupational health, and career development based on job characteristics, and introduce special talent incentives and career advancement tracks to boost talent attraction and foster a sense of belonging. 2. Establish a communication and feedback mechanism for employee rights protection, conduct regular satisfaction surveys, refine policies based on employee feedback, facilitate effective implementation of rights protection measures, and stabilize the talent pipeline.

Impact, Risk, and Opportunity Management

Medicilon has established systematic risk and opportunity management procedures. We identify potential risks and opportunities in areas such as labor relations, occupational health and safety, diversity and inclusion, and compensation and benefits through multiple communication channels with employees and employee satisfaction surveys. Furthermore, we prioritize risks based on their likelihood and severity and develop targeted strategies and improvement plans, assigning responsible departments and allocating resources accordingly. Employee rights are integrated into the risk management framework, and management effectiveness is dynamically evaluated and continuously improved to ensure that employee-related risks are effectively controlled, while opportunities brought by human capital development are seized to support sustainable growth.

Employee Compensation

Adhering to the three core principles of external competitiveness, internal fairness, and performance orientation, Medicilon has established a robust employee compensation management system. Employee compensation consists of base salary, performance bonuses, and other components, which are paid in full on a monthly basis. The Company evaluates and reviews employee compensation levels based on factors such as operating performance, business environment, inflation, market salary trends, and employee contributions every year, ensuring that the compensation system remains competitive and effective in incentivizing employees.

Employee Benefits

Medicilon provides a diverse benefits package for all employees. On one hand, we satisfy employees' short-term needs through social insurance, housing provident funds, annual health check-ups, work meals, overtime meal allowances, and holiday benefits. On the other hand, we develop a new restricted stock incentive plan for core and key employees, which aligns long-term employee interests closely with corporate value, thereby effectively enhancing employee belonging and cohesion. Additionally, we encourage employees to maintain a healthy work-life balance. Departments are permitted to organize team-building activities based on their operational needs and business characteristics to foster a harmonious and inclusive work environment.

Case

Annual Awards Ceremony

In February 2025, the Company held the 2024 Annual Awards Ceremony, presenting 28 awards such as Outstanding Employee, Outstanding Team, and Innovation Project Awards. These awards spanned individual, team, and project achievements, reinforcing performance orientation and value guidance. Dr. Chen Chunlin, Chairman of the Board, delivered a keynote address, reviewing the business performance in 2024 and outlining strategic priorities for 2025. The ceremony was live-streamed in real time to the U.S. branch, overcoming geographical barriers and enabling cloud-based interaction between China and U.S. Teams. This demonstrates the organizational cohesion under the global governance structure.

Preclinical Research Division – Outdoor Team Building at Wuxi Nianhua Bay

Performance Appraisal

Medicilon has established a robust performance management system, implementing quarterly and annual evaluations based on three dimensions: work performance, skills, and attitude. The evaluation process follows a three-tiered approach: self-assessment, immediate supervisor review, and final review by the department head. Performance outcomes are categorized into five levels and directly linked to performance bonuses, compensation adjustments, promotions, and capability development, aiming to drive continuous improvement in both individual and corporate performance through a goal-oriented approach.

Grievance Mechanism

Placing great importance on employee feedback and grievances, Medicilon has established a dedicated online appeal platform and an offline “anonymous suggestion box”, supported by standardized handling procedures to ensure that employee complaints are addressed promptly and fairly, thereby safeguarding employee rights and interests. Any employee who disagrees with performance evaluation results and fails to resolve the issue with the evaluator can file an appeal within the specified period, either by escalating to the evaluator’s superior or submitting a formal appeal to the Human Resources Department. Upon receiving an appeal, the Human Resources Department coordinates with the employee’s department head or responsible leader to review the evaluation results, safeguarding fairness and accuracy in performance evaluations.

Protection of Women's Rights and Interests

Medicilon places great emphasis on female employee rights, strictly complies with laws and regulations such as the Law of the People's Republic of China on the Protection of Rights and Interests of Women, upholds the principle of equal pay for equal work, and provides dedicated leave benefits such as maternity leave and menstrual leave for female employees, fully safeguarding the welfare and rights of female employees during pregnancy, childbirth, and breastfeeding.

The Company also attaches great importance to the occupational health protection for female employees. To this end, we take multiple measures: restricting female employees from work that is prohibited under national regulations; providing training on occupational safety and health for female employees; investing in facilities such as rest rooms for pregnant employees and nursing rooms to improve working conditions; and organizing regular health check-ups for female employees, such as gynecological examinations, breast disease screenings, and other specialized check-ups.

Key Performance

During the reporting period, the Company had **86** female employees in management positions, representing **41**% of the management team. A total of **130** employees took parental leave, and the return-to-work rate reached **100**%.

Care for Employee

To fulfill its corporate social responsibility and build a robust employee support system, each division allocates dedicated funds primarily for visiting and providing assistance to employees who are hospitalized due to illness and offering support for employees in financial difficulty.

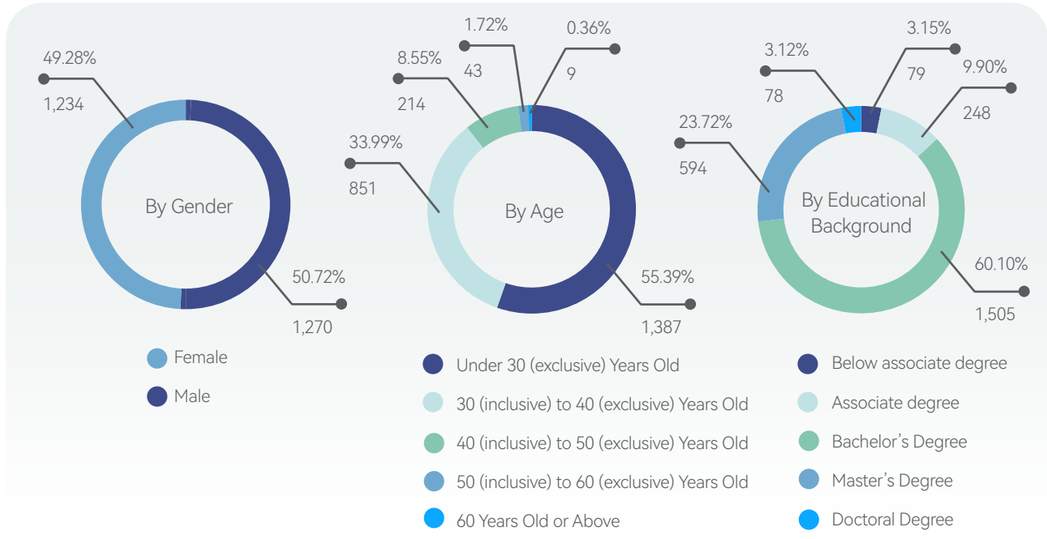
Indicators and Targets

Medicilon conducts annual employee satisfaction surveys covering areas such as work value realization, skill utilization, career development, work environment, and management incentives. For issues frequently raised by employees, we conduct root cause analysis, develop targeted improvement measures, and share both the survey results and improvement plans with employees, demonstrating our attention to employee concerns and encouraging staff participation in management optimization.

Targets	Achievements in 2025
Signing Rate of Employment Contracts:100%	Achieved
Social Insurance Coverage Rate: 100%	Achieved

Key Performance

During the reporting period, the Company had a total of **2,504** employees, including **19** persons with disabilities; the turnover rate was **22.87**%; and **869** new employees were hired.



Employee Training and Development

Employee Training

Adhering to a people-oriented philosophy, Medicilon has established the Employee Training Management System with a focus on both job requirements and career development pathways, and has developed a tiered and categorized training system, systematically advancing talent pipeline development and laying a solid foundation for sustainable growth. In addition, the Company has improved its full-process internal trainer management system and established diverse incentive mechanisms to activate internal trainers' potential, thereby promoting talent development and knowledge accumulation. Furthermore, the Company has built an online learning platform, aiming to provide convenient and efficient learning support to all employees through diverse training formats.

Key Performance

During the reporting period, the Company invested RMB **300,000** in employee training, covering a total of **2,408** participants, with total training hours reaching **36,313** hours.

Training Programs

- Sprout Program: Designed for new graduates in organic synthesis positions.
- Spring Bud Program: Designed for team leaders.
- Elite Program: Designed for managers and directors, focusing on leadership development and strategic thinking to effectively enhance management capabilities.
- R&D Encyclopedia: Learning of synthetic expertise and name reactions for R&D personnel, aimed at broadening and deepening professional knowledge.
- Case Study: In-depth analysis of classic cases, enabling R&D staff to explore both project specifics and underlying scientific principles, thereby enhancing professional competence.

Industry-University-Research Cooperation

- Medicilon has entered into a strategic cooperation agreement with Shanghai University to jointly train graduate students in pharmacy, targeting employees with undergraduate degrees in pharmacy or related fields.

New Employee Mentoring Mechanism

- One-on-One Coaching: Establish a mentoring partnership system, pairing each new employee with a mentor for regular one-on-one communication. In the early stages of employment, face-to-face meetings are conducted on a weekly basis to discuss work progress, challenges, and solutions. Mentors provide targeted feedback and guidance to help new employees correct errors and improve job performance.
- Hands-On Guidance: Implement a hands-on mentoring model, where mentors engage new employees in actual project work while providing full-process operational guidance.
- Team Collaboration Support: Mentors help new employees integrate into teams and participate in project discussions and team-building activities to establish a foundation for effective communication and collaboration with team members. Mentors also systematically introduce team roles, work processes and collaboration workflows, helping new employees quickly adapt to teams and strengthen their teamwork awareness.

Online Learning Platform

Training Photos

Employee Development

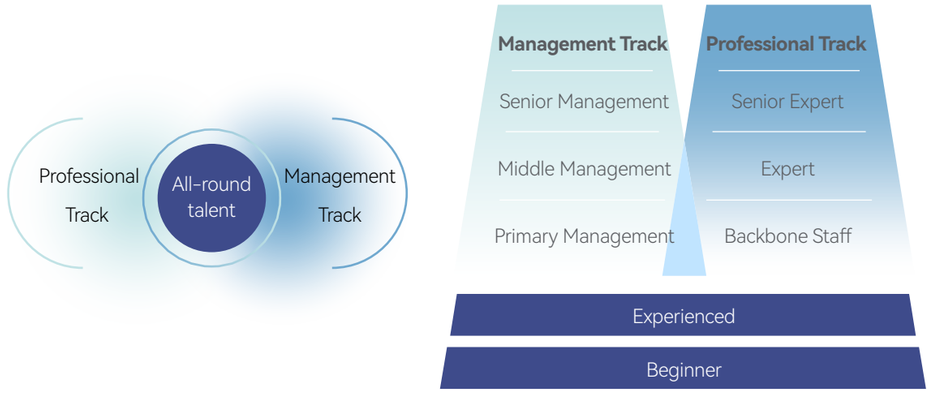
Medicilon has established a Talent Assessment Committee led by the CEO, who is responsible for overseeing all talent assessment activities. The Committee holds regular meetings to establish a dynamic tracking mechanism for talent inventory and talent pipeline development, and conducts comprehensive reviews and discussions on the progress of quarterly talent assessments.

In alignment with strategic planning and business development goals, the Company assesses the requirements for talent quantity and quality across business units and projects. Based on current talent profiles and future demand projections, the Company has built a multi-level talent pipeline system, developed succession plans for key and critical positions, and defined talent reserve targets and development directions. The Human Resources Department organizes 360-degree reviews for executive promotions, establishes a talent evaluation system, and optimizes the performance review process. Based on past operational challenges, the Company has developed the *Handbook for Performance Empowerment of Business Managers*, conducting regular face-to-face performance feedback sessions with employees to promote clear talent pipeline development, guide employees' career development paths, and motivate employees' self-improvement and growth.

The Company has established a dual-track career development system comprising a management track and a professional/technical track, providing clear promotion criteria for employees at all levels. Promotion reviews are conducted through annual assessments, performance presentations, and multi-source evaluations, considering performance, capabilities, values, and potential. The Company has also developed the Individual Development Plans (IDPs) which assign mentors to core employees for regular one-on-one guidance, aiming to accelerate the growth of core employees.

Career Development Channel	Description
Management Track	Focus on developing team leadership and comprehensive management capabilities, with a promotion path as follows: core staff → junior manager → middle manager → senior manager.
Professional Track	Focus on enhancing technical expertise and specialist influence, with a promotion path as follows: assistant researcher → researcher → senior researcher → chief scientist/expert.

Dual-Track Talent Development System



Democratic Governance

Medicilon has established an Employee Congress according to law, and created a legitimate and effective platform for safeguarding employee rights and interests in line with the principle of democratic centralism. Through participation in the development and review of company policies, employees' legitimate rights concerning compensation, benefits, labor safety, and other aspects are effectively protected. The Company regularly holds employee forums to establish a two-way interactive communication platform between management and employees. Relying on the platform, the Company listens to employee concerns, gathers constructive suggestions, strengthens internal collaboration, and fosters team cohesion.

Case

Second Meeting of the Employee Congress in 2025

On April 20, 2025, Medicilon convened the Second Meeting of the Employee Congress in 2025 to seek feedback from employee representatives on the *2025 Employee Stock Ownership Plan*. The meeting reviewed and approved the draft plan and its summary. The plan complies with multi-departmental regulations and adheres to principles of legal compliance and voluntary participation. It is conducive to establishing a profit-sharing mechanism, enhancing employee cohesion, and supporting the Company's sustainable development.

Occupational Health and Safety

Governance

Work safety

Medicilon strictly complies with the *Work Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. We have established a Work Safety Committee and developed internal policies such as the *All-Employee Work Safety Responsibility Management System* and the *Occupational Disease Prevention Responsibility System*, clarifying safety responsibilities for all positions. Furthermore, we implement a "dual responsibility" system to fulfill the primary responsibility for work safety and safeguard employees' lives and health. Our safety assessments follow the principle of “exemption for due diligence and accountability for dereliction”. We set safety targets for all levels, and implement a reward and penalty system tied to employee performance, where rewards or penalties are determined based on the fulfillment of responsibilities.

Occupational Disease Hazards

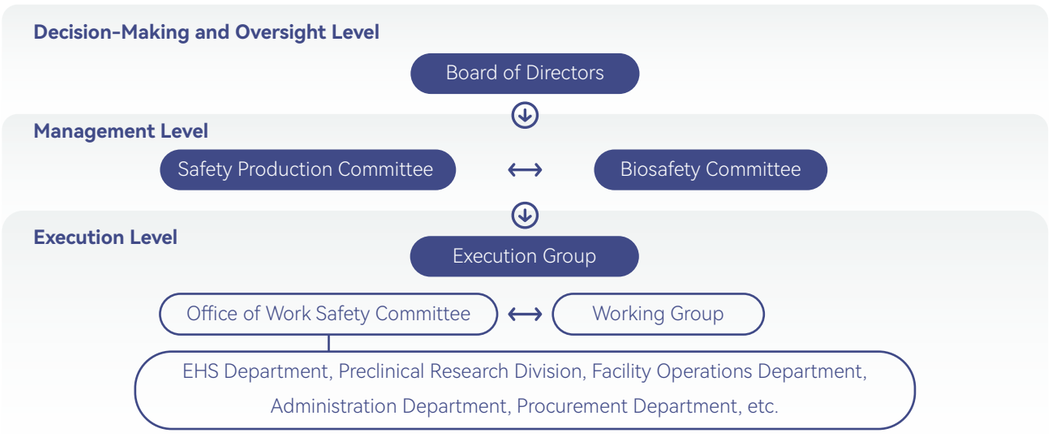
To prevent occupational disease hazards, Medicilon established an occupational health management body within the EHS Department during the reporting period. This body is responsible for the daily occupational health management, including developing occupational disease prevention plans, policies, and operating procedures; organizing occupational health examinations and maintaining health records for employees; conducting monitoring and evaluation of occupational disease hazards and publishing the results; organizing occupational health education and training; and fulfilling other legal requirements related to occupational health.

During the reporting period, the Company advanced the digitalization of occupational health and safety management by installing alarm systems for toxic and hazardous gases, oxygen concentration, and emergency ventilation. This enabled real-time monitoring and early warning of environmental risks, effectively enhancing safety management efficiency. Additionally, several occupational health and safety managers participated in the annual continuing education and training on occupational health organized by the Shanghai Institute of Occupational Disease for Chemical Industry, and obtained relevant certificates, which effectively enhanced their professional competence and practical skills.

Biosafety

Medicilon strictly complies with the *Biosafety Law of the People's Republic of China*, the *Regulations on the Biosafety Management of Pathogenic Microorganism Laboratories*, the *General Requirements for Laboratory Biosafety*, and other applicable laws, regulations, and standards. The Company clearly defines laboratory biosafety levels, conducts experiments involving pathogenic microorganisms only within permitted scopes, and prohibits the development or application of biotechnology that may harm public health or ecological safety. During the reporting period, the Company had no significant violations related to biosafety.

The Company has developed a *Biosafety Manual* and 11 core SOPs, which clearly specify requirements for key areas such as personnel management, facility maintenance, strain preservation, and waste disposal, establishing a full-process biosafety risk management and control system. In addition, the Company has established a Biosafety Committee and specialized working groups to oversee the full lifecycle of pathogenic microorganisms—covering procurement, use, and disposal—across all relevant scenarios, including laboratories and cell culture rooms. The Company has also established employee health monitoring and occupational exposure emergency response procedures, and regularly conducts biosafety inspections and emergency drills to ensure personnel safety and experimental compliance.



Work Safety Management Structure

Strategy

Placing great emphasis on identification of occupational health and safety risks, Medicilon has developed the *Occupational Health and Safety Risk/Opportunity Identification and Assessment Checklist* to systematically identify, analyze, and evaluate relevant risks and opportunities, assess their impact on our business, strategy, and finances, as well as future trends, and develop targeted response measures.

Type of Risk /Opportunity	Description of Risk /Opportunity	Probability of Occurrence	Extent of Impact	Duration of Impact	Value Chain Links Impacted	Priority Ranking	Potential Financial Impact	Countermeasures
Work Safety Risks	1. Use of non-compliant electrical equipment, unauthorized wiring, or improper use of high-power electrical appliances may lead to electric shocks or casualties. 2. Improper storage of chemicals, heat sources near flammable materials, or low fire safety awareness may lead to fires or explosions.	Low	Medium	Short term	Operations	Medium	Increase in operating costs	1. Electrical Safety: Use compliant office and production equipment; prohibit unauthorized wiring; use dedicated sockets for high-power appliances; conduct regular inspections and replace hazardous electrical equipment; perform regular maintenance by qualified professionals. 2. Chemical and Fire Safety: Store chemicals by category in dedicated cabinets equipped with ventilation, fireproofing, and explosion-proof facilities; offer three-tier pre-job safety training and annual continuing education for employees; develop emergency plans and organize drills; organize training on fire extinguisher use and fire safety knowledge to enhance fire emergency response skills.
Occupational Health Risk	1. Improper use or storage of hazardous chemicals, or failure to wear required personal protective equipment, may cause acute poisoning, chemical burns, asphyxiation, etc. 2. Failure to follow regulations in isotope-related operations may lead to radiation exposure.	Low	Medium	Short term	Operations	Medium	Increase in operating costs	1. Laboratory Safety Protection: Provide employees with personal protective equipment and require them to wear the equipment as required; engage third-party technical service providers to conduct regular monitoring of occupational disease hazards; post safety warning signs on site. 2. Isotope Laboratory Protection: Develop regulations and operating procedures such as the *Safe Operating Procedures for Isotope Laboratories*; maintain records of safety education and training; develop radiation-related emergency plans; ensure isotope operators are trained and certified before taking up their posts.
Technological Opportunities	The introduction of digital safety management systems, such as alarm systems for toxic and hazardous gases, oxygen concentration, and emergency ventilation, enables real-time monitoring and automatic early warning of core risks, e.g., electric shock, radiation, chemical hazards, fire, and explosion. This enhances the accuracy of risk identification and response efficiency, while reducing labor costs and potential safety hazards.	High	Medium	Long term	Operations	Medium	Reduction in operating costs	Install intelligent radiation dose sensors, toxic and hazardous gas sensors, and oxygen concentration sensors in key areas such as radiation zones, chemical storage warehouses, and laboratories, so that data can be uploaded in real time to the management system, triggering automatic alerts when thresholds are exceeded.

Impact, Risk, and Opportunity Management

Detection of Occupational Hazard Factors

Medicilon regularly engages third-party agencies to conduct thorough identification and monitoring of existing occupational hazards and issue the *Occupational Hazard Monitoring Report* to ensure that all hazards are effectively identified and controlled. For ongoing construction projects, the Company engages third-party agencies to conduct occupational hazard assessments and issue the *Occupational Hazard Control Report* to identify risk points and provide targeted recommendations. These measures help prevent and control occupational hazards in the working environment, thereby safeguarding employees' health and legitimate rights. By the end of the reporting period, the Company reported no new cases of occupational diseases.

Type	Occupational Disease Hazards
Chemical Factors	Pentane, dichloromethane, ethyl acetate, methanol, acetonitrile, acetone, N, N-dimethylformamide, methyl tert-butyl ether, tetrahydrofuran, hydrochloric acid, acetic acid, n-hexane, ethyl ether, hydrogen peroxide, ammonia oxides, nitric acid, sodium borohydride, potassium hydroxide, hydrogen, carbon dioxide, argon, helium, ethylene, carbon monoxide, nitrogen oxides, hydrogen sulfide, ammonia, formaldehyde, isopropanol, phosphoric acid, formic acid, chloroform, phenol, n-butanol, sodium hydroxide, and bedding dust
Physical Factors	Microwave radiation, high/low temperature, and noise
Other Factors	Mechanical Injury

Occupational Hazard Prevention Measures

Medicilon has established internal policies including the *Management System for Protective Equipment for Occupational Diseases*, the *Maintenance and Repair System for Occupational Hazard Control Facilities,* and the *Occupational Hazard Warning and Notification System*. For workplaces with occupational hazards, the Company actively takes protective measures to control occupational hazards, and organizes occupational health training for relevant employees to enhance their self-protection awareness and prevent occupational diseases among production staff. Additionally, the Company adopts a top-down mental health promotion strategy. In 2025, a specialized program on "Employees' Mental Health Care Capability" was launched for mid-to-senior-level managers. Through systematic training, 62 managers, including all department heads, acquired skills for identifying employees' mental health status, communication techniques, and preliminary intervention strategies, significantly enhancing management's ability to support mental health of employees.

Occupational Hazard Prevention Measures

Notification of Health Risk	■ Set standardized warning signs in prominent locations at workplaces, workstations, equipment, and storage areas where occupational hazards exist; and provide occupational hazard cards indicating hazards and protective measures for high-risk posts. ■ Standardize the placement of warning signs and bulletin boards, regularly inspect and maintain them, promptly update monitoring results and process changes, and maintain records.
Prevention of Occupational Diseases	■ Provide employees with personal protective equipment for occupational diseases that meets national occupational health standards, instruct and supervise employees to properly wear the equipment; define the replacement cycles, conduct proper maintenance, and prohibit expired or substandard equipment. ■ Require employees to properly wear protective equipment before entering laboratories, which is monitored by the EHS Department. ■ Regularly or irregularly inspect, repair, and maintain protective equipment, and conduct annual comprehensive evaluations of their performance in controlling occupational hazards; provide training on the proper use of protective equipment for employees.
Occupational Disease Checkup	■ Organize regular occupational health examinations based on exposure to occupational hazards and maintain occupational health records for ongoing monitoring. In 2025, 1,684 employees participated in occupational health examinations, solidifying the foundation for occupational health protection.

Case

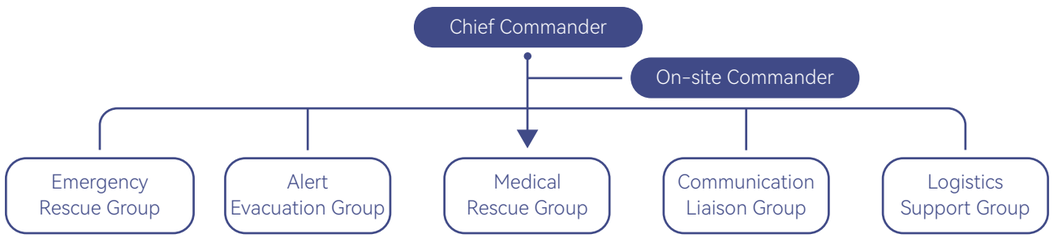
Continuing Education and Training on Occupational Health

In November 2025, in strict compliance with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the Company organized annual continuing education and training on occupational health for employees directly exposed to occupational hazards. The training covered occupational health knowledge and emergency response measures for occupational hazards, enhancing employees' awareness of self-protection and emergency response capabilities.

Emergency Management

Adhering to the principle of "putting people first, prioritizing prevention, and ensuring a rapid response", the Company has developed the *Emergency Plan for Work Safety Incidents*, improving its emergency management system. The plan clarifies emergency response procedures, rescue measures, and responsible personnel, and enables hierarchical control for emergencies. For different types of incidents such as fires, electric shocks, and chemical spills, the Company has developed specific emergency plans and response measures. These effectively enhance the ability to respond quickly and scientifically to safety incidents, minimize impacts and losses, safeguard employees' life safety and maintain stable operations of the Company.

The Company conducts regular emergency drills to strengthen employees' emergency response and rescue skills, and continuously optimizes emergency plans based on drill results to ensure their practicality and relevance. During the Reporting Period, the Company conducted 1 emergency drill.



Organizational Structure for Emergency Response

Case

Fire Emergency Drill

On November 24, 2025, the Company organized a fire evacuation and suppression drill simulating a sudden fire. The drill included orderly evacuation and fire suppression exercises, and clarified evacuation restrictions and reporting procedures for individuals with special needs. Following the drill, a debriefing was conducted to review lessons learned and continuously improve the emergency plan. The drill effectively enhanced company-wide fire safety awareness and strengthened the ability to respond to fire emergencies.

Fire Emergency Drill

Inspection of Potential Hazards

Medicilon has established the *Safety Inspection and Hazard Identification and Management System* and created a long-term mechanism for identifying and managing safety hazards. This system defines hazard classification standards, identification scope and frequency, and responsibilities at each level. Through a combination of company-level, departmental, routine, and specialized inspections, the Company systematically carries out hazard identification and management to safeguard employees' life and property safety and maintain stable and orderly operation of the Company. During the reporting period, a total of 35 typical hazards were identified, with a rectification rate of 100%.

Indicators and Targets

The Company formulated the *2025 Occupational Disease Prevention Plan and Implementation Plan*, setting work safety targets to provide clear guidance for safety management. Through multiple measures such as occupational health monitoring, hazard detection, facility maintenance, and specialized training, supported by dedicated funds and departmental collaboration, the Company has built a comprehensive occupational health and safety framework, aiming to achieve work safety targets and protect employee health and safety.

Targets	Achievements in 2025
No new suspected or confirmed occupational disease cases in 2025	Achieved
Occupational health examination rate for employees exposed to occupational hazards: 100%	Achieved
Completion rate of "three simultaneities" for occupational health in existing construction projects: 100%	Achieved
Integrity rate of occupational hazard prevention and emergency rescue facilities: ≥95%	Achieved
Percentage of employees participating in on-the-job occupational health training: 100%	Achieved

Key Performance

During the reporting period, the Company invested RMB **3.73** million in work safety. The detection coverage of occupational hazards in workplaces was **100**%, the coverage of occupational health examination for employees was **100**%, and no acute occupational disease incidents occurred.

Work Safety Management Measures

Safety Accident Management

Medicilon has established the *Incident Management System*, which defines incident classification standards, standardizes procedures for handling, reporting, and investigation, and clarifies the responsibilities of all parties. Following the principle of "Four No Exceptions", the Company takes corrective actions, supported by rewards and penalties, to improve the work safety system and prevent accidents.

Accident Handling Procedure

Immediate Response and Reporting	Emergency Escalation and Scene Control	Written Report	Investigation, Analysis, and Corrective Actions
Immediately after an accident, the individual involved or on-site staff initiate initial emergency response, and report to their direct supervisors and the EHS Department within 1 hour via multiple channels (face-to-face, phone, WeChat, email, etc.).	The EHS Department provides intervention and support. Leaders at various levels report the accident details truthfully level by level according to severity of the accident, while organizing further emergency response to prevent escalation and preserving the scene.	After the accident is resolved, the individual involved must submit a written initial incident report to the EHS Department within 1 working day (excluding the day of the accident).	Based on the complexity of the accident, the EHS Department sets up an investigation team. With support from technical departments, the team thoroughly analyzes the causes, prepares an investigation report, develops preventive and corrective measures, and urges responsible departments to implement corrective actions within specified timeframe.

Training and Culture Development

Medicilon has established the *Safety Education and Training Management System* and the *Occupational Disease Prevention Publicity and Training System*, and created a safety training system that integrates internal and external training. This system covers all employees and external personnel, defines training hours and assessment standards, and maintains standardized training records, thus enhancing safety awareness and practical skills to prevent accidents.

The Company offers a three-level safety education and training program for new employees and provides regular refresher training on work safety and occupational health for current employees at the end of each year. Additionally, the Company offers annual online training for all employees, covering zoonotic disease knowledge and protection, environmental health and safety, occupational health, etc. During the reporting period, the Company conducted four biosafety training sessions, covering topics such as development of biosafety laboratories, regulatory frameworks and internal SOPs, fundamental knowledge (including concepts, labeling, and protection levels), occupational protection and operating procedures, and management of personnel, materials, and animals in Level 2 laboratories.

Case

Annual Occupational Health Training

In 2025, the EHS Department conducted annual occupational health training, integrating theoretical knowledge with practical skills. In terms of compliance, the training provided systematical explanation on occupational health laws and regulations, and occupational disease classification and health monitoring requirements. In terms of protection skills, the training provided detailed instruction on the proper use of personal protective equipment such as masks and respirators. In terms of emergency response, the training included drills on first aid for typical scenarios such as acute poisoning, chemical burns, and heatstroke. The training greatly enhanced employees' awareness of occupational health protection and operational skills.

Annual Occupational Health Training

Key Performance

During the reporting period, the Company conducted **25** occupational health and safety training sessions, with a total of **1,540** participants and **12,000** training hours.

Management of Hazardous Chemicals

Medicilon places great emphasis on hazardous chemicals management, and strictly complies with laws and regulations such as the *Work Safety Law of the People's Republic of China, the Regulations on the Safety Management of Hazardous Chemicals*, the *Regulations on the Administration of Precursor Chemicals*, and the *Regulations of the People's Republic of China on the Administration of Controlled Chemicals*. The Company has developed multiple policies, including the *Management Regulations on the Use and Storage of Laboratory Chemicals*, the *Regulations on Rewards and Penalties for Laboratory EHS and 5S Management*, and the *Management System for Controlled Chemicals*. In addition, the Company has established a Controlled Chemicals Management Committee and built a risk prevention and control system for controlled chemicals covering the entire lifecycle, including procurement, transportation, storage, use, disposal, and data reporting. The Company implements lifecycle management of controlled chemicals, adheres to the "five-double" management principle, and strictly follows legal and regulatory requirements for obtaining controlled chemical permits, striving to prevent incidents related to hazardous chemicals.

Management of Related Parties

Medicilon has established policies such as the *External Contractor Safety Management System* and built a stakeholder safety management system, which clearly defines the safety responsibilities of internal functional departments and external contractors, covering the entire process from qualification review, onboarding training, on-site supervision, to performance evaluation and elimination. Contractors are required to pass qualification review and safety training assessments before entering the site, and to sign a *Letter of Safety Commitment*, pledging strict compliance with safety management regulations, operating procedures, and reward and penalty rules, clarifying responsibilities and mitigating safety risks associated with stakeholders.

Future Prospects

Aligned with the global trend of innovation in the biopharmaceutical industry and high-quality industry development, Medicilon will anchor its core strategy as "innovation-driven, compliance-led, sustainability-empowered", deeply integrating ESG principles into its business strategy. Leveraging its full-chain preclinical CRO service advantages, the Company will continue to create comprehensive economic, social, and environmental value while strengthening its market position, contributing to the green innovation and international advancement of the pharmaceutical industry.

Strengthening Core Business While Building Compliance and Technical Barriers

Focusing on the entire preclinical drug R&D process, Medicilon builds its core barriers through technological innovation and compliance, and continuously strengthens its integrated service capabilities. The Company will accelerate the laboratory expansion of the Nanhui site, improve the full-chain technology platform based on existing R&D facilities and GLP laboratories, and steadily increase the penetration rate of projects filed with both Chinese and U.S. regulatory authorities according to international standards and data compliance requirements. In addition, the Company will deepen the application of AI technologies in drug R&D, iteratively optimize its AI-driven drug discovery platform, and build specialized technology systems focused on high-demand drug areas to precisely meet global R&D demands through differentiated strengths.

Fulfilling Environmental Responsibility and Building a Green R&D System

Guided by the principle of green R&D, Medicilon will continue to advance process optimization and environmental management through its Green Chemistry Process Research Platform. The Company will focus on process development and research, systematically optimize process parameters, and develop green, high-efficiency, and cost-effective production processes, thus reducing raw material consumption and environmental impact while enhancing R&D efficiency. Additionally, the Company will continuously improve full-process environmental management measures, strengthen integrated control over pollutants, waste, energy, and water resources, optimize energy and resource efficiency, and standardize waste disposal. Through technological innovation and refined management, the Company will empower green R&D and support the low-carbon, sustainable development of the pharmaceutical R&D industry.

Maximizing Social Value and Empowering the Industry Chain and Talent Development

With talent as the foundation of development, Medicilon aims to enhance its social value creation while fostering synergistic collaboration across the industry chain to achieve mutual benefits. The Company will strengthen its talent-driven strategy to attract high-caliber R&D and management professionals from around the world, and will enhance its highly educated talent pipeline and incentive training system to foster mutual growth with its employees. Relying on service models such as FTE, INT, and FFS, the Company will deliver efficient services to clients globally, accelerating the development of innovative and urgently needed drugs. By improving the innovation ecosystem jointly with upstream and downstream partners, the Company will contribute to the international advancement of China's pharmaceutical industry.

Looking ahead, Medicilon will continue to uphold its core values of "Innovation First, Collaboration, Client-centric Excellence, and Unwavering Dedication". By deeply integrating ESG principles with its business strategy and consistently driving progress across its three core dimensions, the Company strives to become a globally trusted preclinical CRO, accelerate innovative drug translation, empower the high-quality development of the pharmaceutical industry, and deliver long-term value for all stakeholders.

Appendix

Key Performance Form

Economic Performance

Indicator Name	Unit	2023	2024	2025
Total Assets	RMB 10,000	326,584.75	282,325.97	262,207.31
Operating Revenue	RMB 10,000	136,563.09	103,774.57	116,306.25
Net Assets Attributable to Shareholders	RMB 10,000	251,077.94	214,015.72	193,422.01

Environmental Performance[2]

Indicator Name	Unit	2023	2024	2025
Environmental Compliance Management				
Total Investment in Environmental Protection	RMB 10,000	1,210.17	1,592.64	1,444.66
Coverage Rate of Training on Environmental Protection	%	100	100	100
Non-compliance Events Concerning Environmental Protection	Case	0	0	0
GHG Emission Management				
Total GHG Emissions	tCO_2e	27,637.12	28,011.77	27,899.10
GHG emissions intensity	tCO_2e /10,000 yuan	0.20	0.27	0.24
Direct GHG Emissions (Scope 1)	tCO_2e	3,623.40	3,470.53	3,333.59
Indirect GHG Emissions (Scope 2)	tCO_2e	24,013.72	24,541.24	24,565.51
Energy Utilization				
Total Comprehensive Energy Consumption	tce	7,594.79	7,618.63	7,539.82
Comprehensive Energy Consumption Intensity	tce/10,000 yuan	0.06	0.07	0.06
Total Direct Energy Consumption	tce	2,228.81	2,134.78	2,050.55
Total Indirect Energy Consumption	tce	5,365.98	5,487.78	5,489.28
Clean Energy Consumption	tce	2,228.81	2,134.78	2,050.55
Natural Gas Consumption	10,000 m^3	167.58	160.51	154.18
Total Purchased Electricity	kWh	43,661,316	44,620,436.52	44,664,565
Water Resource Utilization				
Total Water Consumption	m^3	207,000	208,099.79	201,926
Water Resource Utilization Intensity	m^3/10,000 yuan	1.5158	2.0053	1.7362
Waste Gas Emission				
Total Exhaust Emissions	kg	/	2,266.90	828
Exhaust Gas Emission Intensity	kg/10,000 yuan	/	0.02	0.0071
Nitrogen Oxide (NOx) Emission	kg	/	94.50	74
Volatile Organic Compounds (VOCs) Emission	kg	/	2,167	755
Particulate Matter (PM) Emission	kg	/	5.40	4
Wastewater Discharge				
Industrial Wastewater Discharge	m^3	/	140,085	164,792
Domestic Sewage Discharge	m^3	/	27,500	29,500
Chemical Oxygen Demand (COD) Emissions	Ton	/	13.85	15.71
Total Nitrogen (TN)	Ton	/	2.48	3.01
Ammonia Nitrogen (NH_3-N) Emission	Ton	/	0.91	1.05
Five-day Biochemical Oxygen Demand (BOD_5)	Ton	/	6.78	7.26
Waste management				
Total Waste Generation	Ton	/	2,942.60	3,207.15
Volume of Hazardous Waste Generated	Ton	/	2,887.72	3,134.30
Intensity of Hazardous Waste	Ton/10,000 yuan	/	0.0278	0.0276
Volume of non-hazardous waste generated	Ton	45.5	54.88	72.85
Intensity of Non-Hazardous Waste	Ton/10,000 yuan	0.0003	0.0005	0.0006

[2]Due to changes in data collection, measurement, and calculation methods, some data have been retrospectively adjusted.

Social Performance

Indicator Name		Unit	2023	2024	2025
Innovation in Scientific Research and Technology					
Investment in R&D		RMB 10,000	12,238.94	9,672.90	10,441.28
Percentage of R&D Investment In Operating Revenue		%	8.96	9.32	8.98
Number of R&D Personnel		Person	2,235	2,029	2,215
Educational Background Structure of R&D Personnel	Doctoral Degree	Person	62	64	67
	Master's Degree	Person	631	557	534
	Bachelor's Degree	Person	1,188	1,147	1,395
	Associate Degree	Person	273	223	191
	High School and Below	Person	81	38	28
Age Structure of R&D Personnel	Under 30 years old	Person	1,402	1,258	1,352
	30-40 (exclusive) years old	Person	675	645	714
	40-50 (exclusive) Years Old	Person	123	107	127
	50-60 (exclusive) Years Old	Person	30	17	18
	60 years old or above	Person	5	2	4
Percentage of R&D Personnel		%	85.96	86.38	88.46
Patent Applications During the Reporting Period		Case	/	16	6
Patents Granted During the Reporting Period		Case	/	9	16
Cumulative Number of Authorized Patents		Case	/	40	56

Indicator Name		Unit	2023	2024	2025
Quality Management					
Number of Customer Complaints		Case	/	/	0
Training on Quality Capacity		Case	/	/	1,773
Number of Participants in Quality Training		Person-times	/	/	21,302
Total Hours of Quality Training		Hour	/	/	15,921.25
Data Security and Privacy Protection					
Data Security / Customer Privacy Violations		Case	/	0	0
Amount Involved in Data Security / Customer Privacy Violations		RMB 10,000	/	0	0
Employee Recruitment					
Total Number of Employees		Person	2,600	2,349	2,504
Number of Employees (by Gender)	Male	Person	/	1,153	1,270
	Female	Person	/	1,196	1,234
Number of Employees by Age	Under 30 years old	Person	/	1,305	1,387
	30-40 (exclusive) years old	Person	/	992	851
	40-50 (exclusive) Years Old	Person	/		214
	50-60 (exclusive) Years Old	Person	/	52	43
	Above 60 years old	Person	/		9
Number of Employees (by Academic Qualification)	Doctoral Degree	Person	74	76	78
	Master's Degree	Person	699	620	594
	Bachelor's Degree	Person	1,331	1,268	1,505
	Associate degree	Person	343	287	248
	Below associate degree	Person	153	98	79
Number of New Employees		Person	/	/	869
Employee Turnover Rate		%	/	/	22.87
Employees' Rights and Interests					
Employment Contract Signing Rate		%	/	/	100
Social Insurance Coverage Rate among Domestic Employees		%	/	/	100
Proportion of Female Employees in Management		%	/	/	43
Return Rate of Female Employees on Parental Leave		%	/	/	100
Employee training					
Total Employee Training Expenditure		RMB 10,000	/	28	30
Total number of employees trained		Person	2,564	2,349	2,408
Total Duration of Employee Training		Hour	43,735	/	36,313
Coverage of Employee Training		%	98.61	100	100
Occupational Health and Safety					
Coverage Rate of Occupational Health Checkup		%	100	100	100
Investment in Safety Production		RMB 10,000	/	/	373
Number of Safety Training Sessions		Session	44	15	25
Number of Safety Training Participants		Person	/	1227	1,540
Total Employee Safety Training Hours		Hour	/	9,547	12,000
Times of Safety Emergency Drills		Session	/	1	1
Number of New Occupational Diseases		Case	0	0	0

Indicator Name		Unit	2023	2024	2025
Supply Chain Security					
Total Number of Suppliers		Supplier	1,287	1,516	1,699
Number of Suppliers by Region	Chinese Mainland	Supplier	1,270	1,499	1,682
	Hong Kong, Macao, Taiwan, and Overseas	Supplier	17	17	17
Signing Rate of Integrity Agreement by Core Suppliers		%	/	/	100
Overdue Payments to SMEs by the End of the Reporting Period		RMB 10,000	/	/	0
Social Welfare					
Charitable Donations		RMB 10,000	552	500	500

Governance Performance

Indicator Name	Unit	2023	2024	2025
General Meeting of Shareholders				
General Meetings of Shareholders Convened	Case	3	1	3
Proposals Approved	Case	17	11	24
Board of Directors				
Number of Members of the Board of Directors	Person	8	8	8
Number of Independent Directors	Person	3	3	3
Number of Female Directors	Person	1	1	2
Meetings of the Board of Directors Convened	Case	7	7	9
Proposals Approved	Case	40	36	54
Information Disclosure				
Number of Public Disclosure Reports	Copy	136	113	136
Investor Relations Management				
Investor Visits Organized	Session	66	18	68
Online Response to Investors' Questions	Case	50	27	7

Indexes

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Index of Topics as per SSE Guideline	Corresponding Articles	Corresponding Sections
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Pollutant Emissions	Article 30	Environmental Compliance Management
Waste Disposal	Article 31	Waste Disposal
Ecosystem and Biodiversity Protection	Article 32	Protection of Ecosystem and Biodiversity
Environmental Compliance Management	Article 33	Environmental Compliance Management
Energy Utilization	Article 35	Energy and Resource Utilization
Water Resource Utilization	Article 36	Energy and Resource Utilization
Circular Economy	Article 37	Energy and Resource Utilization
Rural Revitalization	Article 39	Community Public Welfare
Social Contribution	Article 40	Community Public Welfare
Innovation-driven Development	Article 42	Innovation-driven Development
Science and Technology Ethics	Article 43	Science and Technology Ethics and Medical Ethics
Supply Chain Security	Article 45	Establishment of Responsible Supply Chain, and Promotion of Sustainable Development of Supply Chain
Equal Treatment of Small and Medium-Sized Enterprises	Article 45	Equal Treatment of Small and Medium-Sized Enterprises
Safety and Quality of Products and Services	Article 47	Product Quality Management, and Customer Service Management
Data Security and Customer Privacy Protection	Article 48	Data Security and Customer Privacy Protection
Employees	Article 50	Protection of Employees' Rights and Benefits, and Occupational Health and Safety.
Due Diligence	Article 52	Governance
Communications with Stakeholders	Article 53	Communications with Stakeholders
Anti-Commercial Bribery and Anti-Corruption	Article 55	Anti-Commercial Bribery and Anti-Corruption
Anti-Unfair Competition	Article 56	Anti-Unfair Competition and Anti-Corruption

Index of Indicators as per the Guide to Corporate Sustainability Reporting in China (CASS-ESG 6.0) and the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards)

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Feedback

Dear Readers,

Thank you for reading this report. We highly value your feedback on this report. Your comments and suggestions are crucial for helping us enhance ESG disclosure and optimize ESG management practices. We sincerely welcome valuable input from all sectors of society and look forward to working together with you to put the concept of sustainability into practice.

1. For Medicilon, you are:

☐ Employee ☐ Client & Consumer ☐ Shareholder or Investor ☐ Supplier ☐ Government or Regulator ☐ Media/Industry Association ☐ Others (please specify)

2. Your overall assessment of Medicilon's ESG report this year:

☐ Very Good ☐ Good ☐ Average ☐ Below Average ☐ Poor

3. How do you think Medicilon has performed in terms of communications with stakeholders?

☐ Very Good ☐ Good ☐ Average ☐ Below Average ☐ Poor

4. How do you think Medicilon has performed in terms of product responsibilities?

☐ Very Good ☐ Good ☐ Average ☐ Below Average ☐ Poor

5. How do you think Medicilon has performed in terms of environmental responsibilities?

☐ Very Good ☐ Good ☐ Average ☐ Below Average ☐ Poor

6. How do you think Medicilon has performed in terms of the protection of employees' rights and interests?

☐ Very Good ☐ Good ☐ Average ☐ Below Average ☐ Poor

7. Do you think this report can reflect Medicilon's significant impacts on the economy, society, and the environment?

☐ Very Good ☐ Good ☐ Average ☐ Below Average ☐ Poor

8. What are your opinions and suggestions on Medicilon's ESG performance and this report?

You can contact us through the following methods:

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