



Luoxin Pharmaceutical Group Stock Co., Ltd.

2025 Environmental, Social, and Governance (ESG) Report

Stock Abbreviation: Luoxin Pharmaceutical

Stock Code: 002793

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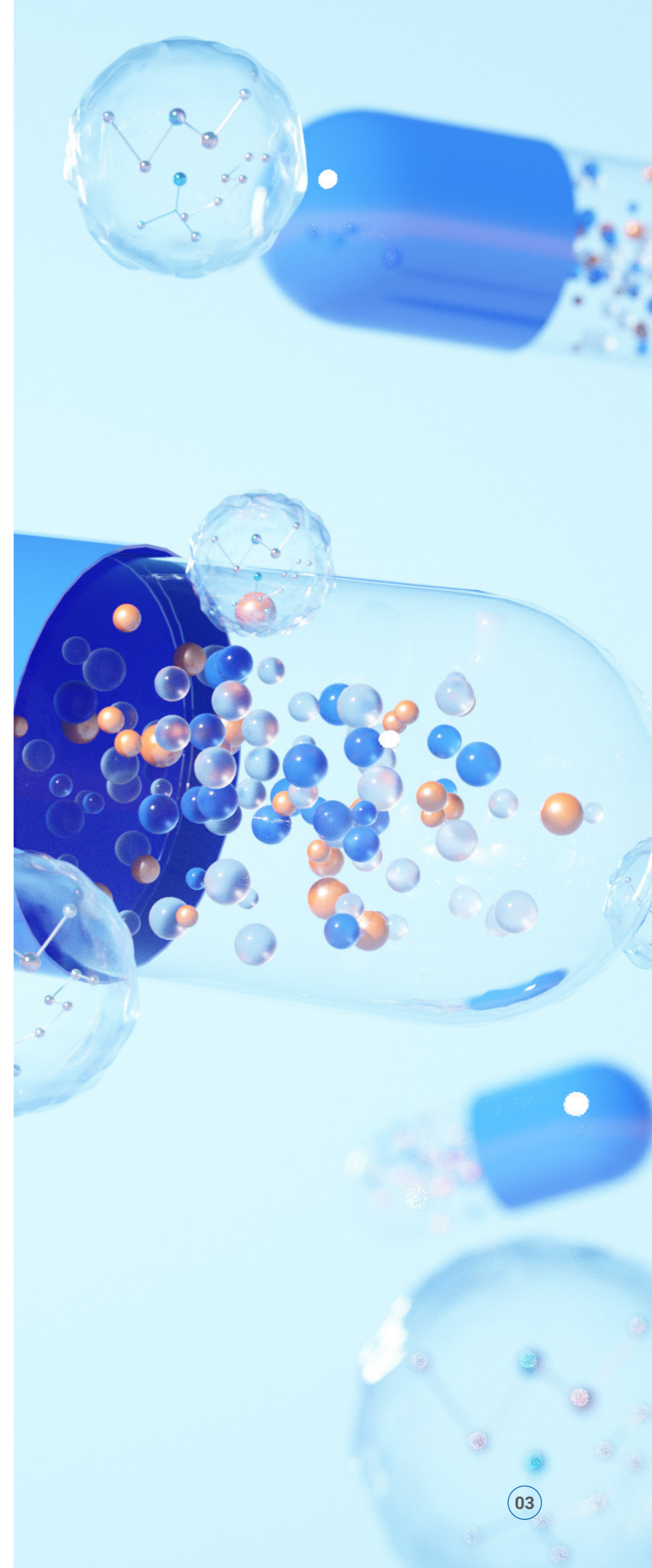
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About the Report

This report is the first annual Environmental, Social, and Governance (ESG) Report of Luoxin Pharmaceutical Group Stock Co., Ltd. (hereinafter referred to as "the Report"), disclosing and presenting the Company's performance in environmental, social, and corporate governance areas to stakeholders and other parties. The Report has been reviewed and approved by the Board of Directors of the Company, which assumes responsibility for the authenticity and validity of the information contained herein.

Scope of Report



The scope of information disclosed in the Report covers Luoxin Pharmaceutical Group Stock Co., Ltd., its subsidiaries in which it holds equity interests, and its wholly-owned subsidiaries, which is consistent with the scope of the consolidated financial statements of Luoxin Pharmaceutical (002793).

Scope of Time



Unless otherwise specified, the scope of time covered in the Report is from January 1st, 2025, to December 31st, 2025. To ensure the completeness of the Report, the scope of time for certain information has been extended both forward and backward.

Data Sources



The reporting entities are Luoxin Pharmaceutical Group Stock Co., Ltd., its subsidiaries in which it holds equity interests, and its wholly-owned subsidiaries. The financial data used is from the Company's audited annual report, and other data is from official documents and statistical reports of the Company.

Report Access



This report is published in both Chinese and English. In the event of any discrepancy between the two versions, the Chinese version shall prevail. You may find more information about our environmental, social, and governance practices on the Shenzhen Stock Exchange website (<https://www.szse.cn/index/index.html>).

Basis for Preparation



The Report complies with the Shenzhen Stock Exchange Listed Companies Self-Regulatory Guidance No. 3 — Preparation of Sustainability Reports (Revised in 2026), Shenzhen Stock Exchange Listed Companies Self-Regulatory Guidance No. 17 — Sustainability Reports (Trial), with reference to the Global Sustainability Standards Board (GSSB)'s GRI Sustainability Reporting Standards (GRI Standards) and the Sustainable Development Goals (SDGs) of the United Nations.

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Reference Explanation



Company Abbreviation		Company Full name
Luoxin Pharmaceutical, the Company, we	Refer(s) to	Luoxin Pharmaceutical Group Stock Co., Ltd.
Shandong Luoxin	Refer(s) to	Shandong Luoxin Pharmaceutical Group Stock Co., Ltd.
HENGXIN Pharmaceutical	Refer(s) to	Shandong Luoxin Pharmaceutical Group HENGXIN Pharmaceutical Co., Ltd.
YUXIN Pharmaceutical	Refer(s) to	Shandong YUXIN Pharmaceutical Co., Ltd.
Lekang Pharmaceuticals	Refer(s) to	Shandong Lekang Pharmaceutical Co., Ltd.
Luoxin Aurovitas	Refer(s) to	Luoxin Aurovitas Pharmaceutical (Chengdu) Co., Ltd.
Shanghai Luoxin	Refer(s) to	Luoxin Pharmaceutical (Shanghai) Co., Ltd.

Chairman Statement

Dear investors, business partners, all Luoxin employees, and friends from all sectors of society:

Greetings!

The seasons change, and new chapters unfold. On behalf of the Company, I would like to extend our sincerest gratitude to every partner who has placed their trust in Luoxin Pharmaceutical and supported our growth over the years! I also offer my deepest respect to all Luoxin employees who have remained dedicated to their posts and worked tirelessly with unwavering commitment!

Since its founding in 1988, Luoxin Pharmaceutical has been in business for 37 years. Over the past 37 years, through thick and thin, we have consistently upheld our corporate philosophy of "Delivering Health," adhered to the Luoxin Spirit of "Hard Work, Integrity, Innovation, and Discipline," and put into practice our core values of "Returning to Employees, Customers, Shareholders, and Society, and Strengthening the Company." Producing medicine requires integrity; the pharmaceutical industry is an industry of conscience and, above all, an industry of responsibility. We have always firmly believed that the sustainable development of the Company has always gone hand in hand with safeguarding people's health and fulfilling our social responsibilities. ESG is not an additional burden, but rather an integral part of Luoxin Pharmaceutical's high-quality development and the essential path to becoming a company that survives for centuries.

2025 was critical for Luoxin Pharmaceutical in deepening and implementing its innovation and transformation. Amid the waves of industry transformation, guided by the principle of "Driving Enterprise Development Through Technology and Rallying Strength Through Unity," we have progressively integrated ESG principles into every aspect of our operations. Through concrete actions, we have delivered a response that is compassionate, impactful, and substantive.

Safeguarding Lives Through Hardcore Innovation, and Upholding Our Founding Commitment of "Benevolent Pharmaceutical Practices"

We adhere to a research and development strategy that emphasizes "Long-term Perspective, Current Focus, and Simultaneous Innovation and Adaptation," focusing on unmet clinical needs in the fields such as: gastroenterology, respiratory medicine, and oncology. After years of refinement, the core product of the Company, Tegoprazan Tablets (Taixinzan®), has all been included in the national medical insurance coverage for three indications, and several other innovative drugs are making steady progress, poised to bring new hope to patients. Guided by the bottom-line principle that "Quality Is the Company's Lifeline," we rigorously oversee every stage of the production process and uphold international standards to ensure quality. Every single pill we produce embodies the sense of responsibility and commitment of the Luoxin team.

Empowering Development Through Green Transformation and Strengthening the Ecological Foundation of "Sustainable Operation"

As a pharmaceutical manufacturer, we are fully aware that our environmental responsibilities are of the utmost importance. In 2025, we will continue to ensure our investment in environmental protection, promote the green transformation of production processes, optimize our energy structure, strictly control the discharge of "three wastes," and ensure that pollutant emissions consistently meet standards while gradually improving energy efficiency. We have established a comprehensive environmental protection management system to standardize the disposal of solid waste. By embracing "Green Production and Low-Carbon Operations," we are exploring new pathways for green development in the pharmaceutical industry, making sustainability the defining feature of Luoxin's growth.

Uniting Our Strength Through Shared Vision and Mutual Success, Demonstrating the Sense of Responsibility that Defines "Responsible Luoxin" in This Era

Talent is the core competitive advantage of a company. We are advancing the upgrade of our talent strategy, strengthening the development of a young and professional team, and building a platform for diverse career development, so that every Luoxin employee can share in the fruits of the Company's growth. We work closely with our upstream and downstream partners to promote supply chain standardization and achieve mutual benefit and win-win outcomes. We are actively engaged in public welfare initiatives, carrying out a wide range of charitable activities such as educational assistance and rural support programs. By contributing to rural revitalization and improving people's livelihoods, we give back to society through concrete actions and uphold our founding principle of "Benefiting the World with Integrity and Kindness."

In 2026, standing at a new starting point, we will be guided by the spirit of the dragon and the horse, and with the vigor of a galloping steed, we will continue to refine our ESG management system. We will remain committed to innovation-driven development, accelerate the cultivation of new-quality productive forces, and strive to bring more innovative drugs to clinical trials to benefit patients; we will dedicate ourselves to green transformation, advance environmental protection efforts with higher standards, and establish a benchmark for green manufacturing in the pharmaceutical industry; we will uphold our social responsibilities, deepen collaboration with all stakeholders, and build a more harmonious industrial ecosystem. Human life is of the utmost importance; it is worth more than a thousand pieces of gold. Nothing can surpass the virtue of saving a life with medicine. Let us join forces and move forward together, demonstrating our commitment through hard work and driving development through innovation, so that Luoxin can contribute its strength to safeguarding human health and promoting the sustainable development of the pharmaceutical industry!

Luoxin Pharmaceutical Group Stock Co., Ltd.
 Chairman Liu Zhenteng

About Luoxin Pharmaceutical

Company Overview

Luoxin Pharmaceutical Group Stock Co., Ltd. (Stock Code: 002793.SZ) went public through a major asset reorganization in 2020. Its core operating entity, Shandong Luoxin Pharmaceutical Group Stock Co., Ltd. was founded in 1988 (originally established as Luozhuang Medicinal Materials Business Department of Linyi City) and is a leading comprehensive pharmaceutical enterprise in China. Guided by its corporate philosophy of "Delivering Health," the Company drives its growth through technological innovation, focuses on unmet clinical needs, and is committed to providing more innovative medicines to patients worldwide. The Company has been ranked among China's Top 100 Pharmaceutical Enterprises and has also been honored on the "China's Best Industrial Enterprise for Pharmaceutical R&D Product Lines" list. The Company has received numerous national and provincial awards, including the Second Prize of the National Science and Technology Progress Award and the Shandong Provincial Governor's Quality Award. It is designated as a Key High-Tech Enterprise under the National Torch Program, a National Model Enterprise for Technological Innovation, and a National Model Enterprise for Intellectual Property.

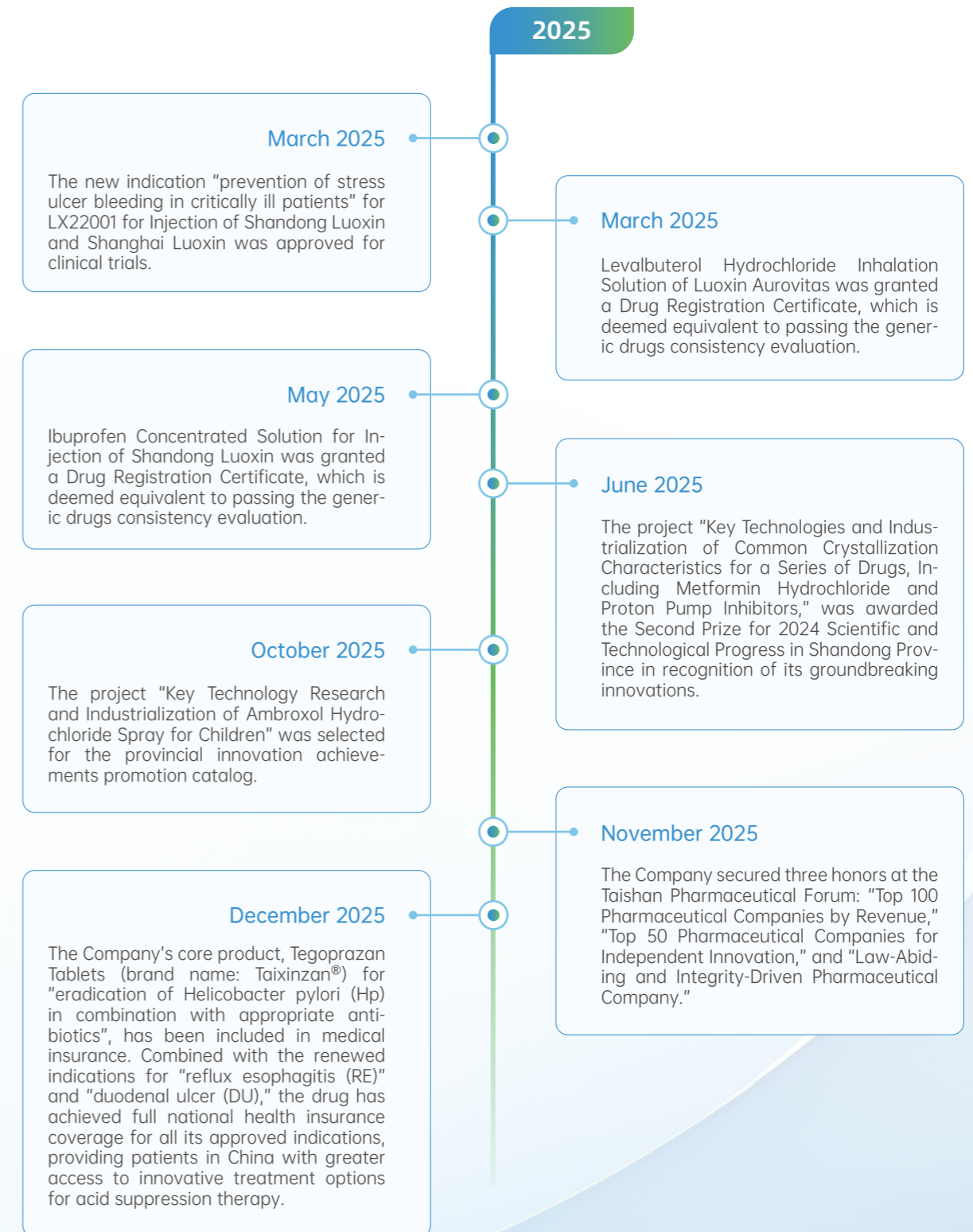
The Company places a high priority on technological innovation and operates R&D centers in both Shandong and Shanghai. It maintains multiple national and provincial-level research platforms, including a National Enterprise Technology Center and a National Postdoctoral Research Station. At the same time, the Company has established a mature, efficient, and environmentally friendly production and supply system, encompassing high-quality manufacturing facilities such as Shandong Luoxin, YUXIN Pharmaceutical, and HENGXIN Pharmaceutical. Its quality assurance system complies with international certification standards such as U.S. cGMP and PIC/S, and has also passed ISO9001 quality management system certification.

Luoxin Pharmaceutical adheres to the guiding principles of integrity and innovation, as well as the values of "Returning to Employees, Customers, Shareholders, and Society, and Strengthening the Company." We are committed to continuously creating maximum value for our customers and serving them with high-quality products, competitive prices, and excellent service.

Corporate Culture

Luoxin Spirit	<ul style="list-style-type: none"> • Hard Work, Integrity, Innovation, and Discipline
Business Philosophy	<ul style="list-style-type: none"> • Integrity, Legal Compliance • Recruit and foster outstanding talent to meet the Company's needs, and provide our customers with the value they seek
Luoxin Employee Code of Professional Conduct	<ul style="list-style-type: none"> • To work - dedication • To the Company - loyalty • To themselves - cultivating Virtue
Corporate Philosophy	<ul style="list-style-type: none"> • Luoxin Pharmaceutical, Delivering Health
Luoxin Survival Strategies	<ul style="list-style-type: none"> • Vigilance, Innovation, and Development
Luoxin Values	<ul style="list-style-type: none"> • Returning to Employees: Provide employees with greater opportunities for growth and better rewards • Returning to Customers: Create the values that customers need • Returning to Shareholders: Strengthen and expand the Company to deliver greater returns to shareholders • Returning to Society: Contribute more taxes to the country, actively participate in social programs to assist the disadvantaged and alleviate poverty, create employment opportunities for the community, and provide more and better high-tech medications for the treatment and rehabilitation of patients • Strengthening the Company: Build a better, bigger, and stronger Luoxin

2025 Highlights



2025 Honors and Awards



Top 50 Companies for Independent Innovation, Law-Abiding and Integrity-Driven Company, and Top 100 Companies by Revenue, as recognized by the Pharmaceutical Industry Association of the All-China Federation of Industry and Commerce

Pharmaceutical Industry Association of the All-China Federation of Industry and Commerce




National High-Tech Enterprise

Shandong Provincial Department of Science and Technology, Shandong Provincial Department of Finance, Shandong Provincial Tax Service, State Taxation Administration



All-China Federation of Industry and Commerce Social Responsibility Assessment Results for Private Enterprises: 88 points

All-China Federation of Industry and Commerce



Ranked No. 1 in China's Comprehensive Statistics on Over-the-Counter Medicines - Ambroxol Hydrochloride Tablets

China Nonprescription Medicines Association



2025 Shandong Province Model Enterprises for the Innovative Integration of the Real Economy and the Digital Economy

Shandong Province Promotion Center for the Integration of Informatization and Industrialization




Top 100 Innovative Private Enterprises in Shandong

Federation of Industry and Commerce of Shandong Province



Shandong Provincial Manufacturing Single-Item Champion Enterprise

Department of Industry and Information Technology of Shandong Province



List of Phoenix Enterprises in Linyi

Linyi Municipal People's Government



Linyi Model Workers and Skilled Craftsmen Innovation Studios

Linyi Federation of Trade Unions



Yimeng Quality Goods - Tegoprazan

Linyi Market Regulation Bureau



Linyi Key Laboratory for Research and Development of Small-Molecule Chemical Drugs

Linyi Science and Technology Bureau



Linyi Key Laboratory for Solvent-Crystallized Pharmaceuticals

Linyi Science and Technology Bureau



Linyi Pilot Demonstration Base for Small-Molecule Chemical Pharmaceutical Ingredients

Linyi Science and Technology Bureau



Linyi Modern Medicine (Small-Molecule Chemical Drugs) Innovation Consortium

Linyi Science and Technology Bureau



2025 ESG Performance Highlights

Economic Performance



RMB 2,273.4577 million	RMB 3,725.2925 million
Operating income	Total assets
RMB 288.5802 million	RMB 189.7028 million
Net profit attributable to the parent company	Total tax paid

Environmental Performance



RMB 14.0132 million	237.73 tons	2,268 person-time(s)
Environmental protection investment	Total recyclable waste	Number of employees trained in environmental protection

Social Performance



100 %	196 time(s)	173 time(s)
Employee physical examination coverage rate	Number of employee training sessions	Number of safety training sessions
25,797 person(s)	375 item(s)	20 item(s)
Number of employees covered in safety training	Total number of granted patents	R&D projects

Governance Performance



500,000 RMB	23 item(s)	15 item(s)	42.86 %
Funds for party building activities	Number of party building activities	Number of board meetings held	Percentage of independent directors

In response to the United Nations Sustainable Development Goals (SDGs)

United Nations Sustainable Development Goals (SDGs)		Chapter
	III. Caring for Employees and Promoting Social Harmony	2. Employee Care and Well-being 4. Social Contributions and Philanthropy
	III. Caring for Employees and Promoting Social Harmony	2. Employee Care and Well-being 4. Social Contributions and Philanthropy
	II. Innovation-led Development for a Healthy Future III. Caring for Employees and Promoting Social Harmony	3. Product Responsibility and Quality Safety 2. Employee Care and Well-being 3. Occupational health and safety
	II. Innovation-led Development for a Healthy Future III. Caring for Employees and Promoting Social Harmony	1. Innovation-Driven Industrial Upgrading 4. Social Contributions and Philanthropy
	III. Caring for Employees and Promoting Social Harmony IV. Strengthening Governance to Lay a Solid Foundation for Development	4. Employee Interests and Development 3. Corporate Governance Structure
	I. Green Transformation, Building a Beautiful Home Together	3. Green Operations
	III. Caring for Employees and Promoting Social Harmony	4. Employee Interests and Development
	II. Innovation-led Development for a Healthy Future	1. Innovation-Driven Industrial Upgrading
	III. Caring for Employees and Promoting Social Harmony	1. Employee Interests and Development 4. Social Contributions and Philanthropy
	I. Green Transformation, Building a Beautiful Home Together	3. Green Operations
	I. Green Transformation, Building a Beautiful Home Together II. Innovation-led Development for a Healthy Future	1. Environmental Management System 2. Response to Climate Change 3. Green Operations 2. Supply Chain Management
	I. Green Transformation, Building a Beautiful Home Together	2. Response to Climate Change 3. Green Operations
	IV. Strengthening Governance to Lay a Solid Foundation for Development	1. Party Building Drives Development
	II. Innovation-led Development for a Healthy Future IV. Strengthening Governance to Lay a Solid Foundation for Development	2. Supply Chain Management 4. Transparency in Governance

ESG Governance

ESG Governance Structure

Guided by the national strategy for high-quality development, the Company actively responds to global sustainability trends and regards ESG governance as a key driver of its long-term growth. Luoxin Pharmaceutical will comprehensively plan the development of its ESG management system. The Company intends to establish a professional ESG governance structure and, with this as the core, build a sustainability organizational framework that spans all business segments and connects all functional departments, thereby deeply embedding ESG principles into every aspect of the Company's operations. Through the design of a systematic and institutionalized governance structure, the Company has deeply embedded the principles of sustainable development into the very fabric of its operations. By adopting a forward-looking approach, it demonstrates its social responsibility and commitment and continues to strive toward a sustainable and high-quality future.

The Company has preliminarily outlined three tiers of ESG:

Board of Directors

Composed of the Company's board members, the Board serves as the highest decision-making body for ESG governance. It is responsible for reviewing and approving the Company's ESG strategic plans, overseeing the implementation and performance of ESG objectives, and approving the Company's ESG reports.

ESG Leadership Team

The body responsible for researching and guiding ESG initiatives. It is responsible for identifying ESG-related risks, formulating the Company's ESG development strategies, medium and long-term ESG objectives, and work plans; managing the operation of the ESG system and the implementation of related initiatives; and guiding the day-to-day execution of ESG activities.

ESG Work Team

Composed of ESG liaisons from each department, this team is responsible for the execution and implementation of all ESG initiatives under the guidance of the ESG Leadership Team.



Luoxin Pharmaceutical ESG Governance Structure Diagram

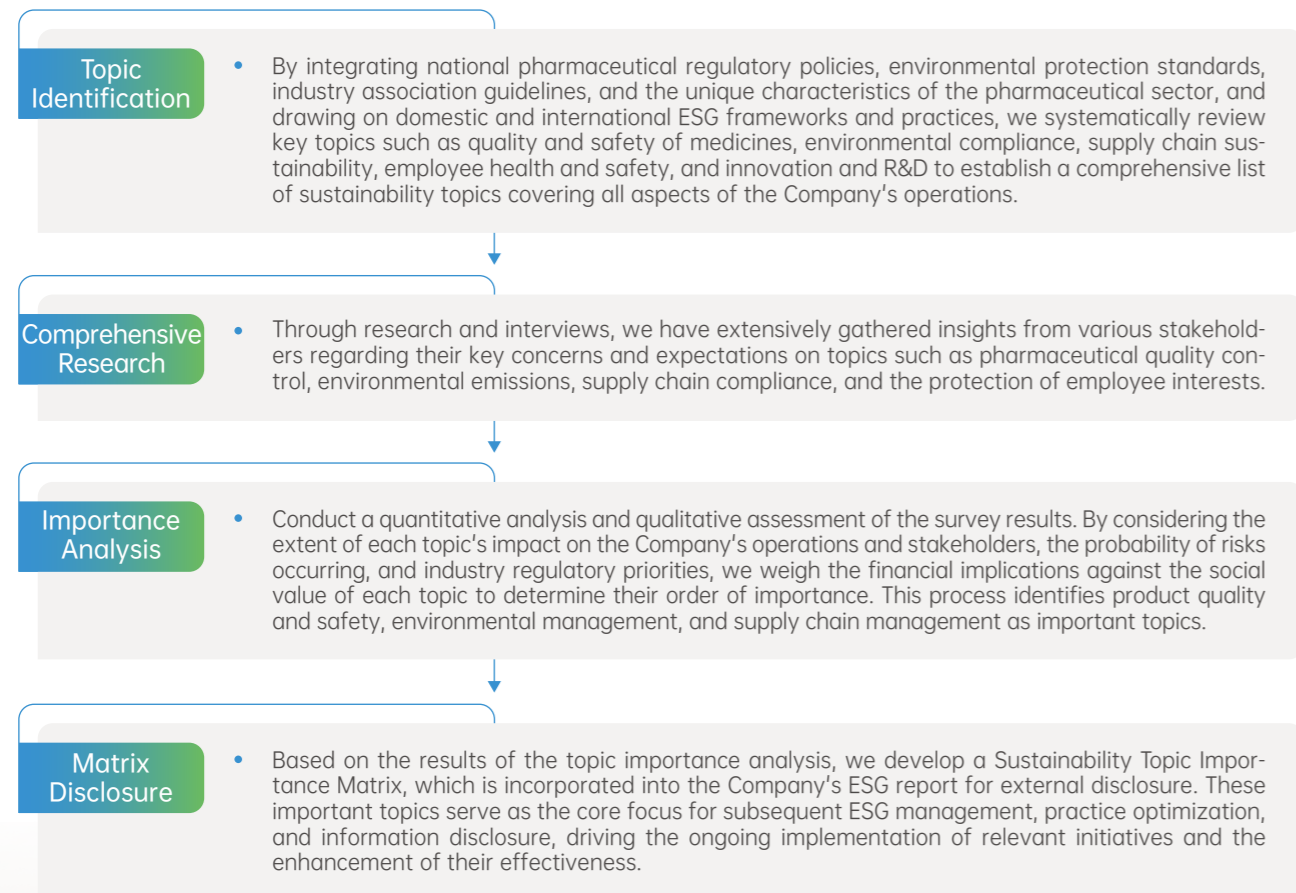
Stakeholder Communication

Luoxin Pharmaceutical has always placed great emphasis on fostering positive interactions and collaborative development with all stakeholders. When identifying key stakeholders, the Company comprehensively evaluates key factors such as the degree of operational dependence, the balance of rights and responsibilities between the parties, and the extent of their influence on the Company's development, using these as important references for building its ESG governance system and optimizing its sustainability practices. The Company is committed to building a community of shared interests, a community of shared values, and a community with a shared future for development with all stakeholders, and to continuously strengthen the sustainable foundation of these partnerships through long-term communication and collaboration.

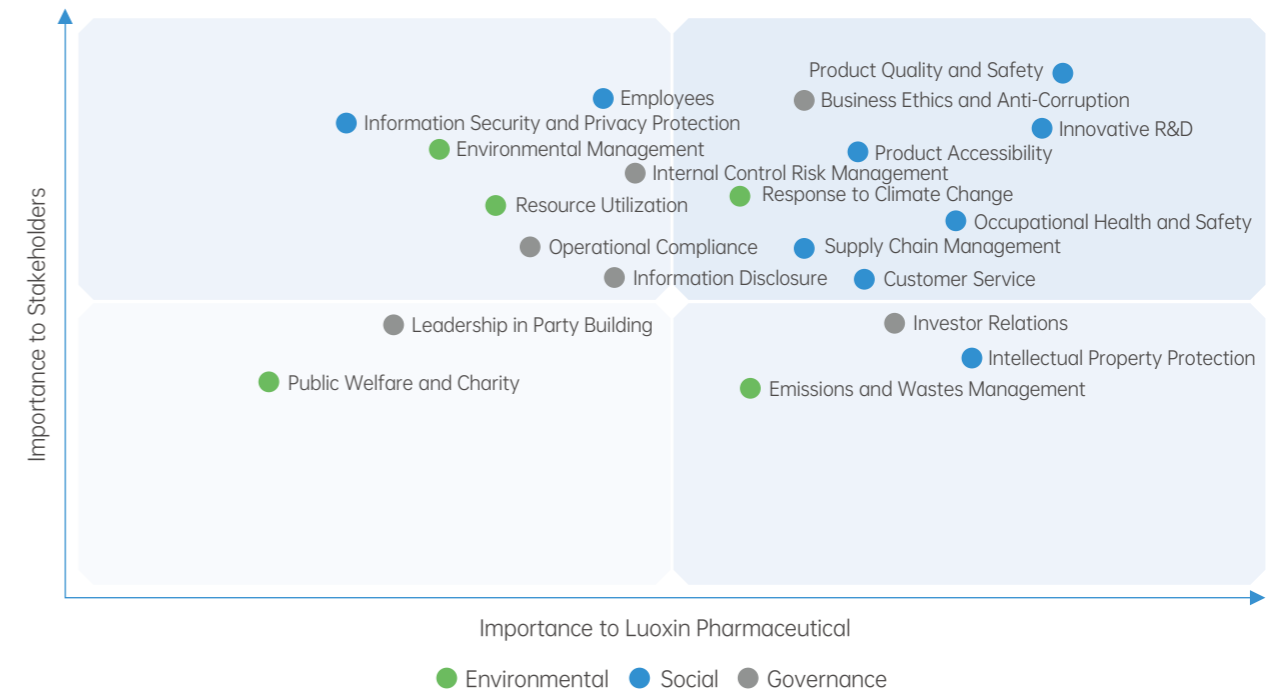
Stakeholders	Expectations and Appeals	Communication Channels
 Government and Regulatory Organizations	<ul style="list-style-type: none"> Compliance with law and regulations Ensuring the quality and safety of medicines Reasonable and legal operations Tax compliance 	<ul style="list-style-type: none"> Policy communication and industry engagement Legitimate and timely disclosure of information Compliance, regulation, and inspection
 Shareholders and Investors	<ul style="list-style-type: none"> Compliance and risk management Prudent management Information disclosure Protection of shareholders' interests 	<ul style="list-style-type: none"> General meeting Company website Performance briefing Timely disclosure of information
 Suppliers	<ul style="list-style-type: none"> Stable partnerships Integrity in business Maintain timely communication with upstream and downstream partners 	<ul style="list-style-type: none"> Regular communication Company website Digital purchasing platform
 Consumers	<ul style="list-style-type: none"> Safeguarding consumer interests Adhering to business ethics Ensuring the quality and safety of medicines High-quality after-sales service 	<ul style="list-style-type: none"> Timely disclosure of information Product hotline Handling of consumer complaints and feedback
 Employees	<ul style="list-style-type: none"> Safeguarding basic employee interests Employee health and safety Safeguarding remuneration and benefits Employee diversity Providing employee training 	<ul style="list-style-type: none"> "Let's Talk It Over" Workshop Employee training Employee satisfaction survey Safety training and drills Support for employees in difficulty
 Community	<ul style="list-style-type: none"> Community service and philanthropy Fulfilling social responsibilities 	<ul style="list-style-type: none"> Public welfare activities Charitable donations Providing jobs
 Peer Organizations and Associations	<ul style="list-style-type: none"> Fair competition Promoting the development of the health industry Realizing the sharing of technology and expertise among companies 	<ul style="list-style-type: none"> Industry association meetings Experience-sharing sessions Field research and exchanges

Dual Importance Topic Analysis

The Company refers to the Shenzhen Stock Exchange Listed Companies Self-Regulatory Guidance No. 3 — Preparation of Sustainability Reports (Revised in 2026), Shenzhen Stock Exchange Listed Companies Self-Regulatory Guidance No. 17 — Sustainability Reports (Trial), as well as regulatory requirements for the pharmaceutical industry. Adhering to the principle of dual importance analysis, the Company conducts a systematic identification and evaluation of sustainability topics. The specific process is as follows:



Dual Importance Topic Matrix





01 Green Transformation, Building a Beautiful Home Together

Environmental Management System	18
Response to Climate Change	22
Green Operations	25

In response to the United Nations Sustainable Development Goals (SDGs)



Environmental Management System



The Company consistently prioritizes environmental protection in the pursuit of sustainable development, actively responds to the national call for ecological civilization, and strictly complies with a series of laws and regulations, including the Environmental Protection Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, the Law of the People's Republic of China on Energy Conservation, the Law of the People's Republic of China on Water Pollution Prevention and Control, and the Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution. It has established and continuously improved its environmental management system through high standards and strict requirements, in an effort to reduce the environmental impact of its production and business operations to the greatest extent possible.

Environmental Compliance Management

Environmental Management System

The Company has developed a comprehensive environmental management system covering four major areas, i.e., water, air, noise, and waste (including hazardous waste), which is systematic, clearly structured, and has well-defined responsibilities.

In terms of its management philosophy, the Company has established the core principle of "prevention first, integration of prevention with control, and comprehensive management," and has vigorously promoted clean production and whole-process pollution control to achieve the goals of compliant pollutant discharge and total emission control. With regard to the organizational structure, the management system implements an environmental protection target-oriented responsibility system, and clearly designates the head of the Company as the primary person responsible for environmental protection, the Safety Supervision Office (EHS Department) as the centralized management unit responsible for company-wide environmental supervision, monitoring, file management, and external coordination, and heads of production workshops and departments as direct persons responsible for environmental management within their respective areas, thereby forming a top-down management and control network with clearly defined responsibilities and authorities. To ensure the effective operation of the management system, the Company has established corresponding systematic implementation and guarantee mechanisms.

In terms of monitoring and compliance	the Company regularly commissions qualified third-party organizations to monitor environmental factors such as water, air, and noise, and records the operation data of environmental protection facilities in an accurate and comprehensive manner to ensure emissions comply with laws and regulations.
Regarding risk prevention and control	comprehensive environmental accident emergency response plans are formulated to strengthen emergency response and handling capabilities.
With regard to supervision and accountability	detailed rules for environmental protection assessments based on performance metrics have been established to realize effective controls and improvements.

Under this framework, the Company establishes clear, measurable environmental goals, that is ensuring the compliant operation of all pollution control facilities, achieving standardized management of all types of waste, unwaveringly pursuing 100% compliance in the discharge of wastewater and waste gas generated in the course of production, and 100% compliance in the control of boundary noise, and simultaneously, committing to enhancing resource recycling levels by setting and striving to achieve a 100% rate for the resource recovery and contracted disposal of solid waste.

The Company's production and business operations strictly comply with national and local environmental protection laws and regulations. In 2025, the Company did not incur any administrative penalties resulting from environmental incidents, and its environmental management system operated smoothly and effectively.



Environmental Management System Certificates

Environmental Education

To continuously strengthen the ecological foundation for sustainable development, the Company places high importance on fostering an environmental compliance culture and cultivating professional capabilities. On the one hand, through multiple online and offline channels and platforms, it makes consistent efforts to propagate and interpret national and local environmental laws and regulations and integrate ecological and environmental protection concepts into routine management, thereby effectively enhancing the legal awareness of all employees and their sense of environmental responsibility. On the other hand, targeted at key positions involving the operation of environmental protection facilities, hazardous waste management, and environmental monitoring, the Company establishes a systematic and routine train-

ing mechanism, and regularly conducts specialized skill training and emergency drills to ensure that relevant personnel are familiar with operating procedures and risk prevention and control requirements. In 2025, the Company organized a total of 44 environmental protection training sessions, reaching 2,268 employee participations and totaling 170 training hours. This helped set up a comprehensive environmental training system with key points highlighted and learning and practice integrated, thereby providing a solid guarantee for the Company's green operations and compliant development. In 2025, the Company's environmental protection investment reached RMB 14.0132 million, primarily used for facilities operation and maintenance, technological transformation, testing and monitoring, training and drills, etc.



Case Environmental Training

On June 15th, 2025, the Company organized a specialized educational activity regarding environmental protection and safety warnings, during which employees together watched an educational video on environmental safety warning associated with hazardous waste. Through real case analyses, the initiative profoundly illustrated the environmental safety risks and legal consequences that can result from improper hazardous waste management. Using these cases as warnings and catalysts for improvement, the initiative guided all employees, particularly those in relevant positions, to firmly establish a bottom-line mindset, strengthen their sense of responsibility, and drive the systematic enhancement of the Company's environmental safety management level and emergency response capabilities.

Environmental Safety Warning Education on Hazardous Waste

Environmental Emergency Management

The Company strictly complies with laws and regulations such as the Work Safety Law of the People's Republic of China, the Regulations on Emergency Response to Work Safety Accidents, and the Environmental Emergency Management Measures. Guided by the principle of "prevention first, and integration of prevention with emergency response," the Company establishes a comprehensive environmental emergency management system covering the entire chain of environmental risk identification, contingency plan management, organization and command, supplies guarantee, training and drills, emergency response, and evaluation and improvement, which continuously enhances its capabilities in prediction and early warning of environmental emergencies, as well as its rapid response and scientific response capabilities.

Emergency Response Plan System

The Company has established a three-tiered emergency response plan system comprising "comprehensive emergency response plan, specialized emergency response plan, and on-site response plan" to ensure seamless coordination and consistency of plans across all levels. Comprehensive emergency response plans are compiled, revised and reviewed by the main responsible persons of each holding company and wholly-owned subsidiary, and is submitted to the Safety Supervision Office for unified filing and management. Specialized emergency response plans are developed by functional departments to address key risks such as major hazard sources, special equipment, and hazardous chemicals, while on-site response plans are formulated by each workshop based on specific operational activities and hazardous targets. The Company implements dynamic management of emergency response plans, organizing a comprehensive assessment and revision at least once every three years. When there are significant changes in the relevant laws and regulations, organizational structure, risk sources, or emergency resources, or when major deficiencies are identified during plan drills or actual incidents, the Company immediately initiates temporary review and revision procedures to ensure the plans are applicable, scientific, and workable.

Emergency Response Organization

The Company has established an Emergency Response Command Center for Environmental Emergencies to provide unified leadership and coordination of emergency response efforts. Specialized teams are set up under the Command Center, including the On-Site Response Team, Emergency Support Team, and Environmental Emergency Monitoring Team, each with clearly defined responsibilities and rapid response capabilities. The Safety Supervision Office (EHS Department) serves as the centralized emergency management unit, responsible for filing emergency response plans, routine management, supervising drills, and coordinating emergency resources. The heads of each workshop and department serve as the primary persons responsible for emergency management for their respective areas, ensuring that emergency responsibilities are implemented at every level among all personnel.

Risk Control and Early Warning

The Company systematically identifies environmentally hazardous substances and potential risk sources across production, storage, and transportation processes, determines risk levels for each unit, and establishes a tiered early warning and emergency response mechanism to achieve end-to-end dynamic risk control. In terms of prevention and monitoring, real-time monitoring of key areas is conducted through routine inspections, video surveillance, and automatic monitoring to enable early detection and resolution of risks. The early warning and reporting mechanism clearly defines the responsible persons throughout the entire process and establishes information reporting procedures to ensure timely and accurate information transmission.

Emergency Supplies Support

The Company has established a mechanism for emergency supplies reserve and support. Based on laws, regulations, and risk assessment results, the Safety Supervision Office (EHS Department) regularly proposes procurement plans for emergency supplies, which are approved by the main responsible persons of each holding and wholly-owned subsidiary and uniformly procured by the Procurement Department. Upon arrival of the supplies, the Safety Supervision Office (EHS Department) conducts inventory checks, registers the supplies, ensures proper storage, and maintains a management ledger for emergency supplies. Various types of emergency supplies, including those for typhoon and flood prevention, snow removal, firefighting, and first aid, are stored according to designated categories at dedicated storage locations. The departments where these storage locations are situated are responsible for daily inspections and maintenance. The Safety Supervision Office (EHS Department) regularly inspects the types, quantities, expiration dates, and usage status of these supplies to ensure they are readily available, sufficient, and reliable at all times. The Finance Department has established a dedicated emergency fund account, which is used exclusively for emergency purposes to ensure the timely renewal and replenishment of supplies.

Emergency Training and Drills

The Company incorporates emergency knowledge and skill training into its annual safety and environmental protection training plan, and regularly organizes personnel at all levels to study emergency response plans, response procedures, and how to use protective equipment. For typical scenarios such as leakage, fire, and excessive emission, the Company has formulated and refined on-site response measures, including personnel rescue, leakage sealing, pollutant control, and emergency monitoring, to ensure precise and effective emergency responses. It also conducts routine training and practical drills annually to continuously enhance its emergency response capabilities.

The Company attaches great importance to the development of safety and environmental emergency response capabilities. In 2025, a total of 14 environmental emergency training sessions were organized, with 519 employee participations and 46 training hours in total. During the same period, the Company also held 15 environmental emergency drills, with a total of 537 participations. Through systematic training and practical drills, the Company has effectively enhanced employees' emergency response awareness and their capabilities in addressing emergencies, thereby laying a solid foundation for the Company's safe production and environmental protection.

Case Emergency Drill for Ethanol Leakage Accident

On June 18th, 2025, the Company organized an emergency drill for an environmental incident resulting from ethanol leakage. This drill simulated a typical accident scenario to comprehensively test the entire emergency response process, from early warning, response, to post-incident recovery. This realistic simulation effectively enhanced the risk awareness and practical skills of all personnel, improved the operational feasibility of emergency response plans and interdepartmental coordination, and further optimized safety and environmental risk control measures, thereby providing strong support for ensuring personnel safety, environmental risk prevention, and the Company's stable operations.



On-Site Response Drill for An Ethanol Leakage Accident

Case Comprehensive Emergency Drill for Acetone Leakage and the Resulting Fire

On June 27th, 2025, the Company organized a comprehensive emergency drill for an acetone leakage and fire accident. An emergency command center was established for the drill, comprising a communications team, an emergency response team, an on-site rescue team, a medical aid team, and an evaluation team. Responsibilities were clearly defined for information reporting, leakage control, security and evacuation, casualty care, and process evaluation. The drill simulated the acetone leakage from the storage tank V1110A that ignited due to static electricity. At 8:30 a.m., the inspection personnel discovered the leakage, raised the alarm, and closed the tank bottom valve; at 8:33 a.m., the on-duty person-in-charge activated the workshop-level emergency response plan; at 8:35 a.m., as the situation escalated, the Chief Commander activated the company-level comprehensive emergency response plan. The emergency response team put on positive-pressure breathing apparatus to enter the scene, used foam to extinguish the fire, and closed surrounding valves; the on-site rescue team evacuated personnel and connected fire hoses to assist fire trucks; the medical aid team transported simulated casualties on stretchers. At 8:52 a.m., the open flames were extinguished, and the leaked materials were fully collected. At 9:00 a.m., the Chief Commander declared the drill concluded. The evaluation team conducted a quantitative assessment across 12 dimensions, including early warning response, command and coordination, and resource support, and overall rated the drill as "Excellent". For improvements listed in the section of "coordination among emergency response teams needs strengthening", the team proposed measures such as conducting regular multi-departmental joint drills and enhancing training on emergency response plans, which were incorporated into the next year's emergency response work plan.



Comprehensive Emergency Response Drill for Acetone Leakage and the Resulting Fire

Response to Climate Change



Against the backdrop of the ongoing deepening of the global climate governance framework, the vigorous advancement of the "dual carbon" strategy, and the increasing requirements for ESG disclosures in capital markets, climate change has become an integral part of corporate sustainability. Luoxin Pharmaceutical pays close attention to the long-term impact of climate change on its business environment. Considering the characteristics of the pharmaceutical manufacturing industry, it has conducted preliminary identification and analysis of climate-related risks and opportunities. Based on its existing environmental management framework, it plans to promote greenhouse gas management step by step, thereby laying a solid institutional foundation for orderly realizing a green and low-carbon transition.

Climate Risk and Opportunity Identification

At the governance level, the Company has systematically established a framework covering key areas such as energy management, pollution prevention and control, equipment operation, and environmental protection facilities, forming a complete closed-loop management mechanism that spans from policy development and process control to performance appraisal. By deploying a digital energy management platform, it has achieved real-time online monitoring and precise data aggregation of major energy consumption, providing a solid data foundation and capacity reserves for systematic greenhouse gas emission accounting and carbon management in the future.

At the strategic level, grounded in current production and operational realities, the Company integrates the concept of green development into every aspect of operational management, and steadily advances related initiatives focused on energy conservation, consumption reduction, and environmental compliance:

➤ Strengthen the foundation of digital energy management

The Company has deployed an intelligent energy management platform to enable online monitoring and data aggregation of major energy consumption, providing support for subsequent energy efficiency analysis and energy-saving technical upgrades.

➤ Promote production process optimization and energy-saving technical upgrades

The Company actively explores effective pathways for regional energy coordination and cross-enterprise resource recycling, with a focus on reducing energy consumption and operating costs.

Major Climate Risks and Responses

Risk Type	Risk Description	Impact	Response
Physical Risk	Acute Frequent occurrence of extreme weather events (torrential rain-, heatwaves, typhoons)	<ul style="list-style-type: none"> Facilities damage: Typhoons, floods, and other events may directly damage the Company's facilities, such as production bases and warehouses, leading to equipment failure and structural damage, which in turn disrupts production and operations. Impairment of product quality: Typhoons may damage factory roofs and windows, while floods may inundate warehouses in low-lying areas, causing medications to become damp or spoil. Supply chain disruptions: Physical climate risks may impact the Company's supply chain, such as disruptions in raw material supply or the closure of transportation routes due to extreme weather in production regions, resulting in delayed raw material deliveries or the failure to deliver finished products to customers on time, thereby affecting the Company's production and sales plans. 	Strengthen disaster prevention and mitigation facilities on the factory premises, and enhance equipment weather resistance and emergency management capabilities
	Chronic Rising temperature and water resource pressure	<ul style="list-style-type: none"> Rising costs: Pharmaceutical production requires a large quantity of water used for equipment cleaning, drug preparation, etc. Water shortage or deteriorating water quality caused by climate change may affect production schedules and increase water treatment costs; Declining operational efficiency: High temperature may affect employees' productivity and health, increasing labor costs of the Company; Product stability risk: High-temperature environment may affect drug stability, particularly for temperature-sensitive products (such as biologics), potentially leading to drug degradation or a shortened shelf life. 	Improve energy efficiency and strengthen water conservation and recycling systems

Risk Type	Risk Description	Impact	Response
Transition Risk	Policy Tighter carbon emission regulations and heightened disclosure requirements	<ul style="list-style-type: none"> Rising compliance costs: It is required to increase investment in personnel and technology used for carbon emission accounting, monitoring, and reporting to meet regulatory disclosure requirements. 	Improve environmental management systems and enhance climate disclosure capabilities
	Market Increased low-carbon requirements from downstream customers and investors	<ul style="list-style-type: none"> Impact on product and brand competitiveness: Green, low-carbon products are more favored by the market, while high-carbon products become less competitive, and brand image is damaged. 	Promote green production and enhance ESG management
	Technology Accelerated iteration of low-carbon technologies	<ul style="list-style-type: none"> Increasing costs of technology upgrades: Existing energy-intensive equipment and processes require retrofitting or phasing out, necessitating investment in R&D and equipment upgrades. 	Promote energy-saving technological upgrades and optimize equipment structure
	Reputation Public attention on corporate performance in carbon emissions	<ul style="list-style-type: none"> ESG rating and brand reputation risk: Poor performance in carbon emissions will lower the ESG rating and trigger negative media and public sentiment. 	Enhance information transparency and strengthen green brand building

Major Climate Opportunities and Actions

Opportunity Type	Opportunity Description	Potential Value	Action
Operational Efficiency Opportunity	Improvement of energy efficiency	Decrease in unit product costs	Establish an energy management platform and optimize the energy utilization structure
Technology Upgrade Opportunity	Application of energy-saving equipment and clean technologies	Improvement of production efficiency and green level	Promote boiler system optimization and steam recycling
Market Opportunity	Growing demand for green products and low-carbon supply chains	Enhanced market competitiveness	Strengthen the development of the green manufacturing system
Financing Opportunity	More emphasis placed on ESG performance by capital markets	Optimized financing environment	Improve the quality of climate-related disclosures
Brand Opportunity	Increased public awareness of green consumption	Improvement of company image	Deepen the dissemination of the green development concept

Greenhouse Gas Management

Based on actual production and operations, the Company's greenhouse gas (GHG) emissions primarily stem from the consumption of purchased electricity and the combustion of natural gas. Luoxin Pharmaceutical incorporates climate change-related indicators into its data collection scope and regularly discloses relevant data to enhance transparency. During the reporting period, climate change-related indicators are shown in the table below:

Key Performance

Key Performance	Unit	FY2025 Data
Scope 1 GHG emissions ¹	tCO ₂ e	9,179.83
Scope 2 GHG emissions ²	tCO ₂ e	30,506.82
Total GHG emissions(Scope 1 and Scope 2)	tCO ₂ e	39,686.65
GHG emission intensity	tCO ₂ e/RMB 10,000	17.46

¹Scope 1 emissions include greenhouse gas emissions from sources directly owned or controlled by the Company, which are primarily direct emissions of fuels such as natural gas. Emission factors are sourced from the National Greenhouse Gas Emission Factor Database.

²Scope 2 emissions consist of indirect emissions from purchased energy. Emission factor data for electricity is sourced from the average emission coefficients of the State Grid.

The Company's current greenhouse gas management is primarily reflected in the following areas:

- An energy management platform has been established to enable digital monitoring of energy consumption, including electricity.
- Energy-saving measures have been implemented, such as the recovery and reuse of waste steam and the recycling of boiler condensate water.
- Green office practices have been promoted to raise awareness of electricity and water conservation;
- Environmental protection facilities have been upgraded to reduce pollutant emissions.

In the future, the Company will closely align regulatory policy directions with its corporate sustainable development strategy, continuously refine its climate management framework, and consistently enhance its capacity and management proficiency for addressing climate change. Based on existing management systems and resource conditions, it will advance these efforts in a practical and traceable manner, organically integrating energy conservation and consumption reduction with production efficiency improvement. While ensuring compliant operations, it will continuously strengthen its capabilities for green and low-carbon development and enhance its long-term competitiveness.

Green Operations

Energy and Water Management

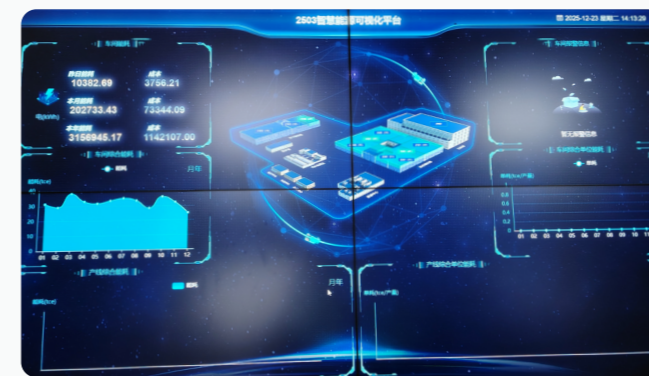
Luoxin Pharmaceutical regards the intensive and efficient use of resources as the kernel of its green operations. Focusing on four dimensions, i.e., digital energy management, the application of green and low-carbon technologies, systematic improvement of energy efficiency, and regional energy coordination, the Company makes continuous efforts to build a resource utilization management system that covers the entire energy consumption process. By implementing institutional measures for water and energy conservation, it continuously improves the efficiency of energy and water resource utilization.



Energy Management System Certificates

In terms of energy management

The Company has deployed an intelligent energy management platform to enable online monitoring and data aggregation of major energy consumption, such as electricity. This platform covers key energy-consuming units across all major production sites, which provides systematic support for subsequent energy efficiency benchmarking and energy-saving potential exploration through real-time data collection and trend analysis. In 2025, the Company's electricity consumption was 57,494,944.45 kWh, a year-on-year decrease of 23.56%, while natural gas consumption was 4,595,347.00 m³, a year-on-year decrease of 39.55%.



Energy Management Platform



Electricity Conservation Slogan

With regard to process energy-saving technologies

the Company continuously improves energy efficiency through technology innovation and process optimization. In recent years, Luoxin Pharmaceutical has successfully developed and applied core green and low-carbon technologies such as drug freeze-drying and solvent crystallization technologies. Among the technologies, the solvent crystallization technology realizes the efficient recovery of organics through high-purity separation. While reducing production costs, its sealed operation effectively minimizes the environmental impact of solvent volatilization. In addition, the Company has implemented process improvement projects such as vacuum pump upgrades, refrigeration plant renovations, and the recovery and reuse of exhaust gas from distilled water machines, effectively achieving energy conservation, consumption decrease, and emission reduction. The recovery and reuse project of exhaust gas from distilled water machines not only reduces the emission of hazardous substances, but also conserves water resources for the Company and improves the overall efficiency of resource utilization.

Regarding water management

the Company strictly adheres to the requirements of laws and regulations such as the Water Law of the People's Republic of China and the Law of the People's Republic of China on Water Pollution Prevention and Control, integrating the concept of water conservation into daily operations and management. It continuously strengthens all employees' awareness of water conservation by posting water conservation slogans in office areas, production workshops, and public spaces, as well as conducting regular water usage inspections. In 2025, the Company's water consumption totaled 684,418.37 tons, a year-on-year decrease of 22.30%. Water for all plant sites is primarily from municipal water supply, used as production process water, equipment cooling and circulation water, raw water for purified water production, and water for living and office needs.



Water Conservation Slogan

Key Performance

Indicator	Unit	FY2025 ¹	FY2024	FY2023
Electricity consumption	kWh	57,494,944.45	75,215,128.83	65,497,919.32
Natural gas consumption	m ³	4,595,347.00	7,601,850.00	6,702,683.00
Water consumption	T	684,418.37	880,795.27	814,884.50

¹Excluding subsidiaries that have been disposed of

Case Implementing Inter-Factory Steam Supply and Demand Cooperation to Explore New Pathways for Regional Energy Coordination and Carbon Reduction

To respond to the local government's call for coordinated development of the industrial chain and promote the organic integration of graded resource utilization with cost reduction and efficiency improvement, HENGXIN Pharmaceutical reached strategic cooperation with Shandong Chenhong Intelligent Technology Co., Ltd. regarding steam supply and demand in 2025, which was based on the "four-pronged" industrial chain task force of the Feixian Economic Development Zone. The two parties established a joint work team and clarified the division of responsibilities regarding pipeline construction, steam metering, and emergency liaison. The project commenced in the second quarter of 2025, involving the laying of 3.98 kilometers of dedicated steam pipelines to channel surplus steam generated during Chenhong Technology's production process into HENGXIN Pharmaceutical's plant sites, as a replacement of the steam produced by natural gas boilers and used for production heating and equipment preheating.

The project adopts a commercial operation model based on "volume-based billing and monthly settlement," and standardizes the criteria for steam quality, pressure, and metering. Upon project implementation, HENGXIN Pharmaceutical is expected to save approximately RMB 5 million annually in steam costs, significantly reducing natural gas consumption and carbon emissions, and Chenhong Technology will resolve issues related to steam venting waste and noise pollution. This project represents the first large-scale practice of graded steam utilization between pharmaceutical manufacturing and mechanical processing enterprises in Southern Shandong Province, providing a replicable model for upstream and downstream energy coupling across the industrial chain in the development zone.



Steam Pipelines

Case Advancing the Expansion and Renovation of Active Pharmaceutical Ingredients (API) Facilities and the Technology Upgrade of the Freeze-Drying Workshop, and Systematically Planning Pathways for Energy Efficiency Improvement

To implement the strategic deployment of "improving quality, enhancing efficiency, and reducing costs," Luoxin Pharmaceutical raised funds through a private placement in 2025 and included the "Project on the Expansion and Renovation of Active Pharmaceutical Ingredients (API) Facilities and the Technology Upgrade of the Freeze-Drying Workshop" into key investment priorities.

The project involves a planned investment of RMB 475.67 million, and will implement systematic technology upgrades centered on the automation upgrade of the API production system and the iteration of key equipment in the freeze-drying workshop. The project implementation plan includes: **first**, implementing continuous and sealed transformation of existing API production lines to improve material yield and batch consistency; **second**, introducing highly efficient, energy-saving freeze-drying units, along with integrated optimization of the vacuum and refrigeration systems; **third**, establishing an energy management center to implement precise monitoring and dynamic control of all energy-consuming units following the technology upgrades.

In December 2025, the project obtained the environmental impact assessment approval document issued by the Linyi Municipal Ecology and Environment Bureau and entered the preliminary design phase. Upon completion, the project is expected to significantly improve production continuity and overall efficiency, achieve a substantial reduction in energy consumption per unit of product, and provide critical support for the Company's medium- and long-term goals in energy efficiency improvement and carbon emission intensity control.

Case Shandong Luoxin Was Honored as a "National Green Factory"

Shandong Luoxin was successfully selected as a "National Green Factory." Organized by the MIIT, this certification encompasses comprehensive standards including land use intensification, harmless treatment of raw materials, clean production, waste resource recycling, and low-carbon energy utilization. This honor indicates that the Company is up to the standards of the national green manufacturing system in such aspects as low-carbon energy and resource utilization and efficient operational management, and highly affirms its commitment to the path of green development. Looking to the future, it will continue to uphold the concept of green development, refine its green manufacturing system, play a leading and exemplary role, and contribute to the green transformation and upgrading of the pharmaceutical industry as well as the achievement of the national "dual carbon" goals.



Announcement of the "National Green Factory" List

Pollutant Emission Management

The Company strictly complies with laws and regulations such as the Law of the People's Republic of China on Water Pollution Prevention and Control, the Air Pollution Prevention and Control Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution, and the Regulations of the People's Republic of China on the Prevention and Control of Noise Pollution, and systematically establishes a comprehensive pollutant emission management framework comprising the Water Pollution Prevention and Control Management Measures, the Air Pollution Prevention and Control Management System, the Solid Waste Management System, and the Noise Pollution Prevention and Control Management System, which clearly define management responsibilities at all levels, operational procedures, and evaluation criteria to ensure that the entire pollutant emission process is controllable and compliant in all aspects.

Water Pollution Prevention and Control

Guided by the principle of "prevention first, and integration of prevention with control", the Company develops a systematic water pollution prevention and control system covering the entire process of wastewater generation, collection, treatment, and discharge. This system encompasses all types of wastewater, including production and domestic wastewater, implements classified collection and centralized treatment, and strictly prohibits unauthorized discharge.

All major production sites of the Company are equipped with wastewater treatment facilities commensurate with their production capacity. Taking YUXIN Pharmaceutical as an example, the wastewater treatment station has a designed treatment capacity of 1,000 m³ per day and employs a "physicochemical pretreatment plus biochemical treatment" process. Discharged water quality complies with the requirements of the "Wastewater Quality Standards for Discharge to Municipal Sewers" (GB/T 31962-2015). Each plant site is equipped with a wastewater treatment station and an online monitoring station to conduct 24-hour continuous monitoring of key indicators such as pH, COD, and ammonia nitrogen. Data is uploaded in real-time to the monitoring platform of the ecological and environmental departments. Upon detection of abnormalities, emergency response procedures are immediately activated, and discharge is halted to ensure wastewater meets discharge standards. Additionally, the Company shifts the focus of water pollution prevention and control forward to the project construction phase, requiring all new projects to undergo environmental impact assessment procedures and prioritizing the adoption of low-water-consumption and low-emission processes. The Company has established a system for routine inspections and preventive maintenance of wastewater treatment facilities. The Engineering and Equipment Department and the Safety Supervision Office (EHS Department) at each plant site conduct regular inspections of pipelines, tanks, and equipment operation status according to their respective responsibilities, promptly addressing potential leaks, spills, drips, and seepage. As a result, a comprehensive, closed-loop system for water environmental protection and management takes shape.

In 2025, the wastewater discharge totaled 395,602 tons. Wastewater from all plant sites of the Company undergoes pretreatment at on-site wastewater treatment facilities before being discharged into the municipal sewer system and sent to centralized wastewater treatment plants for advanced treatment, ensuring stable compliance with discharge standards.

In 2025, the Company experienced no environmental emergencies resulting from water pollution and received no administrative penalties related to water pollution prevention and control from ecological and environmental departments.

Air Pollution Prevention and Control

For organized emissions

The Company's primary sources of waste gas include process waste gas from the synthesis workshop, malodorous gas from the wastewater treatment station, and flue gas from boiler combustion. Process waste gas is collected via fume hoods or sealed ductwork, treated using a combination of processes including bag-type dust collectors, water absorption, alkali spray, and activated carbon adsorption, and then emitted through tall stacks. Production links and rooms where dust is generated are equipped with dust collectors or vacuum systems. Production equipment is fitted with built-in filtration devices, and emissions are released only after undergoing two-stage treatment via both the equipment's built-in filters and the workshop's air filtration system. Boiler flue gas is treated using low-nitrogen combustion technology and condensing economizers, ensuring emission concentrations comply with the limits set out in the Shandong Provincial Standard for Boiler Air Pollutant Emissions (DB37/2374-2018). Malodorous gas from the wastewater treatment station is collected via a sealed system and flows to odor control facilities, where pollutants are removed using chemical scrubbing, biofilters, or activated carbon adsorption processes.

For fugitive emissions (from open-air facilities or workshops with fugitive emissions)

The Company reduces the release of fugitive emissions through reduction at the source and process control. Production units prioritize sealed and continuous processes, with feeding, discharging, and material transfer operations conducted within sealed systems; raw material and product storage tank areas are equipped with breather valves and nitrogen blanketing systems, and loading/unloading operations utilize sealed loading arms or vapor balancing pipelines; wastewater collection, conveyance, and storage systems remain sealed, and units such as regulating tanks and biological tanks at the wastewater treatment station are covered and sealed, with any fugitive gas routed to odor control facilities. The Company prevents equipment leakage by strengthening routine inspections and regularly conducting leakage detection and repairs on dynamic and static sealing points such as pumps, valves, and flanges, and it continuously optimizes the standards for sealed operations in production, storage, and loading/unloading processes to reduce fugitive emissions as much as possible.

Each workshop shall develop a specific emergency response plan for situations involving odorous emissions or waste gas emissions with a wide-ranging impact. In the event of an air pollution incident, emergency response procedures must be initiated immediately, the Safety Supervision Office (EHS Department) must be notified simultaneously, and control measures, such as reducing production load, halting emissions, and ensuring personnel protection, must be implemented. The Safety Supervision Office (EHS Department) has the authority to inspect on-site pollution emission equipment and waste gas treatment facilities. Each workshop shall truthfully report the operational status of facilities and emissions, and actively cooperate with supervision, monitoring, and on-site verification. For pollution risks identified during inspections or pointed out by the Safety Supervision Office (EHS Department), the responsible workshop shall complete rectifications within the specified time and provide written feedback. In the event of facility failures or abnormal emissions, the workshop shall promptly provide the Safety Supervision Office (EHS Department) with a written explanation of the cause, treatment measures, and rectification plans to prevent the spread of pollution. The Company's Detailed Rules for Environmental Protection Assessments incorporate the maintenance of waste gas treatment facilities, regular replacement of activated carbon, leak-free piping, and the implementation of emergency response plans into departmental performance assessments. Negative incentives are imposed for failure to replace adsorption media as required, inadequate inspections, and concealing or underreporting incidents.

In accordance with the monitoring frequency and items specified in the Pollutant Discharge Permit, the Company commissions qualified third-party testing agencies to conduct regular monitoring of stacks and fugitive emissions at the plant boundary. Monitoring factors include particulate matter, sulfur dioxide, nitrogen oxides. In 2025, the Company's air pollutant emissions were as follows:

Key Performance

Indicator	Unit	FY2025 Data
Nitrogen oxide emissions	T	5.17
Sulfur dioxide emissions	T	0.67
Particulate matter emissions	T	1.14

In 2025, the concentrations of both organized and fugitive emissions at all of the Company's plant sites were below national and local standard limits. No major air pollution incidents occurred, and no administrative penalties related to air pollution prevention and control were received from ecological and environmental departments.

Waste Pollution Prevention and Control

General waste

General waste primarily includes production waste (such as waste packaging materials, waste cardboard boxes, waste drug residues, and waste culture media), domestic waste (such as waste office paper, waste plastic, and swill from the cafeteria), and construction waste (such as excavated soil and construction debris). Each plant site implements classified collection and designated storage: waste packaging materials and waste cardboard boxes are transported to the waste packaging materials warehouse; waste drug residues are stored in the waste drug residue silo; domestic waste is centralized at the domestic waste station; and construction waste is placed at temporary storage sites set up by the construction unit. To prevent discarded packaging materials from entering the market and being illegally reused, the Company explicitly mandates that all intact packaging bags, cardboard boxes, instruction manuals, and labels for raw and auxiliary materials must undergo destructive processing before being sent to the waste station or the waste packaging materials warehouse. Waste culture media must undergo high-temperature, high-pressure steam sterilization and inactivation before disposal. Recyclable general solid waste (waste paper, waste plastic, waste glass, scrap iron, etc.) is handed over to waste recycling companies for resource recovery; domestic waste is treated by municipal sanitation departments in a centralized manner; and construction waste is properly disposed of by the construction unit in accordance with the law. Each generation department shall accurately record the volume, transfer destination, and disposal status of general solid waste, and keep relevant records available for inspection.

Hazardous waste

Hazardous waste shall be sorted and stored in special containers with warning labels affixed. It is temporarily stored in a hazardous waste warehouse that is leak-proof, spill-proof, fire-resistant, and well-ventilated, which is managed by designated personnel and locked up for better control. Prior to transfer and disposal, a Hazardous Waste Disposal Application Form shall be completed, and storage procedures shall be followed. The Safety Supervision Office (EHS Department) commissions a qualified third party to transport and dispose of the waste, strictly enforces the transfer manifest system throughout the process, and sets up management ledgers. The Company also establishes emergency response plans for incidents such as hazardous waste leakage and fire, equips itself with emergency supplies, and conducts regular drills to ensure rapid response and timely reporting in case of emergencies, thereby effectively preventing the risk of environmental pollution.

Key Performance

Indicator	Unit	FY2025 Data
Non-hazardous waste generation	T	955.41
Hazardous waste generation	T	353.36
Total waste generation	T	1,546.50
Total recyclable waste ¹	T	237.73

¹ Recyclable waste primarily includes waste glass, scrap iron, waste plastic, waste paper, and wood, activated carbon generated during the production of purified water, used air conditioner filter cartridges and filter bags, and discarded packaging materials.

When transferring and disposing of hazardous waste, the department that generates the waste shall complete a Hazardous Waste Disposal Application Form. After obtaining multi-level approval, the waste goes through procedures for entering the warehouse. The warehouse keeper verifies the physical objects and jointly completes the Hazardous Waste Storage Record Form, thereby finalizing the ledger entry. The Safety Supervision Office (EHS Department) organizes outsourced cleanup at least once per quarter or annually, entrusting qualified disposal entities to handle transportation and disposal. The department strictly enforces the hazardous waste transfer manifest system, establishes third-party management records, and implements whole-process supervision over transportation, disposal, and the execution of transfer manifests. Each generation department shall transfer hazardous waste to the hazardous waste warehouse at least once per month.

Additionally, the Company has formulated the Hazardous Waste Emergency Response Plan and Accident Prevention Measures, which clearly define emergency organizational structure, response procedures, and reporting processes for environmental emergencies such as hazardous waste leakage and fire. The hazardous waste temporary warehouse and positions generating the waste are equipped with emergency supplies such as absorbent pads, chemical-resistant suits, and emergency sand, and emergency drills are conducted regularly each year. The Company's Detailed Rules for Environmental Protection Assessments include actions such as incorrect classification of hazardous waste, non-compliant packaging, inaccurate ledger entries, and unauthorized mixing with general solid waste in the list of negative incentives, imposing performance penalties on responsible departments and individuals. In 2025, all of the Company's hazardous waste was disposed of in accordance with laws and regulations. No environmental pollution incidents, such as illegal dumping, loss, or leakage of hazardous waste, occurred, and no administrative penalties related to solid waste pollution prevention and control were received from ecological and environmental departments.

Noise Pollution Prevention and Control

The Company's primary sources of noise include production equipment, power units, cooling towers, material handling equipment, etc. During the equipment selection phase, low-noise models are prioritized, and high-noise equipment is strategically positioned. Vibration reduction, sound insulation, and noise elimination measures are implemented for crushers, air compressors, fans, water pumps, and other equipment. During equipment operation, operators strictly follow operational procedures to prevent noise exacerbation caused by improper operation. The Equipment Department regularly performs maintenance, servicing, and lubrication on moving parts to reduce abnormal noise caused by equipment wear. Under normal operating conditions, doors and windows in production workshops are kept closed to effectively prevent noise leakage. During material handling, personnel are required to handle items gently to avoid accidental collisions or throwing objects; wheel axles of hand-pulled carts are regularly lubricated and maintained, and foreign objects adhering to the wheels are removed to reduce noise during the handling process.

Boundary noise levels at all of the Company's plant sites strictly comply with the Industrial Enterprises Boundary Environmental Noise Emission Standard (GB 12348-2008). The Company strictly adheres to the monitoring frequency and items specified in the Pollutant Discharge Permit, commissioning qualified third-party testing agencies to conduct regular monitoring of boundary noise. All monitoring results meet the standard requirements. For construction projects within the plant premises, the construction unit shall comply with the Boundary Environmental Noise Emission Standard for Construction Sites (GB 12523-2011), strictly limit construction hours, and prohibit high-noise operations at night. Construction noise emissions remain under continuous control.

The Safety Supervision Office (EHS Department) and workshop management personnel at each plant site include noise control facilities in their routine inspections and promptly arrange repairs for issues such as abnormal equipment wear, poor lubrication, and initiation of acoustic enclosures. The Company's Detailed Rules for Environmental Protection Assessments incorporate the operational status of noise control facilities and the implementation of window and door closure requirements into departmental performance assessments.

In 2025, daytime and nighttime boundary noise emissions at all plant sites continuously met the standards. There were no complaints regarding noise disturbances to residents, and no administrative penalties related to noise pollution control were received from ecological and environmental departments.



02 Innovation-led Development for a Healthy Future

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In response to the United Nations Sustainable Development Goals (SDGs)



Innovation-Driven Industrial Upgrading



Luoxin Pharmaceutical has established technological innovation as the core driver of its development. Through systematic strategic planning and sustained R&D investment, the Company has built a solid foundation for innovation.

R&D Management System

Adhering to the strategy of developing the enterprise through science and technology, the Company has established a collaborative R&D structure consisting of the Headquarters Pharmaceutical Research Institute, Shanghai Research Center, and Hengxin R&D Center, which is supported by multiple high-level R&D platforms, including the National Accredited Enterprise Technology Center and Postdoctoral Research Station.

The scientific research platforms approved or awarded to the Company include the National Accredited Enterprise Technology Center, National-Local Joint Engineering Laboratory, National Postdoctoral Research Station, Shandong Provincial Key Laboratory for Small-Molecule Targeted Drugs for Digestive System Diseases, Shandong Province International Joint Laboratory for the Industrialization of Chemical Drugs, Shandong Engineering Research Center for Solvent Crystallization Drugs, Shandong Province "One Enterprise, One Technology" R&D Center, Shandong Province Overseas Talent Introduction Program Work Base, Shandong Province Public Training Base for New and Old Economic Momentum Transformation, Shandong Province Pilot Production Base for Small Molecule Chemical Drugs, Taishan Scholar – Distinguished Expert Position in Pharmacy, and Shandong Academician Workstation, all of which have built a stronger R&D platform for talent introduction, scientific research, development and process improvement, and will further enhance the Company's technological R&D strength and overall competitiveness. As of the end of the reporting period, the Company has a professional team of 109 researchers with a cumulative R&D investment of RMB 107.4839 million in 2025. Under the strategic planning of "long-term planning, focusing on the present, and simultaneous innovation and generic development", the Company has formed a virtuous cycle of "producing one generation, reserving one generation, and researching one generation", and continuously launches "three-high" products with high technology content, high quality, and high added value.

Luoxin Pharmaceutical has carried out long-term and stable industry-university-research cooperation with many universities and research institutions, effectively promoting the transformation of scientific and technological achievements into real productive forces, which has not only successfully developed numerous national-level new drugs to serve patients but also built a strong product pipeline and technical barriers for the sustainable development of the enterprise.

Application of Technological Innovation

International certifications

The company continues to deeply engage in drug research and development, providing high-quality innovative results to safeguard public health. As the earliest Chinese manufacturer and licensor of inhalation aerosols to enter the US market, Luoxin Aurovitas has obtained the production site approval from the US Food and Drug Administration for the Levosulbuterol Hydrochloride Nebuliser Solution. "Dual filing in China and the US" not only demonstrates the outstanding R&D capabilities of Luoxin Pharmaceutical, but also indicates that Luoxin Pharmaceutical's continuously improved quality management level has been in line with international regulatory standards.

Product R&D

Luoxin Pharmaceutical's R&D pipeline features a well-structured portfolio that effectively integrates generic and innovative drug development. There were 20 projects in 2025, of which 3 were approved, and 17 were core ongoing projects. The pipeline includes sprint-stage projects submitted for approval, key-stage projects under process verification and BE studies, and multiple projects in early stages, such as laboratory and pilot tests, covering the entire chain from early research to marketing application. This reflects the Company's systematic R&D strategy that balances short-term returns and long-term development and attaches equal importance to offensive and defensive development.

Key Achievements

- In March 2025:** The new indication "prevention of stress ulcer bleeding in critically ill patients" for LX22001 for Injection of Shandong Luoxin and Shanghai Luoxin was approved for clinical trials. No similar injection product of LX22001 for Injection has been marketed globally. Luoxin Pharmaceutical's move into the P-CAB injectable formulation will enrich the Company's gastrointestinal pipeline, creating a synergistic effect between oral and injectable dosage forms. This differentiated strategy will strengthen its market position in the gastrointestinal therapeutic area and secure a first-mover advantage in the upcoming generation of acid-suppressing therapies.
- In March 2025:** Luoxin Aurovitas obtained the "Drug Registration Certificate" from the National Medical Products Administration for the hydrochloride azaseridine inhalation solution (3ml: 0.31mg, 3ml: 0.63mg, 3ml: 1.25mg). This is equivalent to passing the consistency evaluation of quality and efficacy of generic drugs. This product is used for treating or preventing bronchospasm caused by reversible airway obstructive diseases in adults and children over 6 years old. It has the characteristics of rapid onset, long-lasting efficacy, high selectivity, few side effects, and precise dosage. This approval for market launch will provide more medication options for the treatment and prevention of bronchospasm in China.
- In April 2025:** Shandong Luoxin's "Common Key Technologies and Industrialization of Crystallization for Drugs such as Metformin Hydrochloride and Proton Pump Inhibitors" won the Second Prize for Science and Technology Progress in Shandong Province. This project, based on a national-level research platform and advanced pilot production base, has established a "fast track" for the smooth transformation of the crystal technology for proton pump inhibitors from the laboratory to the production line. It has successfully achieved high-quality industrialization of 5 varieties and over 10 specifications of proton pump inhibitor drugs.
- In May 2025:** Shandong Luoxin Ibuprofen Injection (4ml: 0.4g) was granted the "Drug Registration Certificate", which is regarded as having passed the consistency evaluation of quality and efficacy of generic drugs. This product is used for the treatment of fever in adults and is administered via intravenous injection. Compared to traditional oral preparations, it bypasses gastrointestinal absorption and liver first-pass metabolism, achieving peak concentration rapidly. Clinical studies have shown that body temperature significantly drops within 0.5 hours after administration, featuring a fast onset and clear antipyretic effect. It is particularly suitable for rapid antipyretic treatment in emergency departments, ICUs, and post-operative fasting patients, providing a more efficient antipyretic treatment option for clinical use. This approval further enriches the company's product line and enhances its market competitiveness.
- In July 2025:** The "Research and Industrialization of Rare Disease Anti-Tumor New JAK Inhibitor" project of Shandong Luoxin was selected as a key research project of Shandong Province (Competitive Innovation Platform). Ruxintilun phosphate, as the first approved selective inhibitor of JAK1/JAK2, can effectively control the malignant proliferation of myeloid cells by specifically blocking the abnormal activated JAK-STAT signaling pathway. It can also regulate excessive inflammatory responses, providing a better option for the treatment of rare and major diseases such as myelofibrosis and acute graft-versus-host disease.
- In October 2025:** The project "Key Technology Research and Industrialization of Ambroxol Hydrochloride Spray for Children" by Shandong Luoxin was successfully selected into the 2025 Shandong Enterprise Innovation Achievement Promotion Catalog and won the First Prize of Technological Innovation Achievements. The product innovatively adopts metered oral spray administration technology, which, confirmed by the technical report of the Center for Drug Evaluation of NMPA, can effectively avoid risks such as spillage and vomiting of traditional oral preparations, achieve precise administration, and significantly improve medication compliance in young children.
- In December 2025:** The three indications (RE/DU/Hp) of Tegoprazan Tablets (Taixinzan®) were included in the National Medical Insurance, Work-related Injury Insurance and Maternity Insurance Drug Catalog (2025), making it the first potassium-competitive acid blocker (P-CAB) in China approved for three indications (RE/DU/Hp) with all core indications included in the national medical insurance catalog.
- In December 2025:** The Department of Industry and Information Technology of Shandong Province issued the Notice on the Announcement of the List of the Ninth Batch of Shandong Provincial Manufacturing Single-Item Champion Enterprises and Enterprises from the Third and Sixth Batches That Passed the Re-evaluation, and Shandong Luoxin, a subsidiary of Luoxin Pharmaceutical, was successfully selected into the 9th batch while another subsidiary YUXIN Pharmaceutical passed the 6th batch re-inspection. Ambroxol Hydrochloride for Injection has gained wide market recognition in the treatment of respiratory diseases due to its stable product quality and significant clinical efficacy. Tegoprazan Tablets, a major product in the field of digestive diseases, is the first domestically developed P-CAB in China approved for three indications, with all core indications included in the national medical insurance catalog, and with comprehensive indication coverage and excellent clinical value, it brings new options for clinical medication and benefits more patients with innovative achievements.

35	CYHS2302744	Levalbuterol Hydrochloride Inhalation Solution	Luoxin Aurovitas Pharma(Chengdu) Co., Ltd.	National Medicine Permission No. H2025 3616	March 11 th , 2025
36	CYHS2302745	Levalbuterol Hydrochloride Inhalation Solution	Luoxin Aurovitas Pharma(Chengdu) Co., Ltd.	National Medicine Permission No. H2025 3617	March 11 th , 2025
37	CYHS2302746	Levalbuterol Hydrochloride Inhalation Solution	Luoxin Aurovitas Pharma(Chengdu) Co., Ltd.	National Medicine Permission No. H2025 3618	March 11 th , 2025

Public announcement of the National Medical Products Administration (NMPA)



Second Prize for Scientific and Technological Progress of Shandong Province

Intellectual Property Protection

Luoxin Pharmaceutical has formed a rigorous management system with clear rights and responsibilities by establishing systems, including the Patent Work Management Measures, the Trademark Work Management Measures, and the Trade Name Work Management Measures. All departments worked closely together, jointly achieving the standardization, systematization and normalization of the entire process management of intellectual property rights, and passed the certification of the intellectual property compliance management system (GB/T29490-2023).



Intellectual Property Compliance Management System Certificates



First Prize for Technological Innovation Achievements

9th Batch List of Shandong Provincial Manufacturing Single-Item Champion Enterprise		
No.	Enterprise Name	Product Name
208	Shandong Jinyao Glass Group Co., Ltd.	High-strength Lightweight Glass Packaging Containers
209	Shandong Luoxin Pharmaceutical Group Stock Co., Ltd.	Takimian (Tegopranan Tablets)
210	Shandong Fufeng Fermentation Co., Ltd.	Food Additive Xanthan Gum
211	Shandong Luxing Advanced Material Co., Ltd.	High-purity Core Solvent for Lithium-ion Battery Electrolyte

List of 3rd and 6th Batch Shandong Manufacturing Single-Item Champion Enterprises Passing Re-evaluation			
No.	Enterprise Name	Product Name	Batch
293	Lunan BETTER Pharmaceutical Co., Ltd.	Xinkang [®] Isosorbide Mononitrate Tablets	6th Batch
294	Shandong YUXIN Pharmaceutical Co., Ltd.	Ambroxol Hydrochloride for Injection	6th Batch
295	Jinan Second Machine Tool Group (Dezhou) Industrial Park Co., Ltd.	Closed Four-point Mechanical Press	6th Batch

Shandong Provincial Manufacturing Single-Item Champion Enterprise

Patent Management

The Company respects the intellectual property rights of others and prevents infringement risks while actively protecting its own innovative achievements. Luoxin Pharmaceutical adheres to equal emphasis on independent R&D and cooperative R&D and promotes innovative drugs and generic drugs simultaneously, and as of the end of the reporting period, the Company has been granted a total of 375 patents. In patent management, the Company effectively controls patent infringement risks and properly handles patent disputes and infringement issues in drug R&D to ensure the smooth progress of R&D projects. In addition, the Company dynamically manages patent assets through patent maintenance and monitoring, removes business obstacles through patent challenges and infringement responses. Meanwhile, its reward system for service inventions effectively stimulates employees' innovation vitality.

375 Item(s)

Patent

Patent Application Process:

- The patent application process is initiated by business departments and organized by the Legal and Compliance Management Department. Relevant R&D personnel may discuss the patentability of R&D results with the Legal and Compliance Management Department before initiating the application.
- When initiating a patent application, the initiator shall fill in the Technical Disclosure Form or provide other technical materials and obtain approval from the person in charge of the business department
- The Legal and Compliance Management Department shall complete the drafting of patent application documents within a reasonable time, and after the business department reviews the technical rationality and confidentiality of the application documents, it fills in the Patent Application Approval Form and obtains corresponding approval according to the Patent Work Approval Authority Table, and then the Legal and Compliance Management Department submits the application to the Patent Office.

Trademark Management

Trademark management focuses on comprehensive brand asset portfolio planning and risk prevention and control. The management process covers the entire life cycle from registration applications (including but not limited to strategic registration of reserve, joint, and defensive trademarks), standardized internal use to external licensing and transfer.

The Company attaches great importance to risk prevention, not only requiring strict compliance with the Luoxin Pharmaceutical Visual Identity System Specification Manual in trademark use but also establishing a market monitoring mechanism to encourage employees to report infringements with corresponding rewards. At the same time, the Company has clarified penalties for illegal trademark use, reflecting the management principle of equal rights and responsibilities.

In line with its overall development strategy, Luoxin Pharmaceutical has continuously strengthened its intellectual property management system, establishing a comprehensive intellectual property protection framework that covers the entire product lifecycle. This not only strengthens the legal protection of core technologies but also enhances the enterprise's market competitiveness, and lays a solid intellectual property foundation for high-quality sustainable development.



Supply Chain Management



The supplier management of Luoxin Pharmaceutical is characterized by multi-department collaboration: the Procurement Management Department takes the lead in the whole-process management; quality, production, R&D, and other departments provide technical support as demand departments; the Finance Department reviews the financial status of suppliers; and the Legal and Compliance Management Department focuses on compliance risks. This structure ensures the professionalism of management activities and the comprehensiveness of risk control.

Supplier Lifecycle Management

To standardize supplier lifecycle management, Luoxin Pharmaceutical has formulated the Supplier Management System, which ensures that suppliers meet the Company's operational and development needs in terms of quality, price, delivery, service and technology through systematic management. During the reporting period, Luoxin Pharmaceutical had 1,420 suppliers.



- Sourcing**
 - Luoxin Pharmaceutical sources suppliers through multiple channels such as data platforms, industry exhibitions, and new media; suppliers after preliminary screening shall register in the supplier relationship management system and submit basic materials, including the Supplier Basic Information Survey Form and compliance documents.
- Qualification and collaboration**
 - Qualification and upgrade are critical control points. Registered suppliers must pass joint review by procurement, legal, finance, quality, and other departments, and on-site inspection if necessary, before being upgraded to "qualified alternative suppliers". To become a "qualified supplier", the products of production material suppliers must pass sample inspection, process verification, and stability studies, and finally obtain filing or approval from the drug regulatory authority.
- Evaluation**
 - Luoxin Pharmaceutical has introduced refined management tools to classify materials into four categories: strategic, leverage, bottleneck, and general, based on expenditure amount and supply risk. Using the supplier perception model, it classifies customers in the eyes of suppliers into core type, to-be-developed type, and so on, from the perspectives of "purchaser's value to suppliers" and "purchaser's attractiveness to suppliers", and then determines strategic, cooperative, or general relationships with suppliers. It regularly assesses suppliers according to the classification and grading results and divides them into four grades: A (Excellent), B (Good), C (General), and D (To be eliminated). The evaluation results are directly applied to procurement decisions such as bidding guidance, order allocation, and payment policies.
- Elimination**
 - Luoxin Pharmaceutical continuously maintains supplier qualifications to ensure their validity. At the same time, it has clearly stipulated an elimination mechanism; suppliers with major quality problems, performance problems, commercial bribery, and other situations will be subject to elimination procedures, and financial settlement and contract handover will be completed before elimination to control risks.

Supply Chain Risk Management

In terms of supply chain risk management, Luoxin Pharmaceutical has built a three-dimensional prevention and control system with quality and safety as the core, systems and processes as the guarantee, and digital systems as the support.

01 Risk Screening and Assessment Management

The Company comprehensively screens risks of legality, performance capability, and quality system through the Supplier Basic Information (Qualification) Survey Form, and launches an on-site inspection mechanism for high-risk suppliers to form a Supplier On-site Investigation Report to evaluate production capacity stability and compliance foundation.

In classified and graded management, the Company dynamically divides cooperation relationship levels by combining material attributes (strategic/leverage/bottleneck/general) and the supplier perception model, and quantifies risks through annual performance evaluation. The performance evaluation form specifies indicators across four key dimensions: quality, cost, delivery, and service. Grade D suppliers (scoring below 60) trigger the elimination process directly due to major quality or compliance issues. However, sole-source suppliers must prioritize the addition of alternatives before exit to mitigate the risk of supply disruption.

02 Digital and Contract Management

Risk prevention and control in operation relies on a continuous monitoring mechanism; the Company has established a Supplier Relationship Management (SRM) system to standardize the management of order delivery and supplier performance. The Procurement Management Department regularly updates supplier qualification documents, and the Finance Department and Legal Department review financial health and litigation records, respectively, realizing real-time monitoring and traceability of supply chain data and contract performance.

03 Dealer and Sales Risk Control

Luoxin Pharmaceutical adopts a dynamic management model for dealer customers, conducts a comprehensive assessment annually from sales performance, warehousing and distribution, payment collection, and other aspects, and decides the continuation of cooperation according to the evaluation results. The Company ensures supply chain resilience by clarifying logistics configuration, after-sales response standards, and emergency order processing procedures. All risk control records are filed in the form of internal control documents to ensure traceable operations and confidential information.

04 Quality and Compliance Management

In strict accordance with the Good Manufacturing Practice (GMP), Luoxin Pharmaceutical has established a sound quality management system from raw material procurement, production, and manufacturing to transportation and storage to ensure the quality and safety of drugs throughout their life cycle.

Luoxin Pharmaceutical strictly abides by national environmental protection standards, establishes a safe production management system, and prevents the risk of supply chain interruption caused by environmental or safety accidents. At the same time, it takes safety and environmental protection records as an important evaluation indicator for supplier qualification, continuously monitors their compliance through annual supplier performance evaluation, and adopts strengthened control measures, such as on-site inspection for suppliers with safety and environmental risks.

Through the above multi-dimensional and whole-process risk control measures, Luoxin Pharmaceutical effectively ensures the stability, compliance, and competitiveness of the supply chain, providing a solid guarantee for the sustainable operation of the enterprise.

Product Responsibility and Quality Safety



Luoxin Pharmaceutical places patients' medication safety at the core of corporate responsibility and has built an integrated management system covering the entire life cycle of drugs, deeply integrating quality, safety, and compliance. The Company promotes whole-process product management with high standards and systematization, which not only protects public health but also lays a solid foundation for the high-quality development of the enterprise.



Quality Management System Certificates

Product Management System

Management System

The core of product and service quality management is to deeply integrate the concept of patient safety and compliance governance into the whole process from R&D to post-marketing monitoring. We have established an integrated management system in line with GMP standards, comprehensively considering safety, efficacy, and quality control in the design and R&D stage, strictly implementing quality management and supplier audit in production and supply chain links, and strengthening risk control through the pharmacovigilance system and whole-process quality traceability mechanism. This system not only ensures the safety and reliability of products but also promotes the continuous improvement of the quality system through continuous collection and analysis of data, such as medication safety and adverse reactions, and ultimately achieves long-term responsibility for patients and sustainable development of the enterprise.

Product Recall

After-sales service and product recall systems are central to fulfilling our social responsibility of prioritizing patient safety and ensuring rigorous, compliant corporate governance. The Company has established a closed-loop process of customer feedback and complaints covering all channels based on the pharmacovigilance system. We have also implemented active monitoring and tiered recall mechanisms that exceed regulatory requirements, ensuring the rapid identification, assessment, and transparent response to any potential product risks. This is not only to meet compliance requirements such as GMP and the Measures for the Administration of Drug Recall, but also a key action for the Company to proactively manage risks throughout the product life cycle and ensure patients' medication safety. Through systematic analysis of after-sales and recall data, we continuously drive the improvement of product quality and service, and transform customer trust into the core driving force for the sustainable development of the enterprise.

In 2025, the Company had no safety and quality liability accidents related to products and services, and no product recalls caused by product and service quality problems.

Product Quality Training

Centering on product safety and quality, Luoxin Pharmaceutical has established a systematic quality capability development system. Its training programs are closely aligned with pharmaceutical production regulations, with a specific emphasis on comprehensively deepening and implementing GMP. The internal training takes the "Quality Improvement Training Program" as the main line, systematically explaining the second edition of the GMP Implementation Guide, covering key links such as analytical method verification, deviation investigation (OOS/OOT), change control, and sterility assurance. Meanwhile, we organized interpretation sessions and cascading training focused on the additions and revisions in the 2025 edition of the Chinese Pharmacopoeia, ensuring our enterprise standards are fully aligned with national standards.

Case Strengthening the R&D Quality System through Professional Training

To enhance drug R&D quality management capabilities and systematically establish a standardized R&D quality control system, the Company focused on improving professional competencies by organizing specialized lean training sessions. On March 21st, 2025, the Company's Quality Assurance Department conducted a specialized training session for Drug R&D QA personnel, themed "Building a Drug R&D Quality System." This training was centered on the Guidelines for Quality Management of Pharmaceutical Research of Chemical Medicines (Association Standard T/SHPPA 001-2020). It focused on the requirements for establishing an R&D quality management system, thereby enhancing the professional competencies of Drug R&D QA personnel in building and implementing quality systems, and laying a solid foundation for quality control throughout the Company's drug development process.

Case Focusing on Pharmacopoeia Standard Interpretation to Build a Strong Quality and Safety Line

From July 22nd to July 25th, 2025, the Company's quality director and compliance management department manager participated in the on-site training on the interpretation of the 2025 edition of the Chinese Pharmacopoeia hosted by the National Pharmacopoeia Commission. Through systematic learning, key personnel have mastered the technical standards and regulatory requirements of the new edition of the Pharmacopoeia, laying a solid professional foundation for ensuring drug quality and safety and improving compliance management.

Pharmacovigilance Management

Institutional Framework

To effectively fulfill its responsibilities as a Marketing Authorization Holder (MAH), Luoxin Pharmaceutical has strictly adhered to the Good Pharmacovigilance Practices (GVP) and established a pharmacovigilance system covering the entire product lifecycle. The Company has established an independent Pharmacovigilance and Safety Management Department, staffed with dedicated personnel focused on monitoring adverse drug reactions (ADRs) associated with marketed products. The Company places the highest priority on patients' medication safety, promptly collecting feedback and implementing appropriate measures in response.

The Company has established feedback channels through public platforms such as its official website, providing contact numbers, fax numbers, and dedicated email addresses to healthcare professionals, patients, and the general public for the purpose of receiving and collecting reports of adverse events related to the clinical use of medications.

These reporting channels operate under a unified framework that clearly defines the scope and submission requirements, guiding reporters to provide essential information—including the medicinal product name, batch number, symptom description, and patient/contact details. This standardized approach establishes an open, accessible, and efficient pathway for collecting drug safety data, ensuring potential risks are promptly identified, evaluated, and managed to safeguard patients' medication safety and enhance pharmacovigilance capabilities.

Pharmacovigilance and Safety Management Department – Adverse Event Reporting Contact

Tel: 0539-8242699

Fax: 0539-8242699

Email: pv@luoxin.cn

📁 Drug Safety Training

In terms of drug safety management, the Company carries out systematic training around quality risks in the production process, covering key links such as clean area code of conduct, microbial monitoring, and pollution control strategies. The Company also enhances practical capabilities in pharmacovigilance and drug safety evaluation through external professional training, comprehensively strengthening organization-wide awareness of and competence in safety risk management.

📁 Case Drug Safety Monitoring Training

In July 2025, the Company actively participated in the national-level special training on drug safety and organized internal regulatory seminars. The Company strengthens the professional capacity building in key links such as drug safety detection, evaluation, and risk management plan through the guidance of external experts, and selects professional personnel from the pharmacovigilance department to participate in the "Drug Safety Detection and Evaluation Practice Class" held by the National Medical Products Administration to systematically learn cutting-edge technologies and practices of drug safety monitoring. This training has effectively improved the professional ability of the pharmacovigilance team and laid a solid foundation for the Company to build a more perfect drug safety monitoring and evaluation system.

Data Security and Privacy Protection

📁 Institutional Safeguards

Luoxin Pharmaceutical takes information security as an important cornerstone of sustainable development and has built a sound information security governance system. The Company has formulated and implemented the standard operating procedure of Basic Requirements for Information Security, and built a comprehensive data security protection system through multiple measures such as tiered access control, device security management, and network access control.

Technical Controls: The Company implements a detailed six-tier IT permission template system, enforces full-disk encryption and domain-based management for computer devices, and has established strict password policies and network isolation mechanisms. At the same time, the Company clearly standardizes operation processes such as software installation, external device use, and data transmission, eliminating potential safety hazards from the technical source.

Operations Management: The Company has established a comprehensive incident response mechanism and conducts regular access audits and employee security awareness training. Through systematic management measures and ongoing education and outreach, we continuously enhance our overall security capabilities to provide a solid foundation for the Company's digital transformation.

The whole-process information security management system fully reflects the rigor and compliance awareness of the Company at the corporate governance level, highlights the high importance attached to data security and compliant operation, and provides strong support for the high-quality and sustainable development of the enterprise.

📁 Information Security Work

Luoxin Pharmaceutical places a high priority on information security and has established a comprehensive information security management system. By combining technical safeguards with operational management, the Company has built a comprehensive data security protection network.

These specific measures and remarkable achievements fully reflect Luoxin Pharmaceutical's professional ability and firm commitment to information security governance, providing a solid guarantee for the sustainable development and digital transformation of the enterprise.

- **Technical Safeguards:** The Company has deployed a new generation of anti-spam gateways with AI semantic detection models, intercepting 134 million fraudulent emails throughout the year with an interception rate of 99.99%. Through coordinated perimeter WAF and IPS protection, the Company effectively blocked 210 million external brute-force attacks and banned 870,000 malicious IP addresses. The Company also implemented endpoint security measures, deploying over 5,000 EDR agents, and achieved zero successful ransomware infections throughout the year.
- **Account Security Management:** The Company controls the proportion of weak passwords to a low level of 0.04% through daily weak password scanning and a forced reset mechanism. The Company strictly enforces its offboarding account revocation policy, deactivating all 239 accounts of departed employees throughout the year—achieving a 100% revocation rate. It also regularly cleans up dormant ("zombie") accounts to maintain a clean and secure identity ecosystem.
- **Vulnerability Management:** The Company adopts a three-dimensional detection mechanism combining black-box, gray-box, and code audit, discovering and repairing 817 various vulnerabilities throughout the year. By deploying an IPS/IDS cluster with 38 nodes, it has effectively blocked 570,000 external attacks throughout the year, with a 45% year-on-year increase in protection capability.
- **Access Control:** The Company strictly regulates the use of removable storage devices and cloud storage services to effectively mitigate the risk of data leakage. The Company has received dozens of external audits throughout the year and maintained an excellent record of zero defects in data security.

📁 Green Server Room Empowering Low-Carbon Development

Luoxin Pharmaceutical focuses on the green transformation of its data center infrastructure, employing green and energy-saving technologies to drive low-carbon, high-efficiency operation of its server room, and has established a green server room system that integrates both environmental benefits and practical value. This server room, with a floor area of 80 square meters, adopts an industry-leading enclosed micro-modular architecture, integrating modular UPS, temperature and humidity monitoring with alarm functions, and a precision air conditioning system with underfloor air supply, thereby creating an independent, controllable, and highly efficient IT physical environment. At the core technology level, full enclosure and isolation of hot and cold aisles eliminate air short-circuiting, improving cooling efficiency by over 40%; the modular UPS architecture enables on-demand deployment and load-adaptive adjustment, maintaining system efficiency above 99%; and the precise cooling technology combining underfloor air supply with enclosed cold aisles reduces the PUE to below 1.35. After 12 months of actual operation, the server room has demonstrated a comprehensive energy-saving rate of 30% compared to traditional open-layout server rooms, saving approximately 180,000 kWh of electricity annually—equivalent to a reduction of 107 tons of carbon emissions—tangibly reflecting the Company's commitment to sustainable and green development.



The Company's server room



03 Caring for Employees and Promoting Social Harmony

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In response to the United Nations Sustainable Development Goals (SDGs)



Employee Interests and Development

Talent enables effective leadership; talent drives business success. Talent is the Company's most vital resource. Luoxin Pharmaceutical adheres to recruiting diverse talents, improving the talent cultivation mechanism, and doing a good job in talent acquisition, training, and appointment. The Company consistently regards employees as its core asset, building a comprehensive growth and support system that spans talent acquisition, professional development, and career advancement—driving harmonious, mutually beneficial growth between the Company and its people.

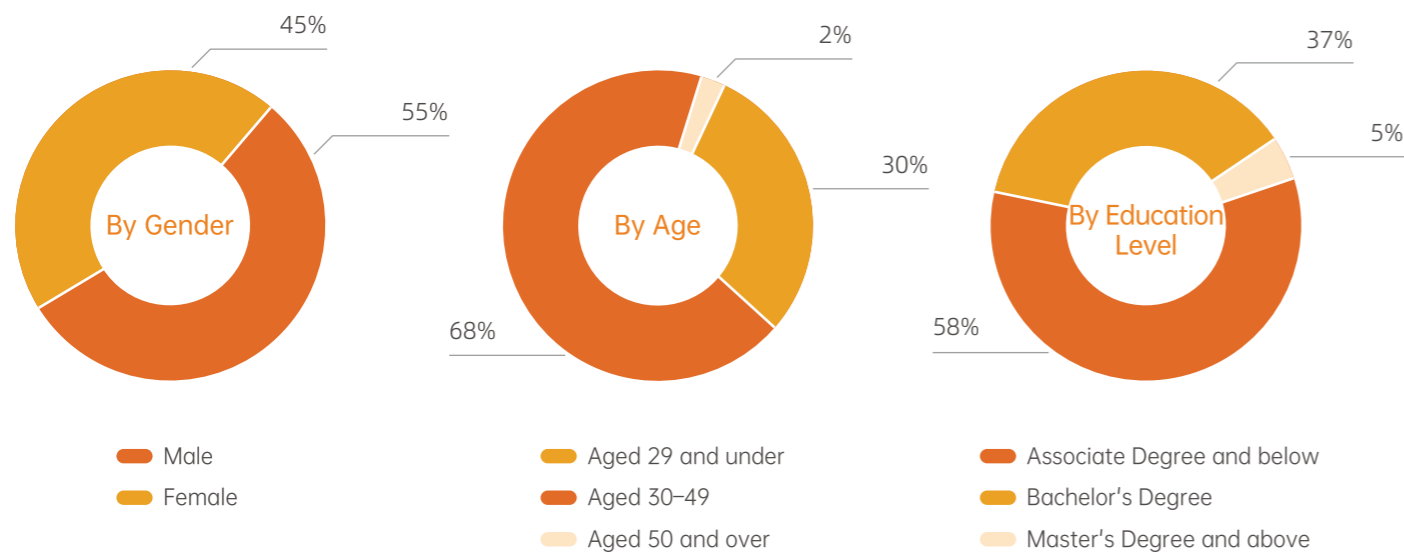
Employee Recruitment

The Company strictly abides by 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 formulates internal rules and regulations such as the Employee Handbook to ensure legal and compliant employment practices. The Company firmly opposes any form of employment discrimination, does not set unreasonable employment thresholds based on gender, age, ethnicity, religious belief, physical condition, etc., always adheres to the principle of equal employment, strictly prohibits illegal acts such as child labor and forced labor, and effectively safeguards the legitimate rights and interests of workers.

Luoxin Pharmaceutical has always adhered to the principle that "talent is the primary resource," establishing a standardized, well-structured talent recruitment system that integrates diverse channels and fosters cross-functional collaboration. The Company strictly implements its annual staffing plan. Hiring departments jointly develop the annual recruitment plan together with the Human Resources (HR) department. Upon approval, the HR department centrally manages the entire recruitment process—including job posting, resume screening, interview coordination—and formally onboards candidates who pass the required medical examination. The Company adheres to the principles of equal employment and merit-based recruitment, clarifies basic employment conditions such as being over 18 years old and having no labor relationship disputes, and focuses on selecting outstanding talents with both ability and integrity, honesty and trustworthiness, and development potential. As of the end of the reporting period, the Company has a total of 2,962 employees.



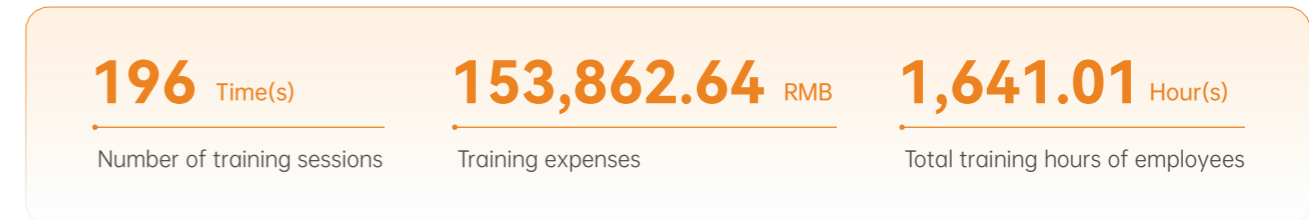
In 2025, the Company continued to expand its campus recruitment and university-industry collaboration channels, hosting 16 campus recruitment presentations and establishing partnerships with 18 higher education institutions. It organized 9 events, including career internships and symposiums under the national "Enterprise Visits for Job Creation" initiative, and welcomed visits from 3 universities for exchange and dialogue. These efforts effectively facilitated precise alignment between university talent development and the Company's hiring needs. The Company actively opens job opportunities to underrepresented groups, including recent graduates, veterans, and persons with disabilities. To date, it has hired 25 veterans and 2 persons with disabilities, assigning roles based on individual capabilities to ensure optimal person-job fit and enable every employee to fully realize their potential.



Employee Training

Luoxin Pharmaceutical regards employee training as a key measure for talent cultivation and long-term development, and continuously empowers employee growth and enterprise development through a multi-dimensional and systematic training mechanism. The Company's training covers a comprehensive and diverse range of content, covering core fields such as professional ability, management literacy, safe production, quality control, post skills, and general knowledge.

The Company integrates employees' individual strengths with the organization's development needs, adhering to the talent cultivation principle of "integrity and competence in equal measure." Through systematic training and professional assessments, it supports employees in achieving their career development goals. The Company has developed a tailored onboarding program for new hires, covering corporate culture, policies and procedures, core professional skills, and industry-specific knowledge, enabling them to quickly adapt to their roles and successfully transition into their new positions. Meanwhile, the Company provides regular GMP training for all employees to ensure strict implementation of pharmaceutical manufacturing quality standards. Furthermore, through its "Xin" Talent Development Program series, the Company continuously enhances managerial leadership capabilities, fostering synergistic growth between individual talent and team performance, and has established a comprehensive, multi-tiered talent development system that spans from frontline employees to middle management and executive leadership. In 2025, the Company achieved remarkable training results, holding 196 training sessions in total, investing RMB 153,862.64 in training funds, covering 6,119 employees, with a total training duration of 1,641.01 hours.



Case Professional Lean Training

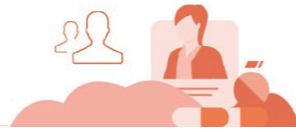
In July 2025, aligning with its operational and team development needs, the Company organized a specialized training session titled "Comparative Analysis and Discussion of Synthetic Processes for Different Proton Pump Inhibitors (PPIs)." The training was delivered to all staff in relevant business functions, providing a systematic review and interactive discussion on common synthetic technologies, key reaction characteristics, and practical production applications—aiming to enhance participants' technical expertise and professional competencies. The professional lean training organized by the Company not only enhances the professional ability and collaborative efficiency of the team, but also provides strong support for the improvement of product quality and technological innovation development of the Company.

Employee Development

Centering on the long-term development needs of talents, Luoxin Pharmaceutical has built a dual-channel promotion system for employees, providing clear and diverse growth paths for employees with different professional characteristics and development intentions. The system is structured around two core tracks: the Professional Track and the Management Track. The Professional Track focuses on deep expertise development in technical, R&D, and functional domains, enabling employees to progressively grow into recognized subject-matter experts or key business contributors through continuous enhancement of their specialized competencies. The Management Track, in contrast, offers a structured progression pathway—from frontline supervision to senior executive leadership—for employees who demonstrate strong organizational, coordination, and team leadership potential, supporting their evolution into well-rounded management professionals.

This scientifically designed dual-track system features clear career levels, actively encouraging sustained specialization while providing a transparent advancement route for those aspiring to management roles. Critically, the two tracks remain interconnected, allowing employees to transition between them in an orderly manner based on their evolving strengths and career aspirations. This flexibility ensures that talent is fully leveraged, career paths are genuinely optional, and the organization is equipped with a sustainable pipeline of skilled professionals aligned with its strategic objectives.

Employee Care and Well-being



The Company is committed to providing employees with solid support and a broad platform for growth. Through a robust compensation and benefits framework, a transparent career level system, and human-centered employee care, we comprehensively safeguard employee rights, unlock individual potential, strengthen team cohesion, and drive synergistic growth between employees and the organization—toward a shared future.

Remuneration and Benefits

Luoxin Pharmaceutical has established a scientific, standardized, fair, and impartial salary management and performance management system. The system is aligned with the Company's strategic objectives and departmental goals, and establishes comprehensive and well-balanced performance metrics tailored to each employee's role and responsibilities. Performance evaluations encompass both business performance—such as work quality and efficiency—and holistic dimensions including teamwork, professional conduct, and workplace values. Through a management mechanism characterized by clear objectives and integrated processes, we effectively motivate employees, fairly recognize individual contributions, and foster mutual growth between employees and the organization.

Meanwhile, the Company strictly abides by national laws and regulations such as the Social Insurance Law and the Housing Provident Fund Management Regulations, and has established a comprehensive welfare system that addresses employees' holistic needs. We duly contribute to employees' social insurance and housing provident fund in accordance with legal requirements, and provide daily care benefits such as meal allowances, transportation subsidies, and welfare housing. Furthermore, through distinctive initiatives such as establishing union relief funds, offering internal discounts on pharmaceuticals, and distributing holiday gifts, the Company provides tangible support and thoughtful care across life, health, and emotional dimensions. These efforts ensure that every employee feels the genuine warmth of the organization.



Employee benefits distribution

Case The "March 8th Red Pacesetter" Commendation Meeting

On March 7th, 2025, the Company held a commendation meeting to honor the "March 8th Red Pacesetters," where the Company's leaders presented certificates of honor to the female award recipients. The award-winning representatives shared their growth and work insights, fully demonstrating the dedication and responsibility of female employees in the new era. This event underscores the Company's commitment to valuing and supporting its female workforce. It serves to further strengthen team cohesion and inspire all employees to demonstrate initiative and innovation in their roles, driving the Company's high-quality and sustainable development through dedicated action.



Open Communication

Luoxin Pharmaceutical attaches great importance to employee feedback and reasonable demands. The Company is committed to continuously improving a diversified, regular, and institutionalized communication system, ensuring that channels for open dialogue remain accessible and effective. Through diverse channels, including company-wide proposals, union and party committee email inboxes, dining and accommodation communication groups, and the "Good Faith Negotiation" studio, the Company has established a comprehensive, multi-level feedback platform. These initiatives effectively safeguard employees' rights to information, participation, and supervision, fostering an open, inclusive, and harmonious working atmosphere.

In 2025, the Company carried out two standardized employee satisfaction surveys to comprehensively collect employees' evaluations and suggestions on corporate cultural activities, logistics services, and other aspects. Survey results indicate that the overall satisfaction score for annual large-scale corporate culture activities reached 86, with the individual sports meet achieving a high satisfaction rate of 96.



Staff Representative Conference

Employee Activities

Adhering to a people-oriented philosophy, Luoxin Pharmaceutical places high value on corporate culture and employee care. By actively organizing diverse cultural and recreational activities, such as sports meets and annual meetings, we enrich employees' extracurricular lives and foster teamwork and emotional connection. These efforts create a positive, inclusive, and vibrant organizational atmosphere, effectively enhancing staff belonging, happiness, and cohesion, thereby injecting humanistic momentum into the Company's sustainable development.

Case 2025 Spring Sports Meet

In 2025, the Company held a Spring Sports Meet under the theme "Xin Vitality, Yao Health," bringing together 13 teams and hundreds of employees. The competition featured two main categories: individual contests and team collaborations, with each event designed to be both fun and challenging. Through competition and collaboration, all participants vividly demonstrated the Company's spirit of striving for excellence, perseverance, and camaraderie. This event not only helped employees relieve stress and showcase their talents, but also effectively strengthened team cohesion and corporate centripetal force, injecting solid cultural momentum into the Company's sustainable and healthy development.

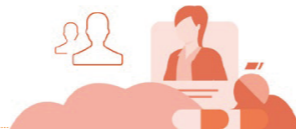


Case 2025 Annual Meeting — Radiating New Year Warmth

In January 2025, the 2025 Annual Meeting of Luoxin Pharmaceutical was successfully held. Themed "Resplendent Lights, Gathering of 'Xin' Talents; Joyful Songs Welcoming the New Spring, Walking Towards the Future Hand in Hand," the annual meeting created an atmosphere that was both solemn and warm. The event featured a wide variety of activities, including interactive sessions, team-building exercises, and lucky draws. With its rich content and lively atmosphere, the gathering effectively enhanced communication and collaboration among employees. This annual meeting further consolidated team strength, fostered a positive corporate culture, and injected powerful momentum into the Company's development for the coming year.



Occupational Health and Safety



Luoxin Pharmaceutical has always prioritized work safety and occupational health. By establishing a systematic and standardized management system, the Company continuously improves risk prevention mechanisms and strengthens safety awareness and emergency response capabilities across the board. This ensures the physical and mental well-being of employees and operational safety, laying a solid foundation for long-term and stable development.



Occupational Health and Safety Management System Certificates

Safety Production Management System

Luoxin Pharmaceutical consistently regards safe production as a vital prerequisite for high-quality development, fully implementing safety responsibilities through the construction of a standardized and regulated management system. Based on its specific production processes and risk characteristics, the Company has formulated internal management regulations, including the Emergency Rescue Management System and the Regular Evaluation Management System for Emergency Plans. Building on this, the Company further clarified job responsibilities and standardized workflows. It continuously improved a full-chain management mechanism encompassing risk warning, emergency response, resource assurance, and training drills. This formed a closed-loop safety management system characterized by "prevention first, hierarchical responsibility, and rapid response," laying a solid foundation for stable operations from a systemic level.

Supported by a robust management system, the Company conducts regular risk inspections, emergency drills, and safety training. These efforts continuously strengthen safety awareness and emergency response capabilities across the organization, ensuring that safety management requirements are effectively implemented and yield tangible results. In 2025, the Company achieved zero production safety accidents.

Occupational Health Management

Luoxin Pharmaceutical attaches importance to the promotion and implementation of occupational health management. Adhering to the principle of "prevention first", the Company integrates the protection of employees' occupational health into daily management practices. By establishing and improving internal systems such as the Occupational Health and Safety Management System Specification, it clarifies and implements systematic control measures, including health monitoring, labor protection, and improvement of the working environment. Each production unit formulates practical operation objectives in accordance with the unified management framework, such as strictly supervising the standardized distribution and use of labor protection articles, and regularly organizing occupational health examinations to effectively prevent occupational diseases. The Company is committed to continuously optimizing workplace conditions, strengthening employees' occupational health training and risk awareness education, so as to systematically control occupational hazard factors, effectively protect employees' physical and mental health, and lay a solid foundation for the sustainable operation of the enterprise.

Safety Training and Emergency Drills

Focusing on risk points in all links of production and operation, the Company continuously carries out various safety training and emergency drills. Through the combination of theoretical explanation and practical drills, it continuously strengthens the safety awareness and response capabilities of all staff. In 2025, the Company organized a total of 173 various safety training sessions, covering 25,797 person-times, with a 100% safety training coverage rate. Meanwhile, 151 emergency drills were carried out, which effectively improved employees' ability to identify potential safety hazards and handle emergencies, rooted the safety concept in their hearts, and consolidated the safety foundation for production and operation.

Case Safety Production Month

In 2025, taking the "Safety Production Month" as an opportunity, Luoxin Pharmaceutical actively organized various safety publicity and education activities. By setting up a special publicity column for safety production, the Company systematically displays safety policies, risk tips, and emergency knowledge, continuously creates a good atmosphere of "everyone talks about safety, prevention is emphasized everywhere", further improves the safety awareness of all staff, and consolidates the foundation of corporate safety culture.



Case Vehicle Injury Emergency Drill

In 2025, Lekang Pharmaceuticals organized a special emergency drill for vehicle injuries. The drill focused on transportation safety risks inside and around the factory area, simulated typical vehicle injury scenarios, and systematically tested the emergency response process and on-site disposal capabilities. Through this drill, the Company effectively fortified safety awareness among employees and enhanced the rapid response and collaborative handling capabilities of relevant personnel. This provided valuable practical experience for continuously improving the factory's safety management system and preventing traffic accidents in production operations.

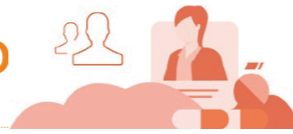


Case Emergency Evacuation Special Drill

On December 8th, 2025, the Company organized a special emergency evacuation drill in the office building, aiming to test the effectiveness of the emergency plan and improve the safety awareness and emergency response capabilities of all staff. The drill covered key procedures, including the issuance of evacuation orders, orderly personnel evacuation, assembly and roll call, and a final debriefing. It also clearly defined the responsibilities of the general commander, safety officers, and floor supervisors. By simulating a real fire scenario, the drill further strengthened employees' disposal procedures for emergencies and provided a strong guarantee for the safe operation of the enterprise.



Social Contributions and Philanthropy



Luoxin Pharmaceutical has always remained true to its founding vision and mission of "Delivering Health." While focusing on pharmaceutical innovation and safeguarding public health, it actively fulfills its social responsibilities and enthusiastically engages in public welfare, charity, and social service initiatives. The Company gives back to society in diverse ways, delivering care and warmth through concrete actions, demonstrating the responsibility and humanitarian spirit of a pharmaceutical enterprise. It adheres to the philosophy of pursuing corporate development alongside fulfilling social responsibilities, striving for the coordinated development of economic and social benefits.

Advancing Inclusive Healthcare

Luoxin Pharmaceutical has long been committed to promoting equitable access to medical resources so that high-quality medical achievements can benefit more people. Committed to empowering people's health through innovation and fulfilling social responsibilities with dedication, the Company continuously promotes the in-depth development of inclusive healthcare, enabling more people to share the health benefits delivered by pharmaceutical and medical innovation. In improving the accessibility of medical services and alleviating the financial burden of medical care and medication for the public, Luoxin Pharmaceutical has fully leveraged its strengths. Through concrete actions, the Company has earnestly fulfilled its social responsibilities and industry mission, making a lasting contribution to advancing inclusive healthcare and safeguarding the health of all citizens.

Case Medical Insurance Empowering Access to Healthcare

In December 2025, the Company's core product, Tegoprazan Tablets (brand name: Taixinzan®), gained a new medical insurance indication for "combination with appropriate antibiotics for the eradication of Helicobacter pylori." Combined with the renewed indications for reflux esophagitis and duodenal ulcer, the drug has achieved full medical insurance coverage for all three indications. As China's first domestically developed P-CAB class acid-suppressing drug approved for three indications, this product has significantly improved the treatment outcomes of gastrointestinal diseases by virtue of its advantages, including rapid onset of action, excellent efficacy, safety, and ease of use. Its full inclusion in the national medical insurance catalogue has effectively reduced patients' financial burden for medication and expanded access to innovative drugs, representing a typical practice of Luoxin Pharmaceutical in promoting inclusive healthcare through scientific and technological innovation and fulfilling the social responsibility of a pharmaceutical enterprise.



Public Welfare

Luoxin Pharmaceutical firmly fulfills its social responsibilities, actively conducts public welfare initiatives such as education assistance programs, continuously promotes the development of local education and the improvement of people's livelihoods and well-being, conveys corporate warmth through concrete actions, and demonstrates its responsibility to give back to society.

Case Building a Foundation for Education Through Public Welfare

In June 2025, Shandong Luoxin donated RMB 200,000 to the Linyi University Development and Education Foundation to support the university's educational development programs and educational infrastructure. This initiative not only strengthens the university's hard power in education but also lays a solid foundation for the Company to deepen its school-enterprise collaboration and cultivate a pipeline of professional talents, reflecting the Company's commitment to supporting education and giving back to society.

Case Charitable Education Assistance in Luozhuang District

In 2025, Shandong Luoxin donated RMB 50,000 to the Luozhuang District Charity Federation of Linyi City, to support charitable education initiatives, demonstrating its commitment to fulfilling social responsibility through concrete actions. The Company has always remained committed to its social responsibilities and its founding mission, integrating public welfare into its development. This charitable act not only safeguards the growth of students but also contributes to the balanced development of regional education. The Luozhuang District Charity Federation of Linyi City presented the Company with a certificate of honor. This recognition inspires the Company to continue its dedication to public welfare, share warmth, and promote sustainable social development.



Rural Revitalization

In response to the national call, Luoxin Pharmaceutical has been actively engaged in rural revitalization. Through financial support and project cooperation, the Company has helped promote the development of its paired assistance regions. Through long-term investment and concrete actions, the Company earnestly fulfills its social responsibilities and contributes to the comprehensive revitalization of rural areas.

Case Donation to Nujiang, Yunnan

In February 2025, Shanghai Luoxin actively responded to the call of private enterprises to "Join Hands to Revitalize Rural Areas and Pair Hundred Enterprises with Hundred Villages," completing the fourth and fifth phases of paired assistance and donations to Fudeng Village, Tongdian Town, Lanping County, Nujiang, Yunnan Province, with a total donation amount of RMB 40,000. Since 2021, the Company has continuously participated in the Village-Enterprise Pairing Assistance Program launched by the Shanghai Pudong New Area Federation of Industry and Commerce. With accumulated donations totaling RMB 100,000, the funds are earmarked for improving local production and living conditions. Through targeted assistance and long-term commitment, the Company has advanced the rural revitalization strategy, providing warm support for the development of its paired regions.





04 Strengthening Governance to Lay a Solid Foundation for Development

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In response to the United Nations Sustainable Development Goals (SDGs)



Party Building Drives Development



Party Organization Building

Guided by Party building, Luoxin Pharmaceutical has deeply integrated the Party's leadership into every aspect of its governance. The Company continuously strengthens the building of primary-level Party organizations and improves the system for integrity in practice and risk prevention and control. This ensures that the Company's strategy aligns with national development priorities and fully guarantees its high-quality and sustainable development. Luoxin Pharmaceutical adheres to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implements the general requirements for Party building in the new era and the Party's organizational line for the new era, upholds fundamental principles and breaks new ground, and forges ahead with dedication and perseverance. It continuously strengthens the political and organizational functions of Party organizations, thereby providing a strong guarantee for the Company's high-quality transformation and development, as well as for safeguarding the people's health. As of the end of the reporting period, the Company had 10 Party organizations and 375 Party members.

10 Unit(s)

Number of Party Organizations

375 Person(s)

Number of Party Members

23 Time(s)

Number of Party-building activities

50 RMB 10,000

Funds for Party-building activities

Party-building Activities

Luoxin Pharmaceutical places great emphasis on Party building. In 2025, under the core theme of "One Luoxin, Unified Action", the Company systematically launched learning, education, and practical activities on the history of revolution. A total of 23 Party-building activities were held throughout the year, with RMB 500,000 allocated to Party member activities. Adhering to the strengthening of top-level design, the Company takes tempering Party spirit and inspiring position-based responsibility as its goals, and has built a Party building work pattern featuring overall planning by the Group, implementation by Party branches, and coordination between key points and all aspects. Meanwhile, it has innovated activity formats and conducted diversified learning and practice in a categorized and hierarchical manner, including collective film screenings by Party branches, study tours at red education, and immersive education. The Company has strictly standardized fund management and safety guarantees, driving the practical transformation of learning outcomes into effective performance of duties.

The series of Party-building activities has achieved in-depth integration of Party spirit cultivation and corporate mission, effectively enhancing the political awareness, theoretical literacy, and team cohesion of Party members. It has also stimulated the endogenous motivation of all Party members to anchor their positions and strive to be pioneers, injecting a strong "red driving force" into the Company's high-quality development.

Case

Collective Film Viewing by Party Branches Sparks Ideological Resonance

In 2025, the First and Second Party Branches of the Group Management Center jointly organized a red-themed film screening activity themed "One Luoxin, Unified Action". Party members gathered to watch the film *Dead to Rights*, with a session for historical fact exchange and sharing held before the screening. The activity guided Party members to foster profound patriotism and strengthen their sense of historical mission while remembering history and honoring revolutionary martyrs. It further transformed this emotional resonance into practical motivation to forge ahead with the enterprise and to dedicate themselves to their respective positions. Focusing on internal ideological exchanges, the activity upheld strict economy and careful budgeting, fully embodying the distinctive characteristics of flexibility and pragmatism.



Case

On-site Study Tour of R&D Party Branch Forges Patriotism and Dedication to the Country

In 2025, centering on the core theme of "Wholehearted Loyalty to the Party, Serving the Country through Pharmaceutical Endeavors", the Party Branch of the Pharmaceutical Research Institute organized Party members in the R&D field to carry out immersive on-site education at the Zhu Village Red Education Base in Linshu County. The Party members visited the Battle Memorial Hall and the Front Support Hall in succession, solemnly renewed the Party admission oath in front of the monument, and conducted in-depth discussions based on their practical work in pharmaceutical R&D. This activity effectively consolidated the ideals and convictions of R&D personnel, promoted the inheritance of the revolutionary heritage, and further inspired all participants to turn the spirit of overcoming difficulties forged by revolutionary predecessors into the driving force to scale new heights in scientific research. It has been fully integrated into the concrete practice of contributing to the "Healthy China" initiative.



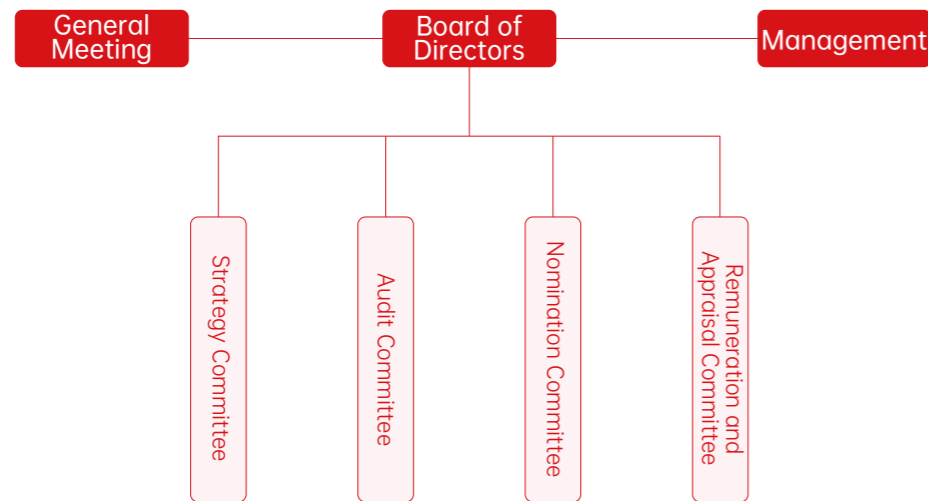
Corporate Governance Structure



Operations of the Board of Directors

Luoxin Pharmaceutical strictly adheres to relevant laws and regulations, including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Code of Corporate Governance for Listed Companies. It has established a standardized and sound corporate governance structure. The Company has established a governance mechanism with the general meeting as the supreme authority, the Board of Directors as the core decision-maker, and the Management as the executive head. The Board of Directors has established the Strategy Committee, Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee, forming a governance system that supports hierarchical decision-making, provides professional support, and enables efficient execution.

This structure clearly defines the boundaries of authority and responsibilities of each governance body. All special committees effectively exercise their professional functions, thereby enhancing the scientificity, independence, and standardization of the Board of Directors' decision-making. The efficient execution mechanism ensures the implementation of strategies, continuously enhances governance compliance and operational efficiency, and lays a solid governance foundation for the Company's long-term, steady development.



Organizational Chart of Luoxin Pharmaceutical

Luoxin Pharmaceutical has established a regular meeting system. In 2025, the Company convened 45 meetings on corporate governance-related matters, deliberating and adopting more than 140 proposals covering core governance bodies, including the general meeting, the Board of Directors, and its special committees. By virtue of a tiered, standardized, and efficient deliberation and decision-making mechanism, the Company has effectively ensured the compliant operation of its corporate governance, continuously enhanced the soundness and effectiveness of decision-making on major matters, and provided a solid governance guarantee for the standardized operation and steady development of the Company.

45 Time(s)

Convene various meetings

140 Item(s)

Reviewed and approved over relevant proposals

Meeting	Number of Meetings Held	Number of Proposals Adopted
General meeting	7	34
Board of Directors	15	57
Audit Committee	8	24
Strategy Committee	2	9
Remuneration and Appraisal Committee	7	10
Nomination Committee	3	4
Special Meeting of Independent Directors	3	11

Composition of the Board of Directors

To continuously improve the effectiveness of corporate governance and enhance the soundness of decision-making and strategic execution, Luoxin Pharmaceutical has been continuously optimizing the structure of its Board of Directors. The Company's Board of Directors currently consists of 7 directors, including 3 independent directors (42.86%) and 1 female director (14.29%). The independent directors fully exercise their roles in independent supervision and professional checks and balances.

Adhering to the principle of diversified governance, the Company considers factors such as gender, age, educational background, and professional experience of director candidates in light of its actual development, so as to further enhance the effectiveness and professionalism of the Board of Directors' decision-making. The age of the Company's Board of Directors ranges from 38 to 79 years old, with diverse professional backgrounds and profound expertise and extensive practical experience in corporate management, medicine and pharmaceuticals, financial services, and other fields. Among them, 3 independent directors are professionals in financial accounting, journalism and communication, and pharmacy respectively, and can provide precise support for the Company's decision-making with their respective professional advantages.

Table of Board Members and Their Positions

Name	Gender	Age	Education Background	Major	Position
Liu Zhenteng	Male	40	Master's Degree	Accounting	Chairman, Director, Chairman of the Strategy Committee, Member of the Nomination Committee, Member of the Remuneration and Appraisal Committee
Liu Zhenfei	Male	38	Bachelor's Degree	Business Administration	Director, Member of the Audit Committee, Member of the Strategy Committee
Han Fengsheng	Male	51	Bachelor's Degree	Pharmacy	Director
Ma Shaohong	Male	43	Bachelor's Degree	Biotechnology	Employee Director
Xu Xia	Female	54	Bachelor's Degree	Financial Accounting	Independent Director, Chairman of the Audit Committee, Member of the Nomination Committee
Guo Yunpei	Male	79	Associate Degree	Journalism and Communication	Independent Director, Chairman of the Remuneration and Appraisal Committee, Member of the Audit Committee
Zuo Min	Male	65	Master's Degree	Pharmacy	Independent Director, Chairman of the Nomination Committee, Member of the Remuneration and Appraisal Committee, Member of the Strategy Committee

Risk Management and Internal Control



Risk Management System

Luoxin Pharmaceutical has continuously deepened its risk management and control philosophy and actively explored multi-dimensional risk management and control pathways that cover diverse scenarios and the entire process. In terms of risk management and control, the Company has focused on risk areas including policies, R&D, costs, and international markets, and continuously optimized differentiated response strategies and measures.

01 Policy risk

In response to industry policy risks arising from the deepening of national medical reform and adjustments to medical insurance policies, the Company has proactively adjusted its business direction and accelerated its transformation into an innovative pharmaceutical enterprise. By focusing on R&D, optimizing its product portfolio, and improving management efficiency, the Company has actively addressed the challenge of shrinking profit margins.

02 R&D risk

In response to R&D risks such as the long cycle and high uncertainty of new drug development, as well as potential clinical failures and R&D delays in the clinical stage, the Company has improved its R&D and innovation management system, strengthened risk assessment at project initiation and key milestones, and optimized project management processes. It has implemented refined management and control from the dimensions of technology, quality, safety, and budget, effectively improving R&D success rate and risk response capability.

03 Cost risk

In response to cost risks arising from fluctuations in raw material prices and rising labor costs, the Company has strictly controlled procurement costs by optimizing supply chain management and implementing strategic procurement practices. At the same time, it has strengthened internal management, improved production efficiency, and optimized human resource allocation, effectively mitigating overall cost risks.

04 International market risk

In response to international market risks, such as exchange rate fluctuations and policy changes during international expansion, the Company has reduced its reliance on a single market through diversified market layouts and the expansion of multiple overseas markets. Meanwhile, it has strengthened exchange rate risk management and used financial derivatives to hedge against exchange rate risks when necessary.

05 Environmental protection risk

In response to environmental protection safety risks arising from the continuous improvement of national environmental protection standards and intensified supervision, as well as potential penalties for the Company's failure to meet standards promptly, the Company has strictly complied with environmental protection laws and regulations, maintained consistent investment in environmental protection and upgraded treatment facilities, carried out environmental protection training to strengthen internal control standards, and enhanced monitoring of key pollution discharge points, effectively mitigating environmental protection risks.

Internal Control and Supervision Mechanism

Luoxin Pharmaceutical attaches great importance to the development of its internal supervision and risk management and control system. In view of the pharmaceutical industry's stringent compliance requirements and complex business processes, as well as the actual needs of corporate governance and standardized operation, the Company has formulated a systematic Internal Audit System in accordance with the Company Law, the Securities Law, and other relevant laws and regulations.

The Company has set up an internal audit department under the Audit Committee, which operates independently as a dedicated internal audit institution and is directly accountable to and reports to the Audit Committee. The internal audit department is staffed with no fewer than two full-time auditors and may engage external professional personnel. The head of the department is nominated by the Audit Committee, appointed and removed by the Board of Directors, has no affiliation with the controlling shareholder, and shall not be concurrently held by the head of the finance department.

The internal audit department is responsible for formulating the annual audit work plan and submitting it to the Audit Committee for deliberation. It carries out audit work based on business processes, prepares and reviews working papers, and regularly submits audit reports and internal control evaluation reports. Upon the completion of audit projects, the department urges the rectification of internal control deficiencies identified in the audits and incorporates follow-up reviews into the annual work plan.

The scope of internal audits covers the Company, its wholly-owned subsidiaries, and equity-method investees over which the Company has significant influence. It encompasses all business processes related to financial reporting and information disclosure, with a particular focus on audits in key areas including external investments, asset disposals, related-party transactions, and utilization of raised funds. The Company regularly assesses the effectiveness of its internal control systems. The internal audit department exercises its audit authority, including the right to review documents and conduct on-site inspections, in accordance with the law. It actively cooperates with external audit work, assists the Audit Committee in performing its duties, puts forward recommendations on accountability and rectification for violations, and supervises the full implementation of such requirements.

Integrity System

Luoxin Pharmaceutical strictly complies with the Criminal Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, and other laws and regulations concerning bribery, extortion, fraud, and money laundering that materially affect the Company. It has established systems such as the Anti-Commercial Bribery System. Guided by the core principles of strengthening compliance management and solidifying the foundation for law-based operation, the Company is committed to building a solid dual defense of compliant operations and integrity in business conduct.

Based on actual conditions, the Company conducts comprehensive investigations and tiered assessments of potential integrity risks in the work content, business processes, and the systems and mechanisms of each department. It then formulates and implements targeted prevention and control measures to mitigate various integrity risks effectively. Compliance and integrity requirements are fully integrated into all aspects of conduct by employees and partners. They cover not only interactions with government departments, medical and health institutions, and other entities, but also key business processes such as business negotiations, material procurement, project contracting, and the management of personnel, funds, and assets, as well as external collaboration activities. The relevant institutional framework shall strictly comply with applicable national laws and regulations, as well as the Company's internal management norms. Meanwhile, the Company incorporates the effectiveness of integrity risk prevention and control into its integrity performance appraisal system, thereby further standardizing professional conduct and strengthening the ideological foundation for resisting corruption and preventing misconduct. These measures are designed to effectively advance anti-bribery and anti-corruption efforts, help build a corporate image characterized by integrity and compliance with the law, and lay a solid foundation of compliance and integrity to ensure the Company's long-term and steady development.

In addition, Luoxin Pharmaceutical integrates integrity requirements into the full lifecycle management of suppliers. During the onboarding phase, suppliers are required to sign integrity and compliance documents, such as the Code of Conduct for Business Partners. Integrity-related risk assessments are conducted during the compliance review process, and integrity performance is incorporated into the comprehensive supplier evaluation system. Suppliers found to have engaged in integrity violations, such as commercial bribery, are immediately disqualified.

Whistleblowing Channels

To further foster a culture of integrity and build a fair, impartial, standardized, and transparent business environment, the Company has established the "Integrity Luoxin" supervision and management mechanism as an important initiative to strengthen compliance governance and protect the legitimate rights and interests of the Company and all stakeholders.

In the process of cooperation with the Company, business partners and other relevant parties may report any misconduct that infringes upon their own or the Company's legitimate rights and interests (including but not limited to bribery, corruption, unfair treatment, trade secret disclosure, sexual harassment, etc.) through the Company's dedicated whistleblowing channels.

Email for supervision and feedback: compliance@luoxin.cn

Anti-Unfair Competition

The Company strictly adheres to the Anti-Unfair Competition Law of the People's Republic of China and other relevant laws and regulations to ensure that its business operations are lawful and compliant. It resolutely prohibits unfair competition and monopolistic practices, and actively upholds market order and a fair competitive environment. The Company upholds the principle of fair competition in all business activities and does not engage in any monopolistic or unfair competition practices. It also actively encourages, supports, and protects the supervision of such acts by all organizations and individuals.

Transparency in Governance



Information Disclosure

Luoxin Pharmaceutical attaches great importance to information disclosure management. In strict accordance with the Securities Law of the People's Republic of China, the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange, the Measures for the Administration of Information Disclosure of Listed Companies and other laws and regulations, the Company has formulated the Information Disclosure Management System, which clarifies that information disclosure must follow the basic principles of being true, accurate, complete, timely and fair.

In terms of internal management, the Company's overall information disclosure management is coordinated and administered by the Board of Directors. The Secretary to the Board takes the lead in organizing and coordinating collaboration among all business departments to carry out information disclosure-related work in a standardized manner, including periodic reports and interim reports. In 2025, the Company disclosed a total of 161 documents. The Company discloses information through the designated information disclosure platforms of the Shenzhen Stock Exchange and compliant media outlets to ensure that all investors have equal and convenient access to the Company's information. Meanwhile, the Company has put in place a standardized management and accountability tracing mechanism for personnel involved in information disclosure, providing a solid institutional guarantee for the compliant and orderly implementation of information disclosure work.

161 Copy(ies)

Publicly disclosed documents

Case ESG Specialized Training

In 2025, the Company organized an ESG specialized training for its senior management. The training closely focused on the regulatory requirements for ESG information disclosure of A-share listed companies, systematically interpreted relevant national policies, laws, and regulations, and conducted an in-depth analysis of the key points and practical standards for ESG information disclosure. This initiative is designed to further enhance the standardization, accuracy, and transparency of the Company's ESG information disclosure, facilitate its transition from "passive compliance" to "proactive and standardized disclosure", continuously foster a responsible market image, and lay a solid foundation for its long-term and high-quality development through improved information disclosure.

Investor Communication

Luoxin Pharmaceutical upholds the philosophy of high efficiency, transparency, openness, and pragmatism in investor communication and treats investor relations management as a key measure to improve corporate governance and elevate governance standards. The Company strictly complies with laws, regulations, and regulatory requirements. Based on comprehensive, timely, and standardized information disclosure, it continuously deepens exchanges and interactions with investors, enhances investors' understanding and recognition of the Company's strategies and operational development, fosters a sound corporate culture that respects and protects investors, and promotes the synergistic maximization of corporate value and shareholders' interests.

The Company always prioritizes the protection of the legitimate rights and interests of small and medium-sized investors, actively strengthens communication and collaboration with various investors, research institutions, and media, and continuously consolidates its investor relations management. It has established diverse and regular communication channels, creating an efficient two-way mechanism through various means, including investor visits and inquiries, online interactions, telephone communications, and on-site visits. In 2025, the Company conducted investor exchanges through the Hudongyi Platform, the investor hotline, and other channels. Among them, it responded to 63 inquiries on the Hudongyi Platform, received 2 on-site visits, and participated in 1 online collective reception day for investors.

With a sustained, transparent, and multi-channel communication mechanism, the Company has further deepened investors' understanding and recognition of its development, forged stable and sound investor relations, and laid a solid foundation for its sustained and steady development in the capital market.

Case Online Collective Reception Day for Investors

On May 15th, 2025, Luoxin Pharmaceutical participated in the "Online Collective Reception Day for Investors of Listed Companies in Shandong and 2024 Online Performance Briefing". The Company's senior management team held an online interactive session with investors and provided detailed responses to market concerns, including the profit drivers and the sustainability of its performance in 2024 and Q1 2025 performance. This activity served as an efficient communication bridge between the Company and its investors. By promptly addressing market concerns, it effectively boosted investor confidence and further elevated the Company's investor relations management capabilities and capital market image.



Appendix I: Key Performance Indicators

Indicator	Unit	2025
Economic Performance		
Operating income	RMB 10,000	227,345.77
Tax amount	RMB 10,000	18,970.28
Total assets	RMB 10,000	372,529.25
Net assets attributable to shareholders of the listed company	RMB 10,000	116,403.54
Governance Performance		
Number of board members	Person(s)	7
Number of female directors	Person(s)	1
Percentage of female directors	%	14.29
Number of board meetings held	Time(s)	15
Number of independent directors	Person(s)	3
Percentage of independent directors	%	42.86
Number of general meetings held	Time(s)	7
Number of Special Meetings of Independent Directors held	Time(s)	3
Number of Audit Committee meetings held	Time(s)	8
Number of Strategy Committee meetings held	Time(s)	2
Number of Nomination Committee meetings held	Time(s)	3
Number of Remuneration and Appraisal Committee meetings held	Time(s)	7
Number of Party Organizations	Unit(s)	10
Number of Party Members	Person(s)	375
Funds for Party-building activities	RMB 10,000	50
Number of Party-building activities	Time(s)	23
Publicly disclosed documents	Copy(ies)	161

Indicator	Unit	2025
Number of performance briefings	Time(s)	1
Response to investor inquiries	Time(s)	63
Receive on-site visits	Time(s)	2
Environmental Performance		
Scope 1 GHG emissions	tCO ₂ e	9,179.83
Scope 2 GHG emissions	tCO ₂ e	30,506.82
Total GHG emissions (Scope 1 and Scope 2)	tCO ₂ e	39,686.65
Environmental Protection Investment	RMB 10,000	1,401.32
Electricity consumption	kWh	57,494,944.45
Natural gas	m ³	4,595,347
Water consumption	T	684,418.37
Hazardous waste generation	T	353.36
Non-hazardous waste generation	T	955.41
Quantity of recyclable waste generated	T	237.73
Number of environmental protection training sessions	Time(s)	44
Number of employees trained in environmental protection	Person-time(s)	2,268
Total duration of environmental protection training sessions	Hour(s)	170
Number of emergency training sessions	Time(s)	14
Number of employees covered by emergency training	Person-time(s)	519
Total duration of emergency training	Hour(s)	46
Environmental protection emergency drills	Time(s)	15
Number of participants in environmental protection emergency drills	Person-time(s)	537

Appendix II: Indicator Index Table

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

Indicator	Unit	2025
Social Performance		
Total number of employees	Person(s)	2,962
Number of veteran employees	Person(s)	25
Number of employees with disabilities	Person(s)	2
Percentage of male employees	%	55
Percentage of female employees	%	45
Percentage of employees aged under 29	%	30
Percentage of employees aged 30–49	%	68
Percentage of employees aged 50 and above	%	2
Percentage of employees with an associate's degree or lower	%	58
Percentage of employees with a bachelor's degree	%	37
Percentage of employees with a master's degree or higher	%	5
Number of employee training sessions	Time(s)	196
Employee training expenses	RMB	153,862.64
Total number of employees participating in trainings	Person-time(s)	6,119
Total training hours of employees	Hour(s)	1,641.01
Number of R&D personnel	Person(s)	109
R&D investment	RMB 10,000	10,748.39
Number of safety training sessions	Time(s)	173
Number of employees in safety training	Person(s)	25,797
Cumulative number of granted patents	Item(s)	375
R&D projects	Item(s)	20
Total number of suppliers	Supplier(s)	1,420

Dimension	Topic	Article	Chapter
Environmental	Response to Climate Change	Article 21–28	Response to Climate Change
	Pollutant Discharge	Article 30	Green Operations
	Waste Disposal	Article 31	Green Operations
	Ecosystem and Biodiversity Protection	Article 32	Not applicable ¹
	Environmental Compliance Management	Article 33	Environmental Management System
	Energy Utilization	Article 35	Green Operations
	Water Resources Utilization	Article 36	Green Operations
	Circular Economy	Article 37	Green Operations
Social	Rural Revitalization	Article 39	Social Contributions and Philanthropy
	Social Contributions	Article 40	Social Contributions and Philanthropy
	Innovation-Driven	Article 42	Innovation-Driven Industrial Upgrading
	Ethics of Science and Technology	Article 43	Not applicable ²
	Supply Chain Security	Article 45	Supply Chain Management
	Equal Treatment to Small and Medium-Sized Enterprises	Article 46	Not applicable ³
	Product and Service Safety and Quality	Article 47	Product Responsibility and Quality Safety
	Data Security and Customer Privacy Protection	Article 48	Product Responsibility and Quality Safety
	Employees	Article 50	Employee Interests and Development Employee Care and Well-being Occupational Health and Safety
	Governance	Due Diligence	Article 52
Stakeholder Communication		Article 53	ESG Governance
Anti-Commercial Bribery and Anti-Corruption		Article 54	Risk Management and Internal Control
Anti-Unfair Competition		Article 55	Risk Management and Internal Control

¹ The Company does not maintain any production bases or operation sites located in nature reserves, ecological conservation habitats, sensitive ecosystem areas or ecologically fragile areas.

² The Company has not engaged in scientific research or technological development activities in the sensitive areas of artificial intelligence and other related technologies.

³ During the reporting period, the Company did not have any situation of overdue payment of funds to small and medium-sized enterprises. Therefore, this issue is not applicable to the Company.

Appendix III: Feedback Form

Dear Readers,

Thank you for reading the 2025 Environmental, Social, and Governance (ESG) Report of Luoxin Pharmaceutical Group Stock Co., Ltd. To provide you and other stakeholders with more professional and valuable corporate ESG information, we kindly request your assistance in completing the relevant questions in this feedback form. Your input will help us further enhance our ESG performance in the future.

1、Your relationship with Luoxin Pharmaceutical is:

Employee Customer Supplier Regulatory Authority Media Others _____ (Please specify)

2、Your overall evaluation of the Report:

Excellent Good Fair Poor Very Poor

3、Your evaluation of the structure of the Report:

Highly reasonable Reasonable Fair Poor Very poor

4、Your evaluation of the layout design and presentation of the Report:

Excellent Good Fair Poor Very Poor

5、Your evaluation of Luoxin Pharmaceutical's overall performance on environmental issues:

Excellent Good Fair Poor Very Poor

6、Your evaluation of Luoxin Pharmaceutical's overall performance on social issues:

Excellent Good Fair Poor Very Poor

7、Your evaluation of Luoxin Pharmaceutical's overall performance on governance issues:

Excellent Good Fair Poor Very Poor

8、Your comments and suggestions on Luoxin Pharmaceutical's ESG practices:
