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# Jiangsu Hengrui Pharmaceuticals Co., Ltd.

## Environmental Management Policy

### 1 Purpose

Jiangsu Hengrui Pharmaceuticals Co., Ltd. (hereafter “Hengrui Pharma”, “the Company” or “We”) fully recognizes the environmental impacts of its productions and operations. We are committed to building a green enterprise that is environment-friendly and resource-efficient, effectively responding to climate change and protecting the ecology for mankind by building a comprehensive environmental management structure and system, implementing standardized and efficient environmental control initiatives, and continuously promoting pollutant emission reduction and energy conservation.

This Policy is formulated to further regulate and specify the requirements and work regulations regarding environmental management for employees at all levels in the Company and its subsidiaries.

### 2 Scope

This Policy applies to all the Company’s and its subsidiaries’ full-time, part-time, and temporary employees. Our business partners are encouraged to comply with this Policy.

### 3 Compliance with External Laws and Regulations

The Company complies with the *Environmental Protection Law of the People’s Republic of China*, the *Energy Conservation Law of the People’s Republic of China*, the *Water Law of the People’s Republic of China*, the *Water Pollution Prevention and Control 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 the Prevention and Control of Environmental Pollution Caused by Solid Wastes*, the *Soil Pollution Prevention and Control Law of the People’s Republic of China*, the *Law of the People’s Republic of China on Noise Pollution Prevention and Control*, the *Law of the People’s Republic of China on Environmental Impact Assessment*, and all other applicable environmental laws and regulations.

### 4 Governance of Environmental Management

The Strategy Committee, under the Board of Directors, is in charge of examining, overseeing and taking responsibility for the relevant environmental management matters involved in this



Policy. The Strategy Committee consists of six directors, including one independent director: Mr. Sun Piaoyang, Ms. Jiang Sumei, Mr. Zhang Lianshan, Mr. Dai Hongbin, Ms. Guo Congzhao, and Mr. Dong Jiahong (independent director).

#### Division of responsibilities for environmental management

Strategy Committee: As the final supervisory authority of environmental management, the Strategy Committee is responsible for proposing and evaluating corporate environmental management objectives, and environmental strategies and plans, as well as monitoring and overseeing the implementation of environmental-related policies and progress toward objectives on a regular basis

EHS Management Department: The EHS Management Department is responsible for implementing environmental management tasks and coordination, supervising and guiding each unit to carry out environmental management activities; the EHS departments of each manufacturing operation of Hengrui Pharma execute the environmental management, rectification and improvement work as required by the superiors.

## **5 Environmental Objectives**

The Company has developed the *Hengrui Pharma 2021-2025 EHS Plan*, outlining its EHS priorities between 2021 and 2025.

- Objective for building environmental management system: By 2025, at least three manufacturing operations will have passed the environmental management system certifications
- Objective for solid waste management: Continuous standardized management of solid wastes will be implemented to expedite the process of comprehensive reutilization; by 2025, at least 70% of the hazardous wastes will be reutilized. In 2024, the Company's total solid waste emission will decrease by 1.9% compared to 2023.
- Objective for the management of ammonia nitrogen emission: In 2024, the Company's ammonia nitrogen emission will be reduced by 1.2% compared to 2023.
- Objective for VOCs (Volatile Organic Compounds) Management: In 2024, the Company's VOCs emissions will decrease by 3.0% compared to 2023.

## **6 Control Measures**

### **6.1 Environmental performance assessment and management**

The Company has developed the *Measures for EHS Management Assessment (For Trial Implementation)*, and has made environment-related performance one of the key indicators affecting the executive pay through the signing of annual target responsibility letters and the



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implementation of incentives in the form of rewards and penalties.

## **6.2 Management of Air Emissions, Wastewater, and Waste**

### **6.2.1 Air Emissions Management**

The Company places emphasis on the treatment of exhaust gases generated in its productions and experiments, and focuses on controlling and reducing emissions at source, in an effort to minimize the adverse impact on atmospheric environment. We have developed a series of rules and regulations including the *Exhaust Gas Discharge Management System*, and the *Standard Operating Procedures for Exhaust Gas Treatment Systems*, which serve as guidelines for us to treat the exhaust gases generated in production workshops and laboratories with strict and effective treatment techniques, ensuring the exhaust gases are emitted in line with standards after treatment. Additionally, the Company has also made continuous efforts in upgrading and renovating exhaust gas collection and treatment facilities to enhance its treatment capacity and efficiency.

#### Air Emissions Management Objective

Ensure the exhaust gases generated are emitted in line with relevant standards, based on which the efficiency of exhaust gas treatment facilities is continuously enhanced to lower the concentration of exhaust gas emission.

#### Air Emissions Management Measures (including but not limited to)

- Production workshop exhaust gases: Waste gases containing volatile organic compounds are discharged according to the standard after “pretreatment + absorption + activated carbon adsorption/regeneration treatment”; waste gases containing dust are treated by dust removal facilities such as filters and sinter-plates.
- Laboratory exhaust gases: Waste gases are collected by fume hoods and universal exhaust hoods, and treated by filtering or absorption device; absorption materials are changed on a regular basis to enhance treatment efficiency.

### **6.2.2 Wastewater Management**

The Company has developed internal rules and regulations including the *Rainwater and Wastewater Discharge Management System*, and the *Standard Operating Procedures for Wastewater Treatment Systems*. We are committed to continuously reducing the amount of wastewater generated by its operational activities, strictly implementing wastewater disposal, and eliminating the illegal discharge of wastewater. In order to further improve our environmental management standard, we have also implemented key control measures such as the assessment of wastewater discharge indicators for personnel in charge of environmental management.

#### Wastewater Management Objective



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Ensure wastewater is discharged according to relevant standards, reduce wastewater discharge concentration, improve and strengthen the pipeline network for channeling wastewater, and continuously prevent wastewater leakage during channeling.

Wastewater Management Measures (including but not limited to)

- Wastewater generated in production activities, domestic wastewater, rainwater and roughly-treated wastewater are collected in line with the principle of “treating rainwater and wastewater separately, treating clean water and wastewater separately, adopting treatment measures according to different water quality”;
- Strictly supervise and monitor the discharge and transportation of wastewater to ensure the contaminants in water are stable and can be discharged according to relevant standards.

### **6.2.3 Waste Management**

The Company attaches great importance to the collection, storage, transportation and whole life-cycle management of wastes, ensuring long-term compliant waste disposal and zero discharge of solid wastes. We have formulated internal rules and regulations such as the *Waste Management Procedures*, the *Solid Waste Management Regulations*, and the *Solid Waste Utilization and Disposal Procedures* to regulate waste storage, transportation and disposal following the “Reduce, Reuse and Recycle” principle. By doing so, we aim to guarantee safety throughout the process of waste disposal and continuously improve the reutilization rate.

Waste Management Objective:

We aim to reutilize at least 70% of hazardous waste by 2025.

Waste Management Measures (including but not limited to)

- Advocate green practices and environmental protection, encourage employees to use less papers, and initiate Clean Your Plate Campaign, so as to reduce domestic and food waste generation at source.

In accordance with the *Pollution Control Standards for Hazardous Waste Storage*, we have set up a special temporary storage room to store hazardous wastes. Additionally, by adopting measures such as impermeable hardened ground, guide drainage trenches and anti-seepage trays, and formulating special emergency plans, we aim to prevent any environmental risks caused by the leakage of hazardous wastes.

### **6.3 Environmental System Certification and Management**

At Hengrui Pharma, all the manufacturing operations have established Environmental Management Systems, and we will continue to facilitate all manufacturing operation companies to obtain relevant certifications such as the ISO 14001. We carry out regular internal and external environmental supervision and audits on our member companies that have obtained



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environmental management certifications as required.

- We conduct annual internal audits on core manufacturing operations, and three-year audits on remaining member companies.
- We have contracted with independent third-party certification organizations to conduct annual supervisory audit on the environmental management systems of our member companies that have passed the certification and a recertification (renewal) audit every three years.

#### **6.4 Resource and Energy Management**

- The Company has developed rules and regulations such as the *Procedure for Resource and Energy Management* to regulate the utilization of resource and energy, thus ensuring that the resource and energy management is legal and compliant.
- The Company continues to upgrade and renovate its energy and water conservation projects, and actively deploys photovoltaic power generation projects to increase the proportion of renewable energy utilized, improve its energy mix, and enhance the efficiency of resource and energy use.
- Since 2018, the Company has conducted annual statistics and accounting of carbon emission data to continuously track and improve environmental performance.

#### **6.5 Green Office**

The Company has formulated the *Management Regulations on Administrative R&D Building*, and the *Vehicle Fueling and Maintenance Management Process*, among other rules and regulations, to fully implement the low-carbon, energy-efficient green office initiative and green operation mode by promoting green travel, paperless office, and optimizing transportation management.

#### **6.6 Green Supply Chain**

The Company has developed the *Supplier EHS Audit Management Procedures* to ensure that the environmental qualifications and performance of suppliers meet the Company's requirements, and to minimize pollutant emissions from the product supply chain and the environmental impacts of the service providers' operations.

#### **6.7 Response to Climate Change**

At Hengrui Pharma, we have incorporated climate change and related issues into corporate governance, as well as sustainability management and decision-making. In response to extreme



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weather or major events caused by climate change, we have developed a comprehensive emergency response system and emergency work plan to enhance our climate resilience.

## **7 Environmental Protection Training and Promotion**

The Company carries out environmental protection trainings for employees and related management personnel from time to time, and conducts environmental protection promotion campaigns in important days such as the “6.5 Environment Day” to comprehensively enhance employees' awareness of environmental protection.

## **8 Availability and Revision**

This Policy is available to all the Company’s employees. The Company reserves the right to revise, alter or repeal the Policy at any time for any reason. The Company will review this Policy regularly and revise it when necessary. When this Policy is updated, the Company will notify its employees in time. The latest version of the Policy will be available on the official website of the Company: <https://www.hengrui.com/>.