

# **Grand Pharmaceutical Group Limited**

## **Environmental Management Policy**

### **Chapter I General Provisions**

Article 1 Grand Pharmaceutical Group Limited (hereinafter referred to as, "Grand Pharma", the "Company", "we" or " us") adhere to the environmental management principle of “Legal compliance, Source prevention, Process control, End treatment, Technology upgrade”, and actively undertake and practice the environmental responsibility of energy conservation and environmental protection, so as to reduce the impact of business operations on the environment.

Article 2 The use of energy and resources and emissions from the operational activities carried out by the Company shall comply with the relevant laws and regulations and industry standards applicable in the places where we operate, including but not limited to the Environmental Protection Law of the People's Republic of China (《中华人民共和国环境保护法》), the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (《中华人民共和国固体废物污染环境防治法》), and the Water Law of the People's Republic of China (《中华人民共和国水法》), among others.

Article 3 This policy applies to all operational activities carried out by Grand Pharma and its member companies, and suppliers, customers, subcontractors, and other key business partners of Grand Pharma and its member companies are encouraged to comply with this policy.

### **Chapter II Environmental Management**

Article 4 The Company is committed to managing climate change risks on a regular basis, incorporating climate change assessment factors into its business operations, and proactively identifying and responding to all types of climate change risks and opportunities.

Article 5 The Company is committed to improving the efficiency of energy usage, optimising the energy management system, and reducing carbon emissions through energy-saving technological reforms, operation and maintenance of energy equipment and facilities and introduction and promotion of energy-saving equipment, as well as

introduction of new energy sources.

Article 6 The Company is committed to continuously optimising its water resources management, constantly improving its water resources system, actively implementing water recycling and water conservation measures in order to increase the utilisation rate of water resources.

Article 7 The Company is committed to reducing the use of non-environmentally friendly packaging materials and encouraging the recycling of packaging materials.

Article 8 The Company is committed to strict control of emissions such as waste gas, solid waste and waste water to ensure that all pollutants are handled in a compliant manner and discharged in accordance with standards.

Article 9 The Company is committed to organising regular training on environmental management for all employees to enhance their awareness of environmental protection, energy saving and emission reduction. We are committed to communicating our environmental policies and requirements to external stakeholders including suppliers and contractors, creating beneficial effects for the environment and society.

Article 10 The Company is committed to setting quantitative environmental objectives, developing plans to achieve them, and continuously improving environmental performance to reduce environmental impacts.

Article 11 The Company is committed to integrating environmental management into its overall business strategy, including operations, products and services, distribution and logistics, due diligence, mergers and acquisitions.

Article 12 The Company is committed to deepen the communication and engagement with employees, suppliers, contractors, among other stakeholders, raising the environmental awareness of internal and external stakeholders through regular disclosing of the Company's progress in environmental protections and propaganda activities.

### **Chapter III Oversight**

Article 13 This policy has been reviewed and approved by the Strategy and ESG (Promotion) Committee.

Article 14 The Board of Directors of the Company is responsible for regularly reviewing the environmental policy and environmental management performance, and overseeing the Company's environmental performance, the implementation of the environmental policy and the progress in achieving the environmental objectives.

#### **Chapter IV Supplementary Provisions**

Article 15 Any matters not mentioned in this policy or in conflict with relevant laws, regulations and normative documents shall be executed in accordance with such relevant laws, regulations and normative documents.

Article 16 This policy is formulated, revised and interpreted by the Company's ESG Working Group and shall take effect from the date of issuance.